8/5/2011

MASTER CHART OF COST ACCOUNTING RECORDS RULES

No.	Rule	Applicability of Cost Accounting Records Rules	Applicability of audit of Cost Accounting Records
1	Cost Accounting Records (Bulk Drugs) Rules 1974	Every company engaged in the production, processing or manufacturing of bulk drugs under any system of medicine including Ayurvedic, Homeopathic, Siddha and Unani system of medicine and intermediates thereof.	As per Order dated **2.5.2011** of MCA, all companies to which any of these rules from **No.1 to 8** apply, and which satisfy any of the following criteria shall get its cost accounting records in respect of each of its financial year commencing on or after 1st April 2011 audited by a qualified cost auditor: (1) Wherein, the aggregate value of **net worth** as on the last date of immediately preceding financial year exceeds **Rs.5 crores**; or 2) Wherein the
2	Cost Accounting Records (Formulations) Rules 1988	Every company engaged in the production, processing or manufacture of formulations under any system of medicines including Ayurvedic, Homeopathic, Siddha and Unani formulations.	
3	Cost Accounting Records (Fertilizers) Rules 1993	Every company engaged in the production, processing or manufacture of fertilizers, whether nitrogenous, phosphates and/or complex (organic/ inorganic and/or mixed) and includes all types of fertilizers in Section 2(h) of Fertilizer Control Order 1985 made under Sec.3 of Essential Commodities Act 1985.	
4	Cost Accounting Records (Sugar) Rules 1997	Every company engaged in the production or manufacture of sugar by vaccum pan process and excludes jaggery and khandsari.	
5	Cost Accounting Records (Industrial Alcohol) Rules 1997	Every company engaged in the production or manufacture of industrial alcohol which includes any grade or grades in the following categories, viz.: 1. Absolute Alcohol 2. Rectified spirit 3. Denatured and special denatured spirit 4. Power alcohol	

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<td>6</td>
<td>Cost Accounting Records (Electricity Industry) Rules 2001</td>
<td>Every company engaged in any of the following activities, viz.:
(1) Generation of electricity from:-
(a) thermal power
(b) gas turbine
(c) hydro-electric power
(d) atomic power
(e) solar power
(f) wind power
(g) any other source of energy;

(2) Transmission and bulk supply of electricity;

(3) Distribution and retail supply of electricity :</td>
<td rowspan="3">aggregatevalue of turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds Rs.20 crores; or
3) Wherein the company’s equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India.</td>
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<td>7</td>
<td>Cost Accounting Records (Petroleum Industry) Rules 2002</td>
<td>Every company engaged in production, processing and manufacturing of crude oil, gases (including Compressed Natural Gas or Liquified Natural Gas and regasification thereof) or any other petroleum products.</td>
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<td>8</td>
<td>Cost Accounting Records (Telecommuni-cations) Rules 2002</td>
<td>Every company engaged in the processing of any one or more of the telecommunication activities, viz.:
<table>
<tr><td>1. Basic telephony:</td><td>6. Internet operations (including gateway service/e-mail)</td><td>11. Globile mobile personal communication services</td><td>16. Radio paging</td></tr>
<tr><td>2. Cellular mobile</td><td>7. Packet switched public data network (PSPDN) service</td><td>12. Leased circuits</td><td>17. Any other tele-communication service for commercial use</td></tr>
<tr><td>3. Telex</td><td>8. Wireless in local loop (WLL) service</td><td>13. Internet ports</td><td></td></tr>
<tr><td>4. Telegraphy</td><td>9. Public mobile radio trunk service</td><td>14. National long distance operator</td><td></td></tr>
<tr><td>5. Voice mail/ audiotex service</td><td>10. Very small aperture terminal service</td><td>15. Internet telephony</td><td></td></tr>
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No.	Cost Accounting Rules	Applicability of Cost Accounting Records Rules	Applicability of audit of Cost Accounting Records Rules
9	Cost Accounting Records (Cement) Rules 1997	Every company engaged in the production or manufacture of clinker or cement or both.	As per Order dated **3.5.2011** of MCA, all companies to which any of these rules from **No.9 to 14** apply, and which satisfy any of the following criteria shall get its cost accounting records in respect of each of its financial year commencing on or after 1st April 2011 audited by a qualified cost auditor: 1) Wherein the aggregate value of **turnover** made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds **Rs.100 crores**; or 2) Wherein the company's equity or debt securities are **listed** or are in the process of listing on any stock exchange, whether in India or outside India.
10	Cost Accounting Records (Tyres & Tubes) Rules 1999	Every company engaged in the production or manufacture of rubber tyres and tubes or both for all types of vehicles.	
11	Cost Accounting Records (Steel Plants) Rules 1990	Every company engaged in the production, processing or manufacture of steel and steel products [which includes ingot steel, blooms, billets, slabs (code as well as semi finished); steel products produced by backward integration like coal based sponge iron, gas based hot briquette iron, steel products produced by forward integration like beams, angles, tees, sees, channels, pilings, rails, crane rails, joint bars, bars (round squares, hexagonal, octagonal, flat, triangular, half round), wire, wire ropes, nails, wire fabric, plates, pipe and tubes, HR coils/sheets, CR coils, sheets]	
12	Cost Accounting Records (Steel Tubes & Pipes) Rules 1984	Every company engaged in the production, processing or manufacture of steel tubes and pipes (including stainless steel) both black and galvanized and in various sizes, shapes and qualities.	
13	Cost Accounting Records (Paper) Rules 1975	Every company engaged in the production, processing or manufacturing of paper used for the purpose of printing, writing or wrapping, newsprint, paper board, and exercise note books of companies manufacturing paper.	
14	Cost Accounting Records (Insecticides) Rules 1993	Every company engaged in production, processing or manufacture of the classes of insecticides as defined under Section 3 (c) of Insecticides Act and included in the Schedule annexed to the Act.	

