

**Consumer & Commercial Banking**

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Circular id: 16945

September 11, 2024

**All Branches /Offices****Circular No: 31-350****Sub: Certification Work by Cost Accountants for Banks**

Reference is invited to existing Credit Dispensation Policy of the bank whereby the eligibility of Cost Accountants to carry out various certification works for banks has been explicitly mentioned at par with that of Chartered Accountants. However, as stated by the Institute of Cost Accountants of India-Srinagar Chapter, certain operative levels are not accepting certificates provided by Cost accountants.

In this backdrop, it is hereby clarified that the *Cost Accountants (CMAs) holding valid Certificate of Practice (CoP) are authorized to carry out certification work of banks under different Statutes of Govt which include:*

- **Certification of Financial Statements:** A practicing Cost Accountant can certify financial statements, which include Balance sheets, Profit and Loss accounts, and Cash Flow statements.
- **Verification of Stock Statements:** A practicing Cost Accountant can verify stock and receivable statements submitted by borrowers to banks to ensure the accuracy and authenticity of the data provided.
- **Turnover Certificate:** A practicing Cost Accountant can certify and verify the total sales or revenue generated by a business over a specified period.
- **Net Worth Certificate:** A statement prepared by a practicing Cost Accountant that certifies the net worth of an individual or that of business.
- **Assessment of Working Capital Requirements:** A practicing Cost Accountant can assess the working capital needs of a business/project and recommend appropriate financing options.
- **Utilization Certificate:** A certificate issued by a practicing Cost Accountant that confirms the funds allocated for a specific project or purpose have been used appropriately.
- **Preparation of Project Reports:** A practicing Cost Accountant can prepare detailed project reports that include financial forecasts, cost estimates, and revenue projections, which are crucial for obtaining financing.
- **Income Certificate:** A document that certifies an individual's income, typically used for various applications such as scholarships, loans or other financial assistance programs.
- **Other Certificates of Bank:** Besides the aforementioned list of certificates, a practicing Cost Accountant can also issue other certificates based on various circulars issued from time to time by RBI, SBI and other scheduled banks.

The Unique Document Identification Number (UDIN) is mandatorily generated for every certificate issued by the practicing Cost Accountant through the UDIN portal of the Institute. As such, as is the case with documents/ certificates issued by Chartered Accountants, it must be ensured that UDIN has been mentioned on the documents/ certificate issued by the Cost Accountants.

Operative levels are advised to take note of above mentioned guidelines and ensure strict compliance.

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