

GUIDANCE NOTE ON Compliance Report



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FOREWORD



I am glad that the Professional Development Committee has brought out the Guidance Note on Compliance Report as prescribed under The Companies (Cost Accounting Records) Rules, 2011 and Cost Accounting Records Rules for six industries (Telecommunication, Petroleum, Electricity, Sugar, Fertilizer and Pharmaceutical) notified by Ministry of Corporate Affairs on 7th December, 2011 to guide the members of the Institute and Industry enabling them to prepare the Compliance Report in XBRL format for filing it electronically with the Central Government.

This Guidance Note is a comprehensive and concise reference book for the Cost Accountants preparing the Compliance Report for the Companies.

I also acknowledge the efforts of CMA Milind Date and CMA Kirit Mehta, Practising Cost Accountants for reviewing the Guidance Note.

I thank CMA Dr. A.S. Durgaprasad and CMA Rakesh Singh, Immediate Past President of the Institute for their guidance in bringing out this publication.

I congratulate the Chairman and members of Professional Development Committee and the Secretariat for bringing out of the Guidance Note in the present form.

I am sure that the users of this publication will find it very user friendly.

New Delhi
7th August, 2013

(CMA Suresh Chandra Mohanty)

PREFACE

SANJAY R. BHARGAVE
CHAIRMAN

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The Companies (Cost Accounting Records) Rules, 2011 and Industry Specific Cost Accounting Records Rules 2011 for six industries (Telecommunication, Petroleum, Electricity, Sugar, Fertilizer and Pharmaceutical) notified by the Ministry of Corporate Affairs on 3rd June 2011 and 7th December 2011 respectively mandate submission of Compliance Report along with annexure by the companies which meet the threshold limits specified in the aforesaid Cost Accounting Records Rules 2011. Further, the Central Government amended the above cost accounting records rules vide notifications dated 30th November 2012 mandating filing of Compliance Report and other documents with the central government in the XBRL format using the Costing Taxonomy from 2011-12 onward. The Annexure to the compliance report is required to be approved by the Board of Directors and certified by a Cost Accountant before submitting the same to the Central Government by a company.

This Guidance Note is very comprehensive and provides step wise step guidance to cost accountant in preparing the compliance report and its annexure in XBRL format. It also provides relevant statutory provisions applicable in respect of filing of compliance report in electronic mode with the central government.

I would like to acknowledge the efforts and contribution of CMA J.K. Budhiraja, Director (Professional Development) for preparation and bringing the Guidance Note in the present form.

I would also like to acknowledge the efforts of CMA Milind Date and CMA Kirit Mehta, Practising Cost Accountants for reviewing the Guidance Note.

I would also like to thank all members of Professional Development Committee for their valuable contribution in preparation and for bringing out this Guidance Note.

I would like to convey my sincere thanks to President CMA S.C. Mohanty, President and CMA Dr. A.S. Durgaprasad, Vice President of the Institute for providing guidance and able leadership in the affairs connected with the PD Committee.

I am quite hopeful that this Guidance Note will provide useful guidance to cost accountants and industry in preparing the Compliance Report and its Annexure.

(CMA Sanjay Bhargave)

Chairman

Professional Development Committee

New Delhi
August 7, 2013

ACKNOWLEDGMENTS

Professional Development Committee of The Institute of Cost Accountants of India (2012-13):

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CMA M. Gopalakrishnan	Member
CMA P. V. Bhattad	Member
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Shri G. Sreekumar, Government Nominee	Member
CMA J.K. Budhiraja	Director (PD) and Secretary to PD Committee

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(Read with Companies (Cost Accounting Records) Rules 2011 and Industry Specific Cost Accounting Records Rules 2011 issued for six regulated industries)

Chapter-1

1.1 Introduction

The Central Government vide GSR 429(E) dated 3rd June, 2011 issued Companies (Cost Accounting Records) Rules, 2011 hereinafter referred to Common-CARR and on 7th December 2011 issued Industry specific Cost Accounting Records Rules 2011 for six industries vide GSR 869(E) – Cost Accounting Records (Telecommunication Industry) Rules, 2011, GSR 870(E)- Cost Accounting Records (Petroleum Industry) Rules 2011, GSR 871(E)- Cost Accounting Records (Electricity Industry) Rules 2011, GSR 872(E)- Cost Accounting Records (Sugar Industry) Rules 2011, GSR 873(E)- Cost Accounting Records (Fertilizer Industry) Rules 2011 and GSR 874(E)- Cost Accounting Records (Pharmaceutical Industry) Rules 2011, hereinafter referred to IS-CARR.

1.2 Applicability

(a) Common- CARR

As per Rule 3 of the Common CARR, the rules shall apply to every company, including a foreign company as defined under section 591 of the Act, which is engaged in the production, processing, manufacturing, or mining activities and wherein any one or more of the conditions given hereinafter are met. *The Common CARR are not applicable to the activities or products covered in the IS-CARR.*

(b) IS-CARR

As per Rule 3 of the **respective IS- CARR**, the rules shall apply to every company, including a foreign company as defined under section 591 of the Act, which is engaged in the production, processing, manufacturing, or activities as mentioned in the respective CARR (e.g. Telecommunication, Petroleum, Electricity, Sugar, Fertilizer and Pharmaceutical) and wherein any one or more of the conditions given hereinafter are met.

The Conditions as prescribed in Common- CARR and IS-CARR are as follows:

1. *the aggregate value of net worth as on the last date of the immediately preceding financial year exceeds five crores of rupees; or*
2. *the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crores of rupees; or*
3. *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.*



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The above conditions are mutually exclusive and a company meeting with any of the condition shall be covered under the respective cost accounting records rules.

The Common- CARR or IS-CARR shall not apply to a body corporate governed by any special Act. Further, Common CARR are not applicable on the companies/ industries covered under the IS-CARR.

1.3 Definitions of Activities covered under respective CARR

Common- CARR

The Companies (Cost Accounting Records) Rules 2011 gives the definitions of manufacturing, mining and processing activities as follows:

- (a) “Manufacturing Activity”** includes any act, process or method employed in relation to -
- (i) transformation of raw materials, components, sub-assemblies, or parts into semi-finished or finished products; or
 - (ii) making, altering, repairing, fabricating, generating, composing, ornamenting, furnishing, finishing, packing, re-packing, oiling, washing, cleaning, breaking-up, demolishing, or otherwise treating or adapting any product with a view to its use, sale, transport, delivery or disposal; or
 - (iii) constructing, reconstructing, reconditioning, servicing, refitting, repairing, finishing or breaking up of any products.
- (b) “Mining Activity”** includes any act, process or method employed in relation to the extraction of ores, minerals, oils, gases or other geological materials from the earth’s crust, including sea bed or river bed.
- (c) “Processing Activity”** includes any act, process, procedure, function, operation, technique, treatment or method employed in relation to-
- (i) altering the condition or properties of inputs for their use, consumption, sale, transport, delivery or disposal; or
 - (ii) accessioning, arranging, describing, or storing products; or
 - (iii) developing, fixing, and washing exposed photographic or cinematographic film or paper to produce either a negative image or a positive image; or
 - (iv) printing, publishing, finishing, perforation, trimming, cutting, or packaging; or
 - (v) pumping oil, gas, water, sewage or any other product; or
 - (vi) transforming or transmitting, distributing power or electricity; or
 - (vii) harboring, berthing, docking, elevating, lading, stripping, stuffing, towing, handling, or warehousing products; or



- (viii) preserving or storing any product in cold storage; or
- (ix) constructing, reconstructing, reconditioning, repairing, servicing, refitting, finishing or demolishing of buildings or structures; or
- (x) farming, feeding, rearing, treating, nursing, caring, and stocking of living organisms; or
- (xi) telecasting, broadcasting, telecommunicating voice, text, picture, information, data or knowledge through any mode or medium; or
- (xii) obtaining, compiling, recording, maintaining, transmitting, holding or using the information or data or knowledge; or
- (xiii) executing instructions in memory to perform some transformation and/or computation on the data in the computer's memory.

IS-CARR

The Industry Specific Cost Accounting Records Rules 2011 defines activities covered under each of the cost accounting records rules as follows:

I. Cost Accounting Records (Telecommunication Industry) Rules, 2011

“**Telecommunication Activities**” means any act, process, procedure, function, operation, technique, treatment or method employed in relation to telecasting, broadcasting, telecommunicating voice, text, picture, information, data or knowledge through any mode or medium and includes intermediate and allied activities thereof and these activities would, inter alia, include the following services or activities, including such services that require license or registration with the Ministry of Communications and Information Technology, Government of India, namely: -

- (i) Basic Telephone Services;
- (ii) National Long Distance Services;
- (iii) International Long Distance Services;
- (iv) Cellular Mobile Telephone Services;
- (v) Wireless Local Loop (WLL) (Fixed or Mobile) Telephone Services;
- (vi) Very Small Aperture Terminal Services;
- (vii) Public Mobile Radio Trunk Services;
- (viii) Global Mobile Personal Communication Services;
- (ix) Internet or Broadband or Wireless Access service;
- (x) Infrastructure Provider (IP-1);
- (xi) Passive Telecom Infrastructure including Telecom Tower Facilities;



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- (xii) Cable Landing Stations; and
- (xiii) Any other related, allied, intermediate or support services in relation to telecommunication activities not indicated above.

II. Cost Accounting Records (Petroleum Industry) Rules 2011

“Petroleum Activities” means production, processing, manufacturing or mining of crude oil, gases [including Natural Gas, Compressed Natural Gas, Liquefied Petroleum Gas and regasified gases, etc. as defined in the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 of 2006)] or Biogas or any other petroleum products, or included under Chapter 27 of the Central Excise Tariff Act, 1985 (5 of 1986), including the intermediate products and articles or allied products or activities thereof and includes storage, transportation or distribution of crude oil or gases or biogas or any or all of the petroleum products.

III. Cost Accounting Records (Electricity Industry) Rules 2011

“Electricity Activities” means any act, process, procedure, function, operation, technique, treatment or method employed in relation to generation of electricity from any source of energy, and includes transformation, transmission, distribution, or supply of electricity by any mode, or medium, and further includes intermediate and allied activities thereof.

IV. Cost Accounting Records (Sugar Industry) Rules 2011

“Sugar Activities” means the activities relating to the production, processing, or manufacturing of any form or grade of sugar, molasses, or alcohol (including ethyl alcohol, rectified spirit, absolute alcohol, denatured alcohol, power alcohol, or solvent blends etc. but excluding potable alcohol) by using any raw materials, and includes the meaning assigned to them under Chapter 17 or Chapter 22 of the Central Excise Tariff Act, 1985 (5 of 1986) or of the Customs Tariff Act, 1975 (51 of 1975), and further includes the intermediate products and articles or allied products thereof.

V. Cost Accounting Records (Fertilizer Industry) Rules 2011

“Fertilizer Activities” means production, processing, manufacturing or mining of any type of fertilizers whether nitrogenous, phosphatic, potassic or complex (organic, inorganic or mixed) and includes all types of fertilizers as defined in clause (h) of section 2 of the Fertilizer (Control) Order, 1985 made under section 3 of the Essential Commodities Act, 1955 (10 of 1955) or included under Chapter 31 of the Central Excise Tariff Act, 1985 (5 of 1986), and further includes the intermediate products and articles or allied products or activities thereof.

VI. Cost Accounting Records (Pharmaceutical Industry) Rules 2011

“Pharmaceutical Activities” means production, processing, or manufacturing of bulk drugs or formulations and includes the meaning assigned to them under the Drugs (Prices Control) Order 1995 as amended from time to time, or included under Chapters 29 and 30 of the Central Excise Tariff Act, 1985 (5 of 1986), and further includes the intermediate products and articles or allied products thereof.



1.4 Compliance Report

Rule 2 of respective CARR defines “*Compliance Report*” means Compliance Report duly authenticated and signed by a cost accountant in the prescribed form of compliance report.

1.4.1 Filing of Compliance Report

(a) Common- CARR

As per Rule 5 of the Companies (Cost Accounting Records) Rules 2011, every company to which these rules apply shall submit a compliance report, in respect of each of its financial year commencing on or after the 1st day of April, 2011, duly certified by a cost accountant, along with the Annexure to the Central Government, in the prescribed form.

(b) IS-CARR

As per Rule 5 of respective Industry Specific Cost Accounting Records Rules 2011, every company to which these rules apply shall submit a compliance report, in respect of each of its financial year commencing on or after the date of this notification (i.e. 7th December 2011 onwards), duly certified by a Cost Accountant, along with the Annexure to the Central Government, in the specified form.

1.4.2 Important Clarification relating to Compliance Report

1.4.2.1 MCA vide General Circular No. 67/2011 dated 30th November 2011, clarified that the Companies (Cost Accounting Records) Rules, 2011 are not applicable to:

- (i) Wholesale or retail trading activities.
- (ii) Banking, financial, leasing, investment, insurance, education, healthcare, tourism, travel, hospitality, recreation, transport services, business/professional consultancy, IT & IT enabled services, research & development, postal/courier services, etc. unless any of these have been specifically covered under any other Cost Accounting Records Rules.
- (iii) Companies engaged in rendering job work operations or contracting/ sub-contracting activities, and are paid only the job work or conversion charges, such as tailoring, baking, repairing, painting, printing, constructing, servicing, etc.
- (iv) Companies engaged in the production, processing, manufacturing or mining activities till such time they commences their commercial operations.
- (v) Ancillary products/activities of companies incidental to their main operations (i.e. products/ activities that do not constitute their main line of business) and wherein the total turnover from the sale of each such ancillary products/activities do not exceed 2% of the total turnover of the company or Rs.20 crores, whichever is lower. However, required details of all such ancillary products/activities may be maintained under a miscellaneous group and disclosed appropriately.



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1.4.2.2 Ministry of Corporate Affairs vide letter no. F. No. 52/1/CAB-2012 dated 25th May 2012 clarified that Companies (Cost Accounting Records) Rules 2011 and filing of Compliance Report shall apply to the Construction Industry.

The relevant extracts are: *“All companies engaged in the construction and/or development (real estate) businesses who meet with the threshold limits laid down in Rule 3 of the Companies (Cost Accounting Records) Rules, 2011 shall be required to maintain cost accounting records and file compliance report with the Central Government in accordance with the provisions of these Rules. This includes companies undertaking construction jobs with the use of own materials [whether self-manufactured/produced or procured from outside] and/or development of residential, commercial or industrial estates i.e. development of township, residential units, commercial complex, office blocks, industrial parks [including SEZ], etc. or construction of highways, rails, roads, bridges, industrial & non-industrial structures, or other infrastructure facilities etc. or construction activities undertaken under BOT/BOOT mode, or the projects undertaken as EPC contractor or the projects undertaken abroad by a company incorporated in India.”*

Note: For more clarity, the readers may refer **“Guidance Note on Maintenance of Cost Accounting Records for Construction Industry including Real Estate and Property Development Activity”** issued by the Institute of Cost Accountants of India. This Guidance Note can be downloaded from the Institute’s website at: <http://casbicwai.org/CASB/gncas-con-regform.asp>

1.4.2.3 MCA vide aforesaid letter dated 25th May 2012 also clarified that the Companies (Cost Accounting Records) Rules 2011 do not apply to such Joint Ventures that are non-corporate entities [i.e. not companies registered under the Companies Act] or to unlisted companies that are below the specified threshold limits or to a body corporate governed by any special Act. Hence these entities are not required to file the compliance report.