No.	Cost Accounting Rules	Applicability of Cost Accounting Rules	Applicability of audit of Cost Accounting Records Rules
15	Cost Accounting Records (Aluminium) Rules 1972	Every company engaged in the production, **processing** or manufacturing of any of the following products, viz.: 1. Alumina 2. Aluminium 3. **Aluminium ingots** in any form or alloy 4. Aluminium rolled products including foil 5. Aluminium extruded products 6. Properzirod or aluminium wire rod 7. Any other aluminium products or its alloy	Audit of cost accounting records as per Rules at Nos.**15 to 45** is not mandatory.
16	Cost Accounting Records (Bearings) Rules 1985	Every company engaged in the production, **processing** or manufacture of **bearings** of various types, viz. ball and roller bearing, needle bearings and of various sizes.	
17	Cost Accounting Records (Air Conditioners) Rules 1967	Every company engaged in the production or manufacture of air conditioning system or **device by which air is controlled** for the fulfillment of required condition of the confined space through controlling temperature, humidity, air purity and air motion for human comforts.	
18	Cost Accounting Records (Caustic Soda) Rules 1967	Every company engaged in the production or manufacture of caustic soda in any form.	

19	Cost Accounting Records (Chemical Industry) Rules 2004	Every company engaged in the production, **processing** or manufacture of following products: 1. Acetic acid 2. Acetic anhydride 3. Acetone 4. Aluminium fluoride 5. Aniline 6. Benzene 7. Boric acid 8. Butadiene 9. Butanol 10. Calcium carbide 11. Carbon black 12. Caustic soda 13. Chloro methanes 14. Diacetone alcohol 15. Diethylene alcohol 16. Diethylene glycol 17. 2-ethyl hexanol 18. Ethylene dichloride 19. Ethylene glycol 20. Ethylene oxide 21. Formaldehyde 22. Isopropanol 23. Linear alkyl benzene 24. Maleic anhydride 25. Methanol 26. Methyl Ethyl Ketone 27. Methyl Isobutyl Ketone (MIBK) 28. Nitrobenzene 29. Ortho Nitro Chloro Benzene 30. Para Nitro Chloro Benzene 31. Penta Erithritol 32. Phenol 33. Polyethylenes viz. LDPE, HDPE, LLDPE 34. Polypropylene 35. Polythylene Glycol 36. Propylene 37. Soda Ash 38. Sodium tripoly phosphate 39. Sulphuric acid 40. Resins (excluding natural resins), paints, varnishes and plastics 41. Synthetic rubber 42. Titanium dioxide 43. Toluene 44. Xylenes	
20.	Cost Accounting Records (Cosmetics and Toiletries) Rules 1993	Every company engaged in the production, processing or manufacture of any article intended to be rubbed, poured, sprinkled or sprayed on, or introduced into or otherwise applied to the human body or any part thereof or otherwise for cleaning, beautifying, promoting attractiveness or altering the appearance and includes the classes or preparations specified below and those added thereto from time to time by notification in the official gazette:	

