Amended Companies (Cost Records and Audit) Rules, 2014

INDUSTRY	**CETA (Excise Chapter Heading)**	**Applicability from the F/Y**	**Applicability**		**Remark**
			Cost Records	**Cost Audit**	
Telecommunication Services. Any service regulated by TRAI Act, 1997.	Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 50 Crore** and **Rs. 25 Crore** from the product or services, where CR required maintaining.	Including activities that requires authorizations or license issued by the department of telecommunications, Govt. of India under Indian telegraph Act, 1985.
Electricity	Generation-2716 Others-Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 50 Crore** and **Rs. 25 Crore** from the product or services, where CR required maintaining.	Generation, transmission, distribution and supply of electricity regulated under Electricity Act, 2003.
Petroleum Products	2709 to 2715 Others-Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 50 Crore** and **Rs. 25 Crore** from the product or services, where CR required maintaining.	Including activities regulated by PNGR Board under PNGRB Act, 2006. PNGR- Petroleum and Natural Gas Regulatory
Drugs and Pharmaceuticals	2901 to 2942, 3001 to 3006	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 50 Crore** and **Rs. 25 Crore** from the product or services, where CR required maintaining.	
Fertilizers	3102 to 3105	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 50 Crore** and **Rs. 25 Crore** from the product or services, where CR required maintaining.	
Sugar and industrial alcohol	1701, 1703, 2207	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 50 Crore** and **Rs. 25 Crore** from the product or services, where CR required maintaining.	
Machinery and Mechanical appliances used in: ✓ Defence ✓ Space ✓ Atomic energy sector Excluding any Ancillary Item or Items	8401, 8801 to 8805, 8901 to 8908.	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	**Explanation:** any company which is engaged in any item or items supplied exclusively used under this clause shall deemed to be covered

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Turbo Jets and Turbo propellers	8411	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Arms and Ammunitions	3601 to 3603, 9301 to 9306	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Propellant Powders, Prepared Explosives, Safety Fuses, Detonating Fuses, Percussion or detonating caps, Igniters, Electric detonators	3601 to 3603	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Radar apparatus, Radio Navigational aid apparatus and radio remote control apparatus	8526	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Tanks and other armoured fitting vehicles, Motorized and part of such vehicles	8710	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	For coverage , 90% or more investment of the Govt. in the company is required.
Port Services • Stevedoring • Pilotage, • Hauling • Measuring • Mooring • Re-Mooring • Hooking • Loading and Unloading services rendered by port.	Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	Such services must be in relation to a: • Vessel or • Goods Regulated by the Tariff Authority for Major Ports.

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Aeronautical Services: • Air traffic management • Aircraft operations • Ground safety services • Ground handling • Cargo facilities and supplying fuel rendered by airports and regulated by the **AERA**.	Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	**AERA** – Airport Economic Regulatory Authority under the Airport Economic Regulatory Authority of India Act, 2008.
Iron and Steel	7201 to 7229, 7301 to 7326	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Road and other infra. Projects (Para No. (1)(a) of schedule VI of companies act, 2013	Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	Para No. (1)(a) of schedule VI of 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.
Rubber and allied products	4001 to 4017	2014-15	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	Including products regulated by the rubber board under Rubber act, 1947.
Coffee and tea	0901 to 0902	2015-16	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	

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Railway or tramway, locomotives, rolling stock, railway or tramway fixtures and fittings, **mechanical** traffic signaling equipments of all kinds.	8601 to 8608	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	Mechanical equipment includes electro mechanical.
Cement	2523, 6811 to 6812	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Ores and Minerals Products	2502 to 2522, 2524 to 2526, 2528 to 2530, 2601 to 2617	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Minerals fuels and oils etc.	2701 to 2708	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	Other than petroleum
Base metal	7401 to 7403, 7405 to 7413, 7419, 7501 to 7508, 7601 to 7614, 7801 to 7802, 7804, 7806, 7901 to 7905, 7907, 8001, 8003, 8007, 8101 to 8113	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Organic chemicals, Organic or inorganic compounds of precious metals, Rare earth metals of radioactive elements or isotopes and organic chemicals	2801 to 2853, 2901 to 2942, 3801 to 3807, 3402 to 3403, 3809 to 3824.	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	