1.4.2.4 MCA General Circular No. 12/2012 dated 4th June 2012 further clarified that in case of companies engaged in production, processing, manufacturing or mining of multiple products/activities, if any of their products/activities are not covered under the industry specific Cost Accounting Records Rules, but are covered under the Companies (Cost Accounting Records) Rules, 2011 notified vide GSR 429(E) dated June 3, 2011 and wherein such products/activities are not covered under cost audit vide cost audit orders dated June 30, 2011 and January 24, 2012; such companies shall be required to file compliance report with the Central Government in accordance with the clarifications given vide para (a) of the MCA’s General Circular No. 68/2011 dated 30th November, 2011.

Provisions as per Para (a) of the MCA’s General Circular No. 68/2011 dated 30th November, 2011 are as follows:

“That the companies covered under Companies (Cost Accounting Records) Rules, 2011 shall only file a simple compliance report as per the notified Form-B (copy enclosed) and no other details of



cost records are required to be filed with the Government. If all the products/activities of a company, excluding the exempted categories, are covered under cost audit, then the company will not be required to separately file the compliance report.”

1.4.2.5 It has been clarified by the Institute through Frequently Asked Questions that if one or more product(s)/activity(s) of a company is covered under Cost Audit and there are other products covered under Common-CARR or any of the IS-CARR but not covered under Cost Audit as per industry specific Cost Audit Orders dated 2nd May, 2011, 30th June, 2011 or 24th January 2012, the Company will be required to file a Compliance Report for the Company as a whole covering products under cost audit and products not under cost audit.

Further, if one or more product(s)/activity(s) of a company is covered under Cost Audit and there are other products not covered under either Common-CARR or any of the IS-CARRs, then the company will not be required to file a Compliance Report since the product(s)/activity(s) other than product(s)/ activity(s) under Cost Audit are in the exempted category. These FAQs can be viewed at <http://icmai.in/upload/FAQ-4.pdf>

1.4.3 Form of Compliance Report

As per Rule 5 of the Common- CARR and IS-CARR, the Compliance Report is to be filed in the prescribed/ specified Form. The Compliance Report consists of (a) the e-Form to be filed by the Company; and (b) Compliance Report and its Annexure:

- (a) Form A for filing Compliance Report and other documents with the Central Government as annexed to Companies (Cost Accounting Records) Rules 2011 has been replaced with revised Form – A (XBRL) by the Companies (Cost Accounting Records) Amendment Rules, 2012 issued by Ministry of Corporate Affairs vide GSR 862(E) dated 30th November 2012. The relevant extract is as follows:

“Form A-XBRL” means the form prescribed in these rules for filing compliance report and other documents with the Central Government in the electronic mode and in the manner prescribed under rule 6 of the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011.”

- (b) Form B is the Compliance Report and Annexure to the Compliance Report has also been replaced with revised Form- B by the Companies (Cost Accounting Records) Amendment Rules, 2012 issued by Ministry of Corporate Affairs vide GSR 862(E) dated 30th November 2012. The relevant extract is as follows:

“Form-B” means the form of the compliance report and includes Annexure to the compliance report and further includes the data or information required to be filed with the Central Government in the manner prescribed under rule 6 of the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011.”



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The Ministry of Corporate Affairs, vide General Circular No. 8/2012 dated 10th May 2012 has mandated filing of Compliance Reports (Form-A) for the year 2011-12 onwards by using the XBRL taxonomy. The Compliance report, required to be filed in the XBRL format, would be based on the Taxonomy on XBRL being developed for the format (Form-A) given in the following Rules:

- (i) Companies (Cost Accounting Records) Rules, 2011
- (ii) Cost Accounting Records (Telecommunication Industry) Rules 2011
- (iii) Cost Accounting Records (Petroleum Industry) Rules 2011
- (iv) Cost Accounting Records (Electricity Industry) Rules 2011
- (v) Cost Accounting Records (Sugar Industry) Rules 2011
- (vi) Cost Accounting Records (Fertilizer Industry) Rules 2011
- (vii) Cost Accounting Records (Pharmaceutical Industry) Rules 2011

To enable the filing of Compliance Report in XBRL Format, all above Rules were amended by the Ministry of Corporate Affairs on 30th November 2012 and Form-A annexed to above Rules were revised and replaced with Form-A (XBRL). The amendments to above Rules were issued by the Ministry of Corporate Affairs through the following notifications dated 30th November 2012:

G.S.R No. & Date	Particulars	Effective from
862(E) dated 30 th November 2012	The Companies (Cost Accounting Records) Amendment Rules, 2012	2 nd December 2012
863(E) dated 30 th November 2012	The Cost Accounting Records (Pharmaceutical Industry) Amendment Rules, 2012	2 nd December 2012
864(E) dated 30 th November 2012	The Cost Accounting Records (Fertilizer Industry) Amendment Rules, 2012	2 nd December 2012
865(E) dated 30 th November 2012	The Cost Accounting Records (Sugar Industry) Amendment Rules, 2012	2 nd December 2012
866(E) dated 30 th November 2012	The Cost Accounting Records (Electricity Industry) Amendment Rules, 2012	2 nd December 2012
867(E) dated 30 th November 2012	The Cost Accounting Records (Petroleum Industry) Amendment Rules, 2012	2 nd December 2012
868(E) dated 30 th November 2012	The Cost Accounting Records (Telecommunication Industry) Amendment Rules, 2012	2 nd December 2012



Note : Please note that the Form-A (XBRL) attached with all the amendments relating to Industry Specific CARR is similar in contents. The Form-A (XBRL) as appended to these Rules are given in Annexure-9.

1.4.4 Time Limit for Submission of Compliance Report

Every company to which respective cost accounting records rules apply is required to submit the compliance report, to the Central Government *within a period of one hundred and eighty days from the close of the company's financial year* to which the compliance report relates.

In case financial accounts are not ready or are yet to be adopted in the AGM, the same was clarified by the Cost Audit Branch earlier that the cost auditor can submit the report based on provisional accounts and submit a supplementary report of reconciliation in case there are materials differences in the final adopted accounts.

To enable filing of Compliance Report for the financial year 2011-12 in XBRL format with the Central Government, the Ministry of Corporate Affairs vide General Circular No. 2/2013 dated 31st January 2013 allowed filing of the Compliance Report without penalty within 180 days from the close of the Company's financial year to which the compliance report relates or February 28, 2013, whichever is later.

The above special provision was applicable for the financial year 2011-12 only. From the financial year 2012-13 onwards, every company to which respective cost accounting records rules apply is required to submit the compliance report, to the Central Government *within a period of one hundred and eighty days from the close of the company's financial year* to which the compliance report relates.

1.4.5 Authentication and Certification of Compliance Report

The Annexure to the compliance report is required to be approved by the Board of Directors and certified by a Cost Accountant before submitting the same to the Central Government by a company.

As per the respective Cost Accounting Records Rules, 2011 only **Cost Accountant or Firm of Cost Accountants** is eligible to authenticate and issue the Compliance Report. The term "cost accountant" as defined in the Rules means a cost accountants defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who is either a permanent employee of the company or holds a valid certificate of practice under subsection (1) of section 6 and who is deemed to be in practice under subsection (2) of section 2 of that Act and includes a firm of cost accountants.

A cost accountant shall be eligible to authenticate and issue the Compliance Report if he fulfills the following conditions:

- (i) *He is either a permanent employee of the company or holds a valid certificate of practice under subsection (1) of section 6 and who is deemed to be in practice under subsection (2) of section 2 of the Cost and Works Accountants Act, 1959 as amended and includes a firm of cost accountants;*



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- (ii) *He is not holding a part-time certificate of practice; or*
- (iii) *His membership fees are not in arrears;*
- (iv) *He is not a member admitted by the Institute of Cost Accountants of India through reciprocal arrangement of membership by virtue of being a member of Institute of Management Accountants USA.*

As clarified by the Institute of the Cost Accountants of India through Frequently Asked Questions that employee-cost accountant shall be eligible to authenticate the Compliance Report of that Company only where he is working as permanent employee and shall not be eligible to authenticate Compliance Report of any other company even under the same group.

1.4.6 Ceiling on issue of Compliance Reports

Common- CARR and IS-CARR do not prescribe any ceiling on the number of companies for which a Cost Accountant can certify and issue a compliance report. However, as clarified by the Institute above that employee-cost accountant shall be eligible to authenticate the Compliance Report of that Company only where he is working as permanent employee and shall not be eligible to authenticate Compliance Report of any other company even under the same group.

A cost accountant in whole time practice can be appointed by a company for authentication and certification of compliance report. A cost accountant or firm of cost accountants can authenticate and certify compliance reports to any number of companies appointing him for this purpose without any ceiling. It is clarified by the Frequently Asked Questions that a cost accountant who has been appointed as cost auditor of the company can also certify the compliance report of that company apart from conducting the audit of cost records for the products under cost audit.

1.4.7 Mode and Period of Appointment of Cost Accountant

The Rules have not prescribed the procedure for appointment of cost accountant in practice to authenticate the Compliance Report. In case a company desires to have its Compliance Report certified by a Practising Cost Accountant, it is advisable to appoint the cost accountant in practice by the Board of Directors since the Board has been made responsible to approve the Annexure to Compliance Report before the same is submitted to the Central Government. In case a company decides to get it certified by a permanent employee of the organisation, nominating/authorizing the employee cost accountant would be an internal matter of the company.

1.4.8 Fee for authentication and Certification of Compliance Report

The Council of the Institute of Cost Accountants of India in its 268th Meeting held on 28th May, 2011 approved suggested charging of minimum professional fees for compliance report as follows:



Turnover in Rupees Crore	Fee for Compliance Report (Rupees)
20 - 50	25,000
50 - 75	35,000
75-100	50,000
100 – 150	75,000
150 – 250	1,00,000
250 – 500	1,50,000
500 – 750	2,00,000
750 – 1000	2,50,000
1000 – 2500	3,50,000
2500 – 5000	4,50,000
5000 – 20000	5,00,000
20000 and above	Negotiable

Note: Service Tax and other applicable Taxes, Travelling and out-of-pocket expenses will be charged extra.

The above is suggested fee; the cost accountant in practice may charge the fee based on criteria like net-worth vis-a-vis turnover of the company, nature and quality of cost records maintained by the company, number of days and man hours involved etc. However the minimum fee for compliance report should ordinarily not be less than the suggested fee as above. **Readers may download the suggested fee structure from the Institute’s website at: http://icmai.in/upload/Cost_Audit_Fee_of_ICWAI.pdf**

1.4.9 Maintenance of Cost Accounting Records

The Compliance Report should be prepared based on Cost Accounting Records maintained by the Company including its units and branches, in respect of each of its financial year. These cost records are required to be kept on regular basis in such manner so as to make it possible to calculate per unit cost of production or cost of operations, cost of sales and margin for **each of its products and activities carried out at individual production units or locations** for every financial year on monthly/quarterly/half-yearly/annual basis.

Rule 4(3) of the respective cost accounting records rules stipulates that the cost accounting records should be maintained in accordance with the Generally Accepted Cost Accounting Principles (GACAP) and Cost Accounting Standards (CAS) issued by the Institute of Cost Accountants of India to the extent these are found relevant and applicable.

The cost records including statistical, quantitative and other records which enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in utilization of resources are required to be maintained. Cost records are required to be maintained on continuous basis from the basic stage of inputs to the final output.



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These rules also require that the records should be maintained in such a manner so that they are able to provide necessary data which is required to be furnished under these rules.

The rules also require that all such cost records and cost statements, maintained under these rules shall be reconciled with the audited financial statements for the relevant financial year specifically indicating expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to reconcile the costing profit of all its products/activities with the overall profit of the company. The cost accountant is required to clearly indicate and explain any variation, if any, in his compliance report.

Note: For details, the readers may refer “**Guidance Note on Maintenance of Cost Accounting Records**” issued by the Institute of Cost Accountants of India. This Guidance Note can be downloaded from the Institute’s website at: <http://members.icwai.org/members156/CAR/Guidance-Notes.asp>

1.4.10 Access to cost records

Since the cost accountant is required to authenticate Compliance Report after examining the books of account prescribed under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 read with the provisions of respective CARR, he shall have access of the cost records, books, papers, documents and other records maintained by the company, whether kept at the registered office of the company or at the manufacturing unit or Branch offices or any other office and he shall be having rights to seek all such information and explanations from the officers or agents of the company as he may think fit and necessary for issuance of compliance report.

1.4.11 Penalty of non- compliance of Rules contained in Common-CARR and IS-CARR

Sub rule (1) of Rule 8 of the Common- CARR and IS-CARR provides that where a cost accountant fails to comply with the provision of these rules, then he shall be punishable with fine, which may extend to five thousand rupees.

1.4.12 Communication to the previous cost accountant in practice

In view of provisions of clause (8) of the Part I of First Schedule of the Cost and Works Accountants Act, 1959, wherever a cost accountant in practice is assigned the work of compliance report, he is required to communicate with the previous cost accountant in practice before accepting the assignment as cost accountant otherwise he shall be deemed to be guilty of professional misconduct.



Chapter 2

Filing of Compliance Report in XBRL Format

2.1 Introduction

The Ministry of Corporate Affairs (MCA) vide General Circular No. 8/2012 dated May 10, 2012 mandated filing of Cost Audit Reports and Compliance Reports in XBRL format from the financial year 2011-12 onwards.

To enable filing of Compliance Report in XBRL Format, the Ministry of Corporate Affairs amended Companies (Cost Accounting Records) Rules 2011 and six Industry Specific Cost Accounting Records Rules 2011 and revised Form-A to these rules and replaced these forms with Form-A (XBRL) in respective Cost Accounting Records Rules 2011, vide G.S.R. 862(E) to 868(E) dated 30th November 2012 to be called:

- (i) The Companies (Cost Accounting Records) Amendment Rules, 2012 (G.S.R 862(E) dated 30th November 2012).
- (ii) The Cost Accounting Records (Pharmaceutical Industry) Amendment Rules, 2012 (G.S.R. 863(E) dated 30th November 2012).
- (iii) The Cost Accounting Records (Fertilizer Industry) Amendment Rules, 2012 (G.S.R. 864(E) dated 30th November 2012).
- (iv) The Cost Accounting Records (Sugar Industry) Amendment Rules, 2012 (G.S.R. 865(E) dated 30th November 2012).
- (v) The Cost Accounting Records (Electricity Industry) Amendment Rules, 2012 (G.S.R. 866(E) dated 30th November 2012).
- (vi) The Cost Accounting Records (Petroleum Industry) Amendment Rules, 2012 (G.S.R. 867(E) dated 30th November 2012).
- (vii) The Cost Accounting Records (Telecommunication Industry) Amendment Rules, 2012 (G.S.R. 868(E) dated 30th November 2012).

