



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory body under an Act of Parliament)



ROLE OF CMA IN INVENTORY VALUATION

(Under section 142 (2A) of the Income Tax Act, 1961)

The Newsletter of Northern India Regional Council
October-December 2023



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ABOUT US

The Institute of Cost Accountants of India (erstwhile The Institute of Cost and Works Accountants of India) was first established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.

On 28th May 1959, the Institute was established by a special Act of Parliament, namely the Cost Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of cost and management accountancy.

It has since been continuously contributing to the growth of the industrial and economic climate of the country.

The Institute of Cost Accountants of India is the only recognized statutory professional organization and licensing body in India specializing exclusively in Cost and Management Accountancy.

Ideals the Institute stands for

- To develop the Cost and Management Accountancy profession
- To develop the body of members and properly equip them for functions
- To ensure sound professional ethics
- To keep abreast of new developments.

About Northern Region

The Northern India Regional Council is located at New Delhi has jurisdiction over 9 States and UTs the states of National Capital Territory of Delhi, Uttar Pradesh, Uttarakhand, Rajasthan, Punjab, Himachal Pradesh and Jammu & Kashmir.

MISSION STATEMENT

"The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in socio-economic context through competencies drawn from the integration of strategy, management and accounting"

VISION STATEMENT

"The Institute of Cost Accountants of India would be preferred source of resources and professionals for financial leadership of enterprises globally."



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ROLE OF CMA IN INVENTORY VALUATION

(Under section 142 (2A) of the Income Tax Act, 1961)

Together we can make great things happen and do the miracle. **"MAI NAHI HUM"** (I to We) portal was launched by Honourable Prime Minister **Mr. Narendra Modi** for volunteering efforts and initiatives with a vision to create a New India by combining strengths, connecting, and contributing to the society. Indian economy is in shambles and is one of the fastest-growing major economies in FY22/23 at 7.2%. India's growth rate was the second highest among G20 countries and almost twice the average for emerging market economies.

A phenomenon of cost consciousness took shape in the country and the Institute of Cost and Works Accountants of India was set up in 1944 with the objectives of promoting, regulating, and developing the profession of cost accountancy in the country. The effective cost accounting and cost audit was recommended by Committees (the Government appointed two-man Committee consisting of Sarvashri Daphtary and Sastri, to examine the recommendations contained in the Report of Vivian Bose Commission and to suggest suitable remedial measures after Dalmia-Jain Corporate Fraud) and section 209(1)(d) & 233B was inserted by Companies Amendment Act 1965 in Companies Act 1956. The role of Cost and Management Accountants in nation-building and making New India is crucial. Cost and Management Accountants play a prominent role in achieving cost competitiveness with a plethora of tools.

The Finance Bill 2023 aimed to amend Section 142 of the Income Tax Act relating to the inquiry before assessment. India has taken a major step forward by introducing the concept of inventory valuations by Cost Accountants in specific cases. The amendment to Sub-section (2A) empowers Assessing Officers to request a valuation of the assessee's inventory by a cost accountant. This amendment allows assessing officers to require an inventory valuation in addition to any audit under the same section.

This issue of our Newsletter presents articles on the Role of CMA in Inventory Valuation under section 142 (2A) of the Income Tax Act, 1961. We have also tried to incorporate the wonderful insights on statutory updates. We look forward to constructive feedback from our readers. We are thankful to all the contributors to this issue and hope our readers will enjoy reading.

CMA Kalyani Karna, Editor

(Please send your emails to nirc@icmai.in for any queries)



CHAIRMAN'S COMMUNIQUE

CMA Satya Narayan Mittal

Chairman NIRC of ICMAI

Dear Professional Colleague,

I wish all the members, students and their family a very Happy & Prosperous New Year. May this year bring you success in all your future endeavours.

I always pray to the Almighty to give me the strength to shoulder the onerous responsibilities.

At the outset, I convey my heartiest congratulations to entire CMA Fraternity for the grand success of the **Northern India Regional Student Convention** organised by the **Northern India Regional Council** on the theme of "**Role of CMA in Rashtra Nirman**" on 23.12.2023 at Scope Complex New Delhi.

Shri Om Birla Hon'ble Speaker of Lok Sabha was the **Chief Guest** of the Convention, who inaugurated the convention and delivered his message to all the participants during the session.

CMA R.P. Goyal (DF, NHPC), CMA Sanjay Jindal (DF, EIL), CMA Baldev Kaur (DF, NBCC), CMA Anu Kukreja (DF, NDMA) and CMA Parmanand Goyal (ED-Finance, IOC Ltd) graced the program as Guests of Honour.

The program commenced with ceremonial lamp lighting, and Chairman CMA S.N. Mittal welcoming all guests, including CMAs, the newly passed Brand Ambassadors, and participants, extending best wishes for a bright future. The theme of the event, as explained by Vice Chairman CMA Rakesh Yadav, was "Role of CMA in Rashtra Nirman."

Hon'ble Om Birla Ji, Speaker- Lok Sabha, emphasized India's rapid progress globally and highlighted the significant contribution of India in every sector. He commended the Institute of Cost Accountants of India for their commitment to the development of India and expressed his support towards building a developed India by 2047. He stressed the importance of cost accountants in business, industry, services, and the

government sector for effective financial management. He urged young cost accountants to bring innovation and improve the quality of Indian products to compete globally. The chief guest also awarded medals to All India Rank holders among the CMA students.

Distinguished honourable guests highlighted CMA's role in industry and management for nation-building.

Central Council Members CMA Manoj Kumar Anand, CMA Navneet Jain, CMA R.S. Bhati and Regional Council Members CMA Manish Kandpal and CMA Jeewan Chandra shared their thoughts and congratulated all students. The program was conducted by Secretary CMA Santosh Pant, and vote of thanks was given by Treasurer NIRC CMA Madhuri Kashyap.

Approximately 300 new CMAs, chapter chairmen, council members, and parents actively participated in the program. The Student convention was very much appreciated by all the participants and stake holders.

Northern India Regional Chapters Meet

Northern India Regional Council In association with Regional Council & Chapter Coordination Committee of the institute organised Northern Region Chapters Meet at Holy city of Haridwar, Uttarakhand on 16th Dec 2023 in which more than 24 Chapters representatives of Northern Region Chapters, Council Members, NIRC Team, RC & CCC members and others participated.

The meet was well appreciated for its endeavour to acknowledge the active efforts of Chapters in disseminating professional knowledge amongst members, students and other stakeholders of the respective area.

CMA B.B.Nayak (Vice-President ICAI), CMA Vinayranjan P. (Chairman-RC & CCC), CMA S.N.Mittal (Chairman-NIRC of ICAI) CMA R.S.Bhati, CMA M.K.Anand, CMA TCA Shrinivas Prasad (CCM), CMA Rakesh Yadav (Vice-Chairman,NIRC), CMA Santosh Pant (Secretary-NIRC) CMA Madhuri Kashyap (Treasurer-NIRC), CMA Honey Singh, CMA Manish Kandpal, CMA Jeewan Chandra (RCM-NIRC of ICAI) and others graced the event with their presence and motivating thoughts for the CMA profession.

The dignitaries encouraged for active and robust coordination mechanism between Chapters, Regional Council and Central Council for a unified and impactful growth for the profession and its various stakeholders. This was full day meet and great significance, importance to the proceeding and deliberations, various issues of Chapters discussed in meet with a view to streamline all activities related to Chapters.

77th Independence Day

The 77th Independence Day was celebrated on 15.08.2023 in the premises of the Institute. All the Regional Council Members and the Central Council Members graced this occasion by their presence at the

NIRC Lawn. The National flag was hoisted by the Regional Council with a speech from each of the Regional Council Members.

Practitioner cum Members Meet

NIRC of ICAI organised a Practitioner cum Members Meet on 26.08.2023 at CMA Bhawan, Delhi. The Chief Guest was CMA Ashu Mathur, Addl. Chief Advisor Cost, Ministry of Expenditure, (Govt. of India). The Key Note Speaker was CMA Ravi Kumar Sahani and CMA Sankalp Wadhwa, Practising Cost Accountant. About 125 Members participated in the Program.

Online Chapters Meet

NIRC of ICAI organised an online Northern Region Chapters Meet in which issues regarding Membership Fee dues were discussed. The NIRC Administration was advised to follow up all members to deposit their dues till 17/11/2023. Other Chapter related matters were also discussed during the meet.

Student Counselling Programmes

1. NIRC of ICAI conducted the Students Counselling Programme on 27.08.2023 at CMA Bhawan, new Delhi in which more than 100 students participated.

2. NIRC of ICAI conducted the Students Counselling Programme on 17.09.2023 at CMA Bhawan, Delhi. The keynote Speaker were CMA Balwinder Singh Former President of ICAI and Shri Jyoti Prakash Gadia, Former Government Nominee of ICAI.

CMA Balwinder Singh, Former President of the Institute guided the students on the “**Examination Tips**” and Shri Jyoti Prakash Gadia, former Govt. Nominee addressed the students on “**Entrepreneurship**”.

3. NIRC of ICAI organised a student counselling programme for the students to have wonderful insights and various aspects of the benefits of industrial training for the students on 19th October 2023. This counselling seemed to be very informative for participants and it remained interactive.

CMA Rajesh Aggarwal, G.M. Finance, PFC motivated the students by his presence in this event.

Pre Placement Orientation Programme

The “**Pre- Placement Orientation Programme (PPOP)**” was conducted from 10.10.2023 to 20.10.2023. This programme was conducted for preparing the students for the campus placement. Our **Idols** were **CMA Paramanand Goel, Executive Director Finance, Madam Reva Sethi, E.D. Finance at HUDCO and Vice- President (H.R.) J.K. Laxmi Cement Ltd**

Campus Placement

This campus placement was held between 30.10.2023 to 01.11.2023 at CMA Bhawan, Lodhi Road. It was a huge success as approx. 12 companies participated in the 3 days programme and approx. 60 students got placed in different companies.

Seminar on Inventory Valuation U/S 142(2A)

NIRC of ICAI organised a Seminar on Inventory Valuation U/s 142 (2A) of the Income Tax Act on 29.11.2023. The Keynote Speaker of the seminar was CMA Chandra Prakash Kalra Practicing Cost Accountant. The seminar was very informative and interactive for members. More than 120 members participated in the program.

In the end I extend warm regards and wishes to all the CMA fraternity for their bright and shining future.

With warm regards and wishes.



SECRETARY'S COMMUNIQUE

CMA Santosh Pant

Secretary NIRC of ICMAI

Dear Professional Colleagues,

As we step into a new year filled with hopes and courage. It brings me great pleasure to connect with each one of you through the page of our beloved magazine. Our magazine has always been a great source for professional knowledge and thought provoking ideas inline with our core domain. In the ever-evolving land scape of today's world where challenges are emerging in and out, our commitment to deliver quality content remains steadfast. Our professional magazine has been a beacon of enlightenment, offering insightful articles, and the in sort of activities are being performed at Chapter Level.

- Our near-term focus will be on to engage professional colleagues in technical enhancement through the content writing in NIRC magazine, delivering technical lectures at NIRC platform with other professional bodies.
- We at NIRC always welcome innovative ideas with execution plan for any professional development and the available support- will be deployed as per need. Perhaps that's the World we all are imagining.
- As we all know we have very good team at central council and the way we are moving through different central committees will certainly reach out to everyone. NIRC is also trying to connect with state agencies for our professional alignment, and for the recall of our presence at every publication and at the required stands.
- In the upcoming magazine issues, we can anticipate a rich tapestry of Articles covering a wide spectrum of topics- from the emerging innovation to regulatory needs.

I extend my gratitude to the entire fraternity for their dedication and kind support. Together, we as a family will continue to elevate the brand CMA of our profession.

Thank you for being part of the NIRC magazine as a member and a well-wisher.

Cheers,



ARTICLES



CMA
Chander Prakash Kalra



CMA
Anurva Banerjee

Correctness of valuation of Inventories is of prime importance for true and fair reporting of the Annual Financial Statements to various stake holders including revenue authorities for determination of Income Tax payable by the Assessee

Background:

The Finance Act 2023 introduced an amendment in section 142 under clause 71 and substituted clause 2A of section 142 to include inventory valuation during the inquiry proceedings being conducted by the Assessing Officer before an assessment order is passed under The Income Tax Act, 1961.

