

***Architectural, Training***

***&***

***Guidance Manual***

***for***

***Filing of Cost Audit Report & Compliance Report***

***in***

***XBRL FORMAT***



**The Institute of Cost Accountants of India**

(Statutory body under an Act of Parliament)

**November 2012**

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PRESIDENT



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## **FOREWORD**

*XBRL is rapidly becoming an integral part of the world's business reporting framework. It is now preferred as a standard for business reporting worldwide. The main force behind adoption of XBRL so far has been the interest of regulators. XBRL is a reporting standard and has far more utility than as a facilitator for data exchange between entities and regulators. Now the Ministry of Corporate Affairs vide circular No 8/2012 dated May 10, 2012 has mandated the filing of Cost Audit Report and Compliance Report in XBRL format.*

*The Institute of Cost Accountants of India is taking a leading role in promoting the XBRL in the country. The Institute had developed the Cost related Taxonomy for Cost Audit Report & Compliance Report under the guidance of Ministry of Corporate Affairs, which is first of its kind in the world.*

*For the benefit of the members, the Institute is issuing an Architecture, Training & Guidance Manual for filing of Cost Audit Report and Compliance Report in XBRL format. This document will help them in understanding the architecture, the concepts of XBRL and Costing Taxonomy. The document also provides the Members, Professionals & Industry para-wise guidance on creating the instance documents for the Cost Audit Report and Compliance Report. In addition the Institute is organising a series of hands-on training programmes to ensure that the industry and the members are conversant with the intricacies of filing documents in XBRL format.*

*I thank CMA J.K. Puri, Chairman, CMA Kunal Banerjee, Member & other members of the Technical Research Cell of the Institute for their valuable contribution in bringing the document in the present form.*

*I also thank CMA Sanjay R. Bhargave, Chairman and other members of the Professional Development Committee for the valuable efforts in guiding the preparation of the document.*

*I wish the members the very best for effectively utilizing the opportunity for learning XBRL & Costing Taxonomy and file quality reports with the Government.*



(CMA Rakesh Singh)

**President**

*Date: 30<sup>th</sup> November, 2012*

*Place: New Delhi*



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## **PREFACE**

*Ministry of Corporate Affairs (MCA) vide General Circular No. 8/2012 dated May 10, 2012 has mandated filing of Cost Audit Reports and Compliance Reports in XBRL format from the financial year 2011-12 (including the overdue reports relating to any previous year). The purpose and objective of this guidance note is to provide general guidance to members of the Institute and Industry for preparation of the Cost Audit Report and Compliance Report in XBRL format in accordance with the Costing Taxonomy as notified by the Ministry of Corporate Affairs and Business Rules thereof.*

*The initial goal of XBRL is to provide an XML-based framework that the global business information supply chain will use to create, exchange, and analyze business reporting information including, but not limited to, regulatory filings such as annual and quarterly financial statements, general ledger information, and audit schedules. Companies can use XBRL to save costs and streamline their processes for collecting and reporting business information much more rapidly and efficiently if it is in XBRL format.*

*The Guidance Note contains the Architectural Guide towards developing the software, guide for filling up various paras prescribed under the Companies (Cost Audit Report) Rules 2011 and relevant Cost Accounting Record Rules. It provides step wise guidance for creation of XBRL instance document along with general instructions and para-wise instructions for creating XBRL Instance Documents for Cost Audit Report and Compliance Report. In addition, the guidance note includes various general and stakeholders Frequently Asked Questions (FAQs).*

*I thank CMA J.K. Puri, Chairman and other members of the Technical Research Cell (TRC) for their contribution particularly of CMA Kunal Banerjee, Member of TRC for his immense contribution in the preparation of this Guidance Manual.*

*I would also like to thank all members of Professional Development Committee for their guidance for preparation of this manual. I acknowledge the efforts and contribution of CMA J.K. Budhiraja, Director (Professional Development) and Secretary to Professional Development Committee and Ms Anita Singh, Joint Director (Information Technology) in preparation of this Guidance Manual.*

*I would like to convey my sincere thanks to President CMA Rakesh Singh and Vice- President CMA S. C. Mohanty for providing guidance and able leadership in the affairs connected with the PD Committee.*

*I am confident that this Guidance Note will be extremely useful to the members of the Institute, Industry and others interested in the subject.*



*(CMA Sanjay R. Bhargave)*

**Chairman**

**Professional Development Committee**

*New Delhi  
November 30, 2012*

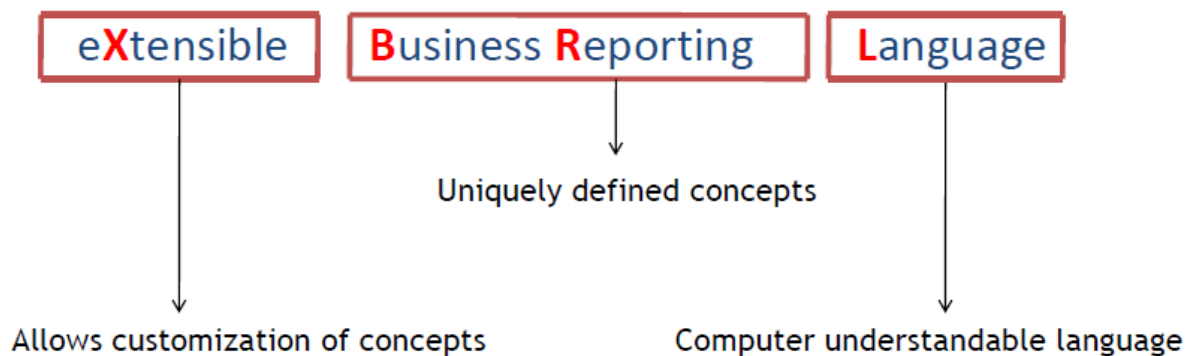
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## 1.0 Introduction to XBRL

XBRL stands for eXtensible Business Reporting Language. It belongs to the XML (the eXtensible Markup Language) family of languages. An extensible language means one that is designed to easily allow addition of new features at a later date. It is an open standards-based reporting system that is built to accommodate the electronic preparation and exchange of business reports around the world. XBRL is all about the electronic tagging of data.



### An information standard

**Source: IRIS**

The initial goal of XBRL was to provide an XML-based framework that the global business information supply chain will use to create, exchange, and analyze business reporting information including, but not limited to, regulatory filings such as annual and quarterly financial statements, general ledger information, and audit schedules.

XBRL is freely licensed and facilitates the automatic exchange and reliable extraction of business information among various software applications anywhere in the world.

A standard set of XML-type tags can be used to create instance documents that can then be presented in a variety of formats. XBRL is not trying to set new accounting standards; it is attempting to standardise the XML-based tags that are used in business reporting so that the business reports prepared by organisations can be more easily compared and collated for regulatory and other purposes.



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The introduction of XBRL tags enables automated processing of business information by computer software, cutting out laborious and costly processes of manual re-entry and comparison. Computers can treat XBRL data "intelligently"; they can recognise the information in a XBRL document, select it, analyse it, store it, exchange it with other computers and present it automatically in a variety of ways as per the requirements of the users. XBRL greatly increases the speed of handling of business data, reduces the chance of error and permits automatic checking of information.

Companies can use XBRL to save costs and streamline their processes for collecting and reporting business information. Consumers of business data, including investors, analysts, financial institutions and regulators, can receive, find, compare and analyse data much more rapidly and efficiently if it is in XBRL format. XBRL can handle data in different languages and accounting standards. It can flexibly be adapted to meet different requirements and uses. Data can be transformed into XBRL by suitable mapping tools or it can be generated in XBRL by appropriate software. The main features of XBRL are:

- XBRL combines hierarchical xml data with relationships and references between the data points.
- It uses Xlink technology of linking xml files.
- It links the data xml files with various other files containing definitions, presentation, calculation, references relationships.
- XBRL data files are a set of xml and xsd files.

### **How XBRL Works**

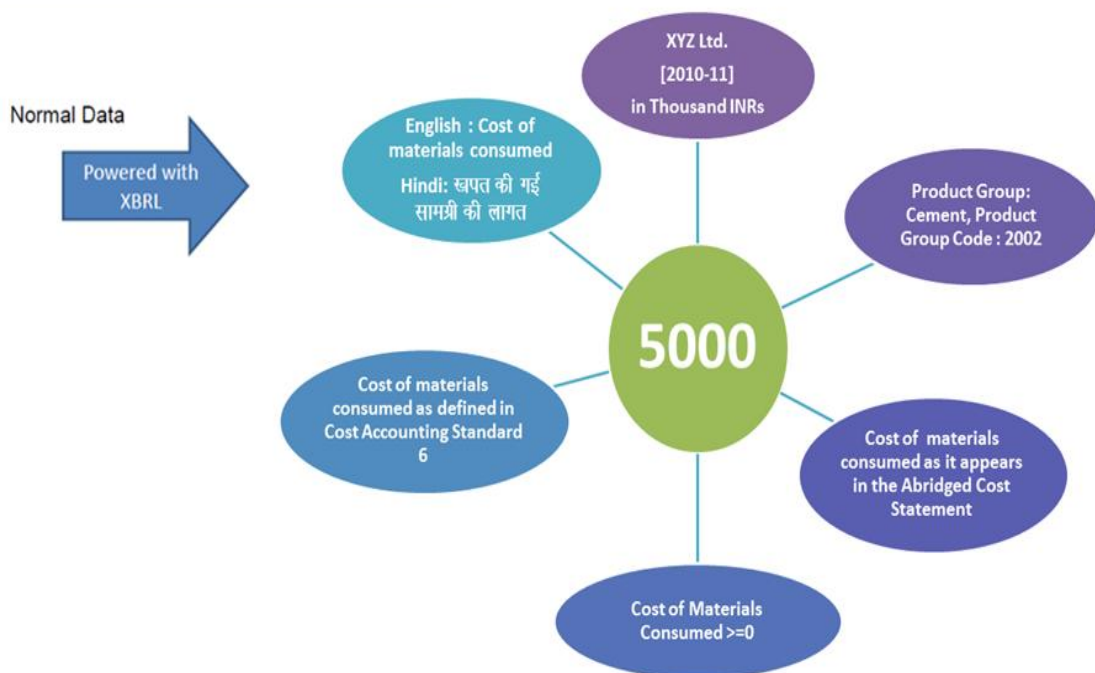
XBRL was developed with the objective of making the data, system understandable. XBRL is built around XML and is based on the concept of meta-data, which provides context to the information, making the data almost self-explanatory. Wherever the XBRL data moves, it carries along with it the context, which makes it intelligent and thus any software application can interpret and process the data. Information attributes like the period of the information, data structure it will hold (monetary, percentage, text etc.) are attached to the data.





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XYZ Ltd Abridged Cost Statement of the Product Group : Cement, Product Group Code: 2002	For the Period 2010-11 (Rs. In Thousands)
Cost of Materials Consumed	5000
Cost of Direct Expenses	3500
Cost of Administrative Overheads	1000
Cost of Production	9500



In addition, labels in any language can be applied to information and also references to the legal or authoritative literature can be added. Along with the basic attributes, interrelationships amongst the data can also be stored in system readable manner. Thus XBRL can hold the calculations amongst the various data points or the manner in which it should be displayed and so on. One of the primary features of XBRL is extensibility and thus adapting XBRL to cater to the reporting requirements makes it more attractive and handy. Any type of unstructured information, which is collected from multiple formats and sources, can be made structured using XBRL.



### XBRL: Key Benefits

In a nutshell, XBRL significantly increases the quality and efficiency of the information supply chain. This is achieved through the principle of assigning XBRL “bar codes” or tags to each information element that enables standardization and transparency to the data while offering tremendous ease of use through interoperability, with data flowing into analyst’s proprietary applications.

Every fact that is disclosed has a unique XBRL tag associated to it, which acts like a barcode. This XBRL tag explains the nature of data, the context of data and its relationships with other data. The advantage XBRL data has over other reporting formats is

- It is system-understandable
- Data becomes platform independent
- Flows smoothly across the software applications.

XBRL is rapidly being adopted worldwide as a de facto business reporting standard. Following are some of the key benefits of XBRL -

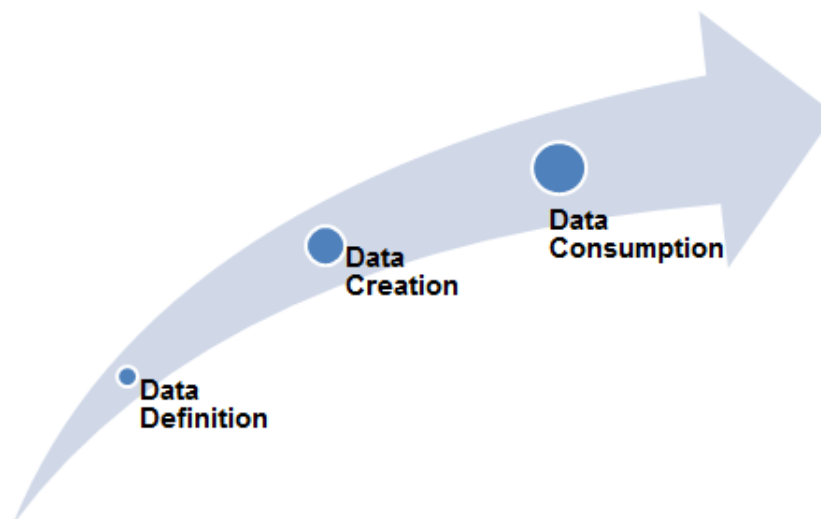
1. **Accurate and Quality Data** – XBRL validates the data based on the rules and relationships defined amongst the data elements, which results in obtaining clean and valid data.
2. **Seamless Integration** – The XBRL data carries along with it, the additional attributes and facts, which makes the data self-explanatory. And thus the data remains no longer dependent on any application or platform for interpretation and processing. The XBRL data can be easily integrated into any other software system.
3. **Efficient Business Processing** – As XBRL cuts down the time spent on less efficient processes like re-keying and re-arranging data, the entire business process now becomes more efficient and productive. XBRL streamlines the preparation of business reports for internal and external decision making.



4. **Easy location of data** – All the information is identified with a unique XBRL tag and this makes locating the data from a vast information repository or from a voluminous report very easy and quick. Since related information is linked (like facts and relevant footnotes), retrieving of information is very easy.
5. **Real-time data** – Because of automation and creation of accurate and valid data, the processing of data becomes much faster and so does its dissemination. Thus the information seekers can access the data in real-time.
6. **Better Coverage by Analyst community** – The time required for analysis is quite high because the data is first rekeyed, validated and arranged according to the needs. Since all these activities are no longer required in XBRL based framework and hence the analyst have time to focus on the analysis of data.

