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EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

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कॉर्पोरेट कार्य मंत्रालय

अधिसूचना

नई दिल्ली, 3 जून, 2011

सा.का.नि. 430(अ).— केन्द्रीय सरकार कंपनी अधिनियम, 1956, (1956 का 1) की धारा 233 ख की उपधारा (4) तथा धारा 227 की उपधारा (1) के साथ पठित धारा 642 की उपधारा (1) के खंड (ख) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए और लागत लेखा रिपोर्ट नियम, 2001 के अधिक्रमण में सिवाय उन चीजों के जो ऐसे अधिक्रमण से पूर्व की गई हैं अथवा किए जाने के लिए विलोपित की गई हैं, एतदद्वारा निम्नलिखित नियम बनाती है अर्थात :–

1. **संक्षिप्त नाम और प्रारंभ** — (1) इन नियमों का संक्षिप्त नाम कंपनी (लागत लेखा रिपोर्ट) नियम, 2011 है ।

(2) ये राजपत्र में प्रकाशन की तारीख को प्रवृत्त होंगे–

2. **परिभाषाएं और व्याख्याएं**– इन नियमों में जब तक अन्यथा इस प्रकार का उपबंध न किया गया हो,–

(क) "अधिनियम" से कंपनी अधिनियम, 1956 (1956 का 1) अभिप्रेत है;

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 3rd June, 2011

G.S.R. 430(E).— In exercise of the powers conferred by clause (b) of sub-section (1) of section 642 read with sub-section (4) of section 233B, and sub-section (1) of section 227 of the Companies Act, 1956 (1 of 1956), and in supersession of the Cost Audit Report Rules, 2001, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:-

1. **Short Title and Commencement-** (1) These rules may be called The Companies (Cost Audit Report) Rules, 2011.

   (2) They shall come into force on the date of their publication in the Official Gazette.

2. **Definitions and Interpretations.** - In these rules, unless otherwise so provided,---

   (a) "Act" means the Companies Act, 1956 (1 of 1956);

   (b) "Cost Auditor" means an auditor appointed to conduct an audit of cost records, under sub-section (2) of section 233B of the Act;

   (c) "Form-I" means the Form prescribed in these rules for filing cost audit report and other documents with the Central Government in the electronic mode;

   (d) "Form-II" means the Form of the cost auditor's report and includes auditor's observations and suggestions, and Annexure to the cost audit report;

   (e) "Form-III" means the Form of the performance appraisal report;

   (f) "Product" means any tangible or intangible good, material, substance, article, idea, know-how, method, information, object, service, etc. that is the result of human, mechanical, industrial, chemical, or natural act, process, procedure, function, operation, technique, or treatment and is intended for use, consumption, sale, transport, store, delivery or disposal.

   (g) "Product Group" in relation to tangible products means a group of homogenous and alike products, produced from same raw materials and by using similar or same production process, having similar physical or

chemical characteristics and common unit of measurement, and having same or similar usage or application; and in relation to intangible products means a group of homogenous and alike products or services, produced by using similar or same process or inputs, having similar characteristics and common unit of measurement, and having same or similar usage or application;

(h) "Report" means cost audit report duly audited and signed by the cost auditor in the prescribed form of cost audit report;

(i) All other words and expressions used in these rules but not defined, and defined in the Act and rules made under clause (d) of sub-section (1) of section 209 and sub-section (4) of section 233B of the Act shall have the same meanings as assigned to them in the Act or rules, as the case may be.

3. **Application** – (1) These rules shall apply to every company in respect of which an audit of the cost records has been ordered by the Central Government under sub-section (1) of section 233B of the Act.

(2) Every company as specified in sub-rule (1) shall, within ninety days of the commencement of every financial year, file an application with the Central Government seeking prior approval for appointment of the cost auditor, through electronic mode, in the prescribed form, alongwith the prescribed fee as per the Companies (Fees on Applications) Rules, 1999, and requisite enclosures.