The new sub clause(ii) inserted under Clause 2A of the Finance Act, 2023 is reproduced as below:

(ii) to get the inventory valued by a cost accountant, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such inventory valuation in the prescribed form duly signed and verified by such cost accountant and setting forth such particulars, as may be prescribed, and such other particulars as the Assessing Officer may require:

Provided that the Assessing Officer shall not direct the assessee to get the accounts so audited (under sub clause (i) by a chartered Accountant) or inventory so valued unless the assessee has been given a reasonable opportunity of being heard.

Factors considered for ordering a special audit for Inventory Valuation by Assessing Officer under aforesaid provisions:

Audit ordered by the Assessing Officer Under provisions of Section 142(2A) is a special audit when assessing officer orders the same based on the :

- the nature and complexity of the accounts,
- volume of the accounts,
- doubts about the correctness of the accounts,
- multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and
- the interests of the revenue, and
- is of the opinion that it is necessary to do so.

He may, with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, direct the assessee to get either of or both of the following, namely:

- a) To have the accounts audited by a Chartered Accountant in Practice
- b) To have the inventory valued by a Cost Accountant in Practice

Functions of a Cost Accountant undertaking a special Audit for the Inventory Valuation ordered by the Assessing Officer:

CBDT has amended Income tax Rules ,1962 by Income tax (twenty third) amendment Rules . 2023 substituted following rules:

14A -to prescribe form 6B for the audit report and Form 6D for the purpose of Inventory Valuation under section 142(2A)

14B- providing guidelines for determining the expenses for conducting audit or inventory valuation

The form 6D which is to be used by the Cost Accountant has following contents:

1. Report in the prescribed format stating therein

- That they have conducted examination of inventories
- Has conducted valuation of inventories in accordance with relevant provisions of the Income tax act,1961 and rules under it stating opening value of Inventory & Closing Value of Inventory
- Gove a declaration that they have has obtained all information and explanations required to the best of their knowledge and belief which were necessary for inventory valuation
- Opinion on maintenance of proper records in respect of inventories at head office , other premises and branches visited by them and

proper data has been received from the other premises or branches not visited by them which may be subject to comment, if any

- Opinion on truthfulness & correctness of inventory valuation subject to comments if any
- They have attached prescribed particulars and other particulars as required by Assessing Officer vide the subject order number received and opinion on their truthfulness and correctness of the same
- Declaration that any variation with 3CD or audited accounts, as the case may be which has been adequately explained with reasons & justification thereon.

2. Annexures to above report containing information as under:

PARA 1: Information of the Assessee's place of businesses

PARA 2: Incorporation details

PARA 3: Business activities

PARA 4: Products and services

PARA 5: Books of accounts and other documents for inventory

PARA 6: (i) Method of accounting of inventory and change if any from previous two accounting years

(ii) Software if any used for inventory management system

PARA 7: (i) Method of inventory valuation in

respect of following inventories

(a) Finished (Manufactured Goods)

(b) Stock in Trade

(c) Work in process(WIP)

(d) Raw Materials

(e) By-Products

(f) Intermediary Products

(g) Jigs, Tools & Dies

(h) Stores ,spares and consumables

(I) Scrap

(j) Any other item

(ii) Comment whether there was any change in method of valuation of the above items with reference to method of valuation followed in previous two accounting years

(iii) effect of above if any on profit or loss of accounting year in assessment

(iv) Comment on whether there was any insurance claim relating to inventory due to fire, accident or any other reasons and details thereof

PARA 8: Summarized financial results based on Audited Accounts of the Assessee.

PARA 9: In case of manufactured items quantitative details as under (information to be given at entity level)

(I) Details of RM (inventory of items

constituting 80% of value to be reported item wise)

(ii) (a) Quantitative details of item manufactured /traded and WIP-information to be given -opening balance, manufactured/purchased, qty sold, rejected qty, adjustments. opening WIP and closing WIP

(b) Quantitative adjustments in the above and reasons there of

PARA 10: (i) whether the assessee has conducted physical verification of quantities mentioned I

(ii) Details of discrepancies in any

PARA 11: Whether the valuation is in conformity of Income computation and Disclosure Standards (ICDS) notified under Section 145(2) of the Income Tax Act,1961

PARA 12: Details of Inventory Valuation by Cost Accountant wherever ICDS II is applicable

(I) (a) Finished (Manufactured Goods)

(b) Stock in Trade

(ii) Work in process (WIP)

(iii) Raw Materials

(iv) By-Products

(v) Intermediary Products

(vi) Jigs, Tools & Dies, Stores, spares

and consumables, Scrap, Any other item.

(vii) Summary of Valuation as compared to form 3CD (if 3CD is not furnished then as per Audited Accounts)

(viii) Comparison of method of valuation used by cost Accountant and Assessee and if variation is observed that difference in qty, rate and value along with justification

(ix) Any other comment/observation of Cost Accountant

PARA 13: Valuation of inventories wherever ICDS II is not applicable.

A: Valuation of Inventories of Assessee engaged in construction contracts which are dealt by ICDS III

(i) Valuation of completed units Ready for Sale

(ii) Valuation of construction of work in Progress

(iii) Valuation of construction material

(iv) Valuation of Construction fittings, supporting equipment and others

(v) Summary of valuation construction contracts as per above points As on date of report

(vi) Details of Inventory Valuation carried by Cost Accountant as above

providing method of valuation and its comparison with method used by Assessee, providing reasons of variation in quantities, rates & value

(vii) Any other comment / observation of Cost Accountant

B: Valuation of Inventories engaged in trading of Securities which are dealt with ICDS VIII

I) (a) Valuation of Listed Shares held as Stock in Trade

(b) Valuation of Unlisted shares held as Stock in Trade

ii) Valuation of Debt Securities held as Stock In Trade

iii) Valuation of convertible Securities held as Stock In Trade

iv) Valuation of Debt Securities held as Stock In Trade

v) Summary of Inventory Valuation of Shares, Debentures and other Financial instruments as per point (i) to Point (iv) above as on date of report

vi) Details of Inventory Valuation carried by the Cost Accountant as above, providing method of valuation its comparison with method used by Assessee , providing reasons of variation in quantities , rates & value

vii) Any other comment / observation of the Cost Accountant

C: Inventory Valuation of Livestock, Agriculture and forest products, mineral oil, ores & gases, except those held by trader of such inventories with details as under:

(I) Valuation of Live Stock

(ii) Valuation of Agriculture and forest products

(iii) Valuation of mineral oil, ores & gases

(iv) Summary of comparison of Inventory Valuation as per point (i) to Point (iii) above with 3CD or audited accounts as the case may be

(v) Details of Inventory Valuation carried by Cost Accountant as above providing method of valuation its comparison with method used by Assessee, providing reasons of variation in quantities , rates & value

(vi) Any other relevant information

What is ICDS (Income Computation and Disclosure Standards)

1. The Central Government has notified the income computation and disclosure Standards to be followed by all assessee (other than an individual or a Hindu undivided family who is not required to get his accounts of the previous year audited in accordance with the provisions of section 44AB of the said Act) following the mercantile system of accounting, for the purpose of computation of income chargeable to income-tax under the head "Profits and gains of business"

or profession" or "Income from other sources".

2. These shall apply to the assessment year 2017-18 and subsequent assessment years.

3. There are 10 Standards on different subjects pertaining to income computation and Disclosures by the Assessee while computing his income and furnishing information to Income tax department for assessing their income

In the case of conflict between the provisions of Income Tax Act, 1961 ('the Act') and this Income Computation and Disclosure Standard, the provisions of the Act shall prevail to that extent.

For the purpose Valuation of Inventories following ICDS are to be referred to by the Cost Accountant while performing the inventory valuation under the Section 142(2A)

(i) Income Computation and Disclosure Standard II relating to valuation of inventories

(ii) Computation and Disclosure Standard III relating to construction contracts

(iii) Income Computation and Disclosure Standard VIII relating to securities

Other matter to be considered by cost Accountant while performing valuation under Section 142 (2A)

(I) Accounting Standard 2 of Indian GAPP and IND AS 2 which provides for valuation of inventories

(ii) AS 7-Construction Contracts and Ind AS 115 Revenue from Contracts with Customers which provides for measurement of cost of completed

unit, Work in progress based on the stage of completion of construction units, valuation of construction materials and revenue recognition from construction contracts

(iii) AS 13 – Accounting for Investments and Ind AS 109 Financial Instruments-Recognition, measurement and classification of financial assets

(iv) In cases where Companies (Cost Record & Audit) Rules 2014 are applicable in accordance with Section 148 of the Companies Act, 2013, Inventories are valued in accordance with these rules and applicable cost accounting standards.

Check points while conducting Inventory Valuation as per Order of Assessing Officer

The legislation has bestowed responsibility on Cost Accountants to do inventory valuation as we all understand that if inventory is understated then profit of entity get reduced to the extent of overstatement resulting in incorrect determination of tax liability.

The following are suggested check points while performing Inventory Valuation-

- Check quantitative records of all types of inventories as specified in PARA 12 above. Assessee should provide you records of inventories showing Opening balance, Unit of Measurement, receipts, issues and closing balance.
- Check whether the unit of purchase and unit of issues are same or different, if different check conversion factor like tons into kg, metres into numbers etc
- Check if valuation is done through a software

by generating Price Stores Ledger then determine which method is being used -LIFO, FIFO, weighted average, continuous moving weighted average (ie issue price is determined after every receipt) or monthly weighted average

- Check the valuation of individual transaction on test check basis to ensure that software is using correct logic
- If assessee is not having priced stores ledgers (PSL) in which valuation of issues is done by line wise issue transaction based on opening rate and receipt rates by software itself then how the valuation rate has been determined
- Check procedure of determination of landed cost ie purchase price, refund of taxes, freight, custom duties wherever applicable, transit insurance etc.
- Obtain physical verification report as the end of accounting year and variance with reference book and actual balance has been accounted for

- Perform check of inventory to identify non-moving and slow-moving items and take an appropriate view based order position for their likely consumption or otherwise
- Check shelf-life status of inventories to ensure such items are within the useful life
- Perform input-output analysis of high value items to ensure accuracy in consumption
- Check how overheads have been absorbed on Finished Goods and work in process (WIP) and its consistency with reference to financial accounting standards and Cost Accounting Standards
- Verify the stage of completion of WIP with reference to Bill of Material and manufacturing process
- Confirm the correctness of high value raw material or traded goods or manufactured goods by taking the physical inventory of those items on audit day arrive back physical inventory as on date of reporting.



CMA Manish Kandpal

Chairman
(Cost Audit & Assurance Committee of NIRC-ICMAI)

(Regional Council Member of NIRC-ICMAI)

AN INSIGHT OF INVENTORY VALUATION UNDER INCOME TAX ACT.

What is rule 14A under Income-tax (Twenty Second Amendment) Rules, 2023?

Rule 14A: Forms for report of audit or inventory valuation under section 142(2A):

(1) The report of audit of the accounts of an assessee which is required to be furnished under clause (i) of sub-section (2A) of section 142 shall be in Form No. 6B.

To get the accounts audited by an accountant, as defined in the Explanation below sub-section (2) of section 288, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars, as may be prescribed, and such other particulars as

the Assessing Officer may require.

(2) The report of inventory valuation of an assessee which is required to be furnished under clause (ii) of sub-section (2A) of section 142 shall be in Form No. 6D.

The amendment in section 142(2A) of the Income Tax Act segregated the inventory valuation and audit into two parts. It means that only Inventory Valuation can be asked to be done by a Cost Accountant even when audit under section 142(2A) has not been asked for. At any stage of the proceedings before him, the Assessing Officer, having regard to the nature and complexity of the accounts, the volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts, or specialised nature of the business activity of the assessee, and the interests of the revenue, is of the opinion that it is necessary so to do, he may, with the previous approval of the Principal Chief Commissioner or Chief

Commissioner or Principal Commissioner or Commissioner, direct the assessee to get either or both of the following.

The newly inserted clause (ii) of sub section (2A) of section 142 provides that, if at any stage of the assessment proceedings, the assessing officer, having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and in the interests of the revenue, is of the opinion that it is necessary so to do, then the assessing officer may, with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, direct the assessee to get the inventory valued by a cost accountant, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such inventory valuation in the prescribed form duly signed and verified by such cost accountant. However, the assessing officer can't direct the assessee to get the inventory so valued without granting the assessee a reasonable opportunity of being heard.