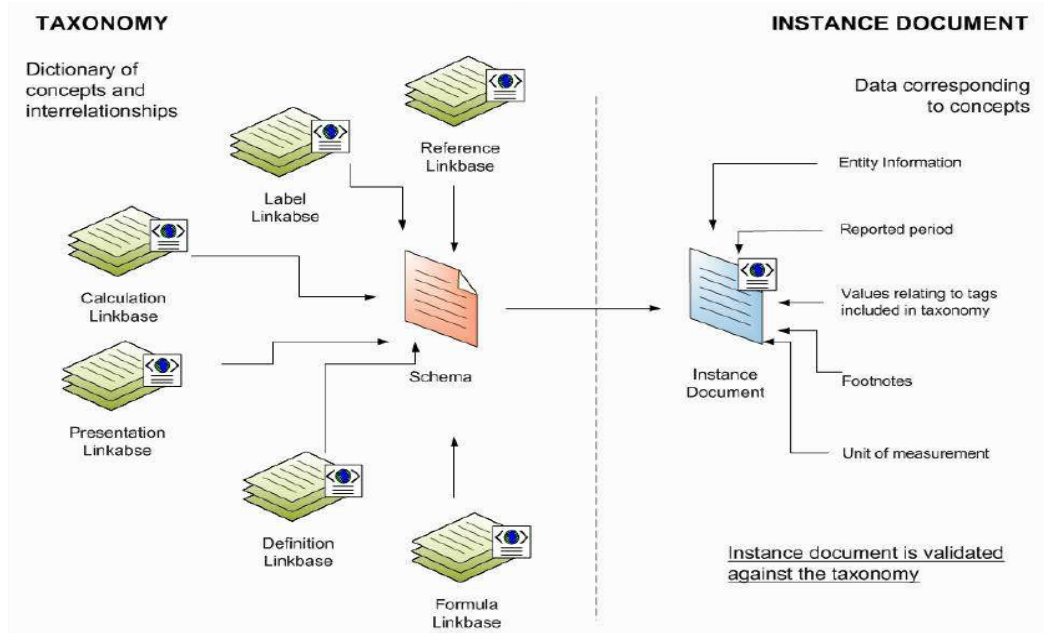
### **Stages in XBRL supply chain**

There are three main stages in XBRL cycle –



1. **Data definition:** Defines the standards and describes how a certain set of data is structured. This is mainly concerned with the creation of the taxonomy.
2. **Data creation:** This involves the generation of data files based on taxonomy and is mainly concerned with creation of instance documents
3. **Data consumption:** This involves viewing and using the XBRL data.

## XBRL Documents



XBRL documents are made up two parts:

1. **Taxonomy:** Taxonomy is the core parts of XBRL which sets up standard structures and definitions for reporting requirements. Taxonomy is defined as vocabulary of all the business and costing concepts, along with their properties and interrelationships. Taxonomies are based on the reporting framework as applicable to the companies in a region or a country.
2. **Instance document:** Instance document contains the facts and related information corresponding to the concepts defined in the taxonomy.



**Sample XBRL**

**ABC CORPORATION**  
(In millions)

What do we know about 5,000 ?

June 30	2004	2005
<b>Assets</b>		
<b>Current assets:</b>		
<b>Cash and equivalents</b>	\$ 10,000	\$ 5,000
Short-term investments	35,000	25,000
Total cash and short-term investments	45,000	30,000
Accounts receivable, net	5,000	6,000
Inventories	750	500
Deferred income taxes	3,000	1,500
Other	2,000	2,100
<b>Total current assets</b>	55,750	40,100

```
<element name="CashCashEquivalents" id="usfr-pte_CashCashEquivalents" type="xbrli:monetaryItemType" substitutionGroup="xbrli:item" nillable="true" xbrli:balance="debit" xbrli:periodType="instant"/>... <label xlink:type="resource" xlink:label="usfr-pte_CashCashEquivalents_lbf" xlink:role="http://www.xbrl.org/2003/role/documentation" xml:lang="en">
Cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present negligible risk of changes in value due to changes in interest rates - usually with an original maturity less than 90 days. This includes restricted cash, treasury bills, commercial paper and money market funds and other operating cash balances. </label>
```

XBRL Taxonomy	XBRL Code	XBRL Data
	<pre>&lt;usfr-pte:CashCashEquivalents decimals="-6" contextRef="AsOf20050630" unitRef="USD"&gt;5000000000&lt;/usfr-pte:CashCashEquivalents&gt;... &lt;xbrli:context id="AsOf20050630"&gt;&lt;xbrli:entity&gt;&lt;xbrli:identifier scheme="http://www.sec.gov/CIK"&gt;123456&lt;/xbrli:identifier&gt;&lt;/xbrli:entity&gt;&lt;xbrli:period&gt;&lt;xbrli:instant&gt;2005-06-30&lt;/xbrli:instant&gt;&lt;/xbrli:period&gt;&lt;/xbrli:context&gt;</pre>	

Source: IRIS

## Understanding XBRL Taxonomy

Taxonomy further can be divided into two components:

1. Schema
2. Link bases.

### Schema

The purpose of XBRL schemas is to define taxonomy elements (concepts) and give each concept a name and define its characteristics. For every concept to be included in the schema, the following attributes are to be defined –

**Element Name:** It specifies the name of the concept which is defined.

**Element ID:** This attribute makes the concept defined unique. To make it unique, a prefix is attached to the element name which creates a reference point for the concept, for example, 'in-cost\_ QuantitySoldOfProductOrActivityGroup ', which shows that the item



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'QuantitySoldOfProductOrActivityGroup' is from the in-cost taxonomy. It is not necessary to present this attribute explicitly in the taxonomy.

**Data Type:** This attribute defines the type of the fact that will be reported against the specified element. The most common data types that appear in costing statements are

1. Monetary
2. String
3. Date
4. Decimal
5. Pure
6. Percent
7. Textblock

**Abstract:** It helps to determine if the element carries any value against it. The abstract attribute can be either true or false. Abstract elements (the elements for which abstract=true), do not hold any value but are used as a place holders to bind the elements. The elements which have abstract=false, will hold a value in instance document.

**Period Type:** This helps in determining the nature of the element and defines the flow and stock concept of accounting with regard to every element in the taxonomy. Here the elements are distinguished into `_Instant` & `_Duration` where `_Instant` refers to the stock concept (E.g.: Assets & Liabilities as on a particular date) and `_Duration` refers to the flow concept (E.g.: Cost of Production, Revenue from Operations etc. are from reporting period start date to reporting period end date).

**Substitution Group:** It defines the association of elements with other elements in the schema. For substitution group set to item, it means that the element is not associated to any other item in the schema and is not grouped with other elements in any way.

**Balance Type:** This attribute states the balance type of the concept that is being defined in the schema. The elements which are monetary item types are given a balance type of debit or credit depending on the nature of the concept.



These are the basic attributes that needs to be defined. In addition if there are any user-specific attributes or other XML attributes, they can also be used for the concepts. This is the extensible part of XBRL.

### **Linkbases**

The purpose of XBRL linkbases is to combine labels and references to the concepts as well as define relationships between those concepts. The different kinds of linkbases (each having a special purpose) are:

**Presentation linkbase:** Business reports are in general organized into identifiable data structures e.g. Cost Audit Report and Compliance Report. The presentation linkbase stores information about relationships between elements in order to properly organize the taxonomy content. This enables a taxonomy user to view a representation or the display format of the elements.

**Calculation linkbase:** The calculation linkbase defines basic calculation validation rules (addition/subtraction), which must apply for all instances of the taxonomy.

**Label linkbase:** This linkbase defines all the labels for the various elements in the taxonomy as they appear in the presentation format. This linkbase enables business data labels to be defined in multiple languages. The labels are stored and linked to their respective elements in a label linkbase.

**Reference linkbase:** Most of the elements appearing in taxonomies refer to particular concepts defined by various authorities / boards. The reference linkbase stores the relationships between elements and the references e.g. Cost Audit Report, Form II, Para 5.

**Definition linkbase:** The definition linkbase stores other pre-defined or self-defined relationships between elements.

**Formula linkbase:** One of the latest specifications developed by XBRL International. This linkbase can be used to build any kind of advanced and user defined mathematical and logical relationships between concepts.





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### Instance documents

The second part of XBRL document is an instance document. The XBRL instance document consists of the actual facts, values and information pertaining to the entity along with the contextual details like period, unit of measurement, footnotes etc. An instance document can have data for multiple periods or for multiple entities. An instance document contains the "code" for the tags and the structure that belongs to the tagged data. Instance documents are built from a combination of XML specifications and XBRL, structured to produce Cost statements. The document provides data plus structure for machine recognition, and human readability.

#### Sample Instance Document

```
<in-cost:OtherIncomesOfCompany decimals="2" contextRef="D2012" unitRef="INR">3278.31</in-cost:OtherIncomesOfCompany>
<in-cost:EarningsAvailableForDistribution decimals="2" contextRef="D2012" unitRef="INR">17170.16</in-cost:EarningsAvailableForDistribution>
<in-cost:ToEmployeesAsSalariesWagesRetirementBenefitsAndOthers decimals="2" contextRef="D2012" unitRef="INR">3057.03</in-cost:ToEmployeesAsSalariesWagesRe
<in-cost:ToShareholdersAsDividend decimals="2" contextRef="D2012" unitRef="INR">1646.16</in-cost:ToShareholdersAsDividend>
<in-cost:ToGovernmentAsTaxes decimals="2" contextRef="D2012" unitRef="INR">2443.02</in-cost:ToGovernmentAsTaxes>
<in-cost:OtherDistributionOfEarnings decimals="2" contextRef="D2012" unitRef="INR">725.67</in-cost:OtherDistributionOfEarnings>
<in-cost:DistributionOfEarnings decimals="2" contextRef="D2012" unitRef="INR">17170.16</in-cost:DistributionOfEarnings>
<in-cost:WhetherCostAuditorsReportHasBeenQualifiedOrHasAnyReservationsOrContainsAdverseRemarks contextRef="D2012">false</in-cost:WhetherCostAuditorsReport
<in-cost:CostOfSalesOfCompany decimals="2" contextRef="D2012" unitRef="INR">92414.04</in-cost:CostOfSalesOfCompany>
<in-cost:NetRevenueFromOperationsOfCompany decimals="2" contextRef="D2012" unitRef="INR">101920.06</in-cost:NetRevenueFromOperationsOfCompany>
<in-cost:ProfitBeforeTax decimals="2" contextRef="D2012" unitRef="INR">11278.44</in-cost:ProfitBeforeTax>
<in-cost:ProfitBeforeTaxToCapitalEmployed decimals="4" contextRef="D2012" unitRef="INR">0.1239</in-cost:ProfitBeforeTaxToCapitalEmployed>
<in-cost:ProfitBeforeTaxToNetWorth decimals="4" contextRef="D2012" unitRef="INR">0.2373</in-cost:ProfitBeforeTaxToNetWorth>
<in-cost:ProfitBeforeTaxToNetRevenueFromOperationsOfCompany decimals="4" contextRef="D2012" unitRef="INR">0.1107</in-cost:ProfitBeforeTaxToNetRevenueFromO
<in-cost:ProfitBeforeTaxToValueAddedOfCompany decimals="4" contextRef="D2012" unitRef="INR">0.8119</in-cost:ProfitBeforeTaxToValueAddedOfCompany>
<in-cost:DebtEquityRatio decimals="4" contextRef="D2012" unitRef="INR">0.2803</in-cost:DebtEquityRatio>
<in-cost:CurrentAssetsToCurrentLiabilities decimals="4" contextRef="D2012" unitRef="INR">1.4573</in-cost:CurrentAssetsToCurrentLiabilities>
<in-cost:ValueAddedToNetRevenueFromOperationsOfCompany decimals="4" contextRef="D2012" unitRef="INR">0.1363</in-cost:ValueAddedToNetRevenueFromOperationsO
<in-cost:ProfitLossForAuditedProductOrActivityGroups decimals="0" contextRef="D2012" unitRef="INR">562241021</in-cost:ProfitLossForAuditedProductOrActivit
<in-cost:ProfitLossForUnauditedProductOrActivityGroups decimals="0" contextRef="D2012" unitRef="INR">278633430</in-cost:ProfitLossForUnauditedProductOrAct
<in-cost:OvervaluationOfClosingStockInFinancialAccounts decimals="0" contextRef="D2012" unitRef="INR">50434810</in-cost:OvervaluationOfClosingStockInFinan
<in-cost:ProfitLossAsPerFinancialAccounts decimals="0" contextRef="D2012" unitRef="INR">1127844495</in-cost:ProfitLossAsPerFinancialAccounts>
<in-cost:NameOfProductOrActivityGroup contextRef="D2012_P1">Iron &amp; Non-Alloy Steel</in-cost:NameOfProductOrActivityGroup>
<in-cost:ProductOrActivityGroupCode contextRef="D2012_P1">4002</in-cost:ProductOrActivityGroupCode>
```

The process of creating instance document would be based on whether the data is in structured or unstructured format.

The structured data already being in a fixed format, the conversion process can be automated by using applications which can read the structured data and convert them into XBRL instances. In addition, XBRL applications can read the raw output from accounting systems, which can then be integrated with the application to directly create XBRL documents.

However, for unstructured data, the approach would be different. There would be a need for XBRL authoring tool and an XBRL specialist, who can analyse the unstructured documents, use an appropriate taxonomy and customize the same if required and generate the instance document





### **Rendering**

Rendering refers to viewing and consuming the XBRL data and is the last mile in the XBRL implementation life cycle. XBRL data, being system readable and platform independent, can be viewed in any application, be it Word, Spreadsheet, PDF, Web or proprietary tools. Recently, XBRL International has released new specification for rendering on web, which is called as Inline XBRL or iXBRL.

Apart from viewing the data, the intuitive nature of XBRL data, makes it amenable for further processing and analytics. XBRL data can be easily integrated and populated into valuation models and be used for external and internal reporting. Business rules around XBRL data can be built, which can be then used for compliance checks, MIS, monitoring & control, audit trails etc.

### **XBRL: Future**

Machine-readable XBRL files are currently used to submit operational, tax and risk reporting to regulators in dozens of jurisdictions around the world. And the range of information delivered in XBRL formats is growing every year. But the future of XBRL reporting is about much more than just compliance – it's about new ways of managing transaction data, new types of holistic reporting and new kinds of DataStream analytics.

XBRL has a bright future ahead of it that goes way beyond the current focus on regulatory reporting and compliance. By tagging data at the account/transaction level using XBRL every business can power its own journey towards financial transformation.

### **XBRL adoption in India**

In India, the Ministry of Corporate Affairs is leading the XBRL initiative. The MCA has mandated the filings in XBRL format for the Cost Audit Report, Compliance Report, Profit & Loss Account & Balance Sheet by all the companies (wherever applicable). The Ministry of Corporate Affairs (MCA) mandate for submitting XBRL data has been so far the largest in terms of coverage. With XBRL data, MCA is looking forward to receive cleaner, accurate and timely data, which can be used for compliance checks and data mining.



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The Reserve Bank of India, India's central bank, is implementing XBRL in a phased manner. In October 2008, RBI launched XBRL-based reporting framework designed for the capital adequacy returns.

