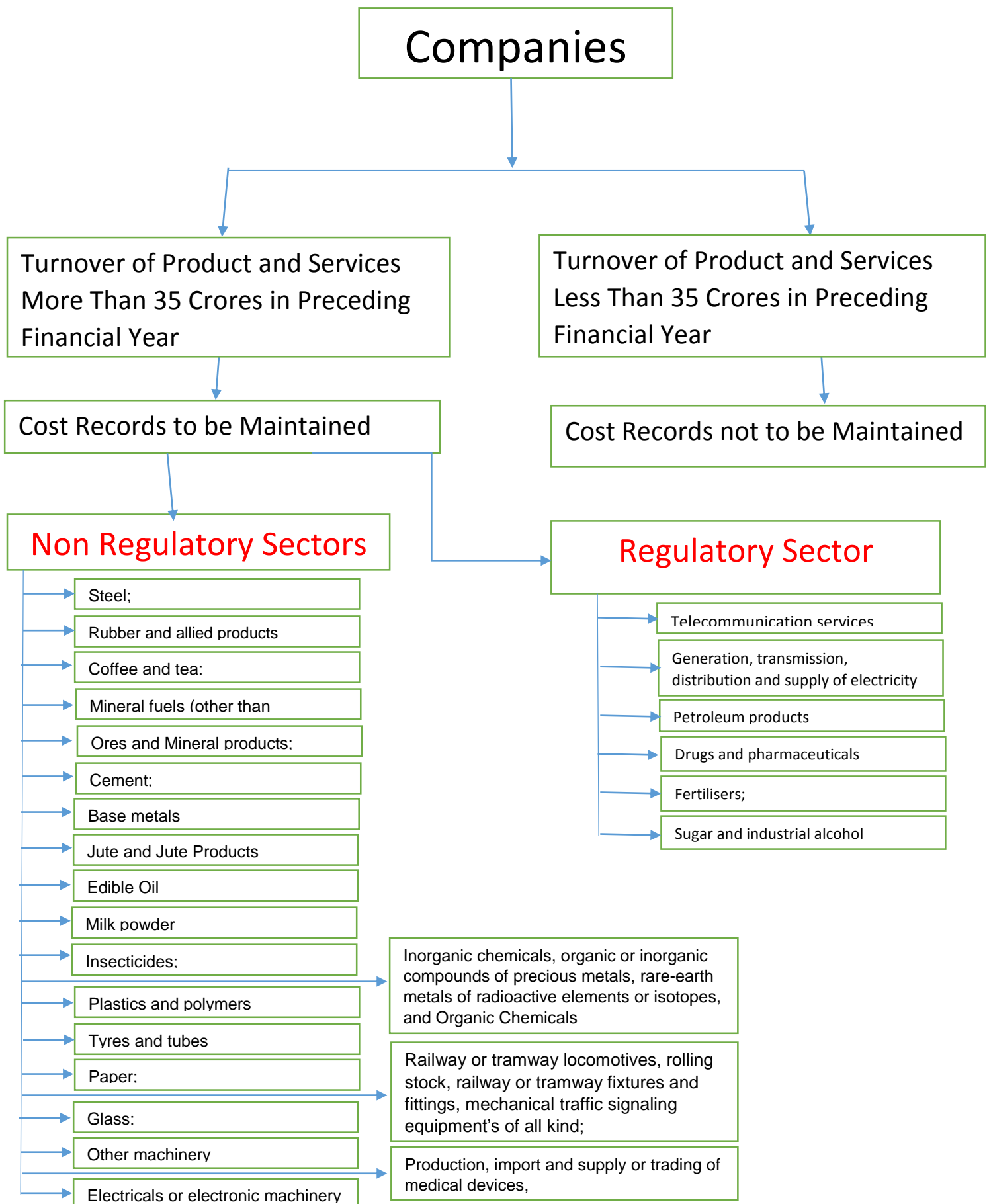


Companies (Cost Records and Audit) Rules 2014

Applicability of Cost Records



Applicability of Cost Audit

Companies

Annual Turnover More Than 100 Crores and aggregate turnover of individual product or service for which Cost Records are maintained under rule 3 is more than 35 Crore