(3) Every cost auditor appointed under sub-rule (2) shall, within thirty days of receipt of letter of appointment, inform his appointment to the Central Government through electronic mode, in the prescribed form, alongwith the requisite enclosures.

(4) Notwithstanding anything contained in sub-rule (2) and (3) above, every company and every cost auditor shall follow the procedure prescribed vide Ministry of Corporate Affairs' General Circular No. 15/2011 [File No. 52/5/CAB-2011] dated April 11, 2011.

4. **Form of the Report** - (1) Every cost auditor, who conducts an audit of the cost records of the company, shall submit the report along with auditor's observations and suggestions, and Annexure to the Central Government in the prescribed form and at the same time forward a copy of such report to the company.

(2) The cost audit report submitted on or after 1st day of April, 2012, irrespective of the financial year of the company to which it relates, shall be in the form prescribed under these rules.

(3) Every company as specified in sub-rule (1) of rule 3 shall, keep and maintain cost details, statements, schedules, etc. for each unit and each product or activity comprised in each product group, duly authenticated by atleast two Directors of the company and the cost auditor.

(4) The cost details, statements, schedules, etc. of every company, as specified in sub-rule (3), relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years shall be kept in good order:

(5) Every cost auditor, who submits a report under sub-rule (1), shall also furnish performance appraisal report, duly authenticated by the cost auditor, to the Board/Audit Committee of the company in the prescribed form.

(6) Every cost auditor, who submits a report under sub-rule (1), shall also give clarifications, if any, required by the Central Government on the cost audit report submitted by him, within thirty days of the receipt of the communication addressed to him calling for such clarifications.

5. **Time limit for submission of Report** – Every cost auditor shall forward his report referred to in sub-rule (1) of rule 4 to the Central Government and to the concerned company within one hundred and eighty days from the close of the company's financial year to which the report relates.

6. **Cost Auditor to be furnished with the cost accounting records etc.** – Without prejudice to the powers and duties the Cost Auditor shall have under sub-section (4) of section 233B of the Act, the company and every officer thereof, including the persons referred to in sub-section (6) of section 209 of the Act, shall make available to the cost auditor, such cost accounting records, cost statements, other books and documents, and Annexure to the Report, duly completed, as would be required for conducting the cost audit, and shall render necessary assistance to the cost auditor so as to enable him to complete the cost audit and submit his report within the time limit specified in rule 5.

7. **Authentication of Annexure to the Cost Audit Report** – The Annexure prescribed with the cost audit report shall be approved by the Board of Directors before submitting the same to the Central Government by the cost auditor. The Annexure, duly audited by the cost auditor, shall also be signed by the Company Secretary and at least one Director on behalf of the company. In the absence of Company Secretary in the company, the same shall be signed by at least two Directors.

8. **Penalties** – (1) If default is made by the cost auditor in complying with the provisions of rule 4 or rule 5, he/she shall be punishable with fine, which may extend to five thousand rupees.

(2) If a company contravenes any provisions of these rules, the company and every officer thereof who is in default, including the persons referred to in sub-section (6) of section 209 of the Act, shall be punishable as provided under sub-section (2) of section 642 read with sub-sections (5) and (7) of section 209 and sub-section (11) of section 233B of Companies Act, 1956 (1 of 1956).

9. **Savings**- The supersession of the Cost Audit Report Rules, 2001, shall not in any way affect-

a) any right, obligation or liabilities acquired, accrued or incurred thereunder;

b) any penalty, forfeiture or punishment incurred in respect of any contravention committed thereunder; and

c) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and; any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if those rules had not been superseded.

[F. No. 52/10/CAB-2010]

B. B. GOYAL, Adviser (Cost)

FORM-I	Form for filing Cost Audit Report and other documents with the Central Government
[Pursuant to section 233B(4), 600(3)(b) of the Companies Act, 1956 and rule 2 of The Companies (Cost Audit Report) Rules, 2011]	

PART I - GENERAL INFORMATION

Note: All fields marked in * are to be mandatorily filled.