		1. Powders 6. After shave lotions 2. Creams 7. Shaving soaps 3. Tooth paste 8. Shaving foams 4. Tooth powders 9. Perfumes 5. Shaving creams 10. Hair oils	
21	Cost Accounting Records (Cycles Rules 1967	Every company engaged in the production or manufacture of cycles and components thereof.	
22	Cost Accounting Records (Dry Cell Batteries) Rules 1978	Every company engaged in the production, processing or manufacturing of any type of dry cell batteries and components thereof.	
23	Cost Accounting Records (Dyes) Rules 1976	Every company engaged in producing, processing or manufacturing of dyes. Dyes here means an organic compound which may be used to impart colour to a substance and may be classified as acid dyes, ingrained dyes, metal complex dyes, disperse dyes, reactive dyes, oil dyes, and water soluble dyes.	
24	Cost Accounting Records (Electric Lamps) Rules 1967	Every company engaged in the manufacture of electric lamps of all types.	
25	Cost Accounting Records (Electric Fans) Rules 1969	Every company engaged in the production and manufacture of any type of electrical fans.	
26	Cost Accounting Records (Electric Motors) Rules 1969	Every company engaged in the manufacture of any type of electric motor.	
27	Cost Accounting Records (Electronic	Every company engaged in the production, processing or manufacture of electronic products and components thereof as specified below:	

	Products) Rules 2001	1. All consumer electronics such as television, both black and white and colour, video cassette recorder, video cassette player, audio compact disc player, video compact disc player, digital video compact disc player, radio receiver, tape recorder & combination, electronic watch, and electronic clock etc. 2. **Industrial electronics** including all control instrumentation and automation equipment. 3. Computer including personal computer, laptop, note book, server, work stations, super computers, data processing equipments and peripherals like monitors, keyboards, disk drivers, printers, digitizers, SMPs, modems, networking products and add-on cards. 4. Communication and broadcasting equipment including cable television equipment. **5.** Strategic electronics and systems such as navigation and surveillance systems, radars, sonars, infra-red detection and ranging system, disaster management system, **internal security system etc.** 6. **Other electronic component and equipment** such as picture tube, printed circuit board etc.	
28	Cost Accounting Records (Electric cables and conductors) Rules 1984	All companies engaged in the production, processing or manufacturing of electrical cables, conductors, wires and strips of any type in the following categories, viz.: a) Power cables (all types, viz. PILC, PVC, XLPE etc.) b) VIR/rubber covered cables and flexible wires of all types c) PVC insulated cables, flexible wires of all types including switch board wires and cables d) Enameled covered wires and strips e) Wires and strips covered with paper, glass, silk and other types of insulating materials f) AAC/ACSR conductors g) Telecommunication cables.	
29	Cost Accounting Records (Engineering Industries) Rules 1984	Every company engaged in the production, processing or manufacture of the following classes of engineering goods and those added thereto by the Govt by gazette notification: 1. Power driven pumps 2. Internal combustion engines 3. Diesel engines	

		4. **All types of automobile parts and accessories** 5. Power transformers 6. Electric generators 7. Machine tools	
30	Cost Accounting Records (Industrial Gases) Rules 1996	Every company engaged in the production or manufacture of the classes of industrial gases specified below: 1. Oxygen gas 2. Nitrogen gas 3. Acetylene gas 4. Hydrogen gas 5. Nitrous oxide gas 6. Argon gas 7. Helium gas 8. Carbon di-oxide gas	
31	Cost Accounting Records (Jute Goods) Rules 1975	Every company engaged in the production, processing or manufacture of jute goods.	
32	Cost Accounting Records (Milk Food) Rules 1986	Every company engaged in the production, processing or manufacture of infant milk food or milk food as malted milk food, energy food or food drink under any brand name.	
33	Cost Accounting Records (Mining and Metallurgy) Rules 2001	Every company engaged in the mining, production, **processing** or manufacturing activities of any of the products (metals and non-metals, their minerals, ores and alloys) as specified below: 1. Uranium; 2. Thorium; 3. Zirconium; 4. Titanium; 5. **Copper**; 6. Lead; 7. Zinc; 8. **Nickel**; 9. Cobalt; 10. Chromium; 11. Gallium; 12. Germanium; 13. Platinum; 14. Molybdenum	
34	Cost Accounting Records (Motor Vehicles) Rules	Every company engaged in the manufacture of motor vehicles (whether passenger or commercial) including the manufacture of following vehicles, viz.:	