Annual Turnover More Than 50 Crores and aggregate turnover of individual product or service for which Cost Records are maintained under rule 3 is more than 25 Crore

Non Regulatory Sectors

Regulatory Sector

The rule shall apply in respect of its financial year commencing on or after 1st April, 2015

The rule shall apply in respect of its financial year commencing on or after 1st April, 2014

Coffee and tea:

Milk powder

Insecticides:

Plastics and polymers

Tvres and tubes

Paper:

Textiles

Glass:

Other machinery

Electricals or electronic machinery

Telecommunication services

Generation, transmission, distribution and supply of electricity

Petroleum products

Drugs and pharmaceuticals

Fertilizers;

Sugar and industrial alcohol

Steel:

Base metals

Rubber and allied products

Cement:

Ores and Mineral products:

Mineral fuels (other than

Jute and Jute Products

Edible Oil

Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical traffic signaling equipment's of all kind;

Production, import and supply or trading of medical devices,

Inorganic chemicals, organic or inorganic compounds of precious metals, rare-earth metals of radioactive elements or isotopes, and Organic Chemicals

- ❖ Requirement of Cost Audit shall not apply to company Which is covered in rule 3, and
 - Whose revenue from exports, in foreign exchange, Exceeds 75% of its total revenue; or
 - Which is Operating in "Special Economic Zone."

Non Regulatory Sectors

CETA Heading

Applicable

Steel: 7201 to 7229; 7301 to 7326

Rubber and allied products being regulated by the Rubber Board constituted under the Rubber Act, 1947 (XXIV of 1947).
4001 to 4017

Coffee and tea: 0901 to 0902

Mineral fuels (other than Petroleum), mineral oils etc; 2701 to 2708

Ores and Mineral products;
2502 to 2522; 2524 to 2526; 2528 to 2530; 2601 to 2617

Cement: 2523; 6811 to 6812

Base metals; 7401 to 7403; 7405 to 7413; 7419; 7501 to 7508; 7601 to 7614; 7801 to 7802; 7804; 7806; 7901 to 7905; 7907; 8001; 8003; 8007; 8101 to 8113.

Jute and Jute Products; 5303, 5310

Edible Oil: 1507 to 1518

Milk powder; 0402

Insecticides: 3808

Plastics and polymers; 3901 to 3914; 3916 to 3921; 3925

Tyres and tubes; 4011 to 4013

Paper; 4801 to 4802.

Glass; 7003 to 7008; 7011; 7016

Other machinery; 8403 to 8487

Electricals or electronic machinery;
8501 to 8507; 8511 to 8512; 8514 to 8515; 8517; 8525 to 8536; 8538 to 8547.

Inorganic chemicals, organic or inorganic compounds of precious metals, rare-earth metals of radioactive elements or isotopes, and Organic Chemicals;
2801 to 2853; 2901 to 2942; 3801 to 3807; 3402 to 3403; 3809 to 3824.

Textiles; 5004 to 5007; 5106 to 5113; 5205 to 5212; 5303; 5310; 5401 to 5408; 5501 to 5516