This new enabling provision in respect of inventory valuation at the behest of AO has been proposed to ensure that the inventory is valued as per various provisions of Law like section 148 of the Companies Act 2013, mandating maintenance of cost records and its audit by a cost accountant in certain prescribed cases and the Income Computation & Disclosure Standard (ICDS)- II, relating to inventory valuation.

What are the guidelines for the purposes of determining expenses for audit or inventory valuation?

Rule 14B: These guidelines mandate the Chief Commissioner to maintain a panel of accountants and cost accountants for the purposes of clause (i) and clause (ii) of sub-section (2A) of section 142. The expenses of, and incidental to, audit or inventory valuation (including the remuneration of the Accountant or Cost Accountant, qualified Assistants, semi-qualified and other Assistants who may be engaged by such Accountant or Cost Accountant) shall not be less than three thousand seven hundred and fifty rupees and not more than seven thousand and five hundred rupees for every hour of the period as specified by the Assessing Officer under subsection (2C) of section 142.

The period referred to in sub-rule (2) shall be specified in terms of the number of hours required for completing the report. The Accountant or Cost Accountant referred to in clause (i) or clause (ii) of sub-section (2A) of section 142 shall maintain a time-sheet and shall submit it to the Chief Commissioner or Commissioner, along with the bill.

Inserted an Explanation in the said section to define "cost accountant" to mean a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 and who holds a valid certificate of practice under subsection (1) of section 6 of the said Act."

What is Form 6C under Income Tax?

The draft Form No. 6C was formulated for implementing the amendment to sub-section (2A) of Section 142 of the Income-tax Act, 1961, introduced vide the Finance Act, 2023, pertaining to inventory valuation by Cost Accountant. Suggestions/Comments on the draft Form No. 6C have been requested from stakeholders and the general public latest by August 31, 2023 (Notification of Income Tax dated 16th August, 2023).

However, CBDT vide Notification No. 70/2023-Income tax dated 28th August, 2023 inserted new Income Tax Rule 13. Procedure to requisition services under sub-section (2) and to make a reference under sub-section (9D) of section 132, Rule 13A. Valuation under sub-section (9D) of section 132, FORM No. 6C under rule 13 related to Application under section 132(2)/132(9D) of the Income tax Act, 1961. Rule 13, titled "Procedure to requisition services under sub-section (2) and to make a reference under sub-section (9D) of section 132," was officially instated on the date of its publication in the Official Gazette. It was presented as a part of the Income-tax (Nineteenth Amendment) Rules, 2023. Rule 13A lays out a clear procedure for determining the fair market value of different kinds of properties, from immovable properties to pieces of art and shares.

Form 6C (Inserted by the Income Tax (Nineteenth Amendment.) Rules, 2023, w.e.f. 28-8-2023) serves as an application for entities wishing to provide services under section 132(2)/132(9D) of the Income Tax Act, 1961. It demands personal

information, details about the services provided, and relevant qualifications. (Notification No. 70/2023-Income tax | Dated: 28th August, 2023).

What is Form 6D in Income Tax?

Rule 14A: The report of inventory valuation of an assessee which is required to be furnished under clause (ii) of sub-section (2A) of section 142 shall be in Form No. 6D. (Notification No 82-2023 of Income Tax dated 27th September can be referred for the format and annexure of Form 6D).

What are the points to be kept in mind while doing inventory valuation by Cost Accountant?

The following key points should be kept in mind while doing the valuation of inventory:

- Cost Accounting standards: The Cost of Inventory should be determined as per the Cost Accounting Standards issued by the Institute of Cost Accountants of India. If the valuation is contradictory with IND AS 2, proper justification should be given.
- To have clear understanding of inventory management and the production process of company.

What are the cases where ICDS II is not applicable?

ICDS was made applicable from FY 2016-17 (i.e. A.Y 2017-18) as per Notification S.O.892(E) dated 31.03.2015. It is applicable to those Assesses who are maintaining Books of Accounts

under Mercantile system and having Income under head Profits and Gains of Business or Profession and Income from Other Sources.

ICDS (Income Computation and Disclosure Standard) II shall not be applied for valuation of inventories, in following cases:

- Work-in-progress arising under 'construction contract' including directly related service contract which is dealt with by the ICDS-III (Construction contracts).
- Work-in-progress which is dealt with by other ICDS.
- Shares, debentures and other financial instruments held as stock-in-trade which are dealt with by the ICDS-VIII (Securities).
- Inventories of livestock, agriculture and forest products, mineral oils, ores and gases to the extent that they are measured at Net Realisable Value.
- Machinery spares, which can be used only in connection with a tangible fixed asset and their use is expected to be irregular, shall be dealt with ICDS-V (Tangible Asset).

References:

Notification No 82-2023 dated 27th September/Notification No 70-2023 dated 28th August 2023 of Income Tax

ICDS II – Valuation of Inventory

Inventories are assets:

- a. held for sale in the ordinary course of business;
- b. in the process of production for such sale;
- c. in the form of materials or supplies to be consumed in the production process or in the rendering of services.

The costs of purchase shall consist of purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates and other similar items shall be deducted in determining the costs of purchase.

Inclusive Method: Inclusive Method means a method for calculating the Income under Profit or Gain from Business or Profession by including duties and taxes (i.e. including recoverable)

Exclusive Method: Exclusive Method means a method for calculating the Income under Profit or Gain from Business or Profession by excluding duties and taxes (which are recoverable in nature).

Clause 6(i) of Form 6D (Annexure) requires the method of accounting employed with respect to inventory maintained, indicate whether there is any change from the method of accounting employed with respect to inventory maintained in the immediately two preceding previous years as per ICDS II-Valuation of Inventories, which the Cost Accountant has to check, verify, audit, report and qualify for any variances in increase/decrease in profit, net effect and disclosure and its impact on Profit or Loss and Income Tax.

Costs of Conversion:

The costs of conversion of inventories shall include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads shall be those indirect costs of production that remain relatively constant regardless of the volume of production. Variable production overheads shall be those indirect costs of production that vary directly or nearly directly, with the volume of production.

The allocation of fixed production overheads for the purpose of their inclusion in the costs of conversion shall be based on the normal capacity of the production facilities. Normal capacity shall be the production expected to be achieved on an average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The actual level of production shall be used when it approximates to normal capacity. The amount of fixed production overheads allocated to each unit of production shall not be increased as a consequence of low production or idle plant. Unallocated overheads shall be recognised as an expense in the period in which they are incurred. In periods of abnormally high production, the amount of fixed production overheads allocated to each unit of production is decreased so that inventories are not measured above the cost. Variable production overheads shall be assigned to each unit of production on the basis of the actual use of the production facilities.

Formulas for cost of inventories: Cost Formulae is used for allocation of cost to the units.

Specific identification of cost:

'Specific identification of cost' means specific costs are attributed to identified items of inventory

- that are not ordinarily interchangeable; and
- goods or services produced and segregated for specific projects

shall be assigned by specific identification of their individual costs.

First-in First-out Formula: The FIFO formula assumes that the items of inventory which were purchased or produced first are consumed or sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.

Weighted Average Cost Formula: Under the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period. The average shall be calculated on a periodic basis, or as each additional shipment is received, depending upon the circumstances.

Applicability of ICDS-II:

To those Assesses who are maintaining Books of Accounts under Mercantile system.

Having Income under head Profits and Gains of Business or Profession and Income from Other Sources.

In the following cases ICDS is not applicable.
To those Assesses who are maintaining Books of

Accounts under Cash system (or)

Individual or HUF who are not required to get their Books of Accounts audited u/s 44AB of the Act.

In the case of conflict between the provisions of the Income-tax Act, 1961 ('the Act') and the ICDS, the provisions of the Act shall prevail to that extent. Inclusions and exclusions while calculating cost of inventory:

Techniques for the measurement of the cost of inventories:

- Standard costs take into account normal levels of consumption of materials and supplies, labour, efficiency and capacity utilisation. They are regularly reviewed and, if necessary, revised in the light of the current conditions.
- The retail method can be used in the retail trade for measuring inventories of large number of rapidly changing items that have similar margins and for which it is impractical to use other costing methods. The cost of the inventory is determined by reducing from the sales value of the inventory, the appropriate percentage-gross margin. The percentage used takes into consideration inventory, which has been marked down to below its original selling price

Inclusions in the cost of inventories

- Inventories shall be valued at cost, or net realisable value, whichever is lower.
- Cost of Inventories shall include all purchase costs, service costs, conversion costs and all other costs which is incurred to bring the inventories to their present location and condition.
- Purchase cost shall include purchase price

inclusive of duties and taxes, freight inwards and other expenses directly related to purchase. Trade discounts, rebates, etc. will not be included.

- Service cost shall consist of labour and other costs of personnel directly engaged in providing the service.
- Conversion cost of inventories shall include costs directly related to the units of production.
- Interest and other borrowing costs shall not be included in the costs of inventories unless they meet the criteria for recognition of interest as a component of the cost as specified in the ICDS IX on borrowing cost.

Exclusions from the cost of inventories

- Abnormal amounts of wasted materials, labour, or other production costs
- Storage costs, unless those costs are necessary in the production process prior to a further production stage
- Administrative overheads that do not bring the inventories to their present location and condition
- Selling costs

Checklist while performing Inventory valuation:

Quantitative records: The cost accountant should check quantitative records of all types of inventories showing Opening balance, Unit of Measurement, receipts, issues and closing balance.

Determination of method of inventory valuation: The cost accountant should check

the method is being used -LIFO, FIFO, weighted average, continuous moving weighted average.

Test Checking: The cost accountant should perform the valuation of individual transaction on test check basis.

Shelf life: Check shelf-life status of inventories to ensure such items are within the useful life.

Input-Output analysis: The cost accountant should perform input-output analysis of high value items.

Valuation of opening inventory: The value of the inventory as on the beginning of the previous year shall be:

- the cost of inventory available, if any, on the day of the commencement of the business when the business has commenced during the previous year; and
- the value of the inventory as on the close of the immediately preceding previous year, in any other case.

Change of Method of Valuation of Inventory: The method of valuation of inventories once adopted by a person in any previous year shall not be changed without reasonable cause.

Disclosure requirements:

- The accounting policy adopted in measuring inventories including cost formulae used;
- Total carrying amount of inventories and its appropriate classification; and
- Where Standard Costing has been used as a

measurement of cost, details of such inventories and a confirmation of the fact that standard cost approximates the actual cost

Inventory valuation plays a pivotal role in determining the taxable income under the Income Tax Act of 1961. Inventories encompass goods purchased and held for resale, for example, merchandise purchased by a retailer and held for resale, computer software held for resale, or land and other property held for resale. Inventories also encompass finished goods produced, or work in progress being produced, by the enterprise and include materials, maintenance supplies, consumables and loose tools awaiting use in the production process.

The cost accountant plays a pivotal role in determining the value of inventory and inventory valuation is crucial for calculating the cost of goods sold (COGS) and determining the taxable income of a business. Undervaluation of inventories may result in under payment of due Income Tax. Hence, the role of a cost accountant in inventory valuation under income tax is critical.



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Inventory Valuation as per Sub-Section (2A) of Section 142 read with Section 295 of the Income Tax Act, 1961, Income Tax Rules, 1962 and Income Tax (Twenty Second Amendment) Rules, 2023 dt. 27th September, 2023 – Impact of Audit Report in Form 6B, for Cost Accountants issuing Inventory Valuation Report in Form 6D

Abstract

The Cost Accountant issuing Inventory Valuation Audit Report u/s 142(2A) of the Income Tax Act 1961, in Form 6D, has to check, verify, audit and report with comment, observations and qualifications in compliance of the Audit Report in Form 6B, Rule 14A, Rule 14B, Cost Audit Report, Tax Audit Report – Form 3CD with Observations, Books of Accounts, Financial Statements, Cost Accounting Standards, Cost Audit and Assurance Standards, Accounting Standards, Accounting Standards as per Companies (Accounting Standards) Rules 2021, Income Computation and Disclosure Standards (ICDS), Indian Accounting Standards (Ind AS), Variance Analysis of Cost Statements, Variances of Accounting Policy, Changes in Policies, and Valuation of Inventory.