1 (a) *Corporate identity number (CIN) or foreign company registration number of the company [ ] Pre-Fill

(b) Global location number (GLN) of company [ ]

2 (a) *Name of the company [ ]

(b) *Address of the registered office or of the principal place of business in India of the company [ ]

(c) *E-mail address of the company [ ]

3 (a) *Financial year From [ ] (DD/MM/YYYY)

To [ ] (DD/MM/YYYY)

(b) *Date of Board of directors meeting in which annexure to the cost audit report was approved [ ] (DD/MM/YYYY)

4 (a) *State number of Product Groups for which the Cost Audit Report is being submitted [ ]

(b) *Details of such Product Groups of the company *(Number of rows depending on 4(a) above)*

Name of the Product Group	*Major Products/Activities Covered*

5 (a) *State number of Product Groups/Activities not covered in the Cost Audit Report [ ]

(b) *Details of such Product Groups/Activities of the company *(Number of rows depending on 5(a) above)*

Name of the Product Group	*Major Products/Activities Covered*

6 **Details of the cost auditor**

(a) *Category of the cost auditor ○ Individua ○ Cost accountant's firm

(b) *Name of the cost auditor or the cost auditor's firm appointed as cost auditor of the company [ ]

(c) *Income tax permanent account number of the cost auditor or cost auditor's firm [ ]

(d) *Membership number of cost auditor or cost auditor's firm's registration number [ ]

(e) Address of the cost auditor or cost auditor's firm

(i) Line I [ ]
Line II [ ]
(ii) City [ ]
(iii) State [ ]
(iv) Country [ ]
(v) Pin Code [ ]

(f) *E-mail ID of the cost auditor or cost auditor's firm [ ]

7 (a) *Whether the cost auditor's report has been qualified or has any reservations or contains adverse remarks ○ Yes ○ No

(b) *If yes, cost auditor's qualifications, reservations or adverse remarks as given in the cost auditor's report [ ]

8 (a) *Whether the cost auditor's report contain any observations or suggestions ○ Yes ○ No

(b) *If yes, cost auditor's observations / suggestions [ ]

2069 GI/11-4

PART-II

Attachements:

1 Cost audit report as per The Companies (Cost Audit Report) Rules, 2011 — Attach

2 Optional attachement(s) - if any — Attach

List of attachements

Remove attachement

Verification:

To the best of my knowledge and belief, the information given in this form and its attachments is correct and complete.

☐ I have been authorised by the Board of directors' resolution number ____ dated ____ (DD/MM/YYYY)
to sign and submit this form.

☐ I am authorised to sign and submit this form.

To be digitally signed by:

Managing Director or director or manager or secretary (in case of an Indian company) or an authorised representative (in case of a foreign company) — Digital Signatures

*Designation

*Director identification number of the director or Managing Director; or Income-tax PAN of the manager or of authorised representative; or Membership number, if applicable or income-tax PAN of the secretary (secretary of a company who is not a member of ICSI may quote his/her income-tax PAN)

Director of the company — Digital Signatures

Director identification number of the director

*Cost Auditor — Digital Signatures

Whether associate or fellow ○ Associate ○ Fellow

Membership number

Modify CheckForm Prescrutiny Submit

This e-form has been taken on file maintained by the Central Government through electronic mode and on the basis of statement of correctness given by the filing company and the cost auditor

FORM-II

FORM OF THE COST AUDIT REPORT

[See rule 2 and rule 6]

I/We,..... having been appointed as Cost Auditor(s) under Section 233B of the Companies Act, 1956 (1 of 1956) of .....*(mention name of the company)* having its registered office at ..... *(mention registered office address of the company)* (hereinafter referred to as the company), have audited the books of account prescribed under clause (d) of sub-section (1) of section 209 of the said Act, and other relevant records in respect of the ..... (mentions name/s of product group/s) for the period/year ..... *(mention the financial year)* maintained by the company and report, in addition to my/our observations and suggestions in para 2.

(i) I/We have/have not obtained all the information and explanations, which to the best of my/our knowledge and belief were necessary for the purpose of this audit.