The Securities Exchange Board of India (SEBI) has mandated the top 100 companies listed on the two major exchanges viz. the Bombay Stock Exchange and the National Stock Exchange, to file their disclosures through XBRL-based Corp filing. In addition to the mandated companies, many companies are filing voluntarily their financial in XBRL. SEBI is also looking forward for mutual fund reporting in XBRL.

### **XBRL: Global adoption**

XBRL is quickly spreading across the world, by way of increasing participation from individual countries and international organizations. It is now preferred as a standard for business and financial reporting worldwide.

The US Securities and Exchange Commission has played a vital role in accelerating adoption of XBRL in the US. In December 2008, Securities and Exchange Commission made it mandatory for companies in a phased manner to file the returns in XBRL format.

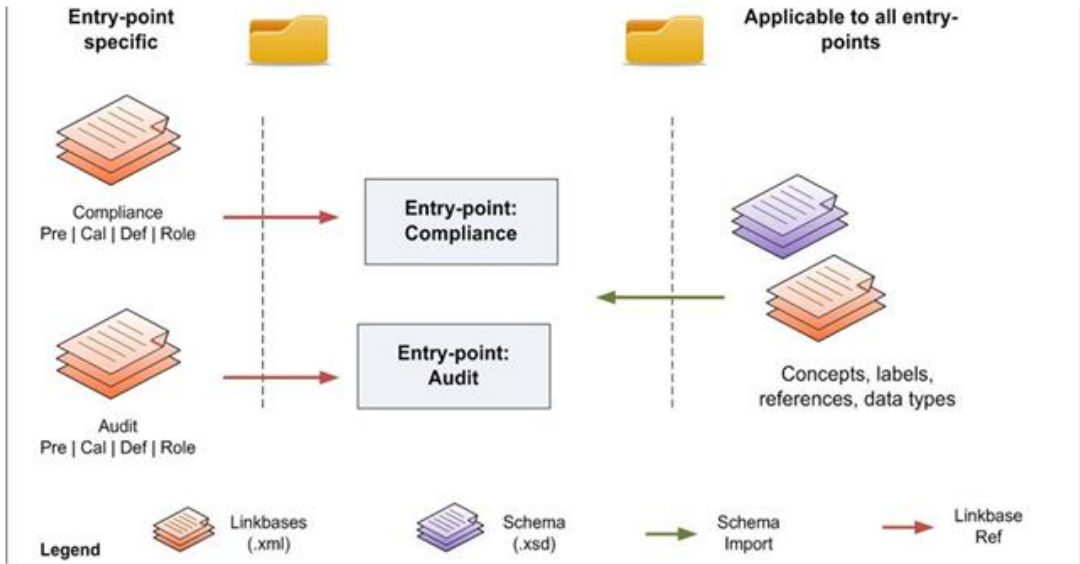
In the UK, HM Revenue and Customs (HMRC) statutory accounts and business tax returns are using iXBRL from April 2011 onwards. The mandate for full tagging requirement by all companies in the UK is expected to take off in 2013.

Japan also is one of the early adopters of XBRL and had started voluntary XBRL reporting program for financial services institutions gradually expanding the range of reports since 2005.

Many other countries are planning to adopt such simplified and one-point reporting process using XBRL, to name a few New Zealand, the United States, the United Kingdom, Japan, Spain, China, Belgium and Canada.

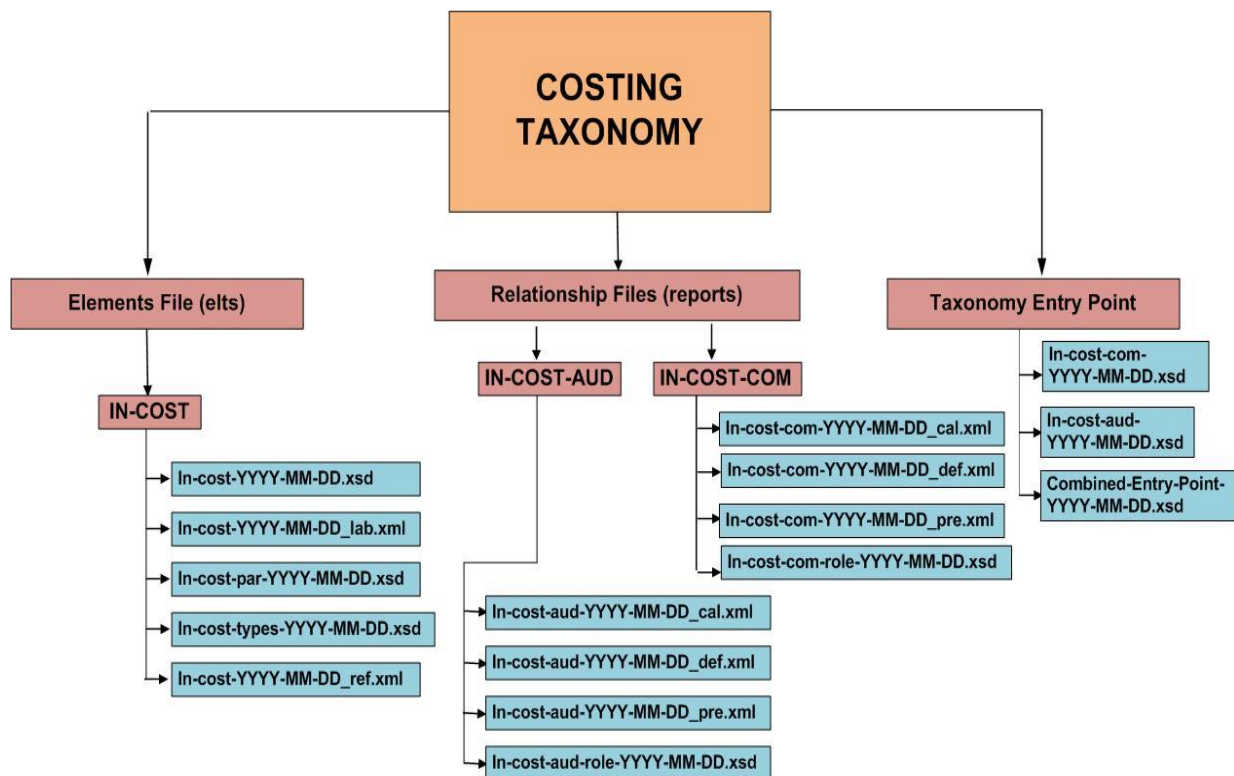
**2.0 Understanding Costing Taxonomy**

**Physical structure:** Physical structure refers to inter-linkages between the various files. The physical structure is depicted in figure below:



**Physical taxonomy structure**

**Folder and file structure:** The structure of the general composition of the files and folders within taxonomy is given in the figure below:



The main folder of the costing taxonomy contains the following files:

- ***In-cost-aud-2012-09-07.xsd***: is the entry point for the Cost Audit Report containing the schema file wherein all the elements relating to Cost Audit Report and the relationships among them are given.
- ***In-cost-com-2012-09-07.xsd***: is the entry point for the Compliance Report containing the schema file wherein all the elements relating to Compliance Report and the relationships among them are given.
- ***Combined-entripoint-2012-09-07.xsd***: is the entry point schema that combines all of the files for the Cost Audit Report and Compliance Report.

In addition following subfolders are there in the main folder:

**elts Folder:** This contain the *In-cost* sub folder, which is the core schema containing reportable concepts based on the requirements of the reports and regulator. The contents of folder are:



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- i. *In-cost\_YYYY-MM-DD.xsd*: is the core schema which contains Cost Audit and Compliance Report specific elements along with MCA specific elements.
- ii. *In-cost\_YYYY-MM-DD\_lab.xml*: contains the labels in English language for the reportable concepts based on the requirements of the reports and regulator.
- iii. *In-cost-par\_YYYY-MM-DD.xsd*: is the core schema which contains the typed domain references defined for Costing taxonomy.
- iv. *In-cost-types\_YYYY-MM-DD.xsd*: is the core schema which contains custom data types defined for Costing taxonomy.
- v. *In-cost\_YYYY-MM-DD\_ref.xml*: contains the references for the reportable concepts based on Cost Accounting Standards, GACAP and notification by MCA.

### reports folder

This folder contains the relationships between the elements that are defined in the 'elts' folder as described above in the form of linkbases along with the information about the extended links used in the taxonomy as given in 'in-cost-aud-role-2012-09-07.xsd' and 'in-cost-com-role-2012-09-07.xsd'. Extended links are the logical grouping of elements.

There are two sub-folders inside this folder. Every sub-folder contains the linkbase files for presentation, calculation, definition and schema containing extended link role declaration. The following suffixes/prefixes are used to identify each type of file:

- pre : presentation linkbase
- def : definition linkbase
- cal : calculation linkbase
- role : extended link role declaration



### The Excel Worksheet

The excel sheets made available along with the taxonomy is for reference and easy understanding of various components of taxonomy in a human readable form.

The excel workbook contains the following worksheets:-

- a. **Elements:** This worksheet contains all the concepts that form the costing taxonomy. The concepts are defined as elements/tags along with their characteristics such as data type, balance type, Nillable etc. For example, Cost of sales of product or activity group is an element defined as:

Characteristic	Property	Meaning
Element Name	CostofSalesofProductorActivityGroup	Name of the Element / Tag
Preferred Label	Cost of sales of product or activity group	Label that would appear in the rendered report
Label Role	Standard label	It is a standard label
Abstract	False	Abstract is False implies element can be used to tag data. Abstract set to True indicates that the element is only used in a hierarchy to group related elements together and cannot be used to tag data in an instance document.
Data Type	Monetary Item Type	It is monetary data type
Balance Type	Debit	The balance is debit balance
Period	Duration	The concept is reported for the period (financial year)
Substitution Group	Item	This tells whether the element is item, tuple, hypercube or dimension.
Nillable	True	Nillable set to true means the element can take empty values. If set to False it would mean that the element in the instance should have non empty value.



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- b. **Labels:** This worksheet contains the 491 nos. of labels to be used as preferred labels in the final presentation (rendering) of the report in human readable format. A screenshot of the labels is given below:

#	ElementName	LabelLang	LabelValue	Role
1	AbridgedCostStatementOfProductOrActivityGroupAbstract	en	Abridged cost statement of product or activity group [abstract]	standard label
2	ActualProductionOfProductOrActivityGroupAbstract	en	Actual production of product or activity group [abstract]	standard label
3	ActualProductionQuantity	en	Actual production quantity	standard label
4	ActualSalesOfProductOrActivityGroupAbstract	en	Actual sales of product or activity group [abstract]	standard label
5	AddressOfCorporateOfficeOfCompany	en	Address of corporate office of company	standard label
6	AddressOfCostAccountantOrCostAccountantsFirm	en	Address of cost accountant or cost accountant's firm	standard label
7	AddressOfCostAuditorOrCostAuditorsFirm	en	Address of cost auditor or cost auditors firm	standard label
8	AddressOfRegisteredOfficeOrOfPrincipalPlaceOfBusinessInIndia	en	Address of registered office or of principal place of business in India of company	standard label
9	AdjustmentsInWorkInProgressAndFinishedStocksOfCompany	en	Adjustments in work-in-progress and finished stocks of company	standard label
10	AggregateAmountOfTransaction	en	Aggregate amount of transaction	standard label
11	AggregateQuantityOfRelatedPartyTransaction	en	Aggregate quantity of related party transaction	standard label
12	AmountOfExpensesNotConsideredInCostAccounts	en	Amount of expenses not considered in cost accounts	standard label
13	AmountOfIncomesNotConsideredInCostAccounts	en	Amount of incomes not considered in cost accounts	standard label
14	AmountOfMarginAsPerCostAccounts	en	Amount of margin as per cost accounts	standard label
15	AssessableValueMember	en	Assessable value [member]	standard label
16	AssessableValueMember	en	Assessable value (AV) is the "value" on which duty is payable as a percentage	documentation
17	AvailableCapacityOfProductOrActivityGroup	en	Available capacity of product or activity group	standard label
18	AvailableCapacityOfProductOrActivityGroupAbstract	en	Available capacity of product or activity group [abstract]	standard label
19	AvailableQuantityForSaleOfProductOrActivityGroup	en	Available quantity for sale of product or activity group	standard label
20	AverageNormalPriceOfRelatedPartyTransaction	en	Average normal price of related party transaction	standard label
21	AverageTransferPriceOfRelatedPartyTransaction	en	Average transfer price of related party transaction	standard label

- c. **References:** This worksheet contains the relationships between elements and the references of the elements defined by authoritative literature. The reference parts used are listed below:

Reference part	Use
Name	CAS
Publisher	Institute of Cost Accountants of India
Section	Title of sections of standard or interpretation
Paragraph	Paragraph (number) in the standard
Subparagraph	Subparagraph (number) of a paragraph

An illustration is given below:

Prefix	Standard Label	Element Name	Publisher	Name	Section	Paragraph
56	in-cost Sales of product or activity group	SalesOfProductOrActivityGroup	MCA	Cost Audit Report Rules	Annexure to Form II	4
57	in-cost Self manufactured quantity	SelfManufacturedQuantity	MCA	Cost Audit Report Rules	Annexure to Form II	4

- d. **Extended Link Cost Audit Report:** This worksheet contains the Extended Link Role definitions contained in the Cost Audit Report. Extended Link Roles represents a set of relationships between concepts and are the logical grouping of elements. The extended links are then used in link bases to build the relationships. The list of extended link roles in the Cost Audit Report are:





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1	#	Extended Link Role definition	Used On
2	1	[100100] General information	presentationLinkbaseRef
3	2	[100300] Cost audit report (Form-II)	presentationLinkbaseRef , definitionLinkbaseRef
4	3	[100310] Cost accounting policy	presentationLinkbaseRef
5	4	[100320] Product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
6	5	[100330] Quantitative information of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
7	6	[100340] Abridged cost statement of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
8	7	[100340a] Abridged cost statement-Details of material consumed	presentationLinkbaseRef , definitionLinkbaseRef
9	8	[100340b] Abridged cost statement-Details of utilities	presentationLinkbaseRef , definitionLinkbaseRef
10	9	[100340c] Abridged cost statement-Details of industry specific op	presentationLinkbaseRef , definitionLinkbaseRef
11	10	[100350] Operating ratio analysis of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
12	11	[100360] Profit reconciliation	presentationLinkbaseRef , calculationLinkbaseRef
13	12	[100360a] Profit reconciliation-Details of incomes not considered	presentationLinkbaseRef , definitionLinkbaseRef
14	13	[100360b] Profit reconciliation-Details of expenses not considered	presentationLinkbaseRef , definitionLinkbaseRef
15	14	[100370] Value addition and distribution of earnings	presentationLinkbaseRef , calculationLinkbaseRef
16	15	[100400] Financial position and ratio analysis	presentationLinkbaseRef , calculationLinkbaseRef
17	16	[100410] Related party transactions	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
18	17	[100420] Reconciliation of indirect taxes	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
19	18	[100421] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
20	19	[100421a] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
21	20	[100421b] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
22	21	[100421c] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
23	22	[100421d] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
24	23	[900000] Typed default	definitionLinkbaseRef
25	24	[910000] Axis-Defaults	definitionLinkbaseRef