The Cost Accountant has also to check the Compliance of Companies Act 2013, Companies (Cost Records and Audit) Rules 2014, CRA 1, CRA 2, CRA 3 and CRA 4 of MCA, ICDS II – Valuation of Inventories, AS 2 – Inventories, Ind AS 2 – Valuation of Inventories, ASLB 12 – Inventories Income Tax Act 1961 and Income Tax Rules 1962.

Inventory Valuation as per Clause (ii) of Sub-Section (2A) of Section 142 read with Section 295 of the Income Tax Act, 1961, Income Tax Rules, 1962 and Income Tax (Twenty Second Amendment) Rules, 2023 dt. 27th September, 2023

Inventory Valuation Report by Cost Accountant

The Cost Accountant has to Audit and prepare Inventory Valuation Report as per Clause (ii) of Sub-Section (2A) of Section 142 read with Section 295 of the Income Tax Act, 1961, Income Tax Rules, 1962 and Income Tax (Twenty Second Amendment) Rules, 2023 dt. 27th September, 2023.

The Assessing Officer, If, at any stage of the proceedings before him, having regard to the following:-

1. Nature and Complexity of the Accounts
2. Volume of the Accounts
3. Doubts about the correctness of the accounts
4. Multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and the interests of the revenue, is of the opinion that it is necessary so to do, he may, with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, direct the assessee to get either or both of the following, namely:-

(I) to get the accounts audited by an accountant, as per the Explanation of section 288(2), nominated by the Principal Chief Commissioner or Chief

Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars, as may be prescribed, and such other particulars as the Assessing Officer may require;

(ii) to get the inventory valued by a cost accountant, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such inventory valuation in the prescribed form duly signed and verified by such cost accountant and setting forth such particulars, as may be prescribed, and such other particulars as the Assessing Officer may require.

Every such report under section 142(2A) of the Income Tax Act 1961, shall be furnished by the assessee to the Assessing Officer within such period as may be specified by the Assessing Officer, within one hundred and eighty days from the date on which the direction under section 142(2A) is received by the assessee.

[Section 142 (2C) of the Income Tax Act 1961]

The expenses of, and incidental to, any audit or inventory valuation under section 142(2A) including the remuneration of the accountant or the cost accountant, shall be determined by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner and paid by the assessee and in default of such payment, shall be recoverable from the assessee in the manner provided in Chapter XVII-D for the recovery of arrears of tax.

[Section 142(2D) of the Income Tax Act 1961]

The assessee shall, except where the assessment is made under section 144, be given an opportunity of being heard in respect of any material gathered on the basis of any inquiry under section 142(2) or any audit or inventory valuation under section 142(2A) and proposed to be utilised for the purposes of the assessment.

[Section 142(3) of the Income Tax Act 1961]

Explanations

1. "Cost accountant" means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who holds a valid certificate of practice under sub-section (1) of section 6 of the said Act.

2. Form means Form 6B and Form 6D

Form 6B and Form 6D (Annexure) for Inventory Valuation u/s 142(2A) of the Income Tax Act, 1961

Section 295(2)(ecc) of the Income Tax Act, 1961 notifies the form of the report of audit and the particulars which such report shall contain under sub-section (2A) of section 142

Form 6D

Inventory Valuation Report of Cost Accountant u/s 142(2A) of the Income Tax Act 1961

Information of the assessee in the Inventory Valuation Report of the Cost Accountant should include the details of books and accounts

maintained with respect to inventory, Method of accounting employed with respect to inventory maintained. Indicate whether there is any change from the method of accounting employed with respect to inventory maintained in the immediately two preceding previous years, the inventory management system software, the place of keeping the inventory records including at computer servers and locations etc.

Inquiry before Assessment u/s 142 of the Income Tax Act 1961

(1) For the purpose of making an assessment under this Act, the Assessing Officer may serve on any person who has made a return under section 115WD or section 139 or in whose case the time allowed under sub-section (1) of section 139 for furnishing the return has expired a notice requiring him, on a date to be therein specified,-

(I) where such person has not made a return within the time allowed under sub-section (1) of section 139 or before the end of the relevant assessment year, to furnish a return of his income or the income of any other person in respect of which he is assessable under this Act, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed, or

Provided that where any notice has been served under this sub-section for the purposes of this clause after the end of the relevant assessment year commencing on or after the 1st day of April, 1990 to a person who has not made a return within the time allowed under sub-section (1) of section 139 or before the end of the relevant assessment year, any such notice issued to him shall be deemed to have been served in accordance with the provisions of this sub-section:

Provided further that a notice under this sub-section for the purposes of this clause may also be served by the prescribed income-tax authority,

(ii) to produce, or cause to be produced, such accounts or documents as the Assessing Officer may require, or

(iii) to furnish in writing and verified in the prescribed manner information in such form and on such points or matters (including a statement of all assets and liabilities of the assessee, whether included in the accounts or not) as the Assessing Officer may require:

Provided that-

(a) the previous approval of the Joint Commissioner shall be obtained before requiring the assessee to furnish a statement of all assets and liabilities not included in the accounts;

(b) the Assessing Officer shall not require the production of any accounts relating to a period more than three years prior to the previous year.

(2) For the purpose of obtaining full information in respect of the income or loss of any person, the Assessing Officer may make such inquiry as he considers necessary.

(2A) If, at any stage of the proceedings before him, the Assessing Officer, having regard to the nature and complexity of the accounts, volume of the accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts or specialised nature of business activity of the assessee, and the interests of the revenue, is of the opinion that it is necessary so to do, he may, with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, direct

the assessee to get either or both of the following, namely:-

(I) to get the accounts audited by an accountant, as defined in the Explanation below sub-section (2) of section 288, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars, as may be prescribed, and such other particulars as the Assessing Officer may require;

(ii) to get the inventory valued by a cost accountant, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such inventory valuation in the prescribed form duly signed and verified by such cost accountant and setting forth such particulars, as may be prescribed, and such other particulars as the Assessing Officer may require:

Provided that the Assessing Officer shall not direct the assessee to get the accounts so audited or inventory so valued unless the assessee has been given a reasonable opportunity of being heard.

(2B) The provisions of sub-section (2A) shall have effect notwithstanding that the accounts of the assessee have been audited under any other law for the time being in force or otherwise.

(2C) Every report under sub-section (2A) shall be furnished by the assessee to the Assessing Officer within such period as may be specified by the Assessing Officer:

Provided that the Assessing Officer may sub

motu, or on an application made in this behalf by the assessee and for any good and sufficient reason, extend the said period by such further period or periods as he thinks fit; so, however, that the aggregate of the period originally fixed and the period or periods so extended shall not, in any case, exceed one hundred and eighty days from the date on which the direction under sub-section (2A) is received by the assessee.

(2D) The expenses of, and incidental to, any audit or inventory valuation under sub-section (2A) (including the remuneration of the accountant or the cost accountant, as the case may be) shall be determined by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner (which determination shall be final) and paid by the assessee and in default of such payment, shall be recoverable from the assessee in the manner provided in Chapter XVII-D for the recovery of arrears of tax:

Provided that where any direction for audit or inventory valuation under sub-section (2A) is issued by the Assessing Officer on or after the 1st day of June, 2007, the expenses of, and incidental to, such audit or inventory valuation (including the remuneration of the accountant or the cost accountant, as the case may be) shall be determined by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in accordance with such guidelines as may be prescribed and the expenses so determined shall be paid by the Central Government.

(3) The assessee shall, except where the assessment is made under section 144, be given an opportunity of being heard in respect of any material gathered on the basis of any inquiry

under sub-section (2) or any audit 96 [or inventory valuation] under sub-section (2A) and proposed to be utilised for the purposes of the assessment.

96 [Explanation. -For the purposes of this section, "cost accountant" means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who holds a valid certificate of practice under sub-section (1) of section 6 of the said Act.]

Form of verification under section 142 of the Income Tax Act 1961 and Rule 14 of the Income Tax Rules 1962

The information which a person is required by the [Assessing Officer] to furnish under clause (ii) of sub-section (1) of section 142 shall be verified in the following manner, namely:—

"I declare that to the best of my knowledge and belief, the information furnished in the statement/statements is correct and complete and other particulars shown therein are truly stated."

Forms for Report of Audit or Inventory Valuation under Section 142(2A)

Rule 14A

(1) The report of audit of the accounts of an assessee which is required to be furnished under clause (i) of sub-section (2A) of section 142 shall be in Form No. 6B.

(2) The report of inventory valuation of an assessee which is required to be furnished under clause (ii) of sub-section (2A) of section 142 shall be in Form No. 6D.]

Expenses for Audit or Inventory Valuation as per Rule 14B of the Income Tax Rules 1962

Rule 14B

(1) Every Chief Commissioner shall for the purposes of clause (i) and clause (ii) of sub-section (2A) of section 142 shall maintain a panel of-

- (i) accountants, out of the persons referred to in the Explanation to sub-section (2) of section 288; and
- (ii) cost accountants, out of the persons referred to in the Explanation to section 142.

(2) Where the Assessing Officer directs -

- (i) for audit under clause (i) of sub-section (2A) of section 142 on or after the 1st day of June, 2007; or
- (ii) for inventory valuation under clause (ii) of sub-section (2A) of section 142 on or after the 1st day of April, 2023.

The expenses of, and incidental to, audit or inventory valuation (including the remuneration of the Accountant or Cost Accountant, qualified Assistants, semi-qualified and other Assistants who may be engaged by such Accountant or Cost Accountant) shall not be less than three thousand seven hundred and fifty rupees and not more than seven thousand and five hundred rupees for every hour of the period as specified by the Assessing Officer under subsection (2C) of section 142.

(3) The period referred to in sub-rule (2) shall be specified in terms of the number of hours required for completing the report.

(4) The Accountant or Cost Accountant referred to in clause (i) or clause (ii) of sub-section (2A) of section 142 shall maintain a time-sheet and shall submit it to the Chief Commissioner or Commissioner, along with the bill.

(5) The Chief Commissioner or the Commissioner shall ensure that the number of hours claimed for billing purposes is commensurate with the size and quality of the report submitted by the Accountant or Cost Accountant.

Section 288(2)(iv), Explanations of the Income Tax Act 1961

Section 288(2)(iv), explanations of the Income Tax Act 1961 defines 'Accountants', out of the persons referred to, as Chartered Accountants, who will issue Audit Report in Form 6B, as per section 142(2A)(i), Rule 14A(i), Rule 14B(1)(i) and Rule 14B(2)(i), which is as follows:-

Explanation.-In this section, "accountant" means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) who holds a valid certificate of practice under sub-section (1) of section 6 of that Act.

Inventory Valuation u/s 142(2A) by the Cost Accountant in Compliance of the Audit Report under Section 142(2A)(i) of the Income Tax Act 1961 - Form 6B [Rule 14A], by the Chartered Accountant and Impact on Profit or Loss and Income Tax in Inventory Valuation

The Cost Accountant has to examine the Balance

Sheet, Profit & Loss Accounts, Books of Accounts, and audit in Audit Report Form 6B issued by the Chartered Accountant, as per section 142(2A)(i) and under section 142(2D) of the Income Tax Act, 1961, and report for Accounting Policy, Valuation of Inventory, Method of Valuation, Change in Accounting Policy of Inventory, Physical Verification of Inventory, Variances or Differences or Discrepancies in Valuation of Inventory in Opening Stock and Closing Stock of Raw Materials, Store, Work in Progress and Stock in Trade, Quantitative details of Raw Materials and Finished Products with Opening Stock, Purchases, Sales, Closing Stock, Yield, Yield percentage, and any shortage, with Taxes or Duties paid during the previous year, and its impact on Profit or Loss and Income Tax.

ICDS II – Valuation of Inventory

The Cost Accountant has to audit for compliance of Clause 13 of Form 3CD requires, the method of accounting policy, changes in accounting policy, effect thereon on the profit and loss statement for any increase and decrease in profit, any adjustment is required to be made to the profits or loss for complying with the provisions of income computation and disclosure standards (ICDS) notified under section 145(2), with increase in profit, decrease in profit, net effect and disclosures. Clause 6(i) of Form 6D (Annexure) requires the method of accounting employed with respect to inventory maintained, indicate whether there is any change from the method of accounting employed with respect to inventory maintained in the immediately two preceding previous years as per ICDS II – Valuation of Inventories, which the Cost Accountant has to check, verify, audit, report and qualify for any

variances in increase/decrease in profit, net effect and disclosure and its impact on Profit or Loss and Income Tax.