(ii) In my/our opinion, proper cost records, as per Companies (Cost Audit Report) Rules, 2011 prescribed under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, have/have not been maintained by the company so as to give a true and fair view of the cost of production/operation, cost of sales and margin of the product/activity groups under reference.

(iii) In my/our opinion, proper returns adequate for the purpose of the Cost Audit have/have not been received from the branches not visited by me/us.

(iv) In my/our opinion and to the best of my/our information, the said books and records give/do not give the information required by the Companies Act, 1956, in the manner so required.

(v) In my/our opinion, the said books and records are/are not in conformity with the Cost Accounting Standards issued by The Institute of Cost and Works Accountants of India, to the extent these are found to be relevant and applicable.

(vi) In my/our opinion, company has/has not adequate system of internal audit of cost records which to my/our opinion is commensurate to its nature and size of its business.

(vii) Detailed unit-wise and product/activity-wise cost statements and schedules thereto in respect of the product groups/activities under reference of the company duly audited and certified by me/us are/are not kept in the company.

(viii) As required under the provisions of The Companies (Cost Audit Report) Rules, 2011, I/we have furnished Performance Appraisal Report, to the company, on the prescribed form.

2 Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit.

Dated: this ____ day of _____ 20__
at _____ (mention name of place of signing this report)

SIGNATURE & SEAL OF THE COST AUDITOR (S)
MEMBERSHIP NUMBER (S)

NOTES:

(1) Delete words not applicable.

(2) If as a result of the examination of the books of account, the Cost Auditor desires to point out any material deficiency or give a qualified report, he shall indicate the same against the relevant para (i) to (viii) only in the prescribed form of the Cost Audit Report giving details of discrepancies he has come across.

(3) The report, suggestions, observations and conclusions given by the Cost Auditor under this paragraph shall be based on verified data, reference to which shall be made here and shall, wherever practicable, be included after the company has been afforded an opportunity to comment on them.

ANNEXURE TO THE COST AUDIT REPORT

[See rule 2 and rule 6]

1. GENERAL INFORMATION:

1. CIN or GLN of the company:
2. Name of the company:
3. Registered office address:
4. Corporate office address:
5. E-mail address of the company:
6. Company's financial year to which the Cost Audit Report relates:
7. Name, address, membership number and e-mail of the Cost Auditor(s):
8. SRN Number and date of Filing of Form 23C with the Central Government:
9. Date of Board of Directors' meeting wherein the Annexure to the cost audit report were approved:
10. No. of Audit Committee meetings held by the company, and attended by the Cost Auditor during the

2. COST ACCOUNTING POLICY:

(1) Briefly describe the cost accounting policy adopted by the Company keeping in view the requirements of the Companies (cost Accounting Records) Rules, 2011, the Companies (Cost Audit Report) Rules, 2011, cost accounting standards and its adequacy or otherwise to determine correctly the cost of production/operation, cost of sales, sales realization and margin of the product/activity groups under reference separately for each product/activity group. The policy should cover, inter alia, the following areas:

a) Identification of cost centres/cost objects and cost drivers.

b) Accounting for material cost including packing materials, stores and spares etc., employee cost, utilities and other relevant cost components.

c) Accounting, allocation and absorption of overheads

d) Accounting for Depreciation/Amortization

e) Accounting for by-products/joint-products, scarps, wastage etc.

f) Basis for Inventory Valuation

g) Methodology for valuation of Inter-Unit/Inter Company and Related Party transactions.

h) Treatment of abnormal and non-recurring costs including classification of other non-cost items.

i) In case the Company has adopted IFRS, variations (if any) in treatment of cost accounting arising out of adoption of IFRS in Financial Accounting.

j) Other relevant cost accounting policy adopted by the Company

(2) Briefly specify the changes, if any, made in the cost accounting policy for the product/activity group(s) under audit during the current financial year as compared to the previous financial year.