- e. **Presentation Cost Audit Report:** This worksheet defines the structure of the Cost Audit Report for displaying the data along with preferred label attribute and the specific order in which they appear. This enables the taxonomy users to view the representation of elements in the human readable format. The illustration below shows the presentation of Product or Activity Group Details (Para 3 of the Annexure to Cost Audit Report):

1	Prefix	Preferred Label	Element Name	Label Role	Order
80	ELR	[100320] Product or activity group			
81	in-cost	Product or activity group [abstract]	ProductOrActivityGroupAbstract	standard label	
82	in-cost	Details of product or activity group [abstract]	DetailsOfProductOrActivityGroupAbstract	standard label	1
83	in-cost	Product or activity group [table]	ProductOrActivityGroupTable	standard label	1
84	in-cost	Identification of product or activity group [axis]	IdentificationOfProductOrActivityGroupAxis	standard label	1
85	in-cost	Whether previous year figures are reported	WhetherPreviousYearFiguresAreReported	standard label	2
86	in-cost	Details for not reporting previous year figures [text block]	DetailsForNotReportingPreviousYearFiguresExplanatory	standard label	3
87	in-cost	General information of product or activity group [abstract]	GeneralInformationOfProductOrActivityGroupAbstract	standard label	4
88	in-cost	Name of product or activity group	NameOfProductOrActivityGroup	standard label	1
89	in-cost	Product or activity group code	ProductOrActivityGroupCode	standard label	2
90	in-cost	Four digit CETA chapter headings included in product or activity group	FourDigitCETAChapterHeadingsIncludedInProductOrActivit	standard label	3
91	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	standard label	4
92	in-cost	Whether product or activity group covered under cost audit	WhetherProductOrActivityGroupCoveredUnderCostAudit	standard label	5
93	in-cost	Other incomes of company	OtherIncomesOfCompany	standard label	2
94	in-cost	Total revenue as per financial accounts	TotalRevenueAsPerFinancialAccounts	standard label	3
95	in-cost	Notes to product or activity group [text block]	NotesToProductOrActivityGroupExplanatory	standard label	4

- f. **Calculation Cost Audit Report:** This worksheet contains the Additive relationships between numeric items expressed as parent-child hierarchies in the Cost Audit Report. Each calculation child has a weight attribute (+1 or -1) based upon the natural balance of the parent and child items. Illustration below represents the calculation view of the Value addition and distribution of earnings of the Annexure to Cost Audit Report (Para 8):





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1	Prefix	Standard Label	Element Name	Order	Weight
131	ELR	[100370] Value addition and distribution of earnings			
132	in-cost	Distribution of earnings	DistributionOfEarnings		
133	in-cost	To employees as salaries, wages, retirement benefits and others	ToEmployeesAsSalariesWagesRetirementBenefitsAndOthers	1	1
134	in-cost	To shareholders as dividend	ToShareholdersAsDividend	2	1
135	in-cost	Funds retained by company	FundsRetainedByCompany	3	1
136	in-cost	To government as taxes	ToGovernmentAsTaxes	4	1
137	in-cost	Other distribution of earnings	OtherDistributionOfEarnings	5	1
138	in-cost	Earnings available for distribution	EarningsAvailableForDistribution		
139	in-cost	Other incomes of company	OtherIncomesOfCompany	1	1
140	in-cost	Value added of company	ValueAddedOfCompany	2	1
141	in-cost	Net revenue from operations of company for value addition	NetRevenueFromOperationsOfCompanyForValueAddition	1	1
142	in-cost	Gross revenue from operations of company	GrossRevenueFromOperationsOfCompany	1	1
143	in-cost	Excise and other duties of company	ExciseAndOtherDutiesOfCompany	2	-1
144	in-cost	Export incentives of company	ExportIncentivesOfCompany	2	1
145	in-cost	Adjustments in work-in-progress and finished stocks of company	AdjustmentsInWorkInProgressAndFinishedStocksOfCompany	3	1
146	in-cost	Cost of bought out inputs of company	CostOfBoughtOutInputsOfCompany	4	-1
147	in-cost	Cost of materials consumed of company	CostOfMaterialsConsumedOfCompany	1	1
148	in-cost	Cost of process materials or chemicals of company	CostOfProcessMaterialsOrChemicalsOfCompany	2	1
149	in-cost	Cost of stores and spares consumed of company	CostOfStoresAndSparesConsumedOfCompany	3	1
150	in-cost	Cost of utilities of company	CostOfUtilitiesOfCompany	4	1
151	in-cost	Cost of other bought out inputs of company	CostOfOtherBoughtOutInputsOfCompany	5	1
152					

- g. **Definition Cost Audit Report:** It is used to express the dimensional relationship between elements of the Costing Taxonomy for the Cost Audit Report. An illustration of the definition linkbase for the Cost Audit Report showing elements of the Product or Activity Group Details is given below:

1	Prefix	Standard Label	Element Name	Order	Context Element	Closed
43	ELR	[100320] Product or activity group				
44	in-cost	Product or activity group [abstract]	ProductOrActivityGroupAbstract			
45	in-cost	Details of product or activity group [abstract]	DetailsOfProductOrActivityGroupAbstract	1		
46	in-cost	Product or activity group [table]	ProductOrActivityGroupTable	1	scenario	TRUE
47	in-cost	Identification of product or activity group [axis]	IdentificationOfProductOrActivityGroupAxis	1		
48	in-cost	Whether previous year figures are reported	WhetherPreviousYearFiguresAreReported	2		
49	in-cost	Details for not reporting previous year figures [text block]	DetailsForNotReportingPreviousYearFiguresExplanatory	3		
50	in-cost	General information of product or activity group [abstract]	GeneralInformationOfProductOrActivityGroupAbstract	4		
51	in-cost	Name of product or activity group	NameOfProductOrActivityGroup	1		
52	in-cost	Product or activity group code	ProductOrActivityGroupCode	2		
53	in-cost	Four digit CETA chapter headings included in product or activity group	FourDigitCETAChapterHeadingsIncludedInProductOrActivityGroup	3		
54	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	4		
55	in-cost	Whether product or activity group covered under cost audit	WhetherProductOrActivityGroupCoveredUnderCostAudit	5		

- h. **Extended Link Compliance Report:** This worksheet contains the Extended Link Role definitions contained in the Compliance Report. Extended Link Roles represent a set of relationships between concepts and are the logical grouping of elements. The extended links are then used in link bases to build the relationships. The list of extended link roles in the Compliance Report are:

1	#	Extended Link Role definition	Used On
2	1	[200100] General information compliance	presentationLinkbaseRef
3	2	[200300] Quantitative information	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
4	3	[200400] Reconciliation statement	presentationLinkbaseRef , calculationLinkbaseRef
5	4	[200400a] Reconciliation statement-Details of incor	presentationLinkbaseRef , definitionLinkbaseRef
6	5	[200400b] Reconciliation statement-Details of expe	presentationLinkbaseRef , definitionLinkbaseRef
7	6	[200500] Compliance report (Form B)	presentationLinkbaseRef
8	7	[990000] Typed default	definitionLinkbaseRef
9			

- i. **Presentation Compliance:** This worksheet defines the structure of the Compliance Report for displaying the data along with preferred label attribute and the specific order in which they appear. This enables the taxonomy users to view the representation of



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elements in the human readable format. The illustration below shows the presentation of Quantitative Information (Para 2 of the Annexure to Compliance Report):

1	Prefix	Preferred Label	Element Name	Label Role	Order
30	ELR	[200300] Quantitative information			
31	in-cost	Quantitative information [abstract]	QuantitativeInformationAbstract	standard label	
32	in-cost	Details of product or activity group [abstract]	DetailsOfProductOrActivityGroupAbstract	standard label	1
33	in-cost	Product or activity group [table]	ProductOrActivityGroupTable	standard label	1
34	in-cost	Identification of product or activity group [axis]	IdentificationOfProductOrActivityGroupAxis	standard label	1
35	in-cost	General information of product or activity [abstract]	GeneralInformationOfProductOrActivityAbstract	standard label	2
36	in-cost	Name of product or activity group	NameOfProductOrActivityGroup	standard label	1
37	in-cost	Product or activity group code	ProductOrActivityGroupCode	standard label	2
38	in-cost	Unit of measurement for product or activity group	UnitOfMeasurementForProductOrActivityGroup	standard label	3
39	in-cost	Quantity produced of product or activity group	QuantityProducedOfProductOrActivityGroup	standard label	4
40	in-cost	Net operational revenue of product or activity group [abstract]	NetOperationalRevenueOfProductOrActivityGroupAbstract	standard label	3
41	in-cost	Quantity sold of product or activity group	QuantitySoldOfProductOrActivityGroup	standard label	1
42	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	standard label	2
43	in-cost	Whether product or activity group covered under cost audit	WhetherProductOrActivityGroupCoveredUnderCostAudit	standard label	4
44	in-cost	Other incomes of company	OtherIncomesOfCompany	standard label	2
45	in-cost	Total revenue as per financial accounts	TotalRevenueAsPerFinancialAccounts	standard label	3

- j. **Calculation Compliance Report:** This worksheet contains the Additive relationships between numeric items expressed as parent-child hierarchies in the Compliance Report. Each calculation child has a weight attribute (+1 or -1) based upon the natural balance of the parent and child items. Illustration below represents the calculation view of the Quantitative Information and Reconciliation Statement of the Annexure to Compliance report:

1	Prefix	Standard Label	Element Name	Order	Weight
2					
3	ELR	[200300] Quantitative information			
4	in-cost	Total revenue as per financial accounts	TotalRevenueAsPerFinancialAccounts		
5	in-cost	Other incomes of company	OtherIncomesOfCompany	1	1
6	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	2	1
7					
8	ELR	[200400] Reconciliation statement			
9	in-cost	Profit (loss) as per financial accounts	ProfitLossAsPerFinancialAccounts		
10	in-cost	Profit (loss) as per cost accounts	ProfitLossAsPerCostAccounts	1	1
11	in-cost	Profit (loss) from product or activity groups covered under cost audit	ProfitLossFromProductOrActivityGroupsUnderCostAudit	1	1
12	in-cost	Profit (loss) from product or activity groups covered under cost accou	ProfitLossFromProductOrActivityGroupsCoveredUnderCostAcc	2	1
13	in-cost	Profit (loss) from activities not covered under cost accounting record	ProfitLossFromActivitiesNotCoveredUnderCostAccountingRecr	3	1
14	in-cost	Difference in stock valuation as per cost and financial records	DifferenceInStockValuationAsPerCostAndFinancialRecords	2	1
15	in-cost	Amount of incomes not considered in cost accounts	AmountOfIncomesNotConsideredInCostAccounts	3	1
16	in-cost	Amount of expenses not considered in cost accounts	AmountOfExpensesNotConsideredInCostAccounts	4	-1
17					

- k. **Definition Compliance Report:** It is used to express the dimensional relationship between elements of the Costing Taxonomy for the Cost Audit Report. An illustration of the definition linkbase for the Compliance Report showing elements of the Quantitative Information (Para 2) is given below:



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1	Prefix	Standard Label	Element Name	Order	Context Element	Closed
2						
3	ELR	[200300] Quantitative information				
4	in-cost	Quantitative information [abstract]	QuantitativeInformationAbstract			
5	in-cost	Details of product or activity group [abstract]	DetailsOfProductOrActivityGroupAbstract		1	
6	in-cost	Product or activity group [table]	ProductOrActivityGroupTable		1 scenario	TRUE
7	in-cost	Identification of product or activity group [axis]	IdentificationOfProductOrActivityGroupAxis		1	
8	in-cost	General information of product or activity [abstract]	GeneralInformationOfProductOrActivityAbstract		2	
9	in-cost	Name of product or activity group	NameOfProductOrActivityGroup		1	
10	in-cost	Product or activity group code	ProductOrActivityGroupCode		2	
11	in-cost	Unit of measurement for product or activity group	UnitOfMeasurementForProductOrActivityGroup		3	
12	in-cost	Quantity produced of product or activity group	QuantityProducedOfProductOrActivityGroup		4	
13	in-cost	Net operational revenue of product or activity group [abstract]	NetOperationalRevenueOfProductOrActivityGroupAbstract		3	
14	in-cost	Quantity sold of product or activity group	QuantitySoldOfProductOrActivityGroup		1	
15	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup		2	
16	in-cost	Whether product or activity group covered under cost audit	WhetherProductOrActivityGroupCoveredUnderCostAudit		4	
17						

### Extended Link Roles:

The various elements in the taxonomy are grouped using extended link roles (ELR) or extended links as per the logical groupings of concepts defined in the Companies (Cost Audit Report) Rules 2011 and The Companies (Cost Accounting Records) Rules 2011. The list of ELR definitions in the Costing Taxonomy are:

### ELRs (Cost Audit Report)

Extended Link Role definition	Used on
[100100] General information	presentationLinkbaseRef
[100300] Cost audit report (Form-II)	presentationLinkbaseRef , definitionLinkbaseRef
[100310] Cost accounting policy	presentationLinkbaseRef
[100320] Product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
[100330] Quantitative information of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
[100340] Abridged cost statement of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
[100340a] Abridged cost statement-Details of material consumed	presentationLinkbaseRef definitionLinkbaseRef
[100340b] Abridged cost statement-Details of utilities	presentationLinkbaseRef , definitionLinkbaseRef
[100340c] Abridged cost statement-Details of industry specific operating expenses	presentationLinkbaseRef , definitionLinkbaseRef
[100350] Operating ratio analysis of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
[100360] Profit reconciliation	presentationLinkbaseRef , calculationLinkbaseRef
[100360a] Profit reconciliation-Details of incomes not considered	presentationLinkbaseRef , definitionLinkbaseRef
[100360b] Profit reconciliation-Details of expenses not considered	presentationLinkbaseRef , definitionLinkbaseRef
[100370] Value addition and distribution of earnings	presentationLinkbaseRef , calculationLinkbaseRef
[100400] Financial position and ratio analysis	presentationLinkbaseRef , calculationLinkbaseRef



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[100410] Related party transactions	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
[100420] Reconciliation of indirect taxes	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
[100421] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
[100421a] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
[100421b] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
[100421c] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
[100421d] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
[900000] Typed default	definitionLinkbaseRef
[910000] Axis-Defaults	definitionLinkbaseRef

### ELRs Compliance Report

Extended Link Role definition	Used on
[200100] General information compliance	presentationLinkbaseRef
[200300] Quantitative information	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
[200400] Reconciliation statement	presentationLinkbaseRef , calculationLinkbaseRef
[200400a] Reconciliation statement-Details of incomes not considered	presentationLinkbaseRef , definitionLinkbaseRef
[200400b] Reconciliation statement-Details of expenses not considered	presentationLinkbaseRef , definitionLinkbaseRef
[200500] Compliance report (Form B)	presentationLinkbaseRef
[990000] Typed default	definitionLinkbaseRef



### 3.0 Steps involved in creating XBRL instance documents for the Cost Audit Report and Compliance Report



**Step 1:** A user who wants to create XBRL documents 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.

**Step 2:** Mapping of organization's Cost Audit Report and 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. Prepares should only consider taxonomy ELRs, relationships and concepts that are relevant to their specific reports.