[Refer - AS 2 - Valuation of Inventories, AS 2 - Valuation of Inventories - Companies (Accounting Standards) Rules 2021, Ind AS 2 - Inventory and ASLB 12 – Inventories etc.]

The Cost Accountant also has to check, verify, audit with the impact of Audit Report in Form 6B issued by the Chartered Accountant, Tax Audit Report u/s 44AB, 44AE, 44BB, 44BBB, 44AD, 44ADA of the Income Tax Act 1961, issued in Form 3CD, for the impact on Profit or Loss and Income Tax in Inventory Valuations. The Cost Accountant has to check for the compliances of Section 2(12A), Section 2(28A), Section 2(47), Section 14A, Section 28, Section 35, Section 36, Section 37, Section 40(a), Section 40(b), Section 40(ba), Section 40(A), Section 41, Section 43B, Section 44AA, Section 45(2), Section 47(iv) & (v), Section 47A, Section 56, Section 69D, Section 92, Section 94, Section 96, Section 145(2), Section 145(2A), Section 145A, Section 200, Section 139, Section 201(1A), Section 206(C), Section 269SS, Section 269ST, Section 269T of the Income Tax Act 1961 and Rule 6ABBA, Rule 6F, Rule 6DD, Rule 8D, Rule 10CB, Rule 11U, Rule 11UA and Rule 44H of the Income Tax Rules 1962, in the issued Audit Report in Form 6B, by the Chartered Accountant as per section 288(2)(iv) of the Income Tax Act 1961, for Loans and Overdrafts, Inventory Reports, with its impact on Profit or Loss and Income Tax in Inventory Valuations.

FORM NO. 6B

[See rule 14A]

1[Audit report under clause (i) of section 142(2A) of the Income-tax Act, 1961]

* I/We have examined the balance sheet of _____ [name and address of the assessee] Permanent Account No. _____ as at _____ and the profit and loss account for the year ended on that date which are in agreement with the books of account maintained at the head office at and branches at _____.

* I/We have obtained all the information and explanations which to the best of * my/our knowledge and belief were necessary for the purposes of the audit.

* In * my/our opinion, proper books of account have been kept by the head office and the branches of the assessee visited by * me/us so far as appears from * my/our examination of books, and proper returns adequate for the purposes of audit have been received from branches not visited by * me/us subject to the comments given below:

In * my/our opinion and to the best of * my/our information and according to explanations given to * me/us, the said accounts give a true and fair view.

(i) in the case of the balance sheet, of the state of the above named assessee's affairs as at _____, and

(ii) in the case of the profit and loss account, of the profit or loss of the above named assessee for the accounting year ending on _____.

The prescribed particulars and such other particulars as were required by the Assessing Officer by _____ dated _____ his order No. _____ are annexed hereto.

In * my/our opinion and to the best of my/our information and according to explanations given to * me/us, these are true and correct.

Place:-

Signed

Date:-

Accountant**

Notes:

1.*Delete whichever is not applicable.

2[2.**This report has to be given by the accountant nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner of Income-tax under clause (i) of section 142(2A) of the Income-tax Act, 1961.]

3. Where any of the matters stated in this report is answered in the negative or with a qualification, the report shall state the reasons therefor.

ANNEXURE

Statement of particulars

1. Books of account maintained
2. Method of accounting employed. Indicate whether there is any change from the method of accounting employed in the immediately preceding previous year
3. (i) Method of valuation of opening and closing stock of
 - (a) Raw materials
 - (b) Stores
 - (c) Work-in-progress
 - (d) Stock-in-trade(ii) State whether there is any change in the method of valuation of any of the aforesaid items as compared to the method employed in the immediately preceding previous year
- (iii) If the answer to (ii) above is in the affirmative, specify the amount by which the profit or loss for the year has been affected amount by which the profit or loss for the year has been affected by such change
4. In respect of items manufactured full quantitative details of raw materials and finished products as indicated below:

Raw materials

- (a) Opening stock
- (b) Purchases during the year
- (c) Consumption during the year
- (d) Sales during the year
- (e) Closing stock
- (f) Yield of finished products

- (g) Percentage of yield
- (h) Shortage

Finished products

- (a) Opening stock
 - (b) Purchases during the year
 - (c) Quantity manufactured during the year
 - (d) Sales during the year
 - (e) Closing stock at the end of the year
 - (f) Shortage and percentage thereof
5. (i) Has the assessee conducted physical verification of raw materials, stores and finished products, or the goods dealt in?
 - (ii) Details of discrepancies, if any
 6. (a) Amount of expenditure incurred by the assessee in respect of:
 - (i) Advertisement
 - (ii) Maintenance of accommodation in the nature of guest house
 - (iii) Travelling
 - (iv) Entertainment [including the amount of entertainment allowance paid to any employee or other person](b) Whether the expenditure incurred by the assessee in respect of any of the items referred to in (a) above exceeds the amount admissible under the Income -tax Act/Rules? If so, give details.
 7. Where the assessee is a firm, details of payments by way of interest, salary, bonus, commission or remuneration to the partners of the firm
 8. Where the assessee is a company, give details of-

(i) Any expenditure which has resulted directly or indirectly in the provision of any remuneration, benefit or amenity to

(a) a director;

(b) a person who has a substantial interest in the company ; and

(c) a relative of the director or of such person

(ii) Any expenditure or allowance in respect of assets of the company used wholly or partly for the purposes or benefit of any of the persons referred to in (i) above [state whether any such person is an employee of the assessee or not]

9. Details of amounts not deductible under section 40A:

(a) Particulars of payments which appear to be excessive or unreasonable in terms of section 40A

(2) (a)

(b) Particulars of payments in excess of Rs. * made otherwise than by a crossed cheque or draft - section 40A (3)

(c) Omitted **

(d) Omitted **

(e) Provisions for payment of gratuity not allowable - section 40A (7)

(f) Omitted †

10. Whether any amount is borrowed on a hundi from, or any amount due thereon (including interest on the amount borrowed) is repaid to, any person otherwise than through an account payee cheque? If so, give details.

11. (a) Particulars of proforma credits / drawback / refund of duties of customs or excise or both/refund of sales tax. Whether they have been credited to the profit and loss account?

(b) Particulars of expenditure/income of any earlier year debited/credited to the profit and loss account of the relevant previous year

(c) Particulars of any liability of a contingent nature debited to the profit and loss account

12. Particulars of each loan taken by the assessee (other than any loan taken from a bank or financial institution) in the following form:

i Name, address and permanent account number of the lender

ii Whether amount borrowed on hundi?

iii Whether loan account squared up during the year?

iv Maximum amount outstanding at any time during the year and rate of interest paid

v Details of security including collateral security offered, if any

vi Name and address of the guarantor, if any

13. Particulars of each loan/overdraft taken from a bank or financial institution in the following form:

(i) Maximum amount outstanding at any time during the year

(ii) Details of security including collateral security offered, if any

(iii) Name and address of the guarantor, if any

14. Whether the assessee has deducted tax at source and paid the amount so deducted to the credit of the Central Government in accordance with the provisions of Chapter XVIIB? If not, give details of defaults committed

15. (a) Details of taxes, duties, etc., paid by the assessee during the previous year

(b) Whether any discrepancy has been noticed in the respective dates of payments and the entries in the books of account? If so, give particulars thereof

Notes:

1. Separate quantitative details on the above lines should be given in respect of by-products, if any. 2. Where the assessee is a dealer in goods, quantitative details on the above lines should be given in respect of the goods dealt in?

* The limits need upward revision in view of section 40A(3), as it stands now., revised to Rs.10000/- (Rs. 35000/- in case of plying, hiring or leasing good carriages w.e.f 1.10.2009)

** Section 40A(5)/(6) have been omitted by the Direct Tax Laws (Amdt.) Act, 1987, w.e.f. 1-4-1989.

- Section 40A(8) has been omitted by the Finance Act, 1985, w.e.f. 1-4-1986.

The Cost Accountant has to issue Audit Report of Inventory Valuation u/s 142(2A) of the Income Tax Act 1961 in Form 6D [Rule 14A(2), Rule 14B(1)(ii) and Rule 14B(2)(ii) of the Income Tax Rules 1962], in compliance of Audit Report issued in Form 6B [Rule 14A(1), Rule 14B(1)(i) and Rule 14B(2)(i) of the Income Tax Rules 1962], by the Chartered Accountant, as per Inquiry before Assessment u/s 142 of the Income Tax Act 1961, as directed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner of Income-tax under clause (i) of section 142(2A) of the Income-tax Act, 1961, with Impact on Inventory Valuation, Profit or Loss and Income Tax of the assessee.



Brijesh Grover
CMA, CPA, MBA

INVENTORY VALUATION UNDER INCOME TAX ACT BY COST ACCOUNTANTS

(Section 142(2A), Income Tax Act, 1961)

Section 142 : Inquiry before assessment

Section 142 provides for the procedure for conducting Inquiry before assessment or making preliminary investigation by the Assessing Officer (AO) in the return of income of assessee.

The reasons for the issuance of Section 142(1) Tax Notice can be:

- By issuing section 142(1) tax notice, the AO may ask an assessee to furnish his ITR in respect of income for which he is assessable, in case the assessee has not yet filed the return of income within the time allowed.
- The AO may ask to produce accounts or documents which he may require for the purpose of making an assessment.
- The AO may also ask the assessee to furnish in writing any information on any matter which may include the statements. For Example-

Statement of assets and liabilities on a particular date.

Section 142(2) provides that for the purpose of obtaining full information in respect of the income or loss of any person, the Assessing Officers may make such inquiry as he considers necessary.

Auditing of Accounts

The Assessing Officer may, at any stage of the proceedings before him, direct the assessee to get the accounts audited by a Chartered Accountant nominated by the Chief Commissioner / Commissioner of Income-tax. Such a decision may be taken by the Assessing Officer, if having regard to:

1. the nature and complexity of the accounts,
2. volume of the accounts,
3. doubts about the correctness of the accounts,
4. multiplicity of transactions in the accounts, or

5. specialized nature of business activity of the assessee, the interests of the revenue, is of the opinion that it is necessary so to do, he may, with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal

Commissioner or Commissioner, direct the assessee to get either or both of the following:

- To get the accounts audited by a Chartered Accountant nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars, as may be prescribed and such other particulars as the Assessing Officer may require.
- To get the inventory valued by a Cost Accountant, nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in this behalf and to furnish a report of such inventory valuation in the prescribed form duly signed and verified by such cost accountant and setting forth such particulars, as may be prescribed and such other particulars as the Assessing Officer may require.

The Assessing Officer shall not direct the assessee to get the accounts so audited unless the assessee has been given a reasonable opportunity of being heard.

The report by a Chartered Accountant / Cost Accountant as required under section 142(2A) to the Assessee, who in turn will submit the same to the Assessing officer within such period as may be

specified by the Assessing Officer. The specified period may be extended on an application by the Assessee or by the Assessing Officer, suo motu, by such period/s as he thinks fit. However such period shall not be extended by 180 days.

The Expenses of, and incidental to, such audit or inventory valuation (including the remuneration of the accountant or the Cost Accountant, as the case may be) shall be determined by Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner in accordance with such guidelines as may be prescribed.

The CBDT's Notification No. 82/2023, dated September 27, 2023, brings noteworthy changes to Income Tax Rule 14A and introduces Rule 14B.

These changes introduce specific forms for reporting audits and inventory valuations, with Form No. 6D dedicated to Inventory Valuation reports. Additionally, guidelines for determining expenses related to these processes have been laid out in Rule 14B. It is crucial for tax professionals and businesses to be aware of these amendments and ensure compliance with the new rules and reporting requirements.

Introduction of Form No. 6D: Form No. 6D is a newly introduced form for Inventory Valuation reports under clause (ii) of section 142(2A) of the Income-tax Act, 1961.

This form includes detailed sections covering various aspects of inventory valuation. It requires the examiner to:

- Examine the books of account and other

documents related to inventory and inventory valuation.

