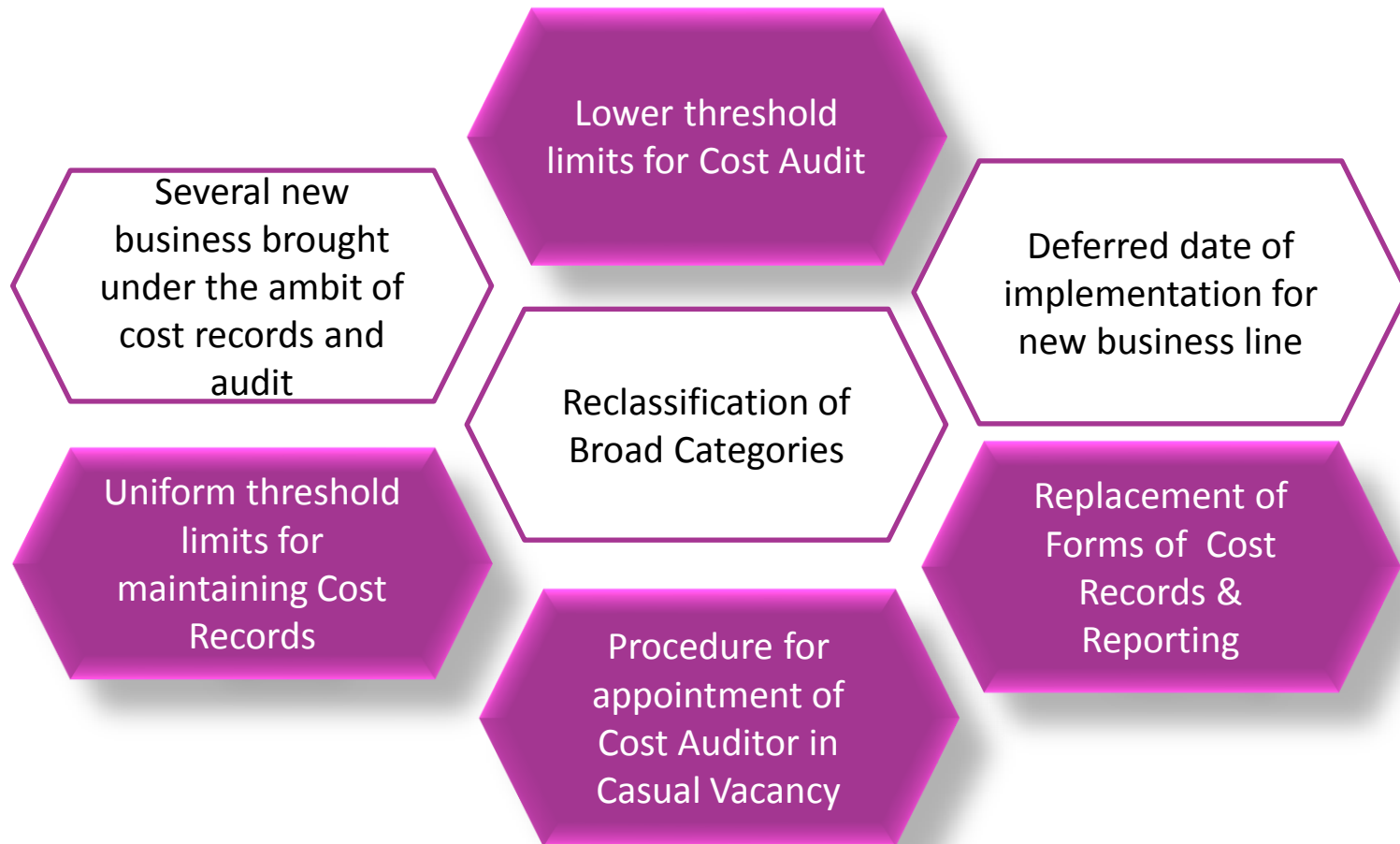




**Companies (Cost Records and Audit)
Amendment Rules, 2014
January 2015**

– What's New ?



Applicability for Cost Records:

Particular	Erstwhile Rules	Amended Rules
Reclassification of Broad Categories	<p>Companies engaged into four category which are as follows:</p> <ul style="list-style-type: none"> • production of goods in strategic sectors • Industry regulated by a Sectoral Regulator or a Ministry or Department of Central Government • Operation in areas where public interest involved • production, import and supply or trading of specified medical devices (inclusive of foreign companies other than those having only liaison offices) 	<p>Companies classifies into Two major/broad category which are as follows:</p> <ul style="list-style-type: none"> • Regulated sectors • Non Regulated sectors <p>(addition of certain new business into both categories)</p>
Uniform threshold limits of applicability of cost records	<p>Sector wise threshold limits, depending upon the Net worth and Turnover of multiple products / specific products/ services of the company to identify the applicability's to the specified entities for maintaining the cost records.</p>	<p>Certain Regulated and Non Regulated entities having annual turnover of Rupees 35 Cr or more are now required to maintain the cost records and include it in their books of accounts.</p>
Deferred date of implementation for new business line	<p>NA</p>	<p>Entities engaged in the Coffee & Tea, Milk powder, Electricals or electronic machinery business are required to maintain cost records for each financial year commencing on or after the 1st day of April, 2015.</p>

*Aforementioned norms not applicable to the **Micro enterprise or a Small enterprise**

*Form CRA-1 (Cost records) has been updated

Applicability for Cost Audit:

Particular	Erstwhile Rules	Amended Rules
Lower threshold limits for Cost Audit	Net worth and Turnover of multiple products / specific products/ services of the company to be taken into account for the sake of identifying the applicability's to the specified entities for cost Audit	<p>Threshold limit for Regulated sector:</p> <ul style="list-style-type: none"> - Overall Turnover <ol style="list-style-type: none"> a. Companies with overall turnover of Rs.50Cr or more and b. Aggregate turnover of the individual product or service for which cost records are required to be maintained is Rs.25Cr or more <p>Threshold limit for Non-Regulated sector:</p> <ul style="list-style-type: none"> - Overall Turnover <ol style="list-style-type: none"> a. Companies with overall turnover of Rs.100Cr or more and b. Aggregate turnover of the individual product or service for which cost records are required to be maintained is of Rs.35Cr or more

Casual Vacancy of Cost Auditor:

Particular	Erstwhile Rules	Amended Rules
Procedure for appointment of Cost Auditor in Casual Vacancy	No specific guidelines for Appointment of cost auditor in case of Casual vacancy.	Casual vacancy due to resignation, death or removal to be filled by Board of Directors within 30 days and intimation for appointment shall be sent to CG in the form CRA-2

*Form CRA-3 (Cost Audit Report) has been updated

Thank You....



Progress with Values

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