**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. Separate instance documents need to be created for the following:

- a. Cost Audit Report of the company
- b. Compliance Report of the company



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**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.



### **4.0 Objective of Training & Guidance Manual**

1. Ministry of Corporate Affairs (MCA) vide General Circular No. 8/2012 dated May 10, 2012 has mandated filing of Cost Audit Reports and Compliance Reports in XBRL format from the financial year 2011-12 (including the overdue reports relating to any previous year).
2. The purpose and objective of this guidance note is to provide general guidance to members of the Institute and Industry for preparation of the Cost Audit Report and Compliance Report in XBRL format in accordance with the Costing Taxonomy as notified by the Ministry of Corporate Affairs and Business Rules thereof.
3. There is no change in the basic structure of the formats as notified in the Companies (Cost Audit Report) Rules 2011 and Annexure to the Compliance Report as notified by Companies (Cost Accounting Records) Rules 2011 dated 3<sup>rd</sup> June 2011 and the Industry specific Cost Accounting Records Rules 2011 dated 7<sup>th</sup> December 2011 notified by the Ministry of Corporate Affairs for six regulated industries viz. Telecommunication, Electricity, Petroleum, Sugar, Fertilizer and Pharmaceutical.
4. It is to be kept in mind that unlike earlier days when the cost audit report was required to be filed in PDF format as an attachment to the e-Form for filing, under the XBRL mode, a cost auditor and the company would be required to file the “data” contained in the reports in respect of the cost audit report and the compliance report. This data will be filed in XML format with proper tagging and the XML file will be attached to the e-Form. In other words, the cost audit report or the compliance report in the structure we are used to seeing it will not be filed but only the data as required by the Costing Taxonomy according to its defined labels and elements would be filed.
5. An important point that should be kept in mind by every user is that there are validation checks built into the taxonomy and validation tools. These tools check the correctness of computation of additions and subtractions within the tables. The costing taxonomy allows data with three decimal places. Care must be taken to round off every figure at the time of preparation of cost accounting records and cost audit 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.

6. This guide does not intend to educate the users on the basics of XBRL. Thus, the user is expected to be familiar with the basics of XBRL. While the costing taxonomy has specific elements relating to cost audit report and compliance report as given in the respective rules, the guide is not specific to the MCA filings and one needs to refer to other materials released/to be released specific to MCA in order to file with them. Before starting preparation of the Instance document for Cost Audit Report and/or Compliance Report, the users are requested to read and understand the following documents:
  - a) *Costing taxonomy* issued by MCA for understanding each elements of taxonomy (particularly as contained in excel file).
  - b) Business Rules relating to costing taxonomy, issued by MCA for understanding the mandatory/non-mandatory fields in the taxonomy.
  - c) Costing Taxonomy Architecture Guide 2012 for understanding basic structure of taxonomy.
  - d) Scope and Level of *tagging* for understanding the requirements of *tagging* issued by MCA.
  - e) Filing Manual for understanding the approach for *validation* and pre-scrutiny of *instance* documents issued by MCA.
  - f) Preparer's Guide for referring to the sample *instance* documents created for the better understanding of costing taxonomy.
  - g) General FAQs on Costing Taxonomy
  - h) Stakeholders' FAQs on Costing Taxonomy





### 5.0 General Instructions for Creating the XBRL instance documents for Cost Audit Report and Compliance Report

1. The Cost Audit Report and Compliance Report approved by the Board should be used as source for creation of the XBRL instances.
2. It has to be ensured that the XBRL Cost Audit Report and Compliance Report instance documents generated are as per the costing taxonomy defined by MCA. Please ensure the following in the instance document:
  - a. **Completeness:** All the required information is reported. Please refer to Business Rules to 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 Cost Audit Report and 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 Cost Audit Report and Compliance Report.
  - d. **Structure:** XBRL instances are structured in accordance with the costing taxonomy.
3. The instance document prepared should conform to the business rules framed by MCA for preparation and filing of the Cost Audit Report and Compliance Report in XBRL mode.
4. If a company manufacture multiple product groups and has multiple units across the country and they have appointed multiple cost auditors, the Cost Audit Reports prepared by each individual cost auditor needs to be consolidated and only one XBRL instance document of the Cost Audit Report per company needs to be prepared. This is then filed with the Central Government
5. The XBRL Instance Documents of Cost Audit Report and Compliance Report are prepared on the basis of audited/certified cost data and other statements of the company. The Instance Document is to be prepared on the basis of the notified Costing Taxonomy following the Business Rules. The process of conversion of audited/ certified cost data and other statements into XBRL Instance Documents require correct mapping to the appropriate tags given in the costing taxonomy notified by the Ministry of Corporate



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Affairs. Certain additional information is also required in the Costing Taxonomy and these are not exact replica of the formats given in the earlier notified Companies (Cost Audit Report) Rules 2011. To fulfill the requirements of filing the cost data and other information as per the notified costing taxonomy, the MCA has issued necessary amendments for both cost audit report rules and compliance report.

It may be noted that no separate approval from the Board is required for the Instance document of the Cost Audit Report or of the Compliance Report since the data/information contained in the Instance document would already have been approved by the Board of Directors. However, if the data and other information as given in the Instance document differ from that approved by the Board, then it is advisable to get fresh approval of the revised Cost Audit Report or the Compliance Report unless the Board while according approval had authorized any officer of the company to make modifications as required in the XBRL document.

It may further be noted that the earlier practice of attaching a copy of the report in pdf format as per the applicable cost audit report rules is no longer required. In the XBRL Format, only the required data is filed against different elements. Hence, there is no requirement of preparing a “cost audit report” which will be filed in any particular format. However, there is a necessity of a report to be prepared for the approval of the Board of Directors in hardcopy containing all the data that is filed with signatures of the cost auditor and the company representatives. For this purpose, a suggested report format has been provided later in this guidance note. The members are also advised to take a human readable printout of the final instance documents rendered by the tool to create the Instance Document and the same should be preserved duly certified by the cost auditor/cost accountant and the Director and Company Secretary or any 2 Directors of the company before uploading the requisite files on the MCA21 Portal.

6. 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.
7. “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 7<sup>th</sup> August 2012.*



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8. An instance must not have more than one fact having the same element name and equal contextRef attributes.
9. Facts appearing multiple times in the Cost Audit Report/Compliance Report are reported at one place using the same element throughout the instance document.
10. The amounts reported in instance document should have the appropriate sign based on the nature of the value in the Cost Audit Report/Compliance Report, balance attribute, etc. of the element.
11. The instance document prepared must conform to all the calculations included in the calculation linkbase.
12. The level of rounding off used in cost statements is to be defined at one place and it is applicable to all the Paras of the Cost Audit Report / Compliance Report.
13. The reporting currency is also defined at one place and is uniformly applicable to all the Paras of Cost Audit Report / Compliance Report
14. The financial year is required to be defined giving the start date and end date of the financial year.
15. The first previous year is also required to be defined by giving the start date and end date of the financial year. In case first previous year figures are not being given in the instance document, a valid reason for not providing the data needs to be specified.
16. The period information (for both instant and duration i.e. start Date/end Date) should follow the XBRL 2.1 Specification and should be expressed as YYYY-MM-DD. However, this would depend on the tool being used and the way the tool has been configured to capture the data.
17. Every fact where some detailed information or bifurcation needs to be given; a footnote can be attached to it. Every footnote element must be linked to at least one fact.
18. Language attribute should be “en” for textual information.



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19. The valid CIN No (Corporate Identity Number) of the company issued by MCA needs to be provided as identifier for the company whose Cost Audit Report / Compliance Report XBRL instances are being created.
20. Only two financial years' data (Current Year & Previous Year) is to be provided in the Cost Audit Report. For Compliance Report, only the current year data is required to be provided.



### 6.0 Para-wise instructions for creating XBRL instance documents for Cost Audit Report and Compliance Report

The Companies (Cost Audit Report) Rules 2011 as notified by the MCA contained the cost audit report format under Form II and Annexure to the Cost Audit Report. A number of information was contained in the e-Form of Form I. In the Costing Taxonomy, the information contained under “General Information” in Para 1 of Annexure to the Cost Audit Report and the other information contained in the Form I has been merged and the entire information has now been made a part of the information required to be filed in the cost audit report. The explanation of each of the elements is provided below.

#### A. General information

- 1 **Corporate identity number or foreign company registration number:** Provide valid CIN/FCRN Number of the Company which should be same as per MCA Database. This is a mandatory field.
- 2 **Name of company:** Enter the name of the Company which should be based on CIN or FCRN as applicable and as per MCA Database. This is a mandatory field.
- 3 **Address of registered office or of principal place of business in India of company:** Enter registered office address. In case of a foreign company, enter address of principal place of business as per MCA Database. This is a mandatory field.
- 4 **Address of corporate office of company:** Enter corporate office address. In case it is the same as registered office, enter registered office address as per MCA Database. This is a mandatory field.
- 5 **Email address of company:** Enter email address of the company as per MCA Database. This is a mandatory field.
- 6 **Date of start of reporting period:** Enter date of start of reporting period. The format would depend on the tool being used. 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. This is a mandatory field.



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- 7 **Date of end of reporting period:** Enter date of end of reporting period. The format would depend on the 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. This is a mandatory field.
- 8 **Date of start of first previous financial year:** Enter beginning date of the immediately preceding financial year. The requirement of furnishing data of 2<sup>nd</sup> previous year in respect of certain paras has been dispensed with. This is a mandatory field.
- 9 **Date of end of first previous financial year:** Enter end date of the 1<sup>st</sup> previous year. This is a mandatory field.
- 10 **Level of rounding used in cost statements:** Enter level of rounding off used for the 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. This is a mandatory field.
- 11 **Reporting currency of entity:** The currency of reporting is INR. This is a mandatory field.
- 12 **Number of cost auditor(s) for reporting period:** Enter number of cost auditors. It is to be noted that only one cost audit report can be filed by a company irrespective of number of product-groups or cost auditors. The MCA General Circular No. 68/2011 dated 30/11/2011 had allowed submission of multiple reports in case there are multiple auditors for different products of a company. However, with the issue of Costing Taxonomy and requirements mentioned therein, it is to be noted that a **Company would be able to file only a single report even in cases where it has appointed multiple cost auditors for different products.** In other words, only the designated Lead Auditor is required to file the cost audit report for the company as a whole. This is a mandatory field.
- 13 **Date of board of directors meeting in which annexure to cost audit report was approved:** Enter date of meeting of Board of Directors approving the annexure to cost audit report. This is a mandatory field.
- 14 **Whether cost auditors report has been qualified or has any reservations or contains adverse remarks:** This element has to be seen from the perspective of the Lead auditor.



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The led auditor or the single auditor should mentioned “YES/NO” taking into consideration the reports of all the cost auditors. This is a mandatory field.

- 15 **Consolidated qualifications, reservations or adverse remarks of all cost auditors:** Enter summary of qualifications, reservations or adverse remarks of all cost auditors. In case of a single auditor, enter qualifications, reservations or adverse remarks of the single auditor. This is a mandatory field.
- 16 **Consolidated observations or suggestions of all cost auditors:** Enter summary of observations or suggestions of all cost auditors. In case of a single auditor, enter observations or suggestions of the single auditor. This is a mandatory field.
- 17 **Whether company has related party transactions for sale or purchase of goods or services:** Enter YES/NO. If Yes is entered, then at least one member is mandatory in the relevant para for Related Party Transactions. This is a mandatory field.

### B. Cost Audit Report (Form II)

- 1 **Details of cost auditors:** Details of all the cost auditors is required to be provided here in a table. The structure of the table has to be visualized where the first column contains the narration of the requirements and the data/information is to be provided against each element for each of the auditor(s). The number of columns for entering cost auditor details would depend on the number of cost auditors entered in the relevant field in the General Information. The table is mandatory.
- 2 **Whether cost auditor is lead auditor:** Enter/select “YES” or “NO”. This field would always be YES since the cost auditor preparing the consolidated report for filing would either be the Lead Auditor or the single auditor of the company who would in any case be the only and Lead Auditor. This is a mandatory field.
- 3 **Category of cost auditor:** Enter whether the cost auditor is a firm or a sole proprietor. An individual practising in individual name is to be considered under the Sole Proprietorship category. This is a mandatory field.
- 4 **Firm's registration number:** Enter registration number of the firm allotted by the Institute. This is a mandatory field. *[Members are advised to check the Firm Registration*



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Number allotted to them from the portal of the Institute and enter the correct number. In case of Partnership Firms the Firm Registration number starts with "0" and in case of individuals or sole proprietors the number starts with "1". The Firm registration number is different from the Membership Number of individual members irrespective of whether the cost auditor is a Partnership Firm or a Sole Proprietor or Individual].

- 5 **Name of cost auditor or cost auditors firm:** Enter 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. This is a mandatory field.
- 6 **Permanent account number of cost auditor or cost auditors firm:** Provide PAN of firm in case the cost auditor 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. This is a mandatory field.
- 7 **Address of cost auditor or cost auditors firm:** Enter address of the firm as registered with the Institute. This is a mandatory field.
- 8 **Email id of cost auditor or cost auditors firm:** Enter email id of the firm. This is a mandatory field.
- 9 **Membership number of member signing report:** Enter membership number of the signing Partner in case a Firm is appointed as the cost auditor. In case of Sole Proprietor or individual, enter membership number of Sole Proprietor or individual. It should be a valid membership number as per the Institute of Cost Accountants of India database. This is a mandatory field.
- 10 **Name of member signing report:** Enter name of the member signing the report. The name should be entered as appearing in the database of the Institute. This is a mandatory field.
- 11 **Cost audit order date:** Enter date of the cost audit order. In case the same cost auditor has been appointed for different products/activities of the company where different cost audit orders are applicable, the details of the same cost auditor is required to be repeated from serial 1 above and the number of cost auditors should be considered to





be multiple and equal to the number of applicable cost audit orders. This is a mandatory field.

- 12 **Cost audit order number:** Enter cost audit order number. The format shall be 52/<Alpha numeric number>/CAB/<Calendar year in four digit format> and it must be a valid cost audit order number as per MCA database in case of company specific order. In case of industry wise general orders, should be a valid Industry wise general Cost Audit Order number. In case the same cost auditor has been appointed for different products/activities of the company where different cost audit orders are applicable, the details of the same cost auditor is required to be repeated from serial 1 above and the number of cost auditors should be considered to be multiple and equal to the number of applicable cost audit orders. This is a mandatory field.

It may be noted that for all cost audits from financial year commencing on or after 1<sup>st</sup> April 2012, only industry specific general orders would be applicable unless the report pertains to any financial year prior to financial year commencing on or after 1<sup>st</sup> April 2012.