(3) Observations of the Cost Auditor regarding adequacy or otherwise of the Budgetary Control System, if any, followed by the company

3. PRODUCT GROUP DETAILS (for the company as a whole)

Sno.	Name of each Product Group	Names of Products/ Activities included in the Product Group	Net Sales (net of taxes, duties, etc.) (Rs. Lakh)	Covered under Cost Audit (Yes/No)
A	Manufactured Product Groups			
	1.			
	2.			
	3.			
	4. etc.			
	Sub-Total (A)			
B	Services Groups			
	1.			
	2.			
	3.			
	4. etc.			
	Sub-Total (B)			
C	Trading Activities (Product Group-wise)			
	1.			
	2.			
	3.			
	4. etc.			
	Sub-Total (C)			
D	Other Incomes			
E	Total Income as per Audited Annual Report (A+B+C+D)			

NOTES:

(1) For manufactured product groups, use the nomenclature as used in the Central Excise Act and Rules, as applicable.

(2) For service groups, use the nomenclature as used in the Finance Act / Central Service Tax Rules, as applicable.

4. QUANTITATIVE INFORMATION (for each product group separately)

Name of the Company			
Name of the Product Group			
Name of the Products covered in the Product Group			
Financial Year	From _____ To _____		
Particulars	**Unit**	**Current Year**	**Previous Year**
1. Available Capacity			
(a) Installed Capacity			
(b) Capacity enhanced during the year, if any			
(c) Capacity available through leasing arrangements, if			
(d) Capacity available through loan license / third parties			
(e) Total available Capacity			
2. Actual Production			
(a) Self manufactured			
(b) Produced under leasing arrangements			
(c) Produced on loan license / by third parties on job work			
(d) Total Production			
4. Production as per Excise Records			
4. Capacity Utilization (in-house)			
5. Stock Purchased for Trading			
(a) Domestic Purchase			
(b) Imports			
(c) Total Purchases			
6. Stock & Other Adjustments			
(a) Change in Stock of Finished Goods			
(b) Self / Captive Consumption (incl. samples etc.)			
(c) Other Quantitative Adjustments, if any (wastage etc.)			
(d) Total Adjustments			
7. Total Available Quantity for Sale [2(e) + 5(c) - 6(d)]			
8. Actual Sales			
(a) Domestic Sales (manufacturing)			
(b) Domestic Sales (trading)			
(c) Export Sale (manufacturing)			
(d) Export Sale (trading)			
(e) Total Quantity Sold			

5. ABRIDGED COST STATEMENT (for each product group separately)								
Sno.	Particulars	Units	Quantity	Rate (Rs.)	Amount (Rs.)	Rate per Unit (Rs.)	
						Current Year	Previous Year
1	Materials Consumed (specify details)						
	a) Indigenous Purchased						
	b) Imported						
	c) Self Manufactured / Produced						
2	Process Materials/Chemicals (specify)						
3	Utilities (specify details)						
4	Direct Employees Cost						
5	Direct Expenses						
6	Consumable Stores & Spares						
7	Repairs & Maintenance						
8	Quality Control Expenses						
9	Research & Development Expenses						
10	Technical know-how Fee / Royalty, if any						
11	Depreciation/Amortization						
12	Other Production Overheads						
13	Total (1 to 12)						
14	Add/Less: Work-in-Progress Adjustments						
15	Less: Credits for Recoveries, if any						
16	Primary Packing Cost						
17	Cost of Production/Operations (12 + 13 to 17)						
18	Increase/Decrease in Stock of Finished Goods						
19	Less: Self/Captive Consumption (incl. Samples, etc.)						
20	Other Adjustments (if any)						
21	Cost of Production/Operation of Goods/Services Sold (17 + 18 to 20)						
22	Administrative Overheads						
23	Secondary Packing Cost						
24	Selling & Distribution Overheads						
25	Interest & Financing Charges						
26	Cost of Sales (21 + 22 to 25)						
27	Net Sales Realization (Net of Taxes and Duties)						
28	Margin [Profit/(Loss) as per Cost Accounts] (27 - 26)						
	NOTES:						
1.	Separate cost statement shall be prepared for each product/activity group						
2.	The items of cost shown in the Proforma are indicative and the same should be reflected keeping in mind the materiality of the item of cost in the product/activity group.						
3.	The Proforma may be suitably modified to meet the requirement of the industry/product/activity group.						
4.	In case the company follows a pre-determined or standard costing system, the above cost statement should reflect figures at actuals after adjustment of variances, if any.						

