

COMPANIES (COST RECORDS AND AUDIT) AMENDED RULES 2014

Presented by :
CMA Rahul Jain
CMA Shefali Malik

Rahul Jain & Associates

Cost Accountant

M – 9810720116,9871541113 E – cmarahuljain@gmail.com

APPLICABILITY- PRODUCTS COVERAGE

- TABLE-A (REGULATED SECTORS)

Sl. No.	NAME OF THE INDUSTRY/SECTOR/PRODUCT/SERVICE	CETA HEADING (WHEREVER APPLICABLE)
1.	Telecommunication Services (other than broadcasting)	NA
2.	Generation, Transmission, Distribution and Supply of electricity (Other than for captive generation)	
3.	Petroleum Products	2709 to 2715
4.	Drugs and Pharmaceuticals	2901 to 2942 ; 3001 to 3006
5.	Fertilisers	3102 to 3105
6.	Sugar and Industrial alcohol	1701, 1703, 2207

APPLICABILITY- PRODUCTS COVERAGE

- TABLE-B (NON REGULATED SECTORS)

Sl. No.	NAME OF THE INDUSTRY/SECTOR/PRODUCT/SERVICE	CETA HEADING (WHEREVER APPLICABLE)
1.	Machinery and mechanical appliances used in defence, space and atomic energy sectors excluding any ancillary item or items	8401 to 8402 ; 8801 to 8805 ; 8901 to 8908
2.	Turbo Jets and turbo propellers	8411
3.	Arms and ammunitions	3601 to 3603 ; 9301 to 9306
4.	Propellant powders; prepared explosives (other than propellant powders); safety fuses; detonating fuses; percussion or detonating caps; igniters; electronic detonators	3601 to 3603
5.	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus	8526

APPLICABILITY- PRODUCTS COVERAGE

- TABLE-B (NON REGULATED SECTORS)

Sl. No.	NAME OF THE INDUSTRY/SECTOR/PRODUCT/ SERVICE	CETA HEADING (WHEREVER APPLICABLE)
6.	Tanks and other armoured fighting vehicles, motorised, and parts of such vehicles (Having at least 90% Investment in the company by the Govt or Govt agencies)	8710
7.	Port Services of stevedoring, pilotage, hauling, mooring, remooring, hooking, measuring, loading and unloading services rendered by port in relation to goods regulated by Tariff Authority for Major Ports.	NA
8.	Aeronautical services of air traffic management, aircraft operations, ground safety services, ground handling, cargo facilities and supplying fuels rendered by airports and regulated by Airports Economic Regulatory Authority.	NA

APPLICABILITY- PRODUCTS COVERAGE

- TABLE-B (NON REGULATED SECTORS)

Sl. No.	NAME OF THE INDUSTRY/SECTOR/PRODUCT/SERVICE	CETA HEADING (WHEREVER APPLICABLE)
9.	Steel	7201 to 7229; 7301 to 7326
10.	Roads and other infrastructure projects corresponding to para No. (I)(a) as specified in Schedule VI of the Companies Act.	NA
11.	Rubber and allied products being regulated by the Rubber Board under Rubber Act,1947	4001 to 4017
12.	Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical traffic signaling equipments	8601 to 8608
13.	Cement	2523, 6811, 6812
14.	Ores and Mineral products	2502 to 2522; 2524 to 2526; 2528 to 2530; 2601 to 2617

APPLICABILITY- PRODUCTS COVERAGE

- TABLE-B (NON REGULATED SECTORS)

Sl. No.	NAME OF THE INDUSTRY/SECTOR/PRODUCT/ SERVICE	CETA HEADING (WHEREVER APPLICABLE)
15.	Mineral fuels(other than Petroleum), mineral oils etc	2701 to 2708
16.	Base metals	7401 to 7403 ; 7405 to 7413; 7419;7501 to 7508;7601 to 7614;7801 to 7802; 7804 to 7806; 7901 to 7905; 7907 to 8001; 8003; 8007; 8101 to 8113.
17.	Inorganic chemicals, organic or inorganic compounds of precious metals, rare earth metals of radio active elements and Organic Chemicals	2801 to 2853; 2901 to 2942; 3801 to 3807;3402 to 3403, 3809 to 3824
18.	Jute and Jute Products	5303, 5310
19.	Edible Oil	1507 to 1518
20.	Construction Industry as per para No. (5) (a) as specified in Schedule VI of the Companies Act	NA