The Central Government, the Ministry of Corporate Affairs vide General Circular No. 2/2013 dated 31st January 2013 allowed filing of the Compliance Report without penalty within 180 days from the close of the Company's financial year to which the compliance report relates or February 28, 2013, whichever is later.

As mentioned in the previous chapter, the above special provision was applicable for the financial year 2011-12 only. From the financial year 2012-13 onwards, every company to which respective cost accounting records rules apply is required to submit the compliance report, to the Central Government *within a period of one hundred and eighty days from the close of the company's*



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financial year to which the compliance report relates.

The data in Form-A (XBRL) are to be filled in XBRL format with proper tagging of elements defined in the costing taxonomy. The file so created in XBRL format called “**Instance Document**” is to be attached with the e-Form.

2.2 Steps involved in creating XBRL instance documents for the Compliance Report



Step 1: A user who wants to create XBRL document need to understand the costing taxonomy and the tags available in the costing taxonomy. This understanding of costing taxonomy makes mapping process easy and efficient. The easiest way to learn about the structure and content of the costing taxonomy is to navigate the costing taxonomy available on the Institute website : www.icwai.org/xbrl/Index.asp.

Step 2: Mapping of organization’s Compliance Report to corresponding elements in the taxonomy. The process of mapping includes matching of information given in report to elements included in the taxonomy. Users should only consider taxonomy ELRs, relationships and concepts that are relevant to the Compliance report.

Step 3: Once the elements of the report are mapped with the taxonomy elements or tags, the next step is to create the instance document. An instance document is a XML file that contains the actual facts, values and information pertaining to the organization along with the contextual details like period, unit of measurement; footnotes etc. generated using tags from the XBRL costing taxonomy.

Step 4: Once the instance document has been prepared, it needs to be ensured that the instance document is a valid instance document and all the required information has been correctly captured in the instance document. The instance document needs to be validated against the taxonomy as well as the specified business rules for the taxonomy using the validation tool available on the website of MCA.

2.3 Costing Taxonomy

Costing Taxonomy is a dictionary of all cost elements required in the cost audit report and compliance report. The costing taxonomy contains the properties and interrelationships of all these



cost elements for the purposes of capturing the required reporting data in XBRL format. The Costing Taxonomy and related Business Rules including sample instance documents can be downloaded from the website of MCA (<http://mca.gov.in>) and Institute website : www.icwai.org/xbrl/Index.asp.

The purpose of costing taxonomy is mapping of individual cost elements of the company to the Taxonomy.

No extensions are allowed in the Costing Taxonomy. The tagging is required to be done with the elements already defined in the Costing Taxonomy and additional elements cannot be added.

The costing taxonomy allows data with three decimal places. A care must be taken to round off every figure at the time of preparation of compliance report in any spread sheet format. Unless every data is rounded off properly, spread sheet like Excel will store data with maximum decimal places though due to the formatting of the cell, the user will see the figure in 2 or three places of decimal. This will lead to inaccurate calculation of sum total and give rise to rounding off errors and the data will not get validated.

For details on filing of Compliance Report in XBRL Format, readers may refer to “**Architecture, Training and Guidance Manual for filing of Cost Audit Reports and Compliance Reports in XBRL format**” issued by the Institute of the Cost Accountants of India from the following link:

http://icmai.in/upload/Institute/Updates/Architectural_Training_Guidance_Manual.pdf.

However, brief description is also provided in this Guidance Note for each Para captured in the costing taxonomy for ready reference. Please note that this Guidance Note provides the explanation for filing up the Compliance Report only and for e-filing, the readers are requested to refer to the above Guidance Manual on e-filing of Cost Audit and Compliance Reports.

Before giving the instructions for filling up the compliance report in XBRL Format, brief for some of the terms and related matters in respect of costing taxonomy are given below:

2.3.1 XBRL (eXtensible Business Reporting Language)

XBRL (eXtensible Business Reporting Language) is a language based on XML (Extensible Markup Language) family of languages. It is an open standards-based reporting system that is built to accommodate the electronic preparation and exchange of business reports around the world using internet as a medium. It has been defined specifically to meet the requirements of business and financial information.

It enables unique identifying tags to be applied to items of accounting data. The tags provide a range of information about the item, such as whether it is a monetary item, percentage or fraction. XBRL not only allows labels in any language to be applied to items, it also allows the accounting references or other subsidiary information to be added to the tags.



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2.3.2 Benefit of having cost related data in XBRL format

Government and Regulators require cost data of different sectors for policy making. The availability of cost data [without compromising on the confidentiality] in XBRL format enables informed decision making and for sectoral studies.

With full adoption of XBRL, companies would be able to integrate its financial and cost data across its operational areas and exercise better control on its activities.

2.3.3 Business Rules

Business Rules are for understanding the mandatory/ non-mandatory fields in the taxonomy. The Business Rules provides details of the character of individual elements of the taxonomy and the validation checks built into the system to ensure correctness of the information.

2.3.4 Instance document

Instance document contains the facts and related information corresponding to the concepts defined in the costing taxonomy relating to Form II and Annexure to Cost Audit Report and Compliance Report. The file so created in XBRL format using the costing elements is called **“Instance Document”** and is to be attached with the e-Form.

2.4 Use of Software Tool for creation of Instance Document

XBRL software is required for creating instance documents. The way of working and sequence of entering data in the software may be different, but the output, i.e. the XBRL instance document has to be same irrespective of the software used. For creation of XBRL instance document software is required to be purchased from the software vendors in the market. This software is used to create XBRL instance documents for uploading on the MCA portal. MCA21 system provides facility for validation of the instance document and filing of the same.

Any of the following methods can be used to create the instance document required for filing of the Compliance Report:

- XBRL-enabled software packages developed by different software vendors which support the creation of cost reports in XBRL format can be used to create the Instance document.
- Various elements of Compliance Report can be mapped into XBRL tags of the costing taxonomy using specialised XBRL software tools specifically designed for this purpose.
- Different third party packages can be integrated into the existing accounting systems to generate XBRL Cost statements.
- There are various web based applications available that take input reports in various formats viz. Microsoft Excel etc. and transform them into XBRL format.



The methodology adopted by an individual company will depend on its requirements and the cost accounting software and systems being used and other factors. The Institute of Cost Accountants of India has provided free of cost software for filing Cost Audit Report and Compliance Report in XBRL Format. This software can be downloaded from the Institute website : www.icwai.org/xbrl/Index.asp.

2.5 General Instructions for Filing the Compliance Report in XBRL Format

1. The Compliance Report approved by the Board should be used as source for creation of the XBRL instance Document.
2. The Compliance Report instance document should be generated as per the costing taxonomy notified by MCA. The instance document should comply with the following conditions:
 - a. **Completeness:** All the required information is reported in accordance with the Business Rules in respect of Costing Taxonomy i.e. ensure that all mandatory items are reported.
 - b. **Mapping:** The elements tagged should be consistent with the meaning of the associated cost concepts in the Compliance Report.
 - c. **Accuracy:** The amounts, dates, other attributes (for example, Monetary units), and relationships (order and calculations) in the instance document should be consistent with the Compliance Report.
 - d. **Structure:** XBRL instances are structured in accordance with the costing taxonomy.
3. The XBRL Instance Document of Compliance Report is to be prepared on the basis of audited/certified cost data and other statements of the company. To fulfill the requirement of filing the cost data and other information as per the notified costing taxonomy, the MCA has already issued necessary amendments for both cost audit report rules and compliance report.
4. The Compliance Report should be prepared in hard copy for the approval of the Board of Directors containing all the data that is to be filed with signatures of the cost accountant, Company Secretary and a Director. The cost accountant should take a human readable printout of the final instance document rendered by the software tool to create the Instance Document and the same should be preserved before uploading the requisite files on the MCA21 Portal.
5. As of now the costing taxonomy does not permit any extensions. All the facts need to be reported with the help of elements defined in the taxonomy.
6. "Product or Activity Group classification" in the instance document should be strictly in accordance with the notification issued by the Ministry of Corporate Affairs vide S.O. No. 1747(E) dated 7th August 2012.



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2.6 Instructions for filling up Compliance Report

2.6.1 Form-A (XBRL)

The Taxonomy for Compliance Report contains the following elements in respect of General Information:

[200100] General information compliance
<i>General information compliance [abstract]</i>
<i>Corporate identity number or foreign company registration number</i>
<i>Name of company</i>
<i>Address of registered office or of principal place of business in India of company</i>
<i>Address of corporate office of company</i>
<i>Email address of company</i>
<i>Current financial year [abstract]</i>
<i>Date of start of reporting period</i>
<i>Date of end of reporting period</i>
<i>Level of rounding used in cost statements</i>
<i>Reporting currency of entity</i>
<i>Date of board of directors' meeting in which annexure to compliance report was approved</i>
<i>Details of cost accountant [abstract]</i>
<i>Nature of employment of cost accountant</i>
<i>Category of cost accountant</i>
<i>Firm's registration number</i>
<i>Name of cost accountant or cost accountant's firm who has certified compliance report of company</i>
<i>Permanent account number of cost accountant or cost accountant's firm</i>
<i>Address of cost accountant or cost accountant's firm</i>
<i>Email id of cost accountant or cost accountant's firm</i>
<i>Membership number of member signing report</i>
<i>Name of member signing report</i>
<i>Date of signing compliance report by cost accountant</i>
<i>Place of signing compliance report by cost accountant</i>
<i>Whether compliance report has been qualified or has any reservations or contains adverse remarks</i>

The explanation of each of the elements is provided below:



General information of Compliance Report

1. **Corporate identity number or foreign company registration number:** Under this valid CIN/FCRN number of the Company is to be provided. The CIN/FCRN number should be same as per database of Ministry of Corporate Affairs. The Institute of Cost Accountants of India provides this data base based on the information provided by the cost accountant to the Institute.
2. **Name of company:** Provide the name of the Company which should be based on CIN or FCRN as applicable and as per MCA Database.
3. **Address of registered office or of principal place of business in India of company:** Provide the registered office address. In case of a foreign company, provide address of principal place of business as per MCA Database.
4. **Address of corporate office of company:** Provide corporate office address. In case it is the same as registered office, enter registered office address as per MCA Database.
5. **Email address of company:** Provide email address of the company as per MCA Database.
6. **Date of start of reporting period:** Provide date of start of reporting period. The format would depend on the software tool being used by the Company. The date should be greater than or equal to date of incorporation in case of Indian company or date of establishment of place of business in case of foreign company and should be less than or equal to system date.
7. **Date of end of reporting period:** Provide date of end of reporting period. The format would depend on the software tool being used. The date should be less than or equal to system date and greater than or equal to Start Date of Reporting Period. Difference between start date and end date should not be greater than 18 months.
8. **Level of rounding used in cost statements:** Provide level of rounding off used for the compliance report, e.g., crores, lakhs, thousands, millions, etc. It is to be noted that the selected rounding off of figures must be adopted uniformly across the report for every para.
9. **Reporting currency of entity:** The currency of reporting is INR.
10. **Date of board of directors meeting in which annexure to compliance report was approved:** Provide date of meeting of Board of Directors approving the annexure to compliance report.
11. **Nature of Employment of cost accountant:** Provide whether the cost accountant is in employment or in practice.



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- 12. Category of cost accountant:** Provide whether the cost accountant is a firm or a sole proprietor. An individual practising in individual name is to be considered under the Sole Proprietorship category.
- 13. Firm's registration number:** Provide registration number of the firm allotted by the Institute. The Firm registration number is applicable to cost accountant in practice.
- 14. Name of cost accountant or cost accountant's firm who has certified compliance report of company:** Provide name of the firm or trade name of the sole proprietor (including individual). This name must be same as per the Institute of Cost Accountants of India database.
- 15. Permanent account number of cost accountant or cost accountant's firm:** Provide PAN of firm in case the cost accountant in practice is a Firm. In case of a sole proprietor or an individual, enter the PAN of the individual member. The individual PAN of the Partner of the Firm is not to be provided here.
- 16. Address of cost accountant or cost accountant's firm:** Provide address of the firm as registered with the Institute. The address of cost accountant's Firm is applicable to cost accountant in practice
- 17. Email id of cost accountant or cost accountant's firm:** Provide email id of the firm. This field is applicable to cost accountant in practice.
- 18. Membership number of member signing report:** Provide membership number of the signing Partner in case a Firm is appointed as the cost accountant. In case of an employee cost accountant or Sole Proprietor or individual in practice, provide membership number of the person signing the report. It should be a valid membership number as per the Institute of Cost Accountants of India database.
- 19. Name of member signing report:** Provide name of the member signing the report. The name should be entered as appearing in the database of the Institute.
- 20. Date of signing compliance report by cost accountant:** Provide date of signing of compliance report by cost accountant.
- 21. Place of signing compliance report by cost accountant:** Enter place of signing of compliance report by cost accountant.
- 22. Whether compliance report has been qualified or has any reservations or contains adverse remarks:** State whether the report has any reservation or contains adverse remarks.

2.6.2 Compliance Report (Form B): The following are the elements as per the costing taxonomy in respect of Form B of Compliance Report:



[200500] Compliance report (Form B)
Compliance report [abstract]
Disclosure relating to availability of information and explanation for purpose of compliance report [text block]
Disclosure relating to maintenance of cost records as per applicable cost accounting records rules [text block]
Disclosure relating to availability of cost statements and schedules for each unit and each product or activity [text block]
Disclosure regarding availability of information as per companies act 1956 [text block]
Disclosure regarding conformity of books and records with generally accepted cost accounting principles and cost accounting standards [text block]

The explanation in respect of above elements is as follows:

- 1. Disclosure relating to availability of information and explanation for purpose of compliance report:** Here the cost accountant has to make disclosure relating to availability of information and explanation which enable him to certificate the Compliance Report.
- 2. Disclosure relating to maintenance of cost records as per applicable cost accounting records rules:** Here the Cost Accountant should make a disclosure relating to maintenance of cost records in compliance to Cost Accounting Records Rules 2011 read with Section 209(1)(d) of the Companies Act, 1956 and also compliance with Generally Accepted Cost Accounting Principles (GACAP) and Cost Accounting Standards (CAS) issued by the Institute of Cost Accountants of India and Cost Accounting Policy of the Company.
- 3. Disclosure relating to availability of cost statements and schedules for each unit and each product or activity:** Here the cost accountant should make a disclosure relating to availability of cost statements and schedules for each unit and each product or activity as per the relevant cost accounting records rules.
- 4. Disclosure regarding availability of information as per companies act 1956:** Here the cost accountant has to make disclosure relating to availability of information as per the provisions of the Companies Act 1956.
- 5. Disclosure regarding conformity of books and records with generally accepted cost accounting principles and cost accounting standards:** Here the cost accountant is required to make disclosure relating to compliance of Generally Accepted Cost Accounting Principles (GACAP) and Cost Accounting Standards issued by the Institute of Cost Accountants of India and their conformity with the books of account and records maintained by the Company.