- 13 **Name of product or industry:** Enter name of the applicable product or industry in the same manner as available in the cost audit orders. This is a mandatory field.
- 14 **SRN number of Form 23C:** Enter SRN number of Form 23C. Total 5 Rows for Form 23C have been provided. If multiple Form 23C has been filed for different products for the same cost auditor, then each of the SRN No. has to be entered. This is a mandatory field.
- 15 **SRN number of Form 23D:** Enter SRN No. of Form 23D. Total 5 Rows for Form 23D have been provided. If multiple Form 23D has been filed against different SRN of Form 23C, then individual SRN Nos. of Form 23D corresponding to the SRN Nos. of Form 23C is to be entered in sequence of SRN No. of Form 23C in serial 14 above.

It may be noted that the filing of Form 23D has been made mandatory for appointments of cost auditors from the financial year commencing on or after April 1, 2011. Since earlier years' reports (prior to 2011-12) are also required to be filed in the XBRL format for which no Form 23D was applicable, hence filing of Form 23D is not mandatory for filing such cost audit reports.



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- 16 **Number of audit committee meeting attended by cost auditor during year:** Enter number of audit committee meetings attended during the reporting period. Number can be greater than or equal to zero. This is a mandatory field.
- 17 **Date of signing cost audit report and annexure by cost auditor:** Enter date of signing of the report by the cost auditor. Date cannot be before date of Board meeting at which annexures to cost audit report is approved. This is a mandatory field.
- 18 **Place of signing cost audit report and annexure by cost auditor:** Enter name of place where the report is signed. This is a mandatory field.

19 **Disclosure of cost auditors qualifications or adverse remarks in cost auditors report**

*The disclosures in this para would be the same required to be provided by a cost auditor as per notified Form-II of the Companies (Cost Audit Report) Rules 2011. In case of multiple cost auditors where the report is being filed by the Lead cost auditor, the statements of individual cost auditors would be required to be provided here verbatim as given by the individual cost auditor. All the elements are mandatory and must be completed as per requirement of the certification portion of the cost audit report.*

(i) **Disclosure relating to availability of information and explanation for purpose of cost audit:**

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

(ii) **Disclosure relating to maintenance of cost records as per applicable cost accounting records rules:**

In my/our opinion, proper cost records, as per the applicable 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 the product/activity groups under reference.

(iii) **Disclosure relating to availability of cost records of branches not visited:**

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



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**(iv) Disclosure regarding availability of information as per Companies Act 1956:**

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

**(v) Disclosure regarding conformity of books and records with Cost Accounting Standards and GACAP:**

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

**(vi) Disclosure relating to adequacy of internal audit of cost records:**

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

**(vii) Disclosure relating to availability of audited and certified cost statements and schedules for each unit and each product or activity:**

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

**(viii) Disclosure relating to submission of performance appraisal report:**

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

**(ix) Cost auditors observations or suggestions:** Enter any observations or suggestions of the cost auditor.



### **C. Cost Accounting Policy (Para 2 of Annexure to Cost Audit Report)**

All elements in this block are mandatory. The cost auditor is required to provide the policy of the cost accounting policy of the company in respect of each of the elements given below.

- 1 *Cost accounting policy***
- 2 *Disclosure regarding identification of cost centres, cost objects and cost drivers***
- 3 *Disclosure regarding accounting for material cost including packing materials, stores and spares, employee cost, utilities and other relevant cost components***
- 4 *Disclosure regarding accounting, allocation and absorption of overheads***
- 5 *Disclosure regarding accounting for depreciation or amortization***
- 6 *Disclosure regarding accounting for by products, joint products and scraps or wastage***
- 7 *Disclosure regarding basis of inventory valuation***
- 8 *Disclosure regarding valuation of inter unit or inter-company and related party transaction***
- 9 *Disclosure regarding treatment of abnormal and non-recurring costs including classification of non-cost items***
- 10 *Disclosure regarding other relevant cost accounting policy***
- 11 *Disclosure regarding changes in cost accounting policy during reporting period***
- 12 *Disclosure regarding adequacy of budgetary control system***

### **D. Para 3 – Details of Product or Activity Group**

Details under this block are required to be provided in the form of a table. The number of columns would depend on the number of Product/Activity Groups in which the company is engaged in. The value of “Net revenue from Operations in respect of each of the Product/Activity Group is to be provided for the current year as per the Annual Audited Accounts of the Company.



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- 1 **Whether previous year figures are reported:** State Yes or No against each of the Product/Activity Group. The “Yes” or “No” regarding providing of previous year figures in this block actually relate to data in Para 4, 5 & 6 i.e., where product group-wise data is required to be provided. It may be noted that for some product/activity group, the same may have come under both cost accounting records rules and cost audit for the first time during 2011-12. In such a case, the previous year figure for the product group will not be mandatory. However, for product/activity group which was covered under any of the erstwhile cost accounting records rules, providing previous year figure is mandatory irrespective of the fact whether the product/activity group was covered under cost audit.

In certain cases, a Product/Activity Group may consist of products covered under any of the erstwhile cost accounting records rules and some of the products/activities were not covered. Due to the classification of Product/Activity Group as notified by the MCA, both the categories have now got covered under the same Product/Activity Group. In such cases, the previous year figures would pertain to only such products that were covered under cost accounting records rules during the previous year. In such cases, the Product Group should be broken up in two groups having same Product Group Number – one group containing products that are covered under cost audit and the other containing products not covered under cost audit. A suitable note in this respect should then be provided in the respective text blocks of Para 4, 5 & 6.

- 2 **Details for not reporting previous year figures:** If previous year figures are not provided in Para 4, 5 & 6 reasons therefor must be provided. This is a mandatory field if the response is “No” in the previous year element. The reason is required to be provided against each product group irrespective of whether it is covered under cost audit or not as per requirement of the Business Rule. It may be noted that providing previous year figures in respect of Products covered under cost audit is mandatory if the products were covered under any of the erstwhile cost accounting records rules and is not dependent on whether the products were covered under cost audit earlier.

### **General information of product or activity group:**



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- 3 **Name of product or activity group:** Enter name of product/activity group as per MCA Product Group classification issued by the Ministry of Corporate Affairs vide S.O. 1747(E) dated 7th August 2012. This is a mandatory field.
- 4 **Product or activity group code:** Enter product/activity group code as per MCA Product Group classification. This is a mandatory field.
- 5 **Four digit CETA chapter headings included in product or activity group:** Enter 4 digit CETA chapter headings pertaining to the products manufactured by the company comprised in the product/activity group code. If there are more than one CETA codes, then all the relevant CETA codes are to be entered separated by comma. It may be noted that only relevant CETA codes that are applicable to the products of the company are to be entered and not all the codes as per the product group notification. This is a mandatory field.
- 6 **Net operational revenue of product or activity group:** Enter net operational revenue of the product/activity group as per the audited financial accounts of the company. This is a mandatory field.  
  
The product group-wise net operational revenue of the individual Product Groups including Export Incentives, if any, net of duties and taxes is to be disclosed. In case there are any incomes under the head “Other Operational Revenues” which cannot be identified with any particular Product group, the same is to be reported under Product Group Code “4100 – Ancillary Products or Activities not elsewhere specified”.
- 7 **Whether product or activity group covered under cost audit:** Enter YES/NO against each product group code. Every YES against a product group code should have at least one each corresponding para 4, para 5 and para 6. This is a mandatory field.
- 8 **Other incomes of company:** Enter other incomes of the company as a whole as per audited annual accounts. It is to be noted that the Other Income shown in Para 3 should be equal to Other Income shown in Para 8.
- 9 **Total revenue as per financial accounts:** Sum of Net Operational Revenue and Other Incomes of the company. This figure should be equal to the Net Revenue of the company as per audited annual accounts.



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**Total Net revenue from Operations less Other Incomes as shown in Para 3 must be equal to Net Revenue from Operations in Para 8 [i.e., Gross Revenue from Operations less Excise Duty].**

Note: Under the Revised Schedule VI, 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/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 Para 3, this is required 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/activity group, such items are to be shown against Product Group Code “**4100 – Ancillary Products not elsewhere specified**”.

**The rendering or presentation of Para-3 as per costing taxonomy can be made as below:**

**Name of the Company:**

**Product Group Details (For the company as a whole)**

Product Group Name	Product Group Code	CETA Chapter Heading	Whether Covered In Cost Audit Yes or No	Whether Previous Year Figures reported Yes or No	Net Operational Revenue		Reason for not providing Previous Year Figures
					Current Year		
1							
2							
3							
4							
5							
6							
7 (etc.)							
<b>Total</b>							



Other Incomes						
Total Income as per Audited Annual Report						

### E. Para 4 – Quantitative Information

Details under this para are required to be provided for each Product Group under cost audit. The number of tables should be at least equal to the number of product groups covered under cost audit. In case a product group consists of products having different unit of measurement, then the information is required to be provided separately for the same product group for different units of measurement.

For example, Product A is measured in Kgs. and Product B is measured in litres but both Product A and Product B belong to the same Product Group. In such a situation, quantitative details of Product A and Product B is to be provided in separate statements though both the statements will be having the same Product Group name.

- 1 **Name of product or activity group:** Enter name of product group as per MCA Product Group classification. This is a mandatory field.
- 2 **Product or activity group code:** Enter product group code as per MCA Product Group classification. This is a mandatory field.
- 3 **Unit of measurement for product or activity group:** Enter unit of measurement of the product group. If the same product group contain different units of measurement, separate tables to be prepared for each unit of measurement. This is a mandatory field.
- 4 **Installed capacity on start of reporting period:** Provide details if applicable. This is a numeric field.

For example, in a paper manufacturing company, the different types of papers/boards manufactured may fall under different 4 digits CETA Code but all of these would belong to the same Product Group. Since all the different grades of paper would be manufactured under the same manufacturing facility, the capacity may be expressed in terms of Paper Machine Production capacity.





Similarly for an automobile company, where the capacity is expressed in terms of number of cars, the same would be relevant for the Product group consisting of different types of motor vehicles.

The installed capacity would not be applicable in case of say a Tea Plantation.

Further, the Installed Capacity should reflect the capacity as at the beginning of the reporting period. Any enhancement in the installed capacity would be reflected under the relevant item. The installed capacity as at the beginning of the year plus the proportionate enhancement in capacity during the period, if any, would give the total installed capacity.

- 5 **Capacity enhanced during reporting period:** Provide details if applicable. The figure should be entered on annualised basis. This is a numeric field.

Example: A company is following April 1 to March 31 as its accounting period. As at April 1, 2011 (beginning of the period), it has an installed capacity of 120000 MT. On January 1, 2012 the capacity gets enhanced by another 24000 MT. In such a case, for the period 2011-12, the enhancement of capacity to be considered would be  $(24000 / 12 \times 3) = 6000$  MT.

- 6 **Capacity available through leasing arrangements:** Provide details if applicable. This is a numeric field.

The Company might have taken on lease the complete manufacturing facility. Under this heading capacity through leasing arrangements should be contracted capacity of that plant or machinery.

- 7 **Capacity available through loan license or third parties:** Provide details if applicable. This is a numeric field.

Capacity available through loan license or third parties would be considered when the company is using entire production facility of another entity, i.e., the third party is having a dedicated plant for this company. Manufacturing or conversion done by a third-



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party on payment of conversion charges should not be considered as capacity being available under this head.

- 8 **Available capacity of product or activity group:** This is a sum total of all the capacities above. This is a numeric field.
- 9 **Self-manufactured quantity:** Production quantity manufactured by the unit(s) for all products under this “Product Group”. This is a numeric field.

Self-manufactured quantity would be the total production of all products comprised in the Product Group. If the company has different manufacturing units producing the same product or products falling under the same Product Group, the sum total of all such products would be disclosed here.

- 10 **Quantity produced under leasing arrangements:** Quantity manufactured through machines taken on lease by the company. This is a numeric field.
- 11 **Quantity produced on loan license or by third parties on job work:** The quantity manufactured through some other entity under loan license basis or production obtained through third parties on job work basis. This is a numeric field.
- 12 **Actual production quantity:** Sum of serials 9 to 11 above. This is a numeric field.
- 13 **Production as per excise records:** Self-explanatory. It may be noted that the Actual production quantity need not always be equal to Production as per Excise records.
- 14 **In house capacity utilization (%):** To be computed as (self-manufactured quantity) expressed as a percentage of sum of (Installed Capacity at the beginning of the year+ annualized capacity enhanced during the period).
- 15 **Finished goods purchased of product or activity group – Domestic and Imported:** The label has been changed from ‘Stock Purchased for Trading’. Since this item is included in this para meant specifically for product groups covered under cost audit, it is to be understood that products that are manufactured by the company as well as purchased as finished goods would find a place here. In case of such finished goods, it should be



combined with the finished goods manufactured and the total quantity should be considered for sales and not kept out as part of “Trading Activity”.

The stock purchased for trading of a product referred to here would mean only such Products comprised in the Product Group that are manufactured by the company and also procured from outside as finished products. The Trading Activity of a company in respect of products not manufactured by the company, if any, should not be confused with this item of disclosure. It is to be kept in mind that independent Trading Activity is not covered under any of the cost accounting records rules.

Example: A paper and paperboard manufacturing company is also engaged in manufacturing coated board as a value added product. The same company is also purchasing coated board from other manufacturers. The sales of coated board by the company would then comprise of both own manufactured coated board and coated board procured from outside. In this situation, the purchased coated board would be shown as “Domestic Purchase of Finished Goods”.

In the above example, if the coated board is imported, such purchase and sale of imported coated board forming part of the total coated board sales of the company would be reflected under “Imports of Finished Goods”.

The quantity of total finished goods purchased should be same as in Para 5 of the corresponding product group.

### 16 Stock and other adjustments of product or activity group

- (a) **Change in stock of finished goods:** Difference between net quantity of opening and closing stocks of finished goods of the product group. This quantity would be same in Para 5 “Change in Stock of Finished Goods” of the respective product groups.
- (b) **Self or captive consumption including samples:** Quantity of self or captive consumption of products comprised in the product group. Products belonging to the Product Group used for self-consumption in the same production unit or transferred to other units of the same company. The quantity should be same as shown in Para 5 of the respective product groups.



(c) **Other quantitative adjustments:** Any other quantitative adjustments like gain from waste. Other quantitative adjustment will be those which are made to arrive at the saleable production. The quantity would be same as shown in Para 5 of the respective product groups.

(d) **Total stock and other adjustments:** Total of items (a), (b) and (c) above.

17 **Available quantity for sale of product or activity group:** Actual Production quantity plus Finished Goods Purchased minus sum of “Change in Stock of Finished Goods”, “Self or Captive Consumption including samples” and “Other Quantitative Adjustments”. The quantity of Total Sales shown here should be the same as in Para 5 of the respective product groups. This is a numeric field.