6. OPERATING RATIO ANALYSIS (for each product group separately)

Sno.	Particulars	Units	Current Year	Previous Year-1	Previous Year-2
	Ratio of Operating Expenses to Cost of Sales				
1	Materials (incl. Process Materials) Cost	%			
2	Utilities Cost	%			
3	Direct Employees Cost	%			
4	Direct Expenses	%			
5	Consumable Stores & Spares	%			
6	Repairs & Maintenance Cost	%			
7	Depreciation / Amortization Cost	%			
8	Packing Cost	%			
9	Other Expenses	%			
10	Stock Adjustments	%			
11	Production Overheads	%			
12	Administrative Overheads	%			
13	Selling & Distribution Overheads	%			
14	Interest & Financing Charges	%			
15	Total	%			

7. PROFIT RECONCILIATION (for the company as a whole)				
Sno.	Particulars	Current Year	1st Previous Year	2nd Previous Year
1	Profit or Loss as per Cost Accounting Records			
	(a) For the audited product groups			
	(b) For the un-audited product groups			
2	Add: Incomes not considered in cost accounts:			
	(a) (specify)			
	(b)			
	(c)			
	(d)			
	(e)			
3	Less: Expenses not considered in cost accounts:			
	(a) (specify)			
	(b)			
	(c)			
	(d)			
	(e)			
4	Add: Overvaluation of closing stock in financial accounts			
5	Add: Undervaluation of opening stock in financial accounts			
6	Less: Undervaluation of closing stock in financial accounts			
7	Less:: Overvaluation of opening stock in financial accounts			
8	Adjustments for others, if any (specify)			
9	Profit or Loss as per Financial Accounts			

8. VALUE ADDITION AND DISTRIBUTION OF EARNINGS (for the company as a whole)

(Rupees in Lakh)

Sno.	Particulars	Current Year	Previous Year-1	Previous Year-2
	Value Addition:			
1	Gross Sales (excluding returns)			
2	Less: Excise duty, etc.			
3	Net Sales			
4	Add: Export Incentives			
5	Add/Less: Adjustment in Finished Stocks			
6	Less: Cost of bought out inputs			
	(a) Cost of Materials Consumed			
	(b) Process Materials / Chemicals			
	(c) Consumption of Stores & Spares			
	(d) Utilities (e.g. power & fuel)			
	(e) Others, if any			
	Total Cost of bought out inputs			
7	Value Added			
8	Add: Income from any other sources			
9	Earnings available for distribution			
	Distribution of Earnings to:			
1	Employees as salaries & wages, retirement benefits, etc.			
2	Shareholders as dividend			
3	Company as retained funds			
4	Government as taxes (specify)			
5	Others, if any (specify)			
	Total distribution of earnings			

9. FINANCIAL POSITION AND RATIO ANALYSIS (for the company as a whole)

Sno.	Particulars	Units	Current Year	Previous Year-1	Previous Year-2
A.	**Financial Position**				
1	Paid-up Capital	Rs/Lakh			
2	Reserves & Surplus	Rs/Lakh			
3	Loans (secured & unsecured)	Rs/Lakh			
4	(a) Gross Fixed Assets	Rs/Lakh			
	(b) Net Fixed Assets	Rs/Lakh			
5	(a) Total Current Assets	Rs/Lakh			
	(b) Less: Current Liabilities & Provisions	Rs/Lakh			
	(c) Net Current Assets	Rs/Lakh			
6	Capital Employed	Rs/Lakh			
7	Net Worth	Rs/Lakh			
B.	**Financial Performance**				
1	Cost of Production	Rs/Lakh			
2	Cost of Sales	Rs/Lakh			
3	Net Sales	Rs/Lakh			
4	Value Added	Rs/Lakh			
5	Profit before Tax (PBT)	Rs/Lakh			
C.	**Profitability Ratios**				
1	PBT to Capital Employed (B5/A6)	%			
2	PBT to Net Worth (B5/A7)	%			
3	PBT to Net Sales (B5/B3)	%			
4	PBT to Value Added (B5/B4)	%			
D.	**Other Financial Ratios**				
1	Debt-Equity Ratio	%			
2	Current Assets to Current Liabilities	%			
3	Valued Added to Net Sales	%			
E.	**Working Capital Ratios**				
1	Net Working Capital to Cost of Sales excl. depreciation	Months			
2	Raw Materials Stock to Consumption	Months			
3	Stores & Spares to Consumption	Months			
4	Work-in-Progress Stock to Cost of Production	Months			
5	Finished Goods Stock to Cost of Sales	Months			