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2.6.3 Annexure to Compliance Report

The taxonomy in respect of Quantitative Information contains the following elements:

[200300] Quantitative information
<i>Quantitative information [abstract]</i>
<i>Details of product or activity group [abstract]</i>
<i>Product or activity group [table]</i>
<i>Identification of product or activity group [axis]</i>
<i>General information of product or activity [abstract]</i>
<i>Name of product or activity group</i>
<i>Product or activity group code</i>
<i>Unit of measurement for product or activity group</i>
<i>Quantity produced of product or activity group</i>
<i>Net operational revenue of product or activity group [abstract]</i>
<i>Quantity sold of product or activity group</i>
<i>Net operational revenue of product or activity group</i>
<i>Whether product or activity group covered under cost audit</i>
<i>Other incomes of company</i>
<i>Total revenue as per financial accounts</i>

The explanation of each of the elements is provided below:

Quantitative Information

- 1. Name of product or activity group:** Provide the name of product or activity group as per MCA Product Group classification notified by Ministry of Corporate Affairs vide S.O. No. 1747(E) dated 7th August 2012. **Click here to download the file:** http://icmai.in/upload/SO_1747_E_782012.pdf
- 2. Product or activity group code:** Provide product or activity group code as per MCA Product Group classification.
- 3. Unit of Measurement:** Provide Unit of Measurement of the Product or Activity Group.
- 4. Quantity produced of product or activity group:** Provide the Production quantity of the Product Group.
- 5. Quantity sold of product or activity group:** Provide the Sales quantity of the Product Group.



6. **Net operational revenue of product or activity group:** Provide net operational revenue of the product or activity group as per the audited financial accounts of the company.
7. **Whether product or activity group covered under cost audit:** Provide YES/NO against each product or activity group code.
8. **Other incomes of company:** Provide other incomes of the company as a whole as per audited annual accounts.
9. **Total revenue as per financial accounts:** Here sum of Net Operational Revenue and Other Incomes of the company is to be provided. This figure should be equal to the Net Revenue of the company as per audited annual accounts.

Note: Under the Revised Schedule VI of the Companies Act 1956, the Profit and Loss Account represents the revenue of a company under (a) Revenue from Operations; (b) Other Operating Revenues; and (c) Other Incomes. The “Other Operating Revenue” can contain certain revenue incomes that cannot be directly linked to a particular product or activity group. For example, income from scrap sale is an item that is to be disclosed under “Other Operating Revenue” and such an income would arise from the operations involving all the product groups. In cost accounts, this income may be treated as a credit to individual material cost (if directly identifiable and conform to the CAS-6) or credited to overheads. For purposes of Quantity Information, this is to be shown as a part of total Revenue of the company to reconcile with the total revenue of the company as per audited annual accounts. In such cases, “Other Operating Revenues” that cannot be directly linked to a product or activity group, such items are to be shown against Product Group Code **“4100 – Ancillary Products not elsewhere specified”**.

As per the taxonomy, the presentation or rendering of Quantative Information Table will be as follows:



<i>Amount of incomes not considered in cost accounts</i>
<i>Amount of expenses not considered in cost accounts</i>
<i>Difference in stock valuation as per cost and financial records</i>
<i>Profit (loss) as per financial accounts</i>

The explanation of each of the elements is provided below:

Reconciliation Statement (for the company as a whole)

- 1. Profit (loss) from product or activity groups covered under cost audit:** Provide Profit or Loss before tax, exceptional and Extra Ordinary Items for each of the Product or Activity Group covered under the cost audit as per the respective Cost Statements.
- 2. Profit (loss) from product or activity groups covered under cost accounting records rules but not covered under cost audit:** Provide Profit or Loss before tax, exceptional and Extra Ordinary Items for each of the Product or Activity Group covered under the cost accounting records rules but not covered under cost audit.
- 3. Profit (loss) from activities not covered under cost accounting records rules:** Provide Profit or Loss before tax, exceptional and Extra Ordinary Items for each of the Product or Activity Group not covered under the cost accounting records rules. These activities may be Trading Activities or exempted activities as defined in the General Circular No. 67/2011 dated 30th November 2011.
- 4. Total profit (loss) as per cost accounts:** Provide total profit or loss account as per cost accounts.
- 5. Amount of incomes not considered in cost accounts:** Here provide the consolidated amount of incomes not considered in cost accounts. The details are to be provided in the link table.
- 6. Amount of expenses not considered in cost accounts:** Here provide the consolidated amount of expenses not considered in cost accounts. The details are to be provided in the link table.
- 7. Difference in stock valuation as per cost and financial records:** Provide the amount in respect of difference in stock valuation done as per cost accounts and financial accounts.
- 8. Profit (loss) as per financial accounts:** Provide the total profit or loss account as per audited financial accounts. Total profit or loss would be before tax, exceptional and extra ordinary items.

As per the taxonomy, the presentation or rendering for Reconciliation Statement will be as follows:



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Reconciliation statement

Profit (loss) as per cost accounts	Current Year (.....) Amount
Profit (loss) from product or activity groups covered under cost audit	
Profit (loss) from product or activity groups covered under cost accounting records rules but not covered under cost audit	
Profit (loss) from activities not covered under cost accounting records rules	
Total profit (loss) as per cost accounts	
Amount of incomes not considered in cost accounts	
Amount of expenses not considered in cost accounts	
Difference in stock valuation as per cost and financial records	
Profit (loss) as per financial accounts	

Following are the elements as per taxonomy in respect of amount of incomes not considered in cost accounts as given in the link table are as follows:

[200400a] Reconciliation statement-Details of incomes not considered
<i>Reconciliation statement [abstract]</i>
<i>Details of incomes not considered in cost accounts [table]</i>
<i>Details of incomes not considered in cost accounts [axis]</i>
<i>Name of incomes not considered in cost accounts</i>
<i>Amount of incomes not considered in cost accounts</i>

The presentation or rendering of the above elements in table will be as follows:

Reconciliation Statement- Details of Incomes not considered in cost accounts

Name of incomes not considered in cost accounts	Current Year (.....) Amount
(a) (specify the name of element of income not considered in cost accounts)	
(b) (specify the name of element of income not considered in cost accounts)	



(c)	(specify the name of element of income not considered in cost accounts)	
(d)	(specify the name of element of income not considered in cost accounts)	
(e)	
End number of lines can be inserted to report the elements of incomes not considered in cost accounts		

The explanation for the above elements is as follows:

Amount of incomes not considered in cost accounts – Incomes which are ‘Abnormal’ in nature and ‘purely financial’ in nature is not considered in cost accounts to arrive at the costing Profit or Loss.

Abnormal Income means unexpected heavy income in the nature of windfalls, abnormal gains.

Income purely financial in nature: may be of the following nature:

- (i) Interest received on investment, deposits outside the business
- (ii) Dividends received on investment outside the business
- (iii) Profits on sale of capital assets and investment
- (iv) Fees received on transfer of shares
- (v) Gains on foreign exchange fluctuation
- (vi) Prior period income
- (vii) Trading Profit

Following are the elements as per taxonomy in respect of amount of expenses not considered in cost accounts as given in the link table are as follows:

[200400b] Reconciliation statement-Details of expenses not considered
<i>Reconciliation statement [abstract]</i>
<i>Details of expenses not considered in cost accounts [table]</i>
<i>Details of expenses not considered in cost accounts [axis]</i>
<i>Name of expenses not considered in cost accounts</i>
<i>Amount of expenses not considered in cost accounts</i>



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The presentation or rendering of the above elements in table will be as follows:

Reconciliation Statement- Details of Expenses not considered in cost accounts

Name of expenses not considered in cost accounts	Current Year (.....) Amount
(a) (specify the name of element of expense not considered in cost accounts)	
(b) (specify the name of element of expense not considered in cost accounts)	
(c) (specify the name of element of expense not considered in cost accounts)	
(d) (specify the name of element of expense not considered in cost accounts)	
(e) To n number	
<i>End number of lines can be inserted to report the elements of expenses not considered in cost accounts</i>	

The explanation for the above elements is as follows:

Amount of expenses not considered in cost accounts – Expenses which are ‘Abnormal’ in nature and ‘purely financial’ are not considered in cost accounts to arrive at the costing Profit or Loss.

Abnormal Expenses – Abnormal expenses may be:

- (i) Abnormally high rejections;
- (ii) Defective work, spoilages etc.;
- (iii) Losses due to theft, pilferage, or acts of nature like earthquake, flood fire;
- (iv) Abnormal idle time;
- (v) Abnormal under-utilisation of plant facilities;
- (vi) Losses due to abnormal situation like strikes, war, accidents etc.

Expenses Purely Financial in nature: may be of the following nature: for e.g. –

- (i) Loss on sale of capital assets and investments
- (ii) Stamp duty and expenses on issue and transfer of shares
- (iii) Discount on bonds and debentures
- (iv) Fines and Penalties



- (v) Loss on investments
- (vi) Loss on foreign exchange fluctuations
- (vii) Premium on forward contract
- (viii) Liquidated damages
- (ix) Short recovery of Excise
- (x) Bad Debts
- (xi) Donations
- (xii) Prior period expenses
- (xiii) Expenses on Buy Back of shares
- (xiv) Preliminary expenses written off
- (xv) Trading Loss
- (xvi) Reference also may be made to CAS & GACAP for specific items of this nature

2.7 Procedure to file the compliance report in XBRL Format through MCA website

Please visit the Ministry of Corporate Affairs website and download the Filing Manual from the following link:

http://www.mca.gov.in/Ministry/pdf/XBRL_Filing%20manual_Costing%201.0.pdf

The following steps have to be followed in sequence for uploading the file:

- Mapping the individual cost elements of the company to the elements of the costing taxonomy.
- Populating the relevant data in the software/filing tool.
- Creating an XBRL instance document.
- Download XBRL validation tool.
- Validating the instance document with the validation tool of MCA.
- Pre-scrutiny of the instance document.
- Use available tool to convert the instance document to a human readable pdf format and check correctness of data.
- Attaching the instance document to the e-Form and filing on MCA portal.

2.8 Important Points related to Instance Document

Please note that:

- (i) The PDF format of Compliance Report is not required to be attached. Only the XBRL instance document of Compliance Report is to be attached with the Form A-XBRL.



Guidance Note on Compliance Report

- (ii) The instance document attached with the e-Form is not required to be digitally signed by a cost accountant. However, e-Form A-XBRL is to be digitally signed by the managing director/ director/ company secretary of the Indian Company or authorised representative in case of foreign company.
- (iii) The process for uploading the filled in Form A-XBRL is same as the process of filing of any other e-form, for example, Form 23C or Form 23D or e-form for filing cost audit report. For further assistance, refer the Filing Manual available on the following link: http://www.mca.gov.in/Ministry/pdf/XBRL_Filing%20manual_Costing%201.0.pdf
- (iv) Creation of the Compliance Report in XBRL format, as approved by the Board and certified by the Cost Accountant, is the responsibility of the company. Also filing of Compliance Report in XBRL format with the Central Government is the responsibility of the Company.

2.9 Checklist for Issuance of Compliance Report in XBRL Format

1. Check whether company maintains proper cost records, as per the relevant Cost Accounting Records Rules prescribed under clause (d) of sub-subsection 209 of the Companies Act, 1956;
2. Check whether the company has formulated the cost accounting policy and costing system which may enable to calculate per unit cost of production or cost of operation, cost of sales and margin for each of its products and activities groups under review;
3. Check whether the company has proper system of identification of cost centres, cost objects and cost drivers for each of product/ activity;
4. Check whether the company prepared detailed unit-wise and product or activity-wise cost statements and schedules thereto in respect of the product groups or activities of the company and after authentication and approval by the Board these are preserved and kept in the company;
5. Check whether Generally Accepted Cost Accounting Principles (GACAP) and Cost Accounting Standards (CAS) issued by the Institute of Cost Accountants of India have been complied with in preparation of the said books of account, cost statements and schedules thereto, to the extent these are found to be relevant and applicable;
6. Check whether a system of internal audit of cost records exists in the Company and is adequate commensurate to its nature and size of its business;
7. Check whether there is any material deficiency in complying the GACAP and CAS;
8. Check total quantities of production and sales in respect of each of Product Group or Activity Group;
9. Check net operational revenue values of each of the Product or Activity Group and Trading Activities;



10. Check the details of Other Incomes;
11. Check all items forming part of Reconciliation Statement;
12. Check whether all information/data as required under XBRL filing has been compiled with;
13. Before signing the Compliance Report, ensure that the Annexure to Compliance Report has been duly approved by the Board of Directors by means of Resolution.
14. Check before uploading the Compliance Report that the Instance Document of Compliance Report has been duly signed by Cost Accountant, Company Secretary and a Director of the Company.