- Conduct Inventory Valuation in compliance with the relevant provisions of the Income-tax Act 1961 and Income-tax Rules 1962.
- Obtain all necessary information and explanations for the valuation.
- Confirm the adequacy of proper books of account and other documents.
- Provide an opinion on the accuracy of the Inventory Valuation.
- Annex prescribed particulars and other required information.
- Explain any variations observed compared to disclosures in Form No. 3CD (or audited accounts) along with reasons and justifications.

Guidelines for the purposes of determining expenses for audit or inventory valuation.

(1) Every Chief Commissioner shall for the purposes of clause (i) and clause (ii) of sub-section (2A) of section 142 shall maintain a panel of -

(i) accountants, out of the persons referred to in the Explanation to sub-section

(2) of section 288; and

(ii) cost accountants, out of the persons referred to in the Explanation to section 142.

(2) Where the Assessing Officer directs -

(I) for audit under clause (i) of sub-section (2A) of section 142 on or after the 1st day of June, 2007; or

(ii) (ii) for inventory valuation under clause (ii) of sub-section (2A) of section 142 on or after the 1st day of April, 2023, the expenses of, and incidental to, audit or inventory valuation (including the remuneration of the Accountant or Cost Accountant, qualified Assistants, semi-qualified and other Assistants who may be engaged by such Accountant or Cost Accountant) shall not be less than three thousand seven hundred and fifty rupees and not more than seven thousand and five hundred rupees for every hour of the period as specified by the Assessing Officer under subsection (2C) of section 142.

(3) The period referred to in sub-rule (2) shall be specified in terms of the number of hours required for completing the report.

(4) The Accountant or Cost Accountant referred to in clause (i) or clause (ii) of sub-section (2A) of section 142 shall maintain a time-sheet and shall submit it to the Chief Commissioner or Commissioner, along with the bill.

(5) The Chief Commissioner or the Commissioner shall ensure that the number of hours claimed for billing purposes is commensurate with the size and quality of the report submitted by the Accountant or Cost Accountant."



Ajay Singh Dangwal
Practicing Cost Accountant

ROLE OF COST ACCOUNTANTS IN INVENTORY VALUATION U/S 142(2A) OF THE INCOME TAX ACT, 1961.

Inventory valuation is a critical aspect of financial management for businesses, and it plays a pivotal role in determining the taxable income under the Income Tax Act of 1961 in many jurisdictions, including India. Cost accountants, with their expertise in cost management and accounting principles, play a vital role in assisting businesses in the accurate valuation of their inventory. This article explores the significance of cost accountants in the context of inventory valuation under the Income Tax Act of 1961 in India.

Amendment In Budget 2023: Inclusion of Cost Accountants under the Income Tax Act, 1961.

In the latest budget for the 2023, an appropriate and needed change has been introduced regarding the use of inventory valuations in Tax assessments. Until now, inventory valuations have not been a major focus for assessing officers of Income Tax. However, it is crucial to accurately assess these valuations in order to

determine an organization's true financial position and collect the correct amount of taxes owed. To address this issue, India has taken a major step forward by introducing the concept of inventory valuations by Cost Accountants in specific cases, as granted by Section 142(2A) of the Income Tax Act. This amendment allows assessing officers to require an inventory valuation in addition to any audit under the same section.

This amendment to Section 142(2A) of the Income Tax Act divided inventory valuations and audits into two distinct parts, which means that Inventory Valuation can be asked to be done by a Cost Accountant even when audit under section 142(2A) has not been asked for.

Role of Cost Accountants in Inventory Valuation u/s 142(2A) of the Income Tax Act, 1961.

Cost accountants bring a specialized skill set to the table, making them invaluable in the process of inventory valuation. Their role includes:

1. Method Selection: Cost accountants assist businesses in selecting the most appropriate inventory valuation method based on the nature of their operations, industry practices, and the regulatory environment. This decision has significant implications for the financial statements and tax liabilities.

2. Consistency and Compliance: The Income Tax Act emphasizes the need for consistency in inventory valuation methods. Cost accountants help businesses maintain consistency in their chosen method, ensuring compliance with tax regulations. Consistency is essential for providing a true and fair view of a company's financial performance over time.

3. Documentation and Record keeping: Proper documentation of inventory valuation methods and their application is essential for audit and regulatory purposes. Cost accountants play a vital role in ensuring that businesses maintain accurate records, facilitating transparency and adherence to legal requirements.

4. Costing Systems Implementation: Cost accountants can assist businesses in implementing effective costing systems, which form the foundation for accurate inventory valuation. These systems track the flow of costs through various stages of production, providing a basis for determining the value of the inventory at different points in time.

5. Mitigating Risks: Inconsistent or inaccurate inventory valuation can lead to tax disputes and financial challenges. Cost accountants help businesses mitigate these risks by ensuring compliance with the Income Tax Act and implementing robust internal controls.

Conclusion:

In conclusion, the role of cost accountants in inventory valuation under the Income Tax Act of 1961 is indispensable. Their expertise in cost management, accounting principles, and regulatory compliance positions them as valuable assets for businesses navigating the complexities of inventory valuation. By working closely with cost accountants, businesses can enhance their financial transparency, reduce the risk of tax-related disputes, and ensure compliance with the Income Tax Act, ultimately contributing to their overall financial health and sustainability.

Form 6D under Rule 14A of Income-tax (Twenty-Second Amendment) Rules, 2023

Form No. 6D is a newly introduced form for Inventory Valuation reports under clause (ii) of section 142(2A) of the Income-tax Act, 1961. This form includes detailed sections covering various aspects of inventory valuation. It requires the examiner to:

- Examine the books of account and other documents related to inventory and inventory valuation.
- Conduct Inventory Valuation in compliance with the relevant provisions of the Income-tax Act 1961 and Income-tax Rules 1962.
- Obtain all necessary information and explanations for the valuation. Confirm the adequacy of proper books of account and other documents.
- Provide an opinion on the accuracy of the Inventory Valuation. Annex prescribed particulars and other required information.

- Explain any variations observed compared to disclosures in Form No. 3CD (or audited accounts) along with reasons and justifications.

Method of valuation of opening and closing stock

Valuation of opening and closing stock is an essential aspect of financial accounting, especially for businesses involved in buying and selling goods. The valuation of stock is crucial for determining the cost of goods sold (COGS) and consequently the gross profit. There are different methods for valuing opening and closing stock, and the choice of method can impact a company's financial statements and profitability. Here are some common methods:

1. FIFO (First-In-First-Out):

- **Under FIFO**, it is assumed that the first units of inventory purchased are the first to be sold.
- The closing stock is valued at the most recent purchase cost, while the opening stock is valued at the cost of the earliest purchases.
- Formula for closing stock valuation: $\text{Closing Stock} = \text{Units in stock} \times \text{Cost of the most recent purchase}$.

2. LIFO (Last-In-First-Out):

- LIFO assumes that the last units of inventory purchased are the first to be sold.
- The closing stock is valued at the cost of the earliest purchases, while the opening stock is valued at the most recent purchase cost.
- Formula for closing stock valuation: $\text{Closing Stock} = \text{Units in stock} \times \text{Cost of the earliest purchase}$.

$\text{Stock} = \text{Units in stock} \times \text{Cost of the earliest purchase}$.

3. Weighted Average Cost:

- This method calculates the average cost of all units available for sale during the accounting period.
- The average cost is then used to value both opening and closing stock.
- Formula for average cost: $\text{Weighted Average Cost} = \frac{\text{Total cost of units available for sale}}{\text{Total units available for sale}}$.

4. Specific Identification:

- This method involves individually identifying and valuing each item of inventory.
- Suitable for businesses with unique or high-value items where it is feasible to track the cost of each specific item.
- Formula for closing stock valuation: $\text{Closing Stock} = \text{Cost of specific units in stock}$.

The method chosen may have tax implications and can impact reported profits. Additionally, the choice of method should be consistent from one accounting period to the next for accurate financial analysis and comparison.

The specific method used is often disclosed in a company's financial statements or notes to the financial statements. The choice of method is influenced by factors such as the nature of the business, industry practices, and applicable accounting standards. It's important for businesses to carefully consider the implications of their choice.

of their chosen valuation method on financial reporting and decision-making.

Details of inventory valuation by the Cost Accountant wherever ICDS II is not applicable.

A. Inventory valuation for Assessee engaged in the Construction Contracts which are dealt with by the Income Computation and Disclosure Standard III

- (i) Valuation of Completed Units Ready for Sale
- (ii) Valuation of Construction Work-in-progress
- (iii) Valuation of Construction Materials
- (iv) Valuation of Construction Fittings
- (v) Summary of Inventory Valuation for the Reporting Year for Construction Contracts

B. Inventory valuation for Assessee engaged in the trading of Securities which are dealt with by the Income Computation and Disclosure Standard VIII.

- (i) Valuation of Shares held as Stock-in-trade
- (ii) Valuation of Debt Securities held as Stock-in-trade
- (iii) Valuation of Convertible Securities held as Stock-in-trade
- (iv) Valuation of Any other security held as Stock-in-trade
- (v) Summary of Inventory Valuation for the Reporting Year for Shares, Debentures and other Financial Instruments held as stock-in-trade

C. Inventory valuation of livestock, agriculture and forest products, mineral oils, ores and gases, except those held by the trader of such inventories

- (i) Valuation of Inventory of Livestock
- (ii) Valuation of Inventory of Agriculture & Forest Produce
- (iii) Valuation of Inventory of Mineral Oils, Ores and Gases
- (iv) Summary of Comparison –

Reference: www.taxguru.in



CMA Arvinder Singh

(Working at Ministry of Corporate Affairs)

ROLE OF COST ACCOUNTANTS IN INVENTORY VALUATION

What is the inventory valuation?

Valuation is an accounting practice that is followed by companies to find out the value of unsold inventory stock at the time they are preparing their financial statements. Inventory stock is an asset for an organization, and to record it in the balance sheet, it needs to have a financial value.

What are the different inventory valuation methods?

Inventory valuation methods can vary depending on the accounting standards and regulations of a particular country or jurisdiction, as well as the industry and type of business. However, some common inventory valuation methods include:-

1) First-In, First-Out (FIFO): This method assumes that the first items purchased or produced are the first ones sold. Therefore, the cost of the oldest inventory is used to determine the COGS,

while the cost of the most recent inventory is used to value the ending inventory.

2). Last-In, First-Out (LIFO): This method assumes that the most recent items purchased or produced are the first ones sold. Therefore, the cost of the most recent inventory is used to determine the COGS, while the cost of the oldest inventory is used to value the ending inventory.

3). Weighted Average Cost: This method calculates the average cost of all the inventory purchased or produced during a specific period and uses that average cost to determine the COGS and ending inventory.

4) Specific Identification: This method assigns a specific cost to each item in the inventory based on its actual cost of purchase or production. This method is commonly used for businesses that deal with unique or high-value items.

Role of cost accountant in inventory valuation under Income Tax Act.

The role of a cost accountant in inventory valuation under income tax is critical in ensuring accurate and compliant inventory valuation. The cost accountant plays a key role in determining the value of inventory, which is crucial for calculating the cost of goods sold (COGS) and determining the taxable income of a business.

Some of the important roles of a cost accountant in inventory valuation under income tax are:-

1) Choosing the appropriate inventory valuation method: The cost accountant must choose the most appropriate inventory valuation method, such as FIFO, LIFO, weighted average cost, or specific identification, based on the industry and the specific business requirements.

2) Ensuring compliance with income tax regulations: The cost accountant must ensure compliance with income tax regulations related to inventory valuation, such as the provision for the valuation of closing stock under section 145A of the Income Tax Act. Any changes in the cost of inventory due to fluctuations in the market or other factors should not be considered for income tax purposes.

3) Determining the cost of inventory: The cost accountant is responsible for determining the cost of inventory, including direct costs like raw materials, labor, and manufacturing overheads, as well as indirect costs like freight, customs duty, and other expenses incurred in bringing the inventory to the factory or warehouse.

4) Maintaining accurate records: The cost accountant must maintain accurate and complete records of inventory, including purchases, production costs, and other expenses related to inventory. These records should be easily accessible and properly organized.

5) Coordinating with other departments: The cost accountant must coordinate with other departments such as finance, production, and procurement to ensure that all the cost data is captured correctly.