Notes:

(1) **Capital Employed** means average of net fixed assets (excluding intangible assets, effect of revaluation of fixed assets, and capital work-in-progress) plus net current assets existing at the beginning and close of the financial year.

(2) **Net Worth** means share capital plus reserves and surplus (excluding revaluation reserves) less accumulated losses and intangible assets.

10. RELATED PARTY TRANSACTIONS (for the company as a whole)

Sno.	Name & Address of the Related Party	Name of the Product / Service Group	Nature of Transaction (Sale, Purchase, etc.)	Quantity	Transfer Price	Amount	Normal Price	Basis adopted to determine the Normal Price
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								

NOTES:

(1) Details should be furnished for each sale / purchase separately.

(2) Details of Related Party transactions without indicating the Normal Price and the basis thereof shall be considered as incomplete information.

11. RECONCILIATION OF INDIRECT TAXES (for the company as a whole)

Particulars	Assessable Value	Excise Duty	Service Tax	Cess & Others	VAT
Total Clearances					
Domestic					
Export					
Stock Transfers (Net)					
Others, if any					
Total					
Duties/Taxes Payable					
Duties/Taxes Paid					
Cenvat/VAT Credit Utilised - Inputs					
Cenvat/VAT Credit Utilised - Capital Goods					
Cenvat/VAT Credit Utilised - Input Services					
Cenvat/VAT Credit Utilised - Others					
Total					
Paid through PLA/Cash					
Total Duties/Taxes Paid					
Duties/Taxes Recovered					
Difference between Duties/Taxes Paid and Recovered					
Interest/Penalty/Fines Paid					

SIGNATURE	SIGNATURE	SIGNATURE
NAME	NAME	NAME
COST AUDITOR (S)	COMPANY SECRETARY/DIRECTOR	DIRECTOR
MEMBERSHIP NUMBER (S)	MEMBERSHIP/DIN NUMBER	DIN NUMBER
SEAL	STAMP	STAMP
DATE	DATE	DATE

Notes:

(1) Wherever, there is any significant variation in the current year's figure over the previous year's figure for any item shown under each para of the Annexure to the Cost Audit Report, reasons thereof shall be given by the Cost Auditor.

(2) Wherever, duration of the current year or the previous year is not 12 (twelve) months, same shall be clearly indicated in the Report.

FORM-III

FORM OF THE PERFORMANCE APPRAISAL REPORT

Name of Company: _____ Period of Report: _____

(indicative list of areas to be covered in the report)

1. Capacity Utilization Analysis
2. Productivity/Efficiency Analysis
3. Utilities/Energy Efficiency Analysis
4. Key-Costs & Contribution Analysis
5. Product/Service Profitability Analysis
6. Market/Customer Profitability Analysis
7. Working Capital & Inventory Management Analysis
8. Manpower Analysis
9. Impact of IFRS on the Cost Structure, Cash-Flows and Profitability
10. Application of Management Accounting Tools

Date: _____

Place: _____

Signature of the Cost Auditor(s)

Membership Number(s)

Notes:

1. *Areas included in this form are indicative; these are to be included/excluded depending upon the size/scale and type of operations, nature of the industry, management requirements, etc.*
2. *Frequency of this report viz. half yearly/annual to be decided by the Company Management.*

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