



GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
OFFICE OF THE CHIEF COMMISSIONER OF CENTRAL EXCISE:: CHENNAI ZONE  
26/1, MAHATMA GANDHI ROAD:: CHENNAI - 600 034.

C.No: II/3/8/2013- CZO (Admn.)

Dated: 3.05.2016

OFFICE ORDER NO: 08/2016

Consequent to the joining of Shri. S. Mohan, Adviser (Cost), the following allocation of charge is issued with immediate effect and until further Orders.

Sl. No.	Name of the Officer (S/Shri.)	Designation	Charges allocated
1	S. Mohan	Adviser (Cost)	<b>Audit - II.</b> He will also look after the Audit, Valuation & other related work in respect of Chennai-II, IV & Puducherry Comm'tes (in terms of Board's letter F.No.A-11013/20/2014-Ad.IV dated 23.07.2015)
2	Sharad Ganesh Acharya	Director (Cost)	<b>Audit - I.</b> He will also look after the Audit, Valuation & other related work in respect of Chennai-I, III & LTU Comm'tes (in terms of Board's letter F.No.A-11013/20/2014-Ad.IV dated 23.07.2015)

2. The above Officers are requested to report to the respective Commissioners of Central Excise, Audit.

(JANAKI ARUNKUMAR)  
CHIEF COMMISSIONER

To

1. Shri. S. Mohan, Adviser (Cost), CX Chennai Zone  
2. Shri. Sharad Ganesh Acharya, Director (Cost), Audit-I } along with copy of Board's letter F.No.A-11013/20/2014-Ad.IV dt.23/07/15

Copy submitted to:

1. The Member (P&V), CBEC, North Block, New Delhi  
2. The Additional Director General (HRM-II), DGHRD, 407, Deep Shikha, Rajendra Place, New Delhi-110 008.

Copy to:

1. The Commissioner of Central Excise, Chennai - I/II/III/IV/Pondy/LTU  
2. The Commissioner of Central Excise, Audit-I & II / Appeals- I / II  
3. Sr.PS to CC, Chennai Central Excise Zone.  
4. The PAO, Chennai Central Excise Zone  
5. The AO (DDO), CCO Cx Chennai Zone / Audit-II Comm'te  
6. The Supdt (Computers), Chennai-I - with a request to upload in the departmental website } along with copy of Board's letter dt. 23/07/2015

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F. No. A-11013/20/2014-Ad.IV  
Government of India  
Ministry of Finance  
Department of Revenue  
(Central Board of Excise & Customs)  
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Hudco Vishal Building, 5<sup>th</sup> Floor,  
Bhikaji Cama place,  
New Delhi, the 23 July, 2015.

To,

All Principal Chief Commissioners/Principal Directors General,  
and Commissioners In-charge in Directorates  
under Central Board of Excise & Customs

Admn

Subject: Allocation of posts in different grades of ICoAS cadre to the Ministry of Finance,  
Department of Revenue, CBEC – reg.

Sir,

I am directed to refer to letter No. A.11013/20/2014.Ad.IV dated 26.02.2015 on the above mentioned subject and to enclose herewith a brief containing the role of Indian Cost Accounts Service officers (ICoAS) posted in CBEC.

2. It is clarified that controlling officers in CBEC field formations may assign other related work to ICoAS officers as deemed necessary from time to time.

Yours faithfully,

23.7.15  
(Rajpal Singh)

Under Secretary to the Govt. of India

Copy to :

1. DG HRD, New Delhi for information
2. Department of Expenditure, vide Om No. A.32013/01/20090CAC(Pt.) dated 25.05.2015 North Block, New Delhi
3. Directorate of Logistics, New Delhi
4. Guard file.

23.7.15  
(Rajpal Singh)

Under Secretary to the Govt. of India



## Role of Indian Cost Accounts Service Officers (ICoAS) posted with CBEC

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The Indian Cost Accounts Service (ICoAS) consists of Cost Accountants/Chartered Accountants. The experienced people are recruited for the service. The ICoAS officer's professional knowledge and skill are utilized by the participating offices in a constructive and productive manner. The posts created at various levels in the Central Board of Excise & Customs are to make use of the services of ICoAS officers in its day to day function, mainly in Audit.

2. The ICoAS officers have expertise in the field of analyzing the financial statements, returns relating to valuation, etc. The officers are capable to train the officials involved in Central Excise and Service Tax Audit, particularly on the reading and understanding of the financial statements like Trial Balance, Profit & Loss Accounts, Balance Sheet, Cost Statements and Cost Audit Reports relating to valuation for the purpose of levy of Central Excise Duty / Service Tax. Linking and interpreting the returns filed by the assesseees with the financial statements and cost statements is a specialized job and the same can be effectively carried out with the help of ICoAS officers posted in CBEC.
3. The Central Excise Audit Manual mandates the engagement of ICoAS officers while carrying out the audit. The Audit manual prescribes mandatory audit in respect of units paying annual revenue (Cash + CENVAT) of over Rs.3 crore to be audited every year. As per the audits standard, preliminary desk review is prescribed. The effective utilization of the officers at the time of desk review as well as during the audit period for follow up will make the audit more relevant and purposeful. The Service Tax Audit Manual also prescribes the similar type of stages for the conduct of Audit.
4. Involvement of the ICoAS officers is of paramount importance in case of the audit of Large Tax Paying Units (LTUs), Multi Locational Units (MLUs), SEZ/EOU units, valuation of captive consumption of one finished product into the process of another product, to evaluate the assessable value of the related party transaction /inter unit transfers etc. In case of anti-evasion of duty, scanning through various financial statements for appropriate interpretation is the key element for identification of possible evasion of duty/tax.
5. Keeping the importance of audit function, in the recent cadre restructuring carried out by the CBEC, 45 Audit Commissionerates have been created. The services of ICoAS will further strengthen the Audit Commissionerates. The ICoAS officers are to be deployed in the Audit Commissionerates with a clear-cut mandate to use their services by duly

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integrating with the regular work force of the Commissionerates. Proper channel of reporting also needs to be defined in an integrated manner.

6. The revised strength of ICoAS Officers in the CBEC is as follows:

Sl. No.	Nam of the Posts /Grade	No. of Posts (Revised)
1.	Adviser (Cost)/SAG	5
2.	Director (Cost)/Joint Director (Cost)/JAG/NFSG	5
3.	Deputy Director (Cost)/STS / Assistant Director (Cost)/JTS	22
	Total	32

7. The services of ICoAS officers may be utilized in the following area:

- (i) All the stages of audit as defined in the Central Excise/Service Tax Audit manual.
- (ii) Audit of LTU/MLU/EOU/SEZ units.
- (iii) Compulsory association in the mandatory audit and identified high risk audits.
- (iv) Verification of valuation, reconciliation of CENVAT Credit on inputs and verification of input credit on capital goods, related party transactions, inter unit transfers, overall reconciliation of financial statements with returns filed with revenue authorities.
- (v) Associate with the monthly Monitoring Committee Meetings (MCM).
- (vi) Conduct Audit under Section 14A and 14AA of the Central Excise Act and Section 72A of the Finance Act, 1994.
- (vii) Association with policy related issues at headquarters level.
- (viii) Regular Training programme/Refresher Training programme for the personnel posted in Audit function.