Reference: www.taxguru.in

The logo features the text "NIRC PROGRAMS" centered on a white background. The word "NIRC" is in a large, bold, blue sans-serif font, and "PROGRAMS" is in a smaller, bold, red sans-serif font below it. The text is framed by two large, curved swooshes: a red one on the left and a blue one on the right, both curving around the text. The background is white with faint, light blue abstract patterns in the corners.

NIRC
PROGRAMS

77th INDEPENDENCE DAY CELEBRATION

On 15th August 2023 The Northern India Regional Council (NIRC) of The Institute of Cost Accountants of India celebrated the 77th Independence Day at NIRC lawn. The flag was hoisted by CMA S.N. Mittal, Chairman NIRC along with CMA M.K. Anand Central Councils, CMA Navneet Jain Centre Council Member, CMA Rakesh Yadav Vice Chairman, CMA Santosh Pant, Secretary, CMA Madhuri Kashyap Treasurer NIRC of ICAI, CMA D.C. Bajaj, Past President of ICAI and CMA Harkesh Tara immediate Past Chairman, NIRC of ICAI.

Some Members of ICAI and NIRC of ICAI's Staff were also present.



PRACTITIONER CUM MEMBERS MEET

Northern India Regional Council of The Institute of Cost Accountants of India organised a Practitioner cum Members Meet on 26.08.2023 at CMA Bhawan, Lodhi Road, New Delhi. The Chief Guest was CMA Ashu Mathur, Addl. Chief Advisor Cost, Ministry of Expenditure, (Govt. of India), The Key Note Speaker was CMA Ravi Kumar Sahani and CMA Sankalp Wadhwa, Practising Cost Accountant.

CMA S.N. Mittal Chairman NIRC welcomed Chief Guests, Both Speakers and all the Participants. CMA Santosh Pant Secretary and CMA Madhuri Kashyap Treasurer of NIRC of ICAI were also present

The members raised various questions on the professional issues. A large number of Members were present at the event.



STUDENTS COUNSELLING PROGRAMME

Northern India Regional Council of Institute of Cost Accountants of India conducted the Students Counselling Programme on 17.09.2023 at CMA Bhawan Lodhi Road, New Delhi. The keynote Speaker were CMA Balwinder Singh Former President of ICAI and Shri Jyoti Prakash Gadia, Former Government Nominee of ICAI. CMA Sandeep Kumar coordinated the whole programme and CMA S.N. Mittal Chairman NIRC welcomed both the speakers. CMA Rakesh Yadav, Vice- Chairman, CMA Santosh Pant, Secretary and CMA Madhuri Kashyap, Treasurer, NIRC of ICAI were also present at the event.

CMA Balwinder Singh, Former President of the Institute addressed the students on the "Examination Tips" and Shri Jyoti Prakash Gadia, former Govt. Nominee addressed the students on "Entrepreneurship".

The Programme was a great success and was very much appreciated by the students.



SWACHHTA ABHIYAN CAMPAIGN HELD ON 2nd OCTOBER 2023



Cleanliness drive by the staff of NIRC near its premise at Lodhi Road

The Swachh Bharat Abhiyan is the most significant cleanliness campaign by the Government of India. On 2nd October 2014, the Swachh Bharat Mission was launched throughout the length and breadth of the country as a national movement. NIRC of ICMAI augmented this cleanliness drive of our country near its premise at Lodhi Road, New Delhi with strong advocacy of the mantra of nation 'Na gandagi karenge, Na karne denge'. The staff of NIRC enthusiastically participated in the Swachhta Abhiyan Campaign held on 2nd October 2023 by NIRC of ICMAI.

PRE-PLACEMENT ORIENTATION PROGRAM

(for June 2023 Term) from 10th October, 2023 to 20th October, 2023



Participation of newly qualified CMAs and Council members of NIRC at PPOP



Felicitation to Sh. Parmanand Goyal by CMA S.N. Mittal, Chairman of NIRC along with CMA Rakesh Yadav, Vice-Chairman and CMA Santosh Pant, Secretary of NIRC

STUDENTS COUNSELLING

For the benefits of Industrial Training held on 19th October 2023



Student counselling is a domain of counselling that focuses on helping students to find the right career pathway. In our counselling programs, the students receive guidance and expert advice from our members. NIRC of ICAI organized a student counselling program for the students to have wonderful insights and

various aspects of the benefits of industrial training for the students on 19th October 2023. This counselling seemed to be very informative for participants and it remained interactive.

Felicitation to CMA Rajesh Aggarwal by CMA S.N. Mittal, Chairman of NIRC along with CMA Navneet Kumar Jain, Central Council Member of NIRC, CMA Santosh Pant, Secretary of NIRC and CMA Madhuri Kashyap, Treasurer of NIRC.

Participation of students at the student counselling program



DIWALI POOJA ON 11th NOVEMBER, 2023



Diwali Pooja at NIRC

SEMINAR ON INVENTORY VALUATION

Under section 142 (2A) of the Income Tax Act 1961 held on 29th November, 2023



Participation of members in the seminar on Inventory Valuation by CMAs

NIRC of ICMAI organized a seminar on "Inventory Valuation under section 142 (2A) of the Income Tax Act" on 29th November 2023. The Keynote speaker of the event was CMA Chander Prakash Kalra, a practicing Cost Accountant. He focused on compliance related to cost audit, various types of notices related to cost audit, and ways for smooth handling of those notices. The Chairman of NIRC of ICAI, CMA S.N. Mittal gave a hearty welcome to all the audience and the speaker. The seminar was eventually addressed by CMA M. K. Anand, Central Council Member of NIRC-ICMAI, CMA Rakesh Yadav, Vice-chairman of NIRC-ICMAI, and others. The seminar was very informative and interactive, and it ended with a vote of thanks by CMA Santosh Pant, Secretary of NIRC of ICMAI.

FELICITATION TO SPEAKER



Felicitation to speaker CMA Chander Prakash Kalra by CMA S.N. Mittal, Chairman of NIRC along with CMA M.K. Anand, Central Council Member, CMA Rakesh Yadav, Vice-Chairman and CMA Santosh Pant, Secretary of NIRC-ICMAI

STUDENT CONVENTION

A convention of CMA examination passed students was organized by the Northern India Regional Council of The Institute of Cost Accountants of India on Saturday, 23rd December 2023 at Scope Complex Auditorium, New Delhi. The chief guest of the program was the Honorable Om Birla Ji, Lok Sabha Speaker. The guests of honor were finance directors of various companies. The program started



with the lighting of the lamp. Chairman CMA SN Mittal in his welcome address welcomed all the guests, newly passed brand ambassadors of CMA and participants and extended best wishes for a bright future. Vice Chairman CMA Rakesh Yadav talked about the theme of the conference "Role of CMA in Nation Building". Our Chief Guest Honorable Om Birla Ji (Lok Sabha Speaker) said that India is progressing rapidly at the global level. There is no sector in which India is not contributing.

In this program organized by The Institute of Cost Accountants of India Northern Region, he said that if everyone has to move ahead in the world then they should work with a family spirit. Referring to the contribution of cost accountants in nation building, he said that CMAs are also contributing with full commitment in the resolution of building a developed India by 2047. This is because cost accountants work in trade, industry, service and government sectors. Efficient financial management is of special importance in Nation Building.

He called upon the young cost accountants to come up with new thinking and improve the quality of Indian products by reducing costs, so that they can be made more competitive at the global level. The chief guest also gave medals to the All India Rank holder students:

STUDENT CONVENTION



Honorable guests CMA R.P. Goyal, CMA Sanjay Jindal, CMA Baldev Kaur, CMA Anu Kukreja, CMA Parmanand Goyal talked about the participation of CMA's industry and management in nation-building.



In the program, Central Council Member CMA Manoj Kumar Anand presented the Lok Sabha Speaker with information and problems of the institute. Council member CMA Navneet Jain, CMA RS Bhati, Regional Council member CMA Jeevan Chandra and CMA Manish Kandpal also expressed their views.

The program was conducted by Secretary CMA Santosh Pant and in the end vote of thanks was given by CMA Madhuri Kashyap.

About 300 newly passed cost accountants, chapter chairmen, council members and parents participated in the program.









MEDIA COVERAGE

दैनिक भास्कर कोटा 26-12-2023

शुक्र, 26 दिसंबर, 2023 | 04

आगे बढ़ना है तो एक परिवार भावना से कार्य करें: बिरला
सीएमए परीक्षा पास विद्यार्थियों का उत्सव



वि.वि.के.टी. | कोटा (वि.वि.के.टी.) में आयोजित कार्यक्रम में सीएमए परीक्षा पास विद्यार्थियों का उत्सव मनाया गया। कार्यक्रम में सीएमए परीक्षा पास विद्यार्थियों को प्रशंसा पत्रों के साथ पुरस्कार प्रदान किया गया। कार्यक्रम में सीएमए परीक्षा पास विद्यार्थियों को प्रशंसा पत्रों के साथ पुरस्कार प्रदान किया गया। कार्यक्रम में सीएमए परीक्षा पास विद्यार्थियों को प्रशंसा पत्रों के साथ पुरस्कार प्रदान किया गया।

समावेश : कॉस्ट एकाउंटेंट्स से किया संवाद
वैश्विक एजेंडा तय करने के साथ विश्व को नेतृत्व दे रहा है भारत: बिरला



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कॉस्ट एकाउंटेंट्स से किया संवाद
वैश्विक एजेंडा तय करने के साथ विश्व को नेतृत्व दे रहा है भारत: बिरला

दैनिक भास्कर कोटा 08-09-2023

सीएमए कोटा चैप्टर का गुरु अभिनंदन कार्यक्रम आयोजित

वि.वि.के.टी. | कोटा (वि.वि.के.टी.) में आयोजित कार्यक्रम में सीएमए कोटा चैप्टर का गुरु अभिनंदन कार्यक्रम आयोजित किया गया। कार्यक्रम में सीएमए कोटा चैप्टर के गुरुओं को श्रद्धांजलि दी गई। कार्यक्रम में सीएमए कोटा चैप्टर के गुरुओं को श्रद्धांजलि दी गई।



सीएमए कोटा चैप्टर का गुरु अभिनंदन कार्यक्रम आयोजित

वैश्विक स्तर पर भारत तेजी से बढ़ रहा है आगे : बिड़ला

वि.वि.के.टी. | कोटा (वि.वि.के.टी.) में आयोजित कार्यक्रम में बिड़ला जी.पी.एस. ने कहा कि भारत तेजी से बढ़ रहा है आगे। बिड़ला जी.पी.एस. ने कहा कि भारत तेजी से बढ़ रहा है आगे। बिड़ला जी.पी.एस. ने कहा कि भारत तेजी से बढ़ रहा है आगे। बिड़ला जी.पी.एस. ने कहा कि भारत तेजी से बढ़ रहा है आगे।



ROLE OF CMA IN INDIA'S PROGRESS
बिड़ला जी.पी.एस. ने कहा कि भारत तेजी से बढ़ रहा है आगे। बिड़ला जी.पी.एस. ने कहा कि भारत तेजी से बढ़ रहा है आगे। बिड़ला जी.पी.एस. ने कहा कि भारत तेजी से बढ़ रहा है आगे। बिड़ला जी.पी.एस. ने कहा कि भारत तेजी से बढ़ रहा है आगे।

कॉस्ट एकाउंटेंट्स नई सोच से कार्य करें : बिरला

बैंक होल्डर्स विद्यार्थियों को लोकसभा अध्यक्ष ने दिए मेडल

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CHAPTER

ACTIVITY

JAIPUR CHAPTER

The Institute of Cost Accountants of India

Activities conducted by the Chapter during August 2023 to October 2023

Sl. No.	Date	Activity	Remarks
1	08-08-23	Inauguration of IOTP Training for CMA Final students on virtual mode for entire NIRC Chapters	Chief Guest - CMA Vivek Joshi, Head (Credit), Choice Finserve
2	10-08-23	Felicitation of CMA Foundation Top 10 Rankers from Jaipur	Chief Guest- CMA Rajesh Singh, DGM, RBI
3	13-08-23	Members Family and Faculties Picnic at Kanota Camp Resort, Jaipur	More than 250 Family Members including Children participated.
4	15-08-23	Independence Day Celebration	Children also took part in cultural activities.
5	16-08-23	Inauguration of Coaching Classes for Foundation, Intermediate and Final students.	Chief Guest - IAS Krishan Kant Pathak, Secretary Finance (Revenue), Govt. of Rajasthan
6	23-08-23	Program on "Financial Literacy" at Birla Public School, Kishangarh (Ajmer)	CMA Harendra Kumar Pareek, Chairman, Jaipur Chapter participated as Chief Guest and Jury.
7	26-08-23	Study Circle Meeting to discuss "New Avenues for CMA Members and Recent Changes in GST"	
8	29-08-23	Motivational speech to CMA Students Topic - CMA Road Map for Future	Key Speaker - CMA Pankaj Bachwani, Working for 3M in Dubai
9	02-09-23	Seminar on "Stress Management" and "Critical Issues in Income Tax Audit"	Key Speakers- 1. Dr. Savita Jagawat, Professor, Clinical Psychology 2. CMA Tanuj Agrawal Leading Tax Practitioner
10	10-09-23	Students and Faculties Picnic at Aapni Dhani Resort, Sikar Road, Jaipur	More than 250 students and Faculties participated.
11	26-09-23	Inauguration of CAT Course Classes	Chief Guest-Shri Rajesh Bhukar, Director-Army Welfare Placement Organisation, Rajasthan Guest of
12	27-09-23	Felicitation of CMA Inter and Final All India Rank holders in July 2023 exam.	