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Jute and Jute products	5303, 5310	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Edible Oils	1507 to 1518	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Construction Industry (Para No. (5)(a) of schedule VI of companies act, 2013	Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	Para No. (5)(a) of schedule VI of companies act, 2013: Industrial, commercial and social development and maintenance, Including: the real estate development, including an industrial park or special economic Zone.
Health Services, Functioning as: ✓ Running Hospitals ✓ Diagnostic centers ✓ Clinical centers ✓ Or test laboratories	Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Education Services	Not Available	2014-15	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	Not Included: ✓ Similar services falling under philanthropy. ✓ Part of social spend which do not form part of any business.
Milk Powder	0402	2015-16	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Insecticides	3808	2015-16	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Plastic and polymers	3901 to 3914, 3916 to 3921, 3925.	2015-16	Total T/O of the company of **Rs. 35 crore** or more-Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	

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Tyres and Tubes	4011 to 4013	2015-16	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Paper	4801 to 4802	2015-16	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Textiles	5004 to 5007, 5106 to 5113, 5205 to 5212, 5303, 5310, 5401 to 5408, 5501 to 5516.	2015-16	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Glass	7003 to 7008, 7011, 7016	2015-16	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Other Machinery and mechanical appliances	8403 to 8487	2015-16	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Electrical or electronic machinery	8501 to 8507, 8511 to 8512, 8514 to 8515, 8517, 8525 to 8536, 8538 to 8547.	2015-16	Total T/O of the company of **Rs. 35 crore** or more- Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore** and **Rs. 35 Crore** from the product or services, where CR required maintaining.	
Medical devices • Production, • Import and Supply or • Trading	1) Cardiac stents, 2) drug eluting stents, 3) catheters, 4) Intra ocular lenses,	2014-15	Total T/O of the company of **Rs. 35 crore or more** Immediately preceding the financial year.	Total T/O- **Rs. 100 Crore and Rs. 35 Crore** from the product or services, where CR required maintaining.	Not applicable to foreign companies having only liaison offices.

	5) Bone cements, 6) Heart valves, 7) Orthopedic implants, 8) Internal prosthetic replacement, 9) Scalp vein set, 10) Deep brain stimulator, 11) Ventricular peripheral shud, 12) Spinal implants, 13) Automatic impalpable cardiac deflobillator, 14) Pacemaker, 15) Patent ductus arterious, atrial septal defect, ventricular septal defect closure device, 16) cardiac re-synchronize therapy, 17) Urethra spinicture devices,				

	18) Sling male or female, 19) Prostate occulusion device and 20) Urethral stents				

<u>Where cost audit is not applicable but maintenance of cost records are required if covered under rule 3.</u>

- ✓ Revenue from exports, in foreign exchange exceeds its 75% of its total revenue.
- ✓ Operating from a SEZ.
- ✓ Any company engaged in generation of electricity for captive consumption through **"Captive Generating Plant"**.

<u>Captive Generating Plant as per rule 3 of the Electricity Rules, 2005</u>

No power plant shall qualify as a captive generating plant unless:

In case of a power plant owned by the company:

- **i.** Not less than **twenty six percent (26%)** of the ownership is held by the captive user(s), and
- **ii.** Not less than **fifty one percent (51%)** of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for the captive use.

<u>Special provision</u>

Rule shall also not apply to a company which is classified as a:

- ✓ Micro enterprise or
- ✓ Small enterprise

Including as per the turnover criteria u/s-s (9) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006.

<u>Applicability of rules under MSMED Act, 2006</u>

Enterprise	Investment Criteria		Turnover Criteria	Cost Records	Cost Audit
	Manufacturing Sector	Service Sector	Manufacturing and Service Sector		
Micro	Upto Rs. 25 lakh	Upto Rs. 10 lakh	Upto Rs. 5 crore	Not Applicable	Not Applicable
Small	Rs. 25 lakh < 5 crore	Rs. 10 lakh < 2 crore	Rs. 5 crore < 75 crore	Not Applicable	Not Applicable
Medium	Rs. 5 crore < 10 crore	Rs. 2 crore < 5 crore	Rs. 75 crore < 250 crore	Applicable	Applicable (if t/o is 100cr. or more)
1) Investment in manufacturing sector means, investment in Plant & Machinery. 2) Investment in service sector means, investment in Equipments. 3) Turnover criteria already approved by the cabinet, Govt. of India.					

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