ANNEXURE

G.S.R. 429(E) dated 3rd June, 2011

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY PART-II,
SECTION-3, SUB-SECTION (i)]

MINISTRY OF CORPORATE AFFAIRS

Notification

New Delhi, dated the 3rd June, 2011

G.S.R.....(E) - In exercise of the powers conferred by clause (b) of sub-section (1) of section 642 read with clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 (1 of 1956), and in supersession of the Cost Accounting Records Rules in so far as they relate to the Cost Accounting Records Rules published vide (i) G.S.R. 311 dated 2nd March, 1967, (ii) G.S.R. 1260 dated 10th August, 1967, (iii) G.S.R. 1447 dated 16th September, 1967, (iv) G.S.R. 1448 dated 18th September, 1967, (v) G.S.R. 1467 dated 20th September, 1967, (vi) G.S.R. 1503 dated 27th September, 1967, (vii) G.S.R. 2298 dated 15th September, 1969, (viii) G.S.R. 2574 dated 24th October, 1969, (ix) G.S.R. 334 dated 25th February, 1972, (x) G.S.R. 1529 dated 27th November, 1972, (xi) G.S.R. 590(E) dated 29th December, 1975, (xii) G.S.R. 601(E) dated 31st December, 1975, (xiii) G.S.R. 606 dated 20th April, 1976, (xiv) G.S.R. 605 dated 22nd April, 1976, (xv) G.S.R. 126(E) dated 24th March, 1977, (xvi) G.S.R. 157(E) dated 1st April, 1977, (xvii) G.S.R. 417(E) dated 28th June, 1977, (xviii) G.S.R. 45(E) dated 31st January, 1979, (xix) G.S.R. 506(E) dated 10th May, 1984, (xx) G.S.R. 688 dated 25th June, 1984, (xxi) G.S.R. 767 dated 7th July, 1984, (xxii) G.S.R. 664 dated 1st July, 1985, (xxiii) G.S.R. 574 dated 31st July, 1990, (xxiv) G.S.R. 258(E) dated 3rd March, 1993, (xxv) G.S.R. 677(E) dated 29th October, 1993, (xxvi) G.S.R. 678(E) dated 29th October, 1993, (xxvii) G.S.R. 186(E) dated 12th April, 1996, (xxviii) G.S.R. 202(E) dated 6th May, 1996, (xxix) G.S.R. 271(E) dated 9th July, 1996, (xxx) G.S.R. 537(E) dated 11th September, 1997, (xxxi) G.S.R. 536(E) dated 11th September, 1997, (xxxii) G.S.R. 704(E) dated 28th September, 2001, (xxxiii) G.S.R. 276(E) dated 24th April, 2001, (xxxiv) G.S.R. 277(E) dated 24th April, 2001, (xxxv) G.S.R. 685(E) dated 8th October, 2002, and (xxxvi) G.S.R. 562(E) dated 2nd September, 2004, 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 Accounting Records) 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);



Guidance Note on Compliance Report

- (b) “Compliance Report” means compliance report duly authenticated and signed by a cost accountant in the prescribed form of compliance report;
- (c) “Cost Accountant” for the purpose of these rules means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who is either a permanent employee of the company or holds a valid certificate of practice under sub-section (1) of section 6 and who is deemed to be in practice under sub-section (2) of section 2 of that Act and includes a firm of cost accountants;
- (d) “Cost Accounting Standards” means the standards of cost accounting, issued by the Institute;
- (e) “Cost Records” means books of account relating to utilisation of materials, labour and other items of cost as applicable to the production, processing, manufacturing or mining activities of the company;
- (f) “Form-A” means the form prescribed in these rules for filing compliance report and other documents with the Central Government in the electronic mode;
- (g) “Form-B” means the form of the compliance report and includes Annexure to the compliance report;
- (h) “Generally Accepted Cost Accounting Principles” means the principles of cost accounting issued by the Institute;
- (i) “Institute” means the Institute of Cost and Works Accountants of India constituted under the Cost and Works Accountants Act, 1959 (23 of 1959);
- (j) “Manufacturing Activity” includes any act, process or method employed in relation to-
 - (i) transformation of raw materials, components, sub-assemblies, or parts into semi-finished or finished products; or
 - (ii) making, altering, repairing, fabricating, generating, composing, ornamenting, furnishing, finishing, packing, re-packing, oiling, washing, cleaning, breaking-up, demolishing, or otherwise treating or adapting any product with a view to its use, sale, transport, delivery or disposal; or
 - (iii) constructing, reconstructing, reconditioning, servicing, refitting, repairing, finishing or breaking up of any products.
- (k) “Mining Activity” includes any act, process or method employed in relation to the extraction of ores, minerals, oils, gases or other geological materials from the earth’s crust, including sea bed or river bed.
- (l) “Processing Activity” includes any act, process, procedure, function, operation, technique, treatment or method employed in relation to-
 - (i) altering the condition or properties of inputs for their use, consumption, sale, transport, delivery or disposal; or

- (ii) accessioning, arranging, describing, or storing products; or
 - (iii) developing, fixing, and washing exposed photographic or cinematographic film or paper to produce either a negative image or a positive image; or
 - (iv) printing, publishing, finishing, perforation, trimming, cutting, or packaging; or
 - (v) pumping oil, gas, water, sewage or any other product; or
 - (vi) transforming or transmitting, distributing power or electricity; or
 - (vii) harboring, berthing, docking, elevating, lading, stripping, stuffing, towing, handling, or warehousing products; or
 - (viii) preserving or storing any product in cold storage; or
 - (ix) constructing, reconstructing, reconditioning, repairing, servicing, refitting, finishing or demolishing of buildings or structures; or
 - (x) farming, feeding, rearing, treating, nursing, caring, and stocking of living organisms; or
 - (xi) telecasting, broadcasting, telecommunicating voice, text, picture, information, data or knowledge through any mode or medium; or
 - (xii) obtaining, compiling, recording, maintaining, transmitting, holding or using the information or data or knowledge; or
 - (xiii) executing instructions in memory to perform some transformation and/or computation on the data in the computer's memory.
- (m) "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.
- (n) "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.
- (o) "Production Activity" includes any act, process, or method employed in relation to -
- (i) transformation of tangible inputs (raw materials, semi-finished goods, or sub-assemblies) and intangible inputs (ideas, information, know how) into goods or services; or



Guidance Note on Compliance Report

- (ii) manufacturing or processing or mining or growing a product for use, consumption, sale, transport, delivery or disposal; or
- (iii) creation of value or wealth by producing goods or services.
- (p) “Turnover” means gross turnover made by the company from the sale or supply of all products or services during the financial year. It includes any turnover from job work or loan license operations but does not include any non-operational income;
- (q) 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 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, including a foreign company as defined under section 591 of the Act, which is engaged in the production, processing, manufacturing, or mining activities and wherein, the aggregate value of net worth as on the last date of the immediately preceding financial year exceeds five crores of rupees; or wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crores of rupees; or 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.

Provided that these rules shall not apply to a company which is a body corporate governed by any special Act;

Provided further that these rules shall not apply to the activities or products covered in any of the following rules,-

- (a) *Cost Accounting Records (Bulk Drugs) Rules, 1974*
- (b) *Cost Accounting Records (Formulations) Rules, 1988*
- (c) *Cost Accounting Records (Fertilizers) Rules, 1993*
- (d) *Cost Accounting Records (Sugar) Rules, 1997*
- (e) *Cost Accounting Records (Industrial Alcohol) Rules, 1997*
- (f) *Cost Accounting Records (Electricity Industry) Rules, 2001*
- (g) *Cost Accounting Records (Petroleum Industry) Rules, 2002*
- (h) *Cost Accounting Records (Telecommunications) Rules, 2002*

4. Maintenance of records-

- (1) Every company to which these rules apply, including all units and branches thereof shall, in respect of each of its financial year commencing on or after the 1st day of April, 2011, keep cost records.

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- (2) The cost records referred to in sub-rule (1) shall be kept on regular basis in such manner so as to make it possible to calculate per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly/quarterly/half-yearly/annual basis.
 - (3) The cost records shall be maintained in accordance with the generally accepted cost accounting principles and cost accounting standards issued by the Institute; to the extent these are found to be relevant and applicable. The variations, if any, shall be clearly indicated and explained.
 - (4) The cost records shall be maintained in such manner so as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in utilization of resources. These records shall also provide necessary data which is required to be furnished under these rules.
 - (5) All such cost records and cost statements, maintained under these rules shall be reconciled with the audited financial statements for the financial year specifically indicating expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to reconcile the profit of all product groups with the overall profit of the company. The variations, if any, shall be clearly indicated and explained.
 - (6) All such cost records, cost statements and reconciliation statements, maintained under these rules, 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.
 - (7) It shall be the duty of every person, referred to in sub-section (6) and (7) of section 209 of the Companies Act, 1956 (1 of 1956), to take all reasonable steps to secure compliance by the company with the provisions of these rules in the same manner as he is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.
5. **Form of the Compliance Report** - Every company to which these rules apply shall submit a compliance report, in respect of each of its financial year commencing on or after the 1st day of April, 2011, duly certified by a cost accountant, along with the Annexure to the Central Government, in the prescribed form.
 6. **Time limit for submission of Compliance Report** – Every company shall submit the compliance report referred to in rule 5 to the Central Government within one hundred and eighty days from the close of the company's financial year to which the compliance report relates.
 7. **Authentication of Annexure to the Compliance Report** – The Annexure prescribed with the compliance report, as certified by the cost accountant, shall be approved by the Board of Directors before submitting the same to the Central Government by the company.



Guidance Note on Compliance Report

8. **Penalties** – (1) If default is made by the cost accountant in complying with the provisions of these rules, he 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 of Companies Act, 1956 (1 of 1956).
9. **Savings-** The supersession of the Cost Accounting Records Rules, 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)

The Institute of Cost Accountants of India

Annexure-2

52/14/CAB-2011
Government of India
Ministry of Corporate Affairs
Cost Audit Branch

'B-1' Wing, 2nd Floor,
Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi – 110 003

Dated the November 11, 2011

To,
The President,
Institute of Cost and Works Accountants of India,
12, Sudder Street,
Kolkata – 700 016

Subject: Master Circular on Cost Accounting Records and Cost Audit

Sir,

Ministry has from time-to-time issued number of circulars with regard to various matters concerning cost accounting records and cost audit in the corporate sector. All these circulars have been reviewed. In supersession of the earlier circulars as mentioned in Appendix, a Master Circular is issued as under:

- (a) As per provisions of the Cost Audit Report Rules that are in force from time-to-time, a cost auditor is required to comment on the scope and performance of internal audit of cost records. Hence it would tend to mitigate against the proper and dispassionate discharge of his duties if he was also the internal auditor of the company for the same period for which he is conducting the cost audit. In view of this, the cost auditor cannot also be the internal auditor of a company for the period for which he is conducting the cost audit, irrespective of the fact whether he is conducting cost audit for one or all of the company's products/ activities.
- (b) The specified number of companies for the purpose of section 233B (2) read with section 224 (1B) of the Companies Act, 1956 is to be computed for a given financial year with reference to the number of companies wherein he has been appointed as the cost auditor, including those wherein he is proposed to be appointed for which he has given his consent.



Guidance Note on Compliance Report

- The number of companies in respect of which cost audit reports have not been submitted and have become overdue shall also be taken into account for the purposes of ceiling under section 224 (1B).
- (c) A cost auditor shall be deemed to have concluded his appointment for the relevant financial year as soon as he renders a report to the Central Government in accordance with the Cost Audit Report Rules, as applicable, with a copy to the Company. His obligation to answer queries from the Ministry of Corporate Affairs arising out of review of cost audit reports should not debar him from accepting another appointment as cost auditor of a company provided the specified number of companies contemplated in section 224 (1B) is not exceeded.
- (d) The duties of the cost accountants appointed to conduct an audit of cost accounts of the company flow directly from the provisions contained under section 233B of the Companies Act, 1956. As such they should, in strict compliance therewith and in compliance with the Cost Audit Report Rules in force, ensure that full and complete details of cost accounts are furnished in their cost audit reports.
- (e) In case where a firm of cost accountants is approved for appointment as cost auditors under Section 233B (2) of the Act, the cost audit report shall be signed by anyone of the partners of the firm responsible for the conduct of cost audit in his own hand alongwith his membership number, for and on behalf of the firm. In any case the report should not be signed by merely affixing the firms' name.
- (f) Cost audit report for a financial year contains corresponding data for the previous year(s) also. If a company is covered under cost audit for the first time, then the cost auditor shall mention the figures for the previous year(s), certifying by means of a note that the figures so stated are on the basis of information furnished by the management, for which he has obtained a certificate from them.
- (g) Sub-section (6) of section 292A of the Companies Act, 1956 states that the Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half yearly and annual financial statements before submission to the Board and also ensure compliance on internal control systems. It has been already clarified in Departmental Circular No. 6/2001 dated 20.08.2001 that the term "auditors" includes cost auditor and hence "scope of audit including observations of the auditors" occurring in the above sub-section includes the scope of cost audit including observations of the cost auditors as well. Therefore, the Audit Committee in its duty to ensure compliance of internal control system shall also discuss the suggestions made in the cost audit report for implementation, wherever cost audit has been directed under section 233B of the Companies Act, 1956. The presence of the cost auditor in such committees will ensure overall cost management, efficiency in resource utilization, business vertical-wise performance evaluation, proper pricing of inter-unit/inter-company

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transfers and valuation of inventories. However, the cost auditor, wherever appointed, shall attend and participate at the meetings of the Audit Committee or the Board, as the case may be, but shall neither be a member nor have the right to vote.

2. The Institute is requested to bring this to the general information of all Members in practice, and of the corporate sector.

Yours faithfully,

(B.B. Goyal)
Adviser (Cost)

Copy to:

1. E-Governance Cell, Ministry of Corporate Affairs, Shastri Bhavan, New Delhi with a request to upload this master circular on the MCA's website.
2. All Regional Directors / Registrars of Companies
3. PS to CAM / to MOS
4. PS to Secretary / Addl. Secretary
5. PS to Joint Secretary (A) / Joint Secretary (R) / Joint Secretary (M)
6. PS to DII (DR) / DII (Policy)
7. PS to Economic Adviser



Annexure-3

General Circular No. 67/2011

52/13/CAB-2011
Government of India
Ministry of Corporate Affairs
Cost Audit Branch

'B-1' Wing, 2nd Floor,
Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi – 110 003

Dated the November 30, 2011

To,
The President,
Institute of Cost and Works Accountants of India,
12, Sudder Street,
Kolkata – 700 016

Subject: Cost Accounting Records and Cost Audit – clarifications about coverage of certain sectors thereunder.

Sir,

Ministry has examined various issues raised by the companies and/or professionals in connection with the recently issued circulars/notifications concerning cost accounting records and coverage of cost audit. To remove doubts and ambiguities, the following clarifications are issued:

- (a) That the Companies (Cost Accounting Records) Rules, 2011 are not applicable to:
- (i) Wholesale or retail trading activities.
 - (ii) Banking, financial, leasing, investment, insurance, education, healthcare, tourism, travel, hospitality, recreation, transport services, business/professional consultancy, IT & IT enabled services, research & development, postal/courier services, etc. unless any of these have been specifically covered under any other Cost Accounting Records Rules.
 - (iii) Companies engaged in rendering job work operations or contracting/ sub-contracting activities, and are paid only the job work or conversion charges, such as tailoring, baking, repairing, painting, printing, constructing, servicing, etc.

The Institute of Cost Accountants of India

- (iv) Companies engaged in the production, processing, manufacturing or mining activities till such time they commence their commercial operations.
 - (v) Ancillary products/activities of companies incidental to their main operations (i.e. products/activities that do not constitute their main line of business) and wherein the total turnover from the sale of each such ancillary products/activities do not exceed 2% of the total turnover of the company or Rs.20 crores, whichever is lower. However, required details of all such ancillary products/activities may be maintained under a miscellaneous group and disclosed appropriately.
- (b) That the Cost Audit Orders [no. 52/26/CAB-2010 dated 2nd May 2011 and 30th June 2011] shall not apply to the following cases:
- (i) Generation of electricity for captive consumption. For this purpose, the term “Captive Generating Plant” shall have the same meaning as assigned in Rule 3 of the Electricity Rules, 2005.
 - (ii) Own manufactured products that are consumed exclusively by the company for the sole purpose of production, processing, manufacturing, or mining of its other products or activities that are subject to cost audit.
 - (iii) Hundred percent Export Oriented Units.
- (c) That only such items falling under the relevant chapter(s) of the Central Excise Tariff Act, 1985 as constitute intermediate or final or allied products of the industry mentioned in the Cost Audit Order dated 30th June 2011 shall be covered under cost audit and all other items not related to the industry shall be outside the purview of said orders.

For the purpose of these orders, the words “intermediate products” mean only such products that have already undergone partial manufacturing/ production process and are used as inputs for the production, processing, manufacturing or mining of the final products of the industries listed in the said order; the words “articles or allied products thereof” refer to such articles or allied products that are produced either wholly or predominantly [not less than 50% by weight or volume] by using the listed products as their primary inputs.

