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असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

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कॉर्पोरेट कार्य मंत्रालय

अधिसूचना

नई दिल्ली, 3 जून, 2011

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

1. संक्षिप्त नाम और प्रारंभ — (1) इन नियमों का संक्षिप्त नाम कंपनी (लागत लेखा रिपोर्ट) नियम, 2011 है ।
(2) ये राजपत्र में प्रकाशन की तारीख को प्रवृत्त होंगे—
2. परिभाषाएं और व्याख्याएं— इन नियमों में जब तक अन्यथा इस प्रकार का उपबंध न किया गया हो,—
(क) “अधिनियम” से कंपनी अधिनियम, 1956 (1956 का 1) अभिप्रेत है;

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 3rd June, 2011

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

1. **Short Title and Commencement-** (1) These rules may be called The Companies (Cost Audit Report) Rules, 2011.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions and Interpretations.** - In these rules, unless otherwise so provided,---
 - (a) "Act" means the Companies Act, 1956 (1 of 1956);
 - (b) "Cost Auditor" means an auditor appointed to conduct an audit of cost records, under sub-section (2) of section 233B of the Act;
 - (c) "Form-I" means the Form prescribed in these rules for filing cost audit report and other documents with the Central Government in the electronic mode;
 - (d) "Form-II" means the Form of the cost auditor's report and includes auditor's observations and suggestions, and Annexure to the cost audit report;
 - (e) "Form-III" means the Form of the performance appraisal report;
 - (f) "Product" means any tangible or intangible good, material, substance, article, idea, know-how, method, information, object, service, etc. that is the result of human, mechanical, industrial, chemical, or natural act, process, procedure, function, operation, technique, or treatment and is intended for use, consumption, sale, transport, store, delivery or disposal.
 - (g) "Product Group" in relation to tangible products means a group of homogenous and alike products, produced from same raw materials and by using similar or same production process, having similar physical or

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

- (h) "Report" means cost audit report duly audited and signed by the cost auditor in the prescribed form of cost audit report;
 - (i) All other words and expressions used in these rules but not defined, and defined in the Act and rules made under clause (d) of sub-section (1) of section 209 and sub-section (4) of section 233B of the Act shall have the same meanings as assigned to them in the Act or rules, as the case may be.
3. **Application** – (1) These rules shall apply to every company in respect of which an audit of the cost records has been ordered by the Central Government under sub-section (1) of section 233B of the Act.
- (2) Every company as specified in sub-rule (1) shall, within ninety days of the commencement of every financial year, file an application with the Central Government seeking prior approval for appointment of the cost auditor, through electronic mode, in the prescribed form, alongwith the prescribed fee as per the Companies (Fees on Applications) Rules, 1999, and requisite enclosures.
 - (3) Every cost auditor appointed under sub-rule (2) shall, within thirty days of receipt of letter of appointment, inform his appointment to the Central Government through electronic mode, in the prescribed form, alongwith the requisite enclosures.
 - (4) Notwithstanding anything contained in sub-rule (2) and (3) above, every company and every cost auditor shall follow the procedure prescribed vide Ministry of Corporate Affairs' General Circular No. 15/2011 [File No. 52/5/CAB-2011] dated April 11, 2011.
4. **Form of the Report** - (1) Every cost auditor, who conducts an audit of the cost records of the company, shall submit the report along with auditor's observations and suggestions, and Annexure to the Central Government in the prescribed form and at the same time forward a copy of such report to the company.
- (2) The cost audit report submitted on or after 1st day of April, 2012, irrespective of the financial year of the company to which it relates, shall be in the form prescribed under these rules.

- (3) Every company as specified in sub-rule (1) of rule 3 shall, keep and maintain cost details, statements, schedules, etc. for each unit and each product or activity comprised in each product group, duly authenticated by at least two Directors of the company and the cost auditor.
 - (4) The cost details, statements, schedules, etc. of every company, as specified in sub-rule (3), relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years shall be kept in good order:
 - (5) Every cost auditor, who submits a report under sub-rule (1), shall also furnish performance appraisal report, duly authenticated by the cost auditor, to the Board/Audit Committee of the company in the prescribed form.
 - (6) Every cost auditor, who submits a report under sub-rule (1), shall also give clarifications, if any, required by the Central Government on the cost audit report submitted by him, within thirty days of the receipt of the communication addressed to him calling for such clarifications.
5. **Time limit for submission of Report** – Every cost auditor shall forward his report referred to in sub-rule (1) of rule 4 to the Central Government and to the concerned company within one hundred and eighty days from the close of the company's financial year to which the report relates.
 6. **Cost Auditor to be furnished with the cost accounting records etc.** – Without prejudice to the powers and duties the Cost Auditor shall have under sub-section (4) of section 233B of the Act, the company and every officer thereof, including the persons referred to in sub-section (6) of section 209 of the Act, shall make available to the cost auditor, such cost accounting records, cost statements, other books and documents, and Annexure to the Report, duly completed, as would be required for conducting the cost audit, and shall render necessary assistance to the cost auditor so as to enable him to complete the cost audit and submit his report within the time limit specified in rule 5.
 7. **Authentication of Annexure to the Cost Audit Report** – The Annexure prescribed with the cost audit report shall be approved by the Board of Directors before submitting the same to the Central Government by the cost auditor. The Annexure, duly audited by the cost auditor, shall also be signed by the Company Secretary and at least one Director on behalf of the company. In the absence of Company Secretary in the company, the same shall be signed by at least two Directors.

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

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

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

- a) any right, obligation or liabilities acquired, accrued or incurred thereunder;
- b) any penalty, forfeiture or punishment incurred in respect of any contravention committed thereunder; and
- c) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and; any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if those rules had not been superseded.

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

B. B. GOYAL, Adviser (Cost)

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

PART I - GENERAL INFORMATION

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

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

(b) Global location number (GLN) of company

2 (a) *Name of the company

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

(c) *E-mail address of the company

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

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

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

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

| Name of the Product Group | Major Products/Activities Covered |
|---------------------------|-----------------------------------|
| <input type="text"/> | <input type="text"/> |

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

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

| Name of the Product Group | Major Products/Activities Covered |
|---------------------------|-----------------------------------|
| <input type="text"/> | <input type="text"/> |

6 **Details of the cost auditor**

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

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

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

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

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

(i) Line I

Line II

(ii) City

(iii) State

(iv) Country

(v) Pin Code

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

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

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

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

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

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PART-II

Attachments:

- 1 Cost audit report as per The Companies (Cost Audit Report) Rules, 2011
- 2 Optional attachment(s) - if any

| |
|--------|
| Attach |
| Attach |

List of attachments

Remove attachment

Verification:

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

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

I am authorised to sign and submit this form.

To be digitally signed by:

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

Digital Signatures

*Designation

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

Director of the company

Director identification number of the director

Digital Signatures

*Cost Auditor

Digital Signatures

Whether associate or fellow Associate Fellow

Membership number

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