	1997	1. All types of passenger cars, jeeps and station wagons 2. All types of commercial vehicles, delivery and pick up vans 3. Motor cycles, scooters, scooterettes and mopeds 4. Three wheeler vehicles 5. Any type of tractor 6. Heavy earth moving equipments	
35	Cost Accounting Records (Nylon) Rules 1977	Every company engaged in the production, processing or manufacturing of any of the following nylon products, viz: 1. Nylon chip 2. Nylon fibre 3. Nylon filament yarn 4. Nylon partially oriented yarn 5. Nylon tyre yarn or cord 6. Nylon tyre cord fabric 7. 100% nylon fabrics	
36	Cost Accounting Records (Plantation Products) Rules 2002	Every company engaged in production, processing or manufacture of following products: 1. Tea and tea products 2. Coffee and coffee products 3. Other commercial plantation products including seeds thereof	
37	Cost Accounting Records (Polyester) Rules 1997	Every company engaged in the production, processing or manufacture of any of the following polyester products: 1. Polyester fibre 2. Polyester filament yarn 3. Polyester chips 4. Polyester fibre fill 5. Partially oriented yarn 6. Processed polyester yarn (texturised, twisted, dued. Crimped etc.) 7. 100% polyester fabric	
38	Cost Accounting Records (Rayon)	Every company engaged in the production, processing or manufacture of any of the following polyester products:	

	Rules 1976	1. Viscose staple fibre in all forms 2. Viscose filament yarn 3. Viscose tyre yarn, cord, fabric 4. 100% viscose yarn fabric 5. Acetate yarn/fibre 6. Rayon film (cellophane film)	
39	Cost Accounting Records (Refrigerators) Rules 1967	Every company engaged in the production, processing or manufacture of refrigerators in any form.	
40	Cost Accounting Records (Shaving Systems) Rules 1996	Every company engaged in the production, processing or manufacture of the classes of shaving systems used for shaving purposes by human beings whether electronic or electric or mechanical or manual as specified below: 1. Shaving blades 2. Razors 3. Any part or component thereof 4. Any other shaving instrument	
41	Cost Accounting Records (Soaps and Detergents) Rules 1993	Every company engaged in the production, processing or manufacture of cleaning material used for cleaning, laundry/washing, bathing/toilet purposes and includes soaps and detergents (whether in the form of cake, powder or liquid).	
42	Cost Accounting Records (Soda Ash) Rules 1976	Every company engaged in the production, processing or manufacture of soda ash in any form, that is to say, light, dense and medium dense and conforming to ISI specifications.	
43	Cost Accounting Records (Sulphuric Acid) Rules 1980	Every company engaged in the production or manufacture of sulphuric acid in the various grades, viz. technical (commercial), battery, pure and analytical etc.	

44	Cost Accounting Records (Textiles) Rules 1977	Every company engaged in the production, processing or manufacture of any art silk cloth, cloth, cotton yarn or cotton cloth, processed yarn or processed cloth, man-made fibre yarn, or man-made fibre cloth, silk yarn or silk cloth, wool, woolen yarn or woolen cloth, yarn or other textile products.	
45	Cost Accounting Records (Vanaspati) Rules 1972	Every company engaged in the production, processing or manufacture of refined vegetable oils, and vegetable oil products as also industrial hard oil.	

Notes:

1) All the above Cost Accounting Records Rules do not apply to SSI undertakings.

   For the purpose of these rules SSI undertaking means the aggregate value of the machinery and plant installed wherein does not exceed the limit specified for a small scale industrial undertaking under the provisions of Industries (Development and Regulation) Act 1951 as on the last date of the preceding financial year and the aggregate value of realization made by the company from the sale or supply of all its products during the preceding financial year does not exceed ten crores of rupees.

2) As per circular dated 11.4.2011 issued by MCA, where audit of Cost Accounting Records is mandatory, Audit Committee of the Board (or if there is no Audit Committee, the Board of Directors) shall appoint qualified cost auditor. Company has to file Form 23C for approval of Central Govt for the appointment within 90 days of commencement of the financial year, alongwith a copy of Board resolution and certificate obtained from cost auditor regarding compliance of Sec.224(1-B) of Companies Act 1956.

3) As per Cost Audit Report Rules 2001, company is required to make available to the cost auditor all cost accounting records within 135 days of end of the financial year and the auditor shall e-file his cost audit report within 180 days of close of financial year in Form-I with a copy to the company. The Annexure and proforma prescribed with the Cost Audit Report shall be approved by the Board of Directors before submitting the same to the Central Government.

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