JAIPUR CHAPTER

The Institute of Cost Accountants of India

Activities conducted by the Chapter during August 2023 to October 2023

Sl. No.	Date	Activity	Remarks
13	10-10-23	Inauguration of Pre-Placement Orientation Training Program	Chief Guest - CMA Arun Garg IAS, Executive Director, RIICO Ltd. Guest of Honour - CMA Karan Singh Kumawat, Head (F&A), GA Infra Pvt. Ltd.
14	12/10/2023 to 20/10/2023	Following activities during the period:- 1. Cleaning of Chapter premises from all sides of Building. 2. Cutting and Pruning of Trees at Chapter premises. 3. Plastering of wall of Backside of New Building. 4. Raising height of Boundary Walls.	
15	21-10-23	Convocation Ceremony	Chief Guest- CMA S.P. Khandelwal, Vice President, Triveni Engg. & Industries Ltd. Guest of Honour- 1. CMA Akshay Kabra, IRS Asstt. Income Tax Commissioner 2. CMA Rakesh Yadav, Chairman, NIRC
16	25-10-23	Inauguration of Industry Oriented Training Program (IOTP)	Chief Guest-CMA Ashok Kumar Jain, Past Chairman, Jaipur Chapter Guest of Honour- CMA Vimal Kumar Mishra, General Manager (Corporate Affairs), Mahindra World City
17	30-10-23	Industrial visit of CMA Final students	Mahindra World City, Ajmer Road, Jaipur
18	31-10-23	Valedictory Session of IOTP students	Chief Guest-CMA Rakesh Yadav Chairman, NIRC

JAIPUR CHAPTER



Mock Interview for New Budding CMAs



Convocation ceremony



Industrial Visit of ICYTP students at Mahendra world city, Ajmer Road, Jaipur

JAIPUR CHAPTER



Inauguration ceremony of IOTP Training for Final students



Cleanliness Drive near the premise of Jaipur Chapter

KANPUR CHAPTER

Sl. No.	Date	Activity
1	15.08.2023	Celebration of Independence Day 2023 at Kanpur Chapter Building, Lakhanpur, Kanpur.
2	15.09.2023	Workshop "Professional Development of CMA" at Kanpur Chapter Office.
3	02.10.2023	"Swatch Bharat Abhiyan at Kanpur Chapter Building, Lakhanpur, Kanpur.
4	14.10.2023	Kanpur Chapter organized CMA's career programme for students of Kanpur Vidya Mandir, Kanpur
5	25.10.2023	Kanpur Chapter organised for students' Interview Skills, mock Interviews, and reviews.



"Swatch Bharat Abhiyan" at Kanpur Chapter Building, Lakhanpur, Kanpur.



KANPUR CHAPTER



CHAPTER MEET



The Institute of Cost Accountants of India-Northern India Regional Council in association with the Regional Council & Chapters coordination committee of ICMAI organized Northern Region Chapters Meet at the Holy city of Haridwar, Uttarakhand on 16th Dec 2023. The event was attended by around 100 members including representatives from more than 25 Chapters across the Northern Region, Central and Regional Council Members, and staff.

The meeting was well appreciated for its endeavour to acknowledge the active efforts of Chapters in disseminating professional knowledge amongst members, students, and other stakeholders of the respective area. CMA B.B.Nayak (Vice-President, ICMAI), CMA Vinayranjan P. (Chairman-RC & CCC), CMA S.N.Mittal (Chairman-NIRC of ICMAI), CMA R.S.Bhati (CCM), CMA M.K.Anand (CCM), CMA TCA Shrinivas Prasad (CCM), CMA Rakesh Yadav (Vice-Chairman,NIRC), CMA Santosh Pant (Secretary-NIRC), CMA Madhuri Kashyap (Treasurer-NIRC), CMA Honey Singh (RCM), CMA Manish Kandpal (RCM), CMA Jeewan Chandra (RCM) and others graced the event with their presence and motivating thoughts for the CMA profession. The dignitaries encouraged for active and robust coordination mechanism between Chapters, Regional Council and Central Council for a unified and impactful growth for the profession and its various stakeholders. This was a full day meet and the

CHAPTER MEET



proceedings and deliberations of the event were of great significance and importance. This event also provided a platform where various issues of Chapters could be openly discussed and addressed for better streamlining of activities related to Chapters.

BHIWANI CHAPTER



Inauguration of Bhiwani Chapter

The Institute of Cost Accountants of India has opened a New Chapter in Bhiwani, Haryana. The Inaugural function was organized on 25th November, 2023 in Chaudhary Bansi Lal University Campus, Conference Hall in Bhiwani. Sh. Jai Prakash Dalal Hon'ble Minister of Agriculture, Farmer's Welfare, Animal Husbandry, Dairying, Fisheries and Law & Legislation of Government of Haryana, was the Chief Guest and Prof. R K Mittal Vice Chancellor of Chaudhary Bansi Lal University, Bhiwani presided over the Function. Sh. Ghanshyam Dass Saraff MLA Bhiwani, Thakur Vikram Singh BJP State Vice President, Dean Mrs Sumita Bharatwal and Sitaram Sharma Panchayat Committee Chairman grace the occasion as a Guest of Honors. Our Central Council Members -CMA Manoj Kumar Anand, CMA Navneet Kumar Jain and Northern India Regional Council Members- CMA Rakesh Yadav- Vice- Chairman, CMA Santosh Panth- Secretary, CMA Manish Kandpal, CMA Jeewan Chandra along with CMA Ravi Kumar Sahni - Former Chairman (NIRC), CMA Harkesh Tara - Former Chairman (NIRC) and also CMA Harendra Pareek Chairman Jaipur Chapter, CMA Aman Kalra Chairman Chandigarh Chapter, CMA Saurabh Singh Raghav, Ashika Garg had special cooperation in organizing the program. All the guests attending the program were greeted by CMA Vijay Kumar Sharma Chairman, CMA Sanjay Kumar Arya Vice

BHIWANI CHAPTER



Chairman, CMA Sandeep Sharma Secretary, CMA Praveen Dutt Sharma Treasurer, CMA Davender Kumar Raparia, CMA Mukesh, CMA Deepak Kumar Mehta, CMA Randeep Sharma, CMA Manjul Rai, Deepak Vats and all members and Students of Bhiwani Chapter.

KOTA CHAPTER



C.M.A. Kota Chapter Organised a programme on “Guru Abhinandanam”

The Institute of Cost Accountant of India established under the special act of Parliament's Kota chapter conducted “Guru Abhindan” on 06 September 2023 at Government College of Commerce. The Secretary of Kota Chapter C.M.A. Aakash Aggarwal congratulated all the staff and the teachers on the occasion of teacher's day. To inaugurate the programme lamp was lit and the hymes of goddess Saraswati was sung. After that Chairman of Northern India Regional Council C.M.A. S.N. Mittal and the dean of the Government Commerce College Dr. Seema Rathod were greeted with the garlands and shawls. After his welcome Chairman of the Kota C.M.A. Rajendra Natani in his speech said that, the place we have reached today in this achievement the most contribution is of our parents and after that our teachers, through greetings we can never repay the debt of our teachers but only take their blessings. He also said that now a



KOTA CHAPTER



days C.M.A. is making our country's name in international sphere also and with that in Reserve Bank of India, are working at different high posts like director posts in Government Companies, also as C.E.O., C.F.O etc. After the welcome speech the Council Member and career advisor of the Kota Chapter C.M.A Jai Bansal spoke about the C.M.A course to all the teachers and students and told them the future of the C.M.A. in the commerce field. After that all the teachers were greeted with mementos and garlands and took their blessings. Nidhi Goyal spoke about the Commerce College on the Stage. Institute's Northern India Regional Council's Chairman C.M.A. S.N. Mittal gave special information about the importance of Cost Accountancy, Job availability in the field and the future of the course. At the end of the programme the member of the working committee C.M.A. Mukut Bihari Sonkhia gave his views. At the end Kota Chapter's Tapes Mathur thanked all the guests, teachers and members who participated in this programme. On this occasion Principle of Government College of Commerce, Kota's principal Dr. Seema Rathod, Nidhi Goyal, Devraj Rathod, Rahul Verma, Suresh Kumar, Nisha Chaudhary, Ajay Kumar Tanwar, Sandeep Kumar, Sanjay Kumar, Girdhari Lal Yadav, Pradeep Kushwaha, Yashwanti Kumar and Sunil Kumar Mathur, were greeted by the ICMAT's Kota Chapter.

BEAWAR CHAPTER



C.M.A. Beawar Chapter Organised a programme on “Guru Abhinandanam”

"Guru Abhinandanam" program was organized by the Beawar Chapter of the Institute of Cost Accountants of India, established by a special Act of the Parliament of India, in the premises of St. Paul's School, Beawar on Sunday, 3rd September. CMA Ankur Singhal, Vice Chairman of the Beawar Chapter of the institute, said that on the auspicious occasion of Teachers' Day, commerce teachers, principals and teachers providing other services from the entire Beawar district were felicitated. The program started with lighting of the lamp and Saraswati Vandana. After that, Central Council members of the institute who had come from outside, CMA Navneet Jain, CMA M.K. Anand, CMA Rajendra Bhati and Northern Regional Council Chairman CMA S.N. Mittal, CMA Santosh Pant, CMA Rakesh Yadav were welcomed by the members of Beawar Chapter by giving them garlands and saplings. In his welcome address, Beawar Chapter Chairman CMA Mitesh Chopra said that wherever we have reached today, the biggest contribution has come from the teachers after the parents, the debt to the teacher cannot be repaid by Abhinandan, only the blessings of the teachers can be taken. He told that today CMA is bringing glory to India in the country and abroad, CMA is hoisting its flag on high positions like Director, CEO, CFO etc. in Reserve Bank of India, Government companies. After the welcome speech, Jaipur Chapter Chairman CMA Harendra Pareek told all the teachers and teachers about the CMA course and provided detailed information to everyone about this option in the field of commerce in future. After this, all the teachers present were greeted with mementos and garlands and blessings were taken. The stage was conducted by CMA Jyoti Sarda, former chairperson of Beawar Chapter. CMA Rupesh Kothari, Treasurer of Beawar Chapter of the Institute, said that on this occasion, the council members who had come from outside pro

BEAWAR CHAPTER

presented their address in which they gave special information about the importance of cost accountancy, availability of jobs and future. At the end of the program, Beawar Chapter Secretary CMA Mandeep Singh expressed his gratitude to all the guests and members present and refreshments were organized for everyone. On this occasion, CMA of Beawar Chapter Prakash Kothari, CMA Chinmay Maheshwari, CMA Navneet Munot, CMA Kamlesh Sankhla, CMA Kalpesh Hingad, CMA Ankur Singhal, CMA Shubham Sankhla, CMA Nitin Malu, CMA Ravindra Khatri, CMA Mohit Munot, CMA Aishwarya, CMA Madhusudan Joshi, CMA Rakesh Kumawat, CMA Piyush Dugad, CMA Deepak Khicha etc. members were present.





Behind Every Successful Business Decision,
there is always a CMA...