APPLICABILITY- PRODUCTS COVERAGE

- TABLE-B (NON REGULATED SECTORS)

Sl. No.	NAME OF THE INDUSTRY/SECTOR/PRODUCT/ SERVICE	CETA HEADING (WHEREVER APPLICABLE)
21.	Health Services, namely functioning as or running hospitals, diagnostic centres, clinical centres or test labs	NA
22.	Education services other than such similar services falling under philanthropy or as part of social spend which do not form part of any business.	NA
23.	Production , import and supply or trading of following medical devices, namely:- Cardiac stents, Drug eluting stents, Catheters, Intra ocular lenses, Bone cements, Heart valves, Orthopedic implants, Internal prosthetic replacements, Scalp vein set, Deep brain stimulator, Ventricular peripheral shud, Spinal implants, Automatic impalpable cardiac deflobillator, Pacemaker, Patent ductus arteriosus, atrial septal defect and ventricular septal defect closure device, Cardiac re- synchronize therapy, Urethra spinicture devices, Sling male or female, Prostate occlusion device and Urethral stents.	9018 to 9022

APPLICABILITY- PRODUCTS COVERAGE

• TABLE-C (NON REGULATED SECTORS)

Sl. No.	NAME OF THE INDUSTRY/SECTOR/PRODUCT/ SERVICE	CETA HEADING (WHEREVER APPLICABLE)
1.	Coffee and Tea	0901 to 0902
2.	Milk Powder	0402
3.	Insecticides	3808
4.	Plastic and Polymers	3901 to 3914; 3916 to 3921; 3925
5.	Tyres and Tubes	4011 to 4013
6.	Paper	4801 to 4802
7.	Textiles	5004 to 5007; 5106 to 5113; 5205 to 5212; 5303; 5310; 5401 to 5408; 5501 to 5516
8.	Glass	7003 to 7008; 7011, 7016
9.	Other Machinery	8403 to 8487
10.	Electricals or electronic machinery	8501 to 8507; 8511, 8512, 8514,8515, 8517,8525 to 8536, 8538 to 8547

THRESHOLD LIMIT FOR APPLICABILITY

	Regulatory	Non-Regulatory
Maintenance of Cost Accounting Records	Gross Turnover of Companies covering products & services ` 35 crores or more	Gross Turnover of Companies covering products & services ` 35 crores or more

THRESHOLD LIMIT FOR APPLICABILITY

Cost Audit (Rule 4)	Regulatory
For Table A	If the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees 50 crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under Rule 3 is rupees 25 crore or more

THRESHOLD LIMIT FOR APPLICABILITY

Cost Audit (Rule 4)	Regulatory
For Table B & Table C	If the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees 100 crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under Rule 3 is rupees 35 crore or more

APPLICABLE FROM WHICH FINANCIAL YEAR

Cost Audit (Rule 4)	Effective Date
For Table A & Table B	1st day of April,2014
For Table C	1st day of April,2015

OTHER CLARIFICATIONS

Rule 3

Application of Cost Records :

For the purpose of sub-section (1) of section 148 of the Act, the class of companies, including foreign companies defined in clause (42) of section 2 of the Act, engaged in the production of the goods or providing services, specified in the Table below, having an overall turnover from all its products and services of rupees 35 crore or more during the immediately preceding financial year, shall include Cost records for such products or services in their books of accounts.

OTHER CLARIFICATIONS

1.	No cost accounting records are required to be maintained by the company which is classified as a Micro Enterprises or a Small Enterprise including as per the turnover criteria under sub section 9 of section 7 of MSMED Act, 2006.
2.	Cost Audit will not be applicable to those companies whose revenue from exports in foreign exchange exceeds 75% of total turnover OR which is operating from SEZ.
3.	Provided that nothing contained in Sl. No. 23 shall apply to foreign companies having only liaison offices in India.
4.	Roads and other infrastructure projects corresponding to para no.(1)(a) as specified in Schedule VI of the Companies' Act, 2013 “Roads, national highways, state highways, major district roads, other district roads and village roads, including toll roads, bridges, highways, road transport providers and other road-related services”
5.	Construction Industry as per Para (5)(a) as specified in Schedule VI of the Companies' Act, 2013 “Real estate development, including an industrial park or special economic zone”

Thank you !