To explain this aspect further, the following clarifications are given as illustrations:

- (i) For Paints & Varnish industry, all other items such as tanning or dyeing extracts, tanning & their derivatives, dyes, pigments & other colouring matters, putty & other mastics, printing inks, etc. mentioned in Chapter 32 of the Central Excise Tariff Act, 1985 are not covered unless such items are used as intermediates for the production of Paints & Varnishes or are produced as their allied products.
- (ii) For Tyres & Tubes industry, all other items such as natural or synthetic or reclaimed rubber, compounded rubber, hard rubber, rubber thread or cord, conveyer or transmission belts, articles of rubber, etc. mentioned in Chapter 40 of the Central



Guidance Note on Compliance Report

Excise Tariff Act, 1985 are not covered unless such items are used as intermediates for the production of Tyres & Tubes or are produced as their allied products.

- (iii) Examples of intermediate products include clinker for cement, pulp for paper, sponge iron & pig iron for steel, etc. Examples of articles or allied products of cement include cement bricks, sleepers, pipes; of paper include cartons, boxes, bags, registers; and of steel include ingots, blooms, billets, slabs, beams, angles, tees, channels, pilings, rails, bars, wire, nails, plates, pipes, tubes, coils, sheets, etc.
2. In case of any doubt, companies are requested to refer their cases to this office for clarification by giving complete details. The Institute is requested to circulate this General Circular for information of all concerned.

Yours faithfully,

(B.B.Goyal)
Adviser (Cost)

Copy to:

1. E-Governance Cell, Ministry of Corporate Affairs, Shastri Bhavan, New Delhi with a request to upload this circular on the MCA's website.
2. All Regional Directors / Registrars of Companies
3. PS to CAM / PS to MOS
4. PS to Secretary / Addl. Secretary
5. PS to Joint Secretary (A) / Joint Secretary (R) / Joint Secretary (M)
6. PS to DII (DR) / DII (Policy)
7. PS to Economic Adviser

The Institute of Cost Accountants of India

Annexure-4

General Circular No. 68/2011

52/13/CAB-2011
Government of India
Ministry of Corporate Affairs
Cost Audit Branch

'B-1' Wing, 2nd Floor,
Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi – 110 003

Dated the November 30, 2011

To,
The President,
Institute of Cost and Works Accountants of India,
12, Sudder Street,
Kolkata – 700 016

Subject: Cost Accounting Records and Cost Audit – clarifications regarding applicability and compliance requirements.

Sir,

In connection with the recently issued circulars/notifications concerning cost accounting records and cost audit, following clarifications are issued:

- (a) That the companies covered under Companies (Cost Accounting Records) Rules, 2011 shall only file a simple compliance report as per the notified Form-B (copy enclosed) and no other details of cost records are required to be filed with the Government. If all the products/activities of a company, excluding the exempted categories, are covered under cost audit, then the company will not be required to separately file the compliance report.
- (b) That for companies coming under the purview of the Companies (Cost Accounting Records) Rules, 2011 and the Companies (Cost Audit Report) Rules, 2011 for the first time, cost records and cost details, statements, schedules, etc. shall be kept in good order for the next eight financial years beginning with first year of application of the said Rules.
- (c) That the term "Turnover" defined in the Companies (Cost Accounting Records) Rules, 2011 shall exclude taxes & duties. It shall have the same meaning, wherever it appears, in all



Guidance Note on Compliance Report

other orders/rules issued in connection with the cost accounting records and cost audit.

(d) That for filing the cost audit reports under the Companies (Cost Audit Report) Rules, 2011, following procedure may be followed:

(i) If only one product of a company is subject to cost audit and the company appoints more than one cost auditor, only a consolidated cost audit report [containing inter alia the qualifications, reservations or suggestions if any given by all the cost auditors] should be prepared as per the Companies (Cost Audit Report) Rules, 2011 and signed by all the cost auditors.

For this purpose, company may designate/appoint any one of them as the principal/lead cost auditors who would be responsible for the consolidation and filing the same with the Central Government.

(ii) If more than one products of a company are under cost audit for which it has appointed either same or separate cost auditors, then they may either submit separate cost audit report for each product group or submit only one consolidated report containing details of each product group under audit separately as per the procedure provided above.

(e) That in the General Circular no. 15/2011 dated 11th April 2011 regarding appointment of cost auditors by companies, it was provided that the Audit Committee shall obtain a certificate from the cost auditor certifying his/its independence and 'arm's length relationship' with the company. In order that 'arm's length relationship' is in fact ensured, it may be noted that cost auditor(s) appointed under section 233B(2) of the Companies Act, 1956 [whether for one or all of the company's products covered under cost audit], shall not provide any other services to the company relating to (i) design and implementation of cost accounting system; or (ii) the maintenance of cost accounting records, or (iii) act as internal auditor, whether acting individually, or through the same firm or through other group firms where he or any partner has any common interest. It is however clarified that the cost auditors are allowed to certify the compliance report or provide any other services as may be assigned by the company, but which shall not include any of the services mentioned above.

2. The Institute is requested to circulate this General Circular for information of all concerned.

Yours faithfully,

(B.B.Goyal)
Adviser (Cost)

Copy to:

1. E-Governance Cell, Ministry of Corporate Affairs, Shastri Bhavan, New Delhi with a request to upload this circular on the MCA's website.
2. All Regional Directors / Registrars of Companies
3. PS to CAM / PS to MOS
4. PS to Secretary / Addl. Secretary
5. PS to Joint Secretary (A) / Joint Secretary (R) / Joint Secretary (M)
6. PS to DII (DR) / DII (Policy)
7. PS to Economic Adviser



FORM-B
FORM OF COMPLIANCE REPORT

[See rule 2, and rule 5]

I/We being in permanent employment of the company / in practice, and having been appointed as cost accountant under Rule 5 of the Companies (Cost Accounting Records) Rules, 2011 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 examined the books of account prescribed under clause (d) of sub-section (1) of section 209 of the said Act, and other relevant records for the period/year (*mention the financial year*) and certify as under:

- 1 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 compliance report.
- 2 In my/our opinion, proper cost records, as per Companies (Cost Accounting Records) 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 all the products/activities of the company.
- 3 Detailed unit-wise and product/activity-wise cost statements and schedules thereto in respect of the product groups/activities are/are not kept in the company.
- 4 In my/our opinion, the said books and records give/do not give the information required by the Companies Act, 1956 in the manner so required.
- 5 In my/our opinion, the said books and records are/are not in conformity with the generally accepted cost accounting principles and 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.

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

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

NOTES:

The Institute of Cost Accountants of India

- (i) Delete words not applicable.
- (ii) If as a result of the examination of the books of account, the cost accountant desires to point out any material deficiency or give a qualified report, he shall indicate the same against the relevant para.
- (iii) Briefly give your observations and suggestions, if any, relevant to the maintenance of cost accounting records by the company.
- (iv) Cost accountant may use separate sheet(s) for (ii) and (iii) above, if required.



ANNEXURE TO THE COMPLIANCE REPORT

[See rule 2 and rule 5]

1. GENERAL:

- a) Name of the company:
- b) Registered office address:
- c) Financial year to which the Compliance Report relates.

2. QUANTITATIVE INFORMATION:

Sno.	Name of the Product / Service Group	Unit	Annual Production (Qty.)	Net Sales	
				(Qty.)	(Value in Rupees)
A	Produced / Manufactured Product Groups				
	1.				
	2.				
	3. etc.				
B	Services Groups				
	1.				
	2.				
	3. etc.				
C	Trading Activities (Product Group-wise)				
	1.				
	2.				
	3. etc.				
D	Other Income				
Total Income as per Financial Accounts					

3. RECONCILIATION STATEMENT:

Net Margin (Profit/Loss) as per Cost Accounts	(In Rupees)
A. From Produced / Manufactured Product Groups	
B. From Services Groups	
C. From Trading Activities	
Total as per Cost Accounts	
Add: Incomes not considered in Cost Accounts (if any)	
Less: Expenses not considered in Cost Accounts (if any)	
Add/Less: Difference in Stock Valuation	
Profit/(Loss) as per Financial Accounts	

NOTES:

- (i) For produced/manufactured product groups, use the nomenclature as used in the Central Excise Act/Rules, as applicable.
- (ii) For services groups, use the nomenclature as used in the Finance Act/Central Service Tax Rules, as applicable.

SIGNATURE

NAME
COST ACCOUNTANT (S)
MEMBERSHIP NUMBER (S)
SEAL and DATE



F. No. 52/1/CAB-2012
Government of India
Ministry of Corporate Affairs

Cost Audit Branch

B-1 Wing, 2nd Floor,
Paryavaran Bhavan,
CGO Complex,
New Delhi-110003

Dated the 25th May, 2012

To,

The Secretary General,
Construction Federation of India,
1103, Antriksh Bhawan, 22, K.G. Marg,
New Delhi – 110 001

Subject: Exemption from applicability of Cost Accounting Records Rules to the Construction Industry.

Sir,

Please refer your letter dated 23rd March, 2012 on the subject cited. CFI had earlier made a similar reference on 19th December, 2011 and the matter was discussed in MCA on 11th January, 2012 with the representatives of CFI and of few leading construction/development companies wherein it was observed that all such companies are already maintaining cost accounting records for their internal requirements. Cost Accounting Records Rules 2011 do not visualize companies to change their cost accounting system if already in-place; but they are required to comply with the Generally Accepted Cost Accounting Principles and Cost Accounting Standards issued by the Institute of Cost Accountants of India, to the extent these are found to be relevant and applicable and also file compliance report with the Central Government. It was also observed that existence of structured & verified cost accounting records would enable the companies to fulfill regulatory requirements; comply with the Tax Accounting Standards; and assist in their tax assessments.

2. Based on the discussions held, detailed clarifications were issued on 16th January, 2012 that were duly acknowledged by the CFI vide their letter dated 27th January, 2012 and also conveyed to all their member companies for implementation.
3. However, the matter has been once again examined in the Ministry and it has been decided

The Institute of Cost Accountants of India

that there appear no reasons for granting any special exemption to the construction (incl. development or real estate) industry from the applicability of the Companies (Cost Accounting Records) Rules 2011. Hence the decisions already conveyed earlier vide letter dated 16th January, 2012 are being reiterated as under:

- a) All companies engaged in the construction and/or development (real estate) businesses who meet with the threshold limits laid down in Rule 3 of the Companies (Cost Accounting Records) Rules, 2011 shall be required to maintain cost accounting records and file compliance report with the Central Government in accordance with the provisions of these Rules. This includes companies undertaking construction jobs with the use of own materials [whether self manufactured/produced or procured from outside] and/or development of residential, commercial or industrial estates i.e. development of township, residential units, commercial complex, office blocks, industrial parks [including SEZ], etc. or construction of highways, rails, roads, bridges, industrial & non-industrial structures, or other infrastructure facilities etc or construction activities undertaken under BOT/BOOT mode, or the projects undertaken as EPC contractor or the projects undertaken abroad by a company incorporated in India.
- b) As per MCA's General Circular No. 67/2011 dated 30th November 2011, companies engaged in construction business as contractors or sub-contractors wherein they are paid only the conversion charges are exempted from the applicability of Companies (Cost Accounting Records) Rules, 2011.
- c) Companies (Cost Accounting Records) Rules, 2011 do not apply to such Joint Ventures that are non-corporate entities [i.e. not companies registered under the Companies Act] or to unlisted companies that are below the specified threshold limits or to a body corporate governed by any special Act.
- d) As on date, no cost audit is applicable on the companies engaged in the construction and/or development (real estate) business. Hence, these companies are only required to maintain cost accounting records and file compliance report with the Central Government that can be signed by their employee cost accountant as defined in Rule 2(c) of the Companies (Cost Accounting Records) Rules, 2011.

Yours faithfully,

(B.B.Goyal)

Adviser (Cost)

Tel: 011-24366005



Guidance Note on Compliance Report

Copy to:

1. The General Manager, Confederation of Real Estate Developers' Associations of India, 703, Ansal Bhavan, 16, Kasturba Gandhi Marg, New Delhi – 110 001 with reference to their letter no. 59/MCA/2012 dated 3rd April, 2012. You are requested to bring this to the notice of all your member companies & associations for due compliance.
2. The President, Institute of Cost Accountants of India, 12, Sudder Street, Kolkata – 700 016 with a request to circulate this for the information of all concerned.

The Institute of Cost Accountants of India

Annexure-6

General Circular No. 11/2012

F. No. 52/1/CAB-2012
Government of India
Ministry of Corporate Affairs
Cost Audit Branch

B-1 Wing, 2nd Floor,
Paryavaran Bhavan,
CGO Complex,
New Delhi-110003

Dated the 25th May, 2012

To,
The President,
Institute of Cost Accountants of India,
12, Sudder Street,
Kolkata – 700 016

Subject: Cost Accounting Records and Cost Audit – clarifications about coverage of certain sectors thereunder.

Sir,

In partial modification of para (b) (iii) of the General Circular No. 67/2011 dated 30th November, 2011, it has been decided to extend exemption from mandatory cost audit to all units located in the specified zones such as Special Economic Zones (SEZs), Export Processing Zones (EPZs) and Free Trade Zones (FTZs) and also to the 100% Export Oriented Units (EOUs), subject to the following:

- a) Exemption from mandatory cost audit will be available only to those units of a company that are either located in the specified Zones or qualify as 100% EOUs and not to all other units of the same company.
- b) There will be no exemption from maintenance of cost accounting records and filing of compliance report with the MCA in compliance with the applicable Cost Accounting Records Rules.
- c) In case any regulatory body seeks cost data in respect of exempted units of any industry, then all relevant units of such industry would be subject to cost audit in accordance with the provisions of applicable Rules/Orders.
- d) The DTA (domestic tariff area) sales in all such exempted units for each year shall not exceed



Guidance Note on Compliance Report

- the permissible limits as per the policy in force. In case their DTA sales for any year exceeds the permissible limits, then the exemption from cost audit available to the unit shall stand withdrawn and the unit would be subject to cost audit in accordance with the provisions of applicable Rules/Orders starting with the year in which exemption stood withdrawn and for every subsequent year thereafter.
- e) If any such exempted unit either relocates outside the specified Zones or lose 100% EOU status, then the mandatory cost audit would become applicable from the year in which such change has taken place and for every subsequent year thereafter.
2. The Institute is requested to circulate this General Circular for the information of all concerned.

(B.B.Goyal)
Adviser (Cost)

Tel: 011-24366005

Copy to:

1. E-Governance Cell, Ministry of Corporate Affairs, Shastri Bhavan, New Delhi with a request to upload this circular on the MCA's website.
2. All Regional Directors / Registrars of Companies
3. PS to CAM / PS to MOS
4. PS to Secretary / Special Secretary
5. PS to Joint Secretary (A) / Joint Secretary (R) / Joint Secretary (M)
6. PS to DII (DR) / DII (Policy)
7. PS to Economic Adviser

The Institute of Cost Accountants of India

Annexure-7

General Circular No. 12/2012

F. No. 52/13/CAB-2011
Government of India
Ministry of Corporate Affairs
Cost Audit Branch

B-1 Wing, 2nd Floor,
Paryavaran Bhavan,
CGO Complex,
New Delhi-110003

Dated the 4th June, 2012

To,

The President,
Institute of Cost Accountants of India,
12, Sudder Street,
Kolkata – 700 016

Subject: Cost Accounting Records and Cost Audit – general clarifications.