18 **Actual sales of product or activity group**

(a) **Domestic sales of manufactured products:** Quantity of sales from own manufactured product/activity group in the domestic market. This is a numeric field.

(b) **Domestic sales of traded products:** Traded quantity of sales of the product/activity group in the domestic market. This sale would be from the Finished Goods Purchased. This is a numeric field.

(c) **Export sale of manufactured products:** Quantity of sales from own manufactured product/activity group exported. This is a numeric field.

(d) **Export sale of traded products:** Traded quantity of sales of the product/activity group exported. This sale would be from the Finished Goods Purchased. This is a numeric field.

(e) **Total sales of product or activity group:** This is sum of items 18(a) to 18(d) above. The quantity should be equal to quantity in item 17. This is a numeric field.

19 **Notes to quantitative information for product or activity group:** Enter any comments or observation relevant to this para.

**The rendering or presentation of Para-4 as per costing taxonomy can be made as below:**



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**Name of the Company:**

**Quantitative Information (for each product group separately)**

Name of the Product Group		
Product Group Code		
Unit of Measurement		
Particulars	Current Year	Previous Year
<b>1. Available Capacity</b>		
(a) Installed Capacity at the beginning of the year		
(b) Capacity enhanced during the year		
(c) Capacity available through leasing arrangements		
(d) Capacity available through loan license / third parties		
(e) Total available Capacity		
<b>2. Actual Production</b>		
(a) Self-manufactured		
(b) Under leasing arrangements		
(c) On loan license / by third parties on job work		
(d) Total Production		
<b>3. Production as per Excise Records</b>		
<b>4. Capacity Utilization (in-house)</b>		
<b>5. Finished Goods Purchased</b>		
(a) Domestic Purchase of Finished Goods		
(b) Imports of Finished Goods		
(c) Total Finished Goods Purchased		
<b>6. Stock &amp; Other Adjustments</b>		
(a) Change in Stock of Finished Goods		
(b) Self / Captive Consumption		
(c) Other Quantitative Adjustments		
(d) Total Adjustments		
<b>7. Total Available Quantity for Sale</b>		
<b>8. Actual Sales</b>		
(a) Domestic Sales of Manufactured Products		
(b) Domestic Sales of Traded Products		
(c) Export Sale of Manufactured Products		
(d) Export Sale of Traded Products		
<b>(e) Total Quantity Sold</b>		
<b>Notes to quantitative information for product or activity group [text block]</b>		



**F. Para 5 – Abridged Cost Statement of Product or Activity Group**

- (a) Certain elements have been added in the Costing Taxonomy in respect of Para 5. This has been done to cater to fulfil the need that may arise in certain companies and because no extension is possible in the Taxonomy. To meet this requirement two new elements have been added – (1) Industry Specific Operating Expenses and (2) Finished Goods Purchased.
- (b) Further, to meet the technical requirement of XBRL, the structure of Para 5 has been changed for data feeding to three separate blocks – quantitative information, cost information and cost per unit information.
- (c) Additional information required to be provided is the element-wise cost information in respect of the first previous year.
- (d) In the old format of para-5, details regarding “Material Consumed” were to be specified in the main table. The details of Material Consumed are now to be provided in the Link Table of Material Consumed.
- (e) As explained earlier, extensions are not possible in the taxonomy. In case of “Materials Consumed” or “Utilities Consumed” or the additional element of “Industry Specific Operating Expenses”, the Cost Audit Report Rules required details of materials and utilities. The number of materials and utilities would vary from industry to industry and company to company. To meet this requirement, the Taxonomy has provided Link Tables for the details of Materials Consumed, Utilities Consumed and Industry Specific Operating Expenses and the totals are reflected in the main body of the statement. For each of these items, 10 rows have been provided in the detail link table. Only major items are required to be reflected in the link tables. In case the number of items in a particular group of Material or Utility etc. is more than 10, then item-wise details of 9 major items is to be provided in descending order of value and the balance should be shown under other Materials or Utilities as the as may be. The total of each of the link tables must be equal to the total in the main table.



If these cost elements are more than 10, then the top 9 major cost elements in descending order of value may be shown and the balance amount should be shown under 10<sup>th</sup> row

- (f) If an amount greater than zero is indicated in the Table to para 5: 'Abridged Cost Statement' against the line items 'Material Consumed', 'Utilities Consumed' and 'Industry Specific Operating Expenses', then the detail is mandatorily to be indicated giving the description of material/ Utility/ Industry Specific Operating Expense in the respective Link Tables for 'Details of Material Consumed', 'Details of Utilities Consumed' and 'Details for Industry Specific Operating Expenses'.

It is to be noted that the name of the material consumed/ Utility Consumed/ Industry Specific Operating Expense is to be indicated against the element name: Material 1, Material 2 etc. or Utility 1, Utility 2 etc. or Industry Specific Operating Expenses as the case may be. These are to be provided sequentially and in case the number of materials or utilities or Industry Specific Operating Expenses are less than the number of rows provided (10) for each table, then only such number of rows are required to be filled in as is necessary in the respective tables and the balance rows are to be kept blank. There cannot be a blank row between two filled in rows.

- (g) The element of **Industry Specific Operating Expenses** has been specifically added to meet the requirement of Regulated Industry like Telecommunication or Petroleum etc. but not limited to only the Regulated Industries, where the cost elements or overheads would not match with the cost elements provided in the notified Para 5. In this case also 10 rows have been provided in the link table. If these cost elements are more than 10, then the top 9 major cost elements in descending order of value may be shown and the balance amount should be shown under 10<sup>th</sup> row.
- (h) The respective quantitative details must match with the corresponding item of quantity shown in Para 4 of the Product/Activity group.
- (i) All the elements of Para 5 under Quantitative Information and Cost Information in the Costing Taxonomy are self-explanatory.



(j) Previous year figures are to be given if previous year for that Product or Activity Group Code' against which "YES" is selected against "whether previous year figures are reported" under para 3.

(k) The computation of cost per unit details is explained below:

It may be noted that the cost per unit of a cost element is mandatory if the corresponding value of such cost element is greater than zero. However, the above validation will not be applicable to the following elements-

- (i) Cost of Increase or Decrease in Finished Goods
- (ii) Cost of Self or Captive Consumption
- (iii) Cost of other Adjustments
- (iv) Cost Per Unit of Stock and Other Adjustments

- The divisor of all individual cost elements from "Cost of Materials Consumed" till "Cost of Primary Packing" is the "Quantity Produced".
- "Cost per unit of total inputs and conversion cost" to be computed as the sum total of the "cost per unit of materials consumed" till "cost per unit of industry specific operating expenses".
- "Cost per unit of production or operations" to be computed as sum total of "Cost per unit of total inputs and conversion cost" till "Cost per unit of primary packing".
- "Cost per unit of finished goods purchased" to be computed as "Cost of finished goods purchased" divided by "Quantity of finished goods purchased".
- Cost per unit of production and purchases" to be computed as "Total cost of production and purchases" divided by sum of "Quantity produced" and "Quantity of finished goods purchased".
- "Cost per unit of stock and other adjustments" to be computed as difference between "Per unit cost of production or operation of goods or services sold" and "Cost per unit of production and purchases".





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- The divisor of all individual cost elements from “Cost of production or operations of goods or services sold” till “Cost of interest and financing charges” is the “Quantity Sold”.
- “Per unit cost of sales of product or activity group” to be computed as sum of cost per unit rates of “Cost of production or operations of goods or services sold” till “Cost of interest and financing charges”.
- “Per unit net sales realization of product or activity group” to be computed as “Net sales realization of product or activity group” divided by “Quantity Sold”.
- Per unit margin as per cost accounts of product or activity group” to be computed as difference between “Per unit net sales realization of product or activity group” and “Per unit cost of sales of product or activity group”.

***Note: In case of a Power Distribution and Transmission Company, the cost elements from “Cost of Materials Consumed” till “Cost of Production or Operations” would not be applicable since the company would buy Power from a Generating Company and sell the same to its consumers. Consequently, it will not have any value for “Quantity Produced”. The value of Power Purchased by the company would be shown under “Cost of Finished Goods Purchased” and the corresponding quantity of Power would be shown under “Finished Goods Purchased”. However, being a Transmission and Distribution company, it would have “Industry Specific Operating Expenses” incurred for its activities which would be shown under the corresponding head in the cost statement. In such a situation, the divisor for computation of “cost per unit of Industry Specific Operating Expenses” would be the quantity of “Finished Goods Purchased”.***

**The rendering or presentation of Para-5 as per costing taxonomy can be made as below:**



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**Name of the Company**

**Abridged Cost Statement (for each product group separately)**

<b>Name of Product or Activity Group</b>		:				
<b>Name of Product or Activity Group Code</b>		:				
<b>Unit of Measurement</b>		:				
Year	Production	Finished Goods Purchased	Finished Stock Adjustment	Captive Consumption	Other Adjustments	Quantity Sold
<b>Current Year</b>						
<b>Previous Year</b>						
<b>Previous Year</b>			<b>Current Year</b>			
Amount	Cost/Unit	Particulars			Amount	Cost/Unit
	Rs.					Rs.
		Materials Consumed				
		Process Materials/Chemicals				
		Utilities				
		Direct Employees Cost				
		Direct Expenses				
		Consumable Stores & Spares				
		Repairs & Maintenance				
		Quality Control Expenses				
		Research & Development Expenses				
		Technical know-how Fee or Royalty				
		Depreciation or Amortization				
		Other Production Overheads				
		Industry Specific Operating Expenses				
		Total of Inputs and Conversion Cost				
		Increase/Decrease in Work-in-Progress				
		Less: Credits for Recoveries				
		Primary Packing Cost				
		Cost of Production or Operations				
		Cost of Finished Goods Purchased				
		Total Cost of production and purchases				
		Increase/Decrease in Stock of Finished Goods				
		Less: Self or Captive Consumption				
		Other Adjustments				
		Cost of Production or Operation of Goods or Services Sold				
		Administrative Overheads				
		Secondary Packing Cost				
		Selling & Distribution Overheads				
		Interest & Financing Charges				



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		Cost of Sales of Product or Activity Group		
		Net Sales Realization		
		<b>Amount of Margin as per Cost Accounts</b>		
<b>Notes to abridged cost statement of product or activity group [text block]</b>				

### Details of Materials Consumed

Previous Year			Particulars	UOM	Category	Current Year		
Quantity	Rate	Amount				Quantity	Rate	Amount
			Material 1					
			Material 2					
			Material 3					
			Material 4					
			Material 5					
			Material 6					
			Material 7					
			Material 8					
			Material 9					
			Material 10					
			<b>Total Materials</b>					

### Details of Utilities Consumed

Previous Year			Particulars	UOM	Current Year		
Quantity	Rate	Amount			Quantity	Rate	Amount
			Utility 1				
			Utility 2				
			Utility 3				
			Utility 4				
			Utility 5				
			Utility 6				
			Utility 7				
			Utility 8				
			Utility 9				
			Utility 10				
			<b>Total Utilities</b>				

### Details of Industry Specific Operating Expenses

Previous Year	Particulars	Current Year
Amount		Amount
	Industry specific 1	
	Industry specific 2	
	Industry specific 3	
	Industry specific 4	



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	Industry specific 5	
	Industry specific 6	
	Industry specific 7	
	Industry specific 8	
	Industry specific 9	
	Industry specific 10	
	<b>Total Industry Specific Operating Expenses</b>	

### **G. Para 6 – Operating Ratio Analysis (for each product group separately)**

- (a) The operating ratios of Para 6 are required to be computed on the basis of data available in the corresponding Para 5 of the respective product groups under cost audit.
- (b) In line with Para-5, two new elements have been added in Para 6 also, viz., Industry Specific Operating Expenses and Finished Goods Purchased.
- (c) It is to be noted that the operating ratios are calculated as a percentage of cost of sales of the product group. In case there is any self/captive consumption, the value of the same gets reduced from the cost of sales and the resultant cost of sales is net of captive consumption whereas the cost elements starting from material consumption are gross and includes the cost of the element consumed/used for the value of captive consumption as well. Hence, computing operating ratios as a percentage of net cost of sales for gross usage of materials, labour, overheads etc. would not be a correct representation.
- (d) In view of the above, the value of captive consumption should be added to the cost of sales to arrive at the gross value of cost of sales and the ratios computed as a percentage of this gross cost of sales (including value of captive consumption).
- (e) The total of all the operating ratios must be equal to 100.

It may be noted that Ratios from 'Ratio of Materials Including Process Materials Cost' to 'Ratio of Interest and Financing Charges' are mandatory if their corresponding amount in the Abridged cost statement of product or activity group' is greater than zero. However, this validation will not be applicable to-



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1. Ratio of Other Expenses
2. Ratio of Stock Adjustments

The computation of individual operating ratios is explained below. In the computation Gross Cost of Sales means Cost of Sales of Product group plus Cost of Self/Captive Consumption:

- 1 **Ratio of materials including process materials cost:** “Cost of materials consumed + Cost of process materials/chemicals consumed” divided by “Gross Cost of Sales”.
- 2 **Ratio of utilities cost:** “Cost of utilities consumed” divided by “Gross Cost of Sales”.
- 3 **Ratio of direct employees cost:** “Cost of direct employees” divided by “Gross Cost of Sales”.
- 4 **Ratio of direct expenses:** “Cost of direct expenses” divided by “Gross Cost of Sales”.
- 5 **Ratio of stores and spares consumed:** “Cost of stores & spares consumed” divided by “Gross Cost of Sales”.
- 6 **Ratio of repairs and maintenance cost:** “Cost of repairs & maintenance” divided by “Gross Cost of Sales”.
- 7 **Ratio of depreciation and amortization cost:** “Cost of depreciation or amortization” divided by “Gross Cost of Sales”.
- 8 **Ratio of industry specific operating cost:** “Cost of industry specific operating expenses” divided by “Gross Cost of Sales”.
- 9 **Ratio of Packing cost:** “Cost of Primary Packing” divided by “Gross Cost of Sales”.
- 10 **Ratio of other expenses:** “Credit for recoveries + cost of other adjustments” divided by “Gross Cost of Sales”.
- 11 **Ratio of stock adjustments:** “Cost of increase/decrease in work-in-progress + Cost of increase/decrease in finished goods” divided by “Gross Cost of Sales”.



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- 12 **Ratio of production overheads:** “Cost of production overheads + Cost of quality control + Cost of research & development + Cost of Technical Know-how” divided by “Gross Cost of Sales”.
- 13 **Ratio of finished goods purchased:** “Cost of finished goods purchased” divided by “Gross Cost of Sales”.
- 14 **Ratio of administrative overheads:** “Cost of administrative overheads” divided by “Gross Cost of Sales”.
- 15 **Ratio of selling and distribution overheads:** “Cost of selling & distribution overheads + Cost of secondary packing” divided by “Gross Cost of Sales”.
- 16 **Ratio of Interest and financing charges:** “Cost of interest & financing charges” divided by “Gross Cost of Sales”.
- 17 **Ratio of total operating expenses:** Sum of 1 to 16 above and the total must be equal to 100.