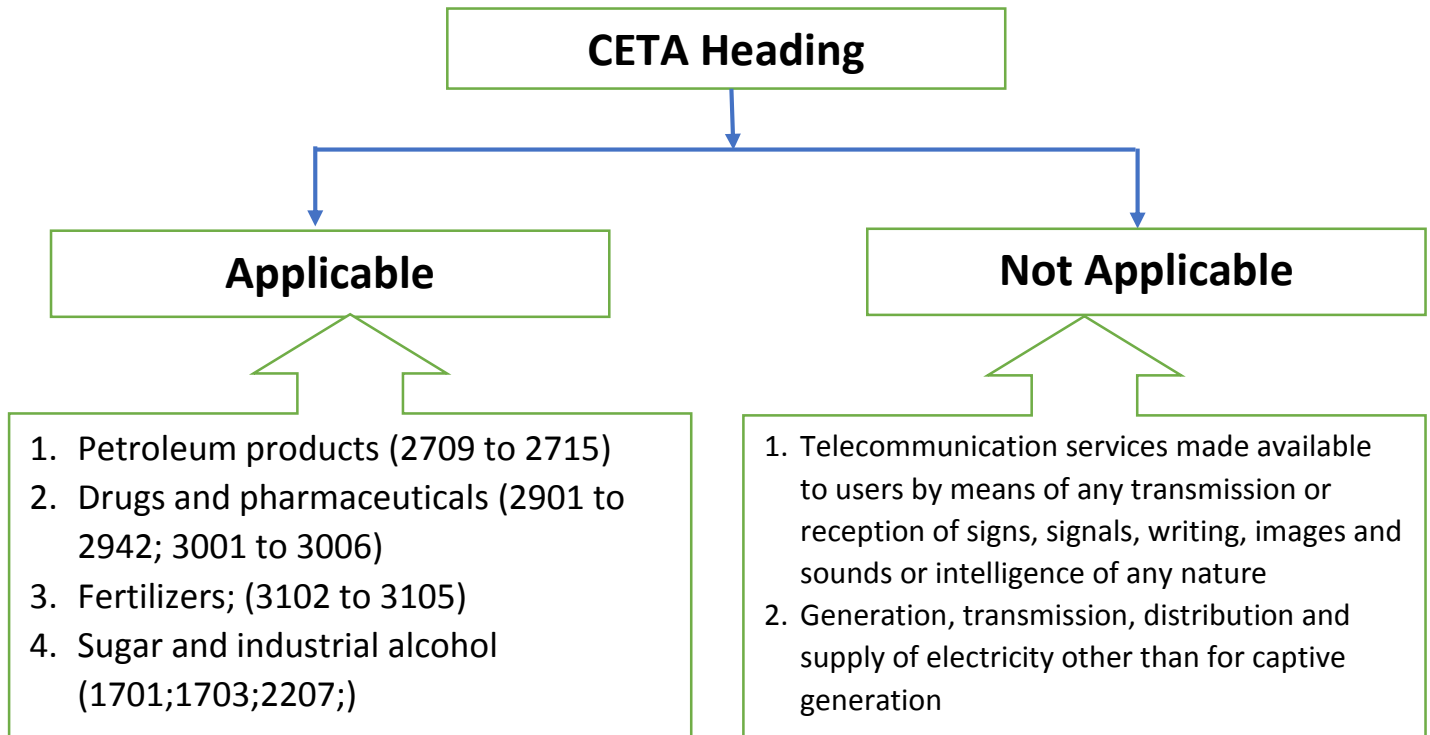
Production, import and supply or trading of medical devices, 9018 to 9022

Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical traffic signaling equipment's of all kind;
8601 to 8608.

Not Applicable

1. Port services of stevedoring, pilotage, hauling, mooring, re-mooring, hooking, measuring, loading and unloading services rendered by a Port in relation to a vessel or goods
2. Aeronautical services of air traffic management, aircraft operations, ground safety services, ground handling, cargo facilities and supplying fuel rendered by airports
3. Roads and other infrastructure projects corresponding to para No. (1) (a) as specified in Schedule VI of the Companies Act, 2013;
4. Construction Industry as per para No. (5) (a) as specified in Schedule VI of the Companies Act, 2013
5. Health services, namely functioning as or running hospitals, diagnostic centers, clinical centers or test laboratories;
6. Education services, other than such similar services falling Under philanthropy or as part of social spend which do not Form part of any business.

Regulatory Sectors



- ❖ Nothing Contained in the above rule shall apply to a company which is classified as a micro enterprise or a small enterprise including as per the turnover criteria under section 7(9) of the Micro, Small and Medium Enterprise Development Act,2006 (27 of 2006).
- ❖ For the purpose of Application of Cost Records and Applicability of Cost Audit will also include Foreign companies and Pvt. Ltd. companies engaged in production of goods or providing services crossing turnover limit as specified.