Sir,

Ministry of Corporate Affairs has so far issued following circulars in connection with the cost accounting records, cost audit, appointment of cost auditors etc:

1. General Circular No. 15/2011 dated 11th April, 2011
2. Master Circular No. 2/2011 dated 11th November, 2011
3. General Circular No. 67/2011 dated 30th November, 2011
4. General Circular No. 68/2011 dated 30th November, 2011
5. General Circular No. 8/2012 dated 10th May, 2012
6. General Circular No. 11/2012 dated 25th May, 2012

It is hereby clarified that all these circulars [including the present circular] are applicable in respect of all the Cost Accounting Records Rules notified in 2011 and the industry specific Cost Audit Orders issued so far; to the extent these are relevant and applicable.

2. Ministry of Corporate Affairs vide no. 52/26/CAB-2010 dated 2nd May, 2011 had directed that every company to which any of the following rules apply, and wherein, the aggregate value of



Guidance Note on Compliance Report

net worth as on the last date of the immediately preceding financial year exceeds five crore of rupees; or wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crore of rupees; or 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, shall get its cost accounting records, in respect of each of its financial year commencing on or after the 1st day of April, 2011, audited by a cost auditor who shall be, either a cost accountant or a firm of cost accountants, holding valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959 (23 of 1959).

- (a) Cost Accounting Records (Bulk Drugs) Rules, 1974
 - (b) Cost Accounting Records (Formulations) Rules, 1988
 - (c) Cost Accounting Records (Fertilizers) Rules, 1993
 - (d) Cost Accounting Records (Sugar) Rules, 1997
 - (e) Cost Accounting Records (Industrial Alcohol) Rules, 1997
 - (f) Cost Accounting Records (Electricity Industry) Rules, 2001
 - (g) Cost Accounting Records (Petroleum Industry) Rules, 2002
 - (h) Cost Accounting Records (Telecommunications) Rules, 2002
3. In supersession of the aforesaid Rules, following industry specific Cost Accounting Records Rules were notified:
1. Cost Accounting Records (Telecommunication Industry) Rules 2011 notified vide GSR 869(E) dated December 7, 2011.
 2. Cost Accounting Records (Petroleum Industry) Rules 2011 notified vide GSR 870(E) dated December 7, 2011.
 3. Cost Accounting Records (Electricity Industry) Rules 2011 notified vide GSR 871(E) dated December 7, 2011.
 4. Cost Accounting Records (Sugar Industry) Rules 2011 notified vide GSR 872(E) dated December 7, 2011.
 5. Cost Accounting Records (Fertilizer Industry) Rules 2011 notified vide GSR 873(E) dated December 7, 2011.
 6. Cost Accounting Records (Pharmaceutical Industry) Rules 2011 notified vide GSR 874(E) dated December 7, 2011.
4. In view of above, it is hereby clarified that the Cost Audit Order No. 52/26/CAB-2010 dated 2nd May, 2011 shall be applicable as under:
- a) For all companies wherein their products/activities are already covered under any of

The Institute of Cost Accountants of India

the erstwhile industry specific Cost Accounting Records Rules, as mentioned in para 2 above [before their supersession] and meeting with the threshold limits mentioned in the said Cost Audit Orders – in respect of each financial year commencing on or after the 1st day of April, 2011 i.e. from the financial year 2011-12 onwards.

- b) For all companies wherein their products/activities are for the first time covered under any of the revised industry specific Cost Accounting Records Rules, as mentioned in para 3 above and meeting with the threshold limits mentioned in the said Cost Audit Orders – in respect of each financial year commencing on or after the 7th December, 2011 i.e. from the financial year 2012-13 [incl. calendar year 2012] onwards.
5. It is further clarified that in case of companies engaged in production, processing, manufacturing or mining of multiple products/activities, if any of their products/activities are not covered under the industry specific Cost Accounting Records Rules, but are covered under the Companies (Cost Accounting Records) Rules, 2011 notified vide GSR 429(E) dated June 3, 2011 and wherein such products/activities are not covered under cost audit vide cost audit orders dated June 30, 2011 and January 24, 2012; such companies shall be required to file compliance report with the Central Government in accordance with the clarifications given vide para (a) of the MCA's General Circular No. 68/2011 dated 30th November, 2011.
6. The Institute is requested to circulate this General Circular for the information of all concerned.

(B.B.Goyal)

Adviser (Cost)

Tel: 011-24366005

Copy to:

1. E-Governance Cell, Ministry of Corporate Affairs, Shastri Bhavan, New Delhi with a request to upload this circular on the MCA's website.
2. All Regional Directors / Registrars of Companies
3. PS to CAM / PS to MOS
4. PS to Secretary / Special Secretary
5. PS to Joint Secretary (A) / Joint Secretary (R) / Joint Secretary (M)
6. PS to DII (RC) / DII (UCN)
7. PS to Economic Adviser



Annexure-8

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY PART-II, SECTION-3, SUB-SECTION (ii)]

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Notification

New Delhi, dated the 7th August, 2012

S.O. 1747(E) - In exercise of the powers conferred by clause (b) of sub-section (1) of section 642 read with section 610B of the Companies Act, 1956 (1 of 1956), the Central Government hereby constitutes the Product or Activity Groups as given in the Annexure enclosed.

2. Pursuant to the above, all companies shall use the Product or Activity Groups as given in the Annexure, wherever it appears, in the Cost Audit Report and in the Compliance Report to be filed with the Central Government in compliance with the following rules, namely:-
 - a) The Companies (Cost Accounting Records) Rules, 2011 notified vide GSR 429(E), dated the 3rd June, 2011;
 - b) The Companies (Cost Audit Report) Rules, 2011 notified vide GSR 430(E), dated the 3rd June, 2011;
 - c) The Cost Accounting Records (Telecommunication Industry) Rules, 2011 notified vide GSR 869(E), dated the 7th December, 2011;
 - d) The Cost Accounting Records (Petroleum Industry) Rules, 2011 notified vide GSR 870(E), dated the 7th December, 2011;
 - e) The Cost Accounting Records (Electricity Industry) Rules, 2011 notified vide GSR 871(E), dated the 7th December, 2011;
 - f) The Cost Accounting Records (Sugar Industry) Rules, 2011 notified vide GSR 872(E), dated the 7th December, 2011;
 - g) The Cost Accounting Records (Fertilizer Industry) Rules, 2011 notified vide GSR 873(E), dated the 7th December, 2011;
 - h) The Cost Accounting Records (Pharmaceutical Industry) Rules, 2011 notified vide GSR 874(E), dated the 7th December, 2011.
3. The Product or Activity Group as given in the Annexure shall also be used, wherever so desired by the Central Government, in respect of any other document required to be filed either with the Registrar or with the Central Government in compliance with any provisions of the Companies Act, 1956 (1 of 1956).

Annexure

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
1	1001	Livestock	0101 to 0106
2	1002	Meat and Meat Products	0201 to 0210; 0410; 1601 to 1603
3	1003	Marine Products	0301 to 0307; 1604 to 1605
4	1004	Milk and Milk Products	0401 to 0406
5	1005	Poultry and Related Products	0407 to 0408
6	1006	Bee Products	0409
7	1007	Human Hair and Related Products	0501; 6703 to 6704
8	1008	Products of Animal Origin	0502; 0504 to 0508; 0510 to 0511
9	1009	Plants, Trees and Flowers	0601 to 0604
10	1010	Vegetables	0701 to 0714
11	1011	Fruits and Nuts	0801 to 0814
12	1012	Coffee and Coffee Products (incl. 210111)	0901
13	1013		
14	1014	Spices - processed or unprocessed	0903 to 0910
15	1015	Cereals, Flour and Product of Cereals	1001 to 1008; 1101 to 1109
16	1016	Oil Seeds and Products of Oil Seeds	1201 to 1208
17	1017	Other Seeds and Plants	1209 to 1214
18	1018	Vegetable Saps or Products	1301 to 1302; 1401; 1404
19	1019	Animal or Vegetable Fats and Oils	1501 to 1518; 1520 to 1522
20	1020	Sugar and Sugar Products	1701 to 1702
21	1021	Molasses	1703
22	1022	Sugar Confectionery or Chocolates	1704; 1806
23	1023	Cocoa Products	1801 to 1805
24	1024	Prepared Food Products	1901 to 1905; 2001 to 2009; 2101 to 2106; 2501
25	1025	Mineral Water and Aerated Drinks	2201 to 2202
26	1026	Alcoholic Beverages	2203 to 2206; 2208
27	1027	Ethyl Alcohol and other Spirits	2207



Guidance Note on Compliance Report

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
28	1028	Vinegar	2209
29	1029	Food Residues or Prepared Animal Feed	2301 to 2309
30	1030	Unmanufactured and Manufactured Tobacco	2401; 2403
31	1031	Tobacco Products	2402
32	2001	Mineral Products	2502 to 2522; 2524 to 2526; 2528 to 2530; 2601 to 2621
33	2002	Cement	2523
34	2003	Mineral Fuels (other than Petroleum)	2701 to 2708
35	2004	Petroleum Oils - Crude	2709
36	2005	Petroleum Oils - Refined	2710
37	2006	Petroleum Gases and other Gaseous Hydrocarbons	2711
38	2007	Other Petroleum Products	2712 to 2715
39	2008	Electrical Energy	2716
40	2009	Chemical Elements	2801 to 2805
41	2010	Inorganic Chemicals and their Derivatives	2806 to 2837; 2839 to 2850; 2852 to 2853
42	2011	Organic Chemicals and their Derivatives (excluding Bulk Drugs)	2901 to 2942
43	2012	Bulk Drugs	2901 to 2942
44	2013	Albuminoidal Substances, Starches, Glues and Enzymes	3501 to 3507
45	2014	Miscellaneous Chemical Products	3801 to 3807; 3809 to 3825
46	2015	Pharmaceutical Products	3001 to 3006
47	2016	Animal or Vegetable Fertilizers	3101
48	2017	Mineral or Chemical Fertilizers - Nitrogenous	3102
49	2018	Mineral or Chemical Fertilizers - Phosphatic	3103

The Institute of Cost Accountants of India

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
50	2019	Mineral or Chemical Fertilizers - Potassic	3104
51	2020	Mineral or Chemical Fertilizers - Others	3105
52	2021	Tanning Substances	3201 to 3202
53	2022	Colours, Dyes and Pigments	3203 to 3207; 3212
54	2023	Paints and Varnishes	3208 to 3211
55	2024	Inks and Colours	3213; 3215
56	2025	Plasters and Fillers	3214
57	2026	Essential Oils	3301 to 3302
58	2027	Personal Care Products	3303 to 3307; 8212; 9615 to 9616
59	2028	Soaps, Detergents and Cleaning Agents	3401 to 3402
60	2029	Lubricating Preparations	3403
61	2030	Waxes and Wax Products	3404 to 3407
62	2031	Explosives	3601 to 3603
63	2032	Fireworks, Matches and Combustible Materials	3604 to 3606
64	2033	Photographic and Cinematographic Goods	3701 to 3707
65	2034	Insecticides	3808
66	2035	Chemicals - Plastics and Polymers	3901 to 3915
67	2036	Articles of Plastics and Polymers	3916 to 3926
68	2037	Rubber and Rubber Products	4001 to 4010; 4014 to 4017
69	2038	Rubber Tyres and Tubes	4011 to 4013
70	3001	Raw Hides, Skins and Leather	4101 to 4107; 4112 to 4115
71	3002	Leather Products	4201 to 4203; 4205 to 4206
72	3003	Furskins and Fur Products	4301 to 4304
73	3004	Wood and Wood Products	4401 to 4421
74	3005	Cork and Cork Products	4501 to 4504
75	3006	Straw and Plaiting materials	4601 to 4602



Guidance Note on Compliance Report

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
76	3007	Pulp of Wood and other substances	4701 to 4707
77	3008	Newsprint	4801
78	3009	Paper and Paperboard	4802 to 4813
79	3010	Articles of Paper and Paperboard	4814; 4816 to 4823
80	3011	Printing and Publishing	4901 to 4911
81	3012	Silk	5001 to 5003
82	3013	Silk Yarn	5004 to 5006
83	3014	Silk Fabrics	5007
84	3015	Wool	5101 to 5105
85	3016	Wool Yarn	5106 to 5110
86	3017	Wool Fabrics	5111 to 5113
87	3018	Cotton	5201 to 5203
88	3019	Sewing Thread	5204; 5401
89	3020	Cotton Yarn	5205 to 5207
90	3021	Cotton Fabrics	5208 to 5212
91	3022	Other Textile Yarns or Fibers	5301 to 5303; 5305 to 5308
92	3023	Other Textile Fabrics	5309 to 5311
93	3024	Synthetic Yarns or Fibers	5402 to 5406; 5501 to 5511; 5601 to 5609
94	3025	Synthetic Fabrics	5407 to 5408; 5512 to 5516
95	3026	Carpets and textile floor coverings	5701 to 5705
96	3027	Other Textile Fabrics or Products	5801 to 5811; 5901 to 5911; 6301; 6305 to 6310
97	3028	Knitted or Crocheted Fabrics	6001 to 6006
98	3029	Apparel and Clothing	6101 to 6117; 6201 to 6217
99	3030	Furnishings	6302 to 6304
100	3031	Footwear and Parts thereof	6401 to 6406
101	3032	Headgear and Parts thereof	6501 to 6502; 6504 to 6507
102	3033	Umbrellas, Sticks etc.	6601 to 6603

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
103	3034	Articles of Skins and other parts of birds	6701
104	3035	Artificial Flowers and Fruits	6702
105	3036	Articles of Stones, Plaster, Cement, Asbestos and Mica	6801 to 6815
106	3037	Ceramic Products	6901 to 6914
107	3038	Glass and Glass Products	7001 to 7011; 7013 to 7020
108	3039	Pearls, Diamonds, Stones and Jewellery Articles	7101 to 7118
109	4001	Primary Ferrous Materials	7201 to 7205
110	4002	Iron and Non-Alloy Steel	7206 to 7217
111	4003	Stainless Steel	7218 to 7223
112	4004	Other Alloy or Non-Alloy Steel	7224 to 7229
113	4005	Steel Products	7301 to 7326
114	4006	Copper and Copper Products	7401 to 7413; 7415; 7418 to 7419
115	4007	Nickel and Nickel Products	7501 to 7508
116	4008	Aluminium and Aluminium Products	7601 to 7616
117	4009	Lead and Lead Products	7801 to 7802; 7804; 7806
118	4010	Zinc and Zinc Products	7901 to 7905; 7907
119	4011	Tin and Tin Products	8001 to 8003; 8007
120	4012	Other Base Metals and their Products	8101 to 8113; 8301 to 8311
121	4013	Hand Tools	8201 to 8211; 8213 to 8215
122	4014	Nuclear Reactors and Accessories	8401
123	4015	Boilers and Accessories	8402 to 8404
124	4016	Engines or Motors and parts thereof	8405 to 8412
125	4017	Machinery and Mechanical appliances	8413 to 8484; 8486 to 8487
126	4018	Electric Motors, Generators, Transformers and Parts thereof	8501 to 8505
127	4019	Batteries and Accumulators	8506 to 8507
128	4020	Electrical and Electronic Equipments or Appliances	8508 to 8519; 8521 to 8523; 8525 to 8548



Guidance Note on Compliance Report

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
129	4021	Railway Rolling Stock	8601 to 8606
130	4022	Parts of Railway Rolling Stock	8607
131	4023	Railway Track Fixtures and Fittings	8608
132	4024	Containers	8609
133	4025	Commercial Vehicles (3 or more wheels)	8701; 8704 to 8707; 8709; 8716
134	4026	Passenger Vehicles (4 or more wheels)	8702 to 8703
135	4027	Parts and Accessories of Vehicles	8708; 8714
136	4028	Tanks and Armoured Vehicles and parts thereof	8710
137	4029	Passenger Vehicles (2 and 3 Wheelers) - Motorised	8711; 8713
138	4030	Passenger Vehicles (2 or 3 Wheelers) - Non Motorised	8712; 8713; 8715
139	4031	Non-powered Aircraft and parts thereof	8801; 8803
140	4032	Aircraft, Spacecraft and parts thereof	8802 to 8803; 8805
141	4033	Parachutes and Rotochutes	8804
142	4034	Ships and Boats	8901 to 8904
143	4035	Floating Structures	8905 to 8908
144	4036	Optical Equipments and parts thereof	9001 to 9005; 9012 to 9013; 9033
145	4037	Photographic or Cinematographic Equipment and parts thereof	9006 to 9008; 9010 to 9011; 9033
146	4038	Measuring Instruments and parts thereof	9014 to 9017; 9023 to 9033
147	4039	Surgical or Medical Instrument and parts thereof	9018 to 9022; 9033
148	4040	Clocks or Watches and Parts thereof	9101 to 9114
149	4041	Musical Instruments and Parts thereof	9201 to 9202; 9205 to 9209
150	4042	Arms or Ammunition and Parts thereof	9301 to 9307

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Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
151	4043	Medical or Vehicular or other Furniture and Mattress and parts thereof	9401 to 9404
152	4044	Lights and Fittings	9405
153	4045	Prefabricated Buildings	9406
154	4046	Toys, games and sports Equipments	9503 to 9508
155	4047	Stationery Items	9608 to 9612
156	4048	Miscellaneous manufactured articles	9601 to 9607; 9613 to 9614; 9617 to 9618
157	4100	Ancillary products or activities not elsewhere specified	As Applicable
158	5001	Construction of residential buildings	Not Applicable
159	5002	Construction of non-residential buildings	Not Applicable
160	5003	Construction of highways, roads, rails, bridges, etc.	Not Applicable
161	5004	Construction of industrial and non-industrial plants, structures and facilities	Not Applicable
162	5005	Laying of pipelines, communication and power lines	Not Applicable
163	5006	Other construction activities not elsewhere specified	Not Applicable
164	5051	Real estate development activities	Not Applicable
165	5061	Architectural and engineering services	Not Applicable
166	5071	Construction and real estate related services	Not Applicable
167	5101	Basic telephone services - wired and WLL	Not Applicable
168	5102	Cellular mobile telephone services - wireless and WLL	Not Applicable
169	5103	Internet and broadband services	Not Applicable
170	5104	National long distance services	Not Applicable
171	5105	International long distance services	Not Applicable



Guidance Note on Compliance Report

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
172	5106	Public mobile radio trunk services	Not Applicable
173	5107	Global mobile personal communication services	Not Applicable
174	5108	Passive telecom infrastructure and tower facilities	Not Applicable
175	5109	Cable landing stations	Not Applicable
176	5121	Broadcasting and related services	Not Applicable
177	5131	Performing art and entertainment services	Not Applicable
178	5141	Other communication services not elsewhere specified	Not Applicable
179	5201	Publishing of newspapers, journals and periodicals	Not Applicable
180	5202	Book publishing	Not Applicable
181	5203	Advertising services	Not Applicable
182	5204	News agency activities	Not Applicable
183	5301	Transportation of passengers - by road	Not Applicable
184	5302	Transportation of passengers - by rail	Not Applicable
185	5303	Transportation of passengers - by water	Not Applicable
186	5304	Transportation of passengers - by air	Not Applicable
187	5401	Transportation or distribution of goods - by road	Not Applicable
188	5402	Transportation or distribution of goods - by rail	Not Applicable
189	5403	Transportation or distribution of goods - by water	Not Applicable
190	5404	Transportation or distribution of goods - by air	Not Applicable
191	5405	Transportation or distribution of goods - by pipeline	Not Applicable
192	5406	Transmission or distribution of electricity	Not Applicable

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Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
193	5411	Cargo and baggage handling activities	Not Applicable
194	5421	Service activities incidental to transportation	Not Applicable
195	5431	Storage and warehousing activities	Not Applicable
196	5441	Port activities	Not Applicable
197	5451	Rental services of transport vehicles	Not Applicable
198	5461	Tours and travel activities	Not Applicable
199	6001	Banking services	Not Applicable
200	6002	Non-banking financial services	Not Applicable
201	6003	Investment banking services	Not Applicable
202	6004	Financial leasing services	Not Applicable
203	6005	Services auxiliary to banking and financial services	Not Applicable
204	6006	Leasing or rental of tangible assets	Not Applicable
205	6007	Leasing of non-financial intangible assets	Not Applicable
206	6101	Life insurance services	Not Applicable
207	6102	Non-life insurance services	Not Applicable
208	6103	Reinsurance services	Not Applicable
209	6104	Pension services	Not Applicable
210	6201	Brokerage and agency services	Not Applicable
211	6202	Market intermediaries' services	Not Applicable
212	6301	Postal services	Not Applicable
213	6302	Courier services	Not Applicable
214	6401	Accounting, auditing and bookkeeping services	Not Applicable
215	6402	Management consulting services	Not Applicable
216	6403	Legal services	Not Applicable
217	6404	Human Resource placement and management services	Not Applicable
218	6405	Business support services	Not Applicable



Guidance Note on Compliance Report

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
219	6406	Research and experimental development services	Not Applicable
220	6407	Other professional services	Not Applicable
221	6501	Education services	Not Applicable
222	6502	Human healthcare services	Not Applicable
223	6503	Veterinary services	Not Applicable
224	6504	Sports, amusement and recreational activities	Not Applicable
225	6505	Other personal service activities	Not Applicable
226	6506	Other social services	Not Applicable
227	6601	Accommodation, food and beverage services	Not Applicable
228	6701	Collection and waste management activities	Not Applicable
229	6702	Dyeing, colouring, washing and dry-cleaning services	Not Applicable
230	6703	General cleaning services	Not Applicable
231	6704	Installation, maintenance and repair services	Not Applicable
232	6705	Investigation and security services	Not Applicable
233	6706	Market research and public opinion polling services	Not Applicable
234	6707	Packaging activities	Not Applicable
235	6708	Photographic services	Not Applicable
236	6801	Information technology (IT) and IT enabled services	Not Applicable
237	6901	General public administration services	Not Applicable
238	7001	Any other service activity not elsewhere specified	Not Applicable
239	8001	Wholesale trade of agricultural raw materials and live animals	Not Applicable
240	8002	Wholesale trade of food, beverages and tobacco [includes fruits, vegetables, dairy products, etc.]	Not Applicable

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
241	8003	Wholesale trade of textiles, clothing and footwear	Not Applicable
242	8004	Wholesale trade of household appliances, articles and equipments	Not Applicable
243	8005	Wholesale trade of miscellaneous consumer goods	Not Applicable
244	8006	Wholesale trade of construction materials and hardware	Not Applicable
245	8007	Wholesale trade of chemical and pharmaceutical products	Not Applicable
246	8008	Wholesale trade of personal care products	Not Applicable
247	8009	Wholesale trade of machinery, equipment and supplies	Not Applicable
248	8010	Wholesale trade of solid, liquid and gaseous fuels and related products	Not Applicable
249	8011	Wholesale trade of ores, minerals, metals and articles thereof	Not Applicable
250	8012	Wholesale trade of stones, pearls and precious metals	Not Applicable
251	8013	Wholesale trade of other products not elsewhere specified	Not Applicable
252	9001	Retail trade of agricultural raw materials and live animals	Not Applicable
253	9002	Retail trade of food, beverages and tobacco [includes fruits, vegetables, dairy products, etc.]	Not Applicable
254	9003	Retail trade of textiles, clothing and footwear	Not Applicable
255	9004	Retail trade of household appliances, articles and equipments	Not Applicable
256	9005	Retail trade of miscellaneous consumer goods	Not Applicable
257	9006	Retail trade of construction materials and hardware	Not Applicable



Guidance Note on Compliance Report

Sr. No.	Product of Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
258	9007	Retail trade of chemical and pharmaceutical products	Not Applicable
259	9008	Retail trade of personal care products	Not Applicable
260	9009	Retail trade of machinery, equipment and supplies	Not Applicable
261	9010	Retail trade of solid, liquid and gaseous fuels and related products	Not Applicable
262	9011	Retail trade of ores, minerals, metals and articles thereof	Not Applicable
263	9012	Retail trade of stones, pearls and precious metals	Not Applicable
264	9013	Retail trade of vehicles	Not Applicable
265	9014	Retail trade of other products not elsewhere specified	Not Applicable
266	9015	Retail sale of any product via mail order, Internet, television, radio and telephone, etc.	Not Applicable
267	9016	Retail sale of any product not in stores, stalls or markets	Not Applicable

NOTES:

1. The Product or Activity Group classification do not have any correlation with the industry name mentioned in the Cost Audit Orders issued by the Central Government under section 233B of the Companies Act, 1956.
2. In case of any Product or Activity Group where multiple units of measurement are in use for the products or activities covered therein, then the relevant Product or Activity Group shall be repeated against each unit of measurement separately.
3. Wherever same Central Excise Tariff Act (CETA) Chapter Headings have been shown against two or more Product or Activity Groups, the actual details shall be shown against the most appropriate Product or Activity Group.

[F. No. 52/2/CAB-2012]

B.B.GOYAL
ADVISER (COST)

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY PART-II,
SECTION-3, SUB-SECTION (i)]

MINISTRY OF CORPORATE AFFAIRS

Notification

New Delhi, dated the 30th November, 2012

G.S.R. 862(E) - In exercise of the powers conferred by clause (b) of sub-section (1) of section 642 read with clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules to amend the Companies (Cost Accounting Records) Rules, 2011, namely:-

1. (1) These rules may be called the Companies (Cost Accounting Records) Amendment Rules, 2012.
- (2) They shall come into force with effect from 2nd December, 2012.
2. In the Companies (Cost Accounting Records) Rules, 2011, -
 - (a) In rule 2,
 - (i) for clause (f), the following clause shall be substituted, namely:-
'(f) "Form A-XBRL" means the form prescribed in these rules for filing compliance report and other documents with the Central Government in the electronic mode and in the manner prescribed under rule 6 of the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011';
 - (ii) for clause (g), the following clause shall be substituted, namely:-
'(g) "Form-B" means the form of the compliance report and includes Annexure to the compliance report and further includes the data or information required to be filed with the Central Government in the manner prescribed under rule 6 of the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011';
 - (iii) for clause (n), the following clause shall be substituted, namely:-
'(n) "Product or Activity Group" means the product or activity groups notified vide S.O. 1747(E), dated the 7th August, 2012';
 - (b) For Form-A, the following Form shall be substituted, namely:-



Guidance Note on Compliance Report

FORM A-XBRL

[Pursuant to section 209(1)(d), 600(3)(b) of the Companies Act, 1956 and relevant Cost Accounting Records Rules, 2011]

Form for filing XBRL document in respect of compliance report and other documents with the Central Government

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

1. (a) *Corporate identity number (CIN) of company or foreign company registration number (FCRN) of the company

(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 ID of the company

3. *Financial year covered by the compliance report From (DD/MM/YYYY)
To (DD/MM/YYYY)

Attachments

1. *XBRL document in respect of compliance report

2. Optional attachment(s) - if any

List of attachments

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.
- * It is confirmed that the attached XBRL document(s) are the XBRL converted copy(s) of the duly signed compliance report as required under Section 209(1)(d) and Section 600(3)(b) of the Companies Act, 1956 and the rules made thereunder. It is further confirmed that such document(s) have been prepared using the XBRL taxonomy as notified under Companies (Filing of documents and forms in eXtensible Business Reporting Language) Rules, 2011

To be digitally signed by

Managing Director or director or manager or secretary of the company (in case of Indian company) or authorised representative (in case of a foreign company)

*Designation

DIN of the director or Managing Director; or
Income-tax PAN of the manager or 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)

*Cost accountant

*Whether in whole time employment or in practice Whole-time employment Whole-time practice

*Membership number of cost accountant

*Whether associate or fellow Associate Fellow

This eForm 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

The Institute of Cost Accountants of India

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

B.B.GOYAL
ADVISER (COST)

Note:- The principal notification was published in the Gazette of India, Extraordinary Part II, section 3, sub-section (i), vide G.S.R. 429(E), dated the 3rd June, 2011



Annexure-10

General Circular No. 2/2013

52/17/CAB-2011
Government of India
Ministry of Corporate Affairs
Cost Audit Branch

'B-1' Wing, 2nd Floor,
Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi – 110 003

Dated the January 31, 2011

To,
The President,
Institute of Cost Accountants of India,
12, Sudder Street,
Kolkata – 700 016

Subject: Filing of Cost Audit Report and Compliance Report in the eXtensible Business Reporting Language (XBRL) mode

Sir,

In Continuation of MCA's General Circular Nos. 8/2012 dated May 10, 2012 [as amended on June 29, 2012], 18/2012 dated July 26, 2012 and 43/2012 dated December 26, 2012, it has been decided that all cost auditors and the companies concerned are allowed to file their Cost Audit Reports and Compliance Reports for the yer 2011-12 [including the overdue reports relating to any previous year(s)] with the Central Government in the XBRL mode, without any penalty, within 180 days from the close of the company's financial year to which the report relates or by February 28, 2013, whichever is later. The Institute is requested to circulate this for the information of all concerned.

(B.B. Goyal)
Adviser (Cost)

Tel: 011-24366005

Copy to:

1. E-Governance Cell, Ministry of Corporate Affairs, Shastri Bhavan, New Delhi with a request to upload this master circular on the MCA's website.
2. All Regional Directors / Registrars of Companies
3. PS to CAM
4. PS to Secretary / Additional Secretary
5. PS to Joint Secretary (R) / Joint Secretary (M) / Joint Secretary (SP)/ DII (UCN)/Economic Adviser