**The rendering or presentation of Para-6 as per costing taxonomy can be made as below:**



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**Name of Company:**

### **Ratio of Operating Expenses to Cost of Sales (for each product group separately)**

<b>Name of Product or Activity Group</b> :			
<b>Name of Product or Activity Group Code</b> :			
No.		Current Year	Previous Year
1	Materials (incl. Process Materials) Cost (%)		
2	Utilities Cost (%)		
3	Direct Employees Cost (%)		
4	Direct Expenses (%)		
5	Consumable Stores & Spares (%)		
6	Repairs & Maintenance Cost (%)		
7	Depreciation and Amortization Cost (%)		
8	Industry Specific Operating Expenses (%)		
9	Packing Cost (%)		
10	Other Expenses (%)		
11	Stock Adjustments (%)		
12	Production Overheads (%)		
13	Finished Goods Purchased (%)		
14	Administrative Overheads (%)		
15	Selling & Distribution Overheads (%)		
16	Interest & Financing Charges (%)		
17	Total		
Text Block for Notes			

### **H. Para 7 – Profit Reconciliation (for the company as a whole)**

- (a) The profit reconciliation statement is for the company as a whole. The previous year figures are also required to be provided.
- (b) **“Profit (loss) for audited product or activity groups”** must be equal to the sum total of Amount of margin as per cost accounts of all the Product Groups.

**Profit (loss) for unaudited product or activity groups** – This would reflect the sum total Profit/(Loss) of all Product Groups not under cost audit.

The profit/loss of product groups under cost audit should be arrived at by adding the margin of individual product groups arrived at in the Abridged Cost Statement (Para 5). The profit/loss of product groups not under cost audit should be arrived at by adding the



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margins of these product groups as available from the cost accounting records maintained for such products.

In case the company is engaged in certain activities for which cost accounting records rules are not applicable, in such a case the profit/loss to be considered here would be the profit/loss as available from the financial accounts. It is to be kept in mind that though no cost accounting records are required to be maintained in respect of such exempted activities, say trading, but maintenance of cost accounting records for other activities of the company under the “production, processing manufacturing and mining” activity would necessitate apportionment of overheads of the company on an equitable basis and as per the cost accounting standards.

Explanation: Assume that a company is engaged in manufacture of a product which is covered under Companies (Cost Accounting Records) Rules 2011 and the product is also covered under cost audit. Further, the company is also engaged in Trading Activity. The total Administrative Overheads of the company would be required to be apportioned between the manufacturing activity and trading activity on an equitable basis. This is not necessary for financial accounts and consequently, the profit/loss of trading activity derived from the financial accounts would be required to be adjusted with the apportioned administrative overheads before being considered for reflection under “Profit/Loss of Unaudited Product Groups”.

- (c) Profit for the purpose of this statement means “Profit before Tax, Exceptional & Extra Ordinary Items”. The amount of “Profit (Loss) as per Financial Accounts” shown in Para 7 under this item must be equal to “Profit before Tax” shown in Para 9.
- (d) Link tables have been provided for “Incomes not considered in cost accounts” and “Expenses not considered in cost accounts”.
- (e) **Income 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. Hence, such incomes would be required to be considered in the reconciliation statement to arrive at the profit/loss as per Financial Accounts.

The format available in the Companies (Cost Audit Report) Rules 2011 requires details of incomes not considered in cost accounts in the main body of the reconciliation





statement. However, the Costing Taxonomy has provided a link table for details of incomes not considered in cost accounts and requires only the total of all such amounts to be provided in the main body of the statement.

**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
- (f) **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.

The format available in the Companies (Cost Audit Report) Rules 2011 requires details of expenses not considered in cost accounts in the main body of the reconciliation statement. However, the Costing Taxonomy has provided a link table for details of expenses not considered in cost accounts and requires only the total of all such amounts to be provided in the main body of the statement.

Examples of expenses not considered in cost accounts are:

**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

The Reconciliation statement requires a complete reconciliation between the cost accounts and the financial accounts for the company as a whole. Situations may arise where the cost auditor has been appointed for cost audit of the products for which cost audit is applicable and the company may have other products/activities outside the purview of the cost audit. Since the amount of profit/loss of products not covered under cost audit also forms part of this statement, a question arises as to how the cost auditor will certify the figures forming part of this statement that does not come under the purview of his cost audit and consequently the terms of his appointment.



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In such a situation, it is suggested that the cost auditor should obtain a certificate from the management regarding the correctness of items of incomes/expenses that are outside the purview of cost audit and not checked by the cost auditor. The cost auditor should also make note of this fact in his report under "Observations of cost auditor" stating therein that figures in respect of activities forming part of his report and annexures have not been audited by him and that the figures have been provided as certified by the management.

### The rendering or presentation of Para-7 as per costing taxonomy can be made as below:

#### **Name of Company**

#### **Profit Reconciliation (for the company as a whole)**

Particulars	Current Year	Previous Year
<b>Profit for the Audited Product Groups</b>		
<b>Profit for the Un-Audited Product Groups</b>		
Add: Incomes not considered in Cost		
Less: Expenses not considered		
<b>Total</b>		
Add, Overvaluation of closing stock in financial accounts		
Add, Undervaluation of opening stock in financial accounts		
Less, Undervaluation of closing stock in financial accounts		
Less, Overvaluation of opening stock in financial accounts		
<b>Profit as per Financial Accounts</b>		



**Details of Incomes not considered in Cost**

Particulars	Current Year Rs.	Previous Year Rs.
1.		
2.		
3.		
4. (etc.)		
<b>Total</b>		

**Details of Expenses not considered in Cost**

Particulars	Current Year Rs.	Previous Year Rs.
1.		
2.		
3.		
4. (etc.)		
<b>Total</b>		

**I. Para 8 – Value Addition and Distribution of Earnings (for the company as a whole)**

- (a) The element names in this para have been aligned with the nomenclature used in the Revised Schedule VI.
- (b) All figures for the computation of Value Addition and Distribution of Earnings would flow from the audited Profit & Loss Account of the company.
- (c) It is advisable to prepare a statement drawing the figures from the audited Profit & Loss Account showing details of individual elements. The resultant balance in the statement after consideration of all incomes, expenses, Income Tax, Dividend and transfer of undistributed profits to reserves should be equal to zero. This would ensure correctness of the computation.
- (d) All the elements in this para are self-explanatory.
- (e) The Net Revenue from Operations plus Export Incentives plus Other Incomes should be equal to the total revenue of the company as shown in Para 3.



**Export Incentives** – The Government of India provides various incentives & facilities to the exporter. These export incentives and facilities are as follow.

- Duty Drawback (DBK)
- Duty Entitlement Passbook Scheme (DEPB)
- Focus Market Scheme (FMS)
- Focus Product Scheme (FPS).
- Duty Exemption Scheme
- Vishesh Krishi and Gram Udyog Yojna (VKGUY)
- Marketing Development Assistance (MDA)
- Export Promotion Capital Goods Scheme
- Served from India Scheme
- Exchange earner Foreign Currency Account (EEFC Account)

(f) Cost of other bought-out inputs of company would include expenses incurred for purchase of all types of bought out services like Telephone, Postage, Printing & Stationery, Rates & Taxes, Travelling Expenses, Rent, Insurance, Freight, outside conversion charges (if not included in cost of materials and used as input for further processing), audit fees, commission charges, brokerage, discount etc. In other words, Employee Cost and Benefits, Depreciation, Borrowing Costs and other Non-Cost Items of expenses shall not be included here.

**(g) Distribution of Earnings:**

- (i) **Employees as salaries & wages, retirement benefits and others** – This would include all items considered under Employee Benefits Expense in the Profit & Loss Account. Items to be considered shall include salaries, wages, contribution to provident and other funds, contribution to gratuity, other retirement benefits, medical benefits, staff welfare expenses etc.
- (ii) **Shareholders as Dividend** – The proposed dividend, if any, payable to shareholders to be provided here. The dividend would include dividend payable on all types of shares.



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- (iii) **Funds Retained by Company** – This would mean Depreciation and Amortization Expense charged to the Profit & Loss Account during the year and undistributed surplus in Profit & Loss Account transferred to Reserves arising out of the current year profits after payment of tax and dividend.
- (iv) **Government as Taxes** – This would include Income Tax including taxes on dividend (if borne by the company) – both current and deferred, Wealth Tax, difference between Excise Duty Paid and Excise Duty recovered.
- (v) **Other Distribution of Earnings** would include all non-cost expenses available on the face of the Profit and Loss Account, e.g., Loss on sale of capital assets and investments, Loss/gain on forex, bad debts, stores/stocks written off, Demurrage, Fines and Penalties to statutory authorities, prior period expenses etc. Exceptional Items, if any, and Financial Costs considered in Profit & Loss Account would also be included here.
- (vi) **Total Distribution of Earnings** – This is to be computed as sum total of [Employees as salaries & wages, retirement benefits etc. + Shareholders as Dividend + Government as Taxes + Other Distribution of Earnings]. This will be equal to “Earnings available for Distribution” computed above.

**The rendering or presentation of Para-8 as per costing taxonomy can be made as below:**



**Name of Company**

**Value Addition and Distribution of Earnings (for the company as a whole)**

Sl. No.	Particulars	Current Year	Previous Year
	<b><u>Value Addition:</u></b>		
1	Gross Revenue from Operations		
2	Less: Excise and Other Duties		
3	Net Revenue from Operations		
4	Add: Export Incentives		
5	Add/Less: Adjustment in Finished Stocks		
6	Less: Cost of bought out inputs		
	(a) Cost of Materials Consumed		
	(b) Process Materials / Chemicals		
	(c) Consumption of Stores & Spares		
	(d) Utilities (e.g. power & fuel)		
	(e) Cost of Other Bought-Out Inputs		
	Total Cost of bought out inputs		
7	Value Added		
8	Other Incomes of Company		
9	<b>Earnings available for distribution</b>		
	<b><u>Distribution of Earnings to:</u></b>		
1	Employees as salaries & wages, retirement benefits, etc.		
2	Shareholders as dividend		
3	Funds retained by Company		
4	Government as taxes		
5	Other Distributions of Earnings		
	<b>Total distribution of earnings</b>		
<b>Notes to value addition and distribution of earnings [text block]</b>			

**J. Para 9 – Financial Position and Ratio Analysis (for the company as a whole)**

- (a) The element names in this para have been aligned with the nomenclature used in the Revised Schedule VI.



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- (b) All figures for the computation of the Financial Ratios would flow from the audited Profit & Loss Account and Balance Sheet of the company except for cost of production and cost of sales.
- (c) The Profit to be considered for this para is the Profit before Tax of the company.
- (d) The elements have been aligned with the nomenclatures of Revised Schedule VI.
- (e) Capital Employed is defined as average of net fixed assets (excluding intangible assets, effect of revaluation of fixed assets and capital work-in-progress) plus net current assets existing at the beginning and close of the financial year
- (f) Net Worth is defined as Share Capital plus Reserves and Surplus (excluding Revaluation Reserves) less accumulated losses and Intangible Assets.

The computation of individual elements of the para is explained below:

1. **Share Capital:** Subscribed and paid-up shares of any type including amount paid up on forfeited shares, if any.
2. **Reserves and Surplus:** Any reserves and surplus appearing in the Balance Sheet of the company. For computation of Net Worth and Deb-Equity Ratio, only free Reserves to be considered.

These can be Capital reserves, Capital redemption reserves, Securities premium account, Debenture redemption reserve, Revaluation reserve, Revaluation reserve fixed assets, Revaluation reserve investments, Share options outstanding account, Capital reserve consolidation, Employee stock options outstanding, Deferred employee compensation, Other reserves, Subsidy incentive reserve, Restructuring reserve, Amalgamation reserve, Bond redemption reserve, Sinking fund reserve, Contingency reserve, Special reserve, Hedging reserve, General reserve, Other reserves, Other funds, Foreign currency translation reserve

3. **Long-term Borrowings:** Long-Term Borrowings, both secured and unsecured. Other items shown under Non-Current Liabilities such as, Net Deferred Tax Liabilities, Other Long-Term Liabilities and Provisions and Short Term Borrowings reflected under Current Liabilities would not be part of this item. Long Term Borrowings maturing during the period of 12 months and shown under "Current Liabilities" should not be added back to Long Term Borrowings. The Long Term Borrowings shall be as presented in the Schedule to Balance Sheet.





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4. **Gross Tangible Assets:** Gross Tangible Assets would consist of the average Gross Block of the Tangible Assets at the beginning and end of the period under audit. Intangible Assets, Capital work-in-progress, Intangible Assets under Development etc. would not form part of the Gross Fixed Assets represented here. Intangible Assets, Capital work-in-progress and Intangible Assets under Development at their respective Net Book Value at the end of the year would not be a part of Net Fixed Assets reflected here.
5. **Net Tangible Assets:** Net block of Tangible Assets only.
6. **Current assets excluding current investments:** Current Assets consisting of Inventories, Trade Receivables, Cash and Cash equivalents, Short-Term Loans and Advances and Other Current Assets. This item would exclude Current Investments.

In the pre-revised Schedule VI, Investments – both short-term and long-term now termed as current investments and non-current investments – were a separate item reflected in the Balance Sheet as “Investments”. In the context of this statement, Total Current Assets would exclude Current Investments.

7. **Current liabilities excluding short term borrowings:** This would be sum total of Current Liabilities excluding Short-Term Borrowings.
8. **Net Current Assets:** Difference between Current Assets (excluding Current Investments) and Current Liabilities (excluding Short Term Borrowings).
9. **Capital Employed:** Average of net fixed assets (excluding intangible assets, effect of revaluation of fixed assets and capital work-in-progress) plus net current assets existing at the beginning and close of the financial year
10. **Net Worth:** Share Capital plus Reserves and Surplus (excluding Revaluation Reserves) less accumulated losses and Intangible Assets. For computation of Net Worth only free Reserves are to be considered.

While calculating the Net Worth, the funds deployed by the company in Capital Work-in-Progress and Fixed Assets held for sale should not be included. The purpose for calculation of ratios with reference to Net Worth is to measure the operational efficiency of the funds deployed by the company in operations so it would be appropriate if the shareholders’ funds deployed for Non-operational Assets, such as, Capital Work-in-Progress and Fixed Assets held for sale be excluded from the calculation of operational Net Worth.

11. **Cost of production of company:** Cost of production of all the products/activities of the company irrespective of whether these are covered under cost audit or not.



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12. **Cost of sales of company:** Cost of sales of all the products/activities of the company irrespective of whether these are covered under cost audit or not.
13. **Value added of company:** Value added as per statement of Value Addition in Para 8.
14. **Net Revenue from Operations of company:** Net revenue from operations of company as per statement of Value Addition in Para 8 net of any “other operating incomes” that has been credited to arrive at the “cost of production” and “cost of sales”. In other words, Net revenue from operation in this para should not include such other operating incomes that has been adjusted in the cost of production, e.g., scrap sales.
15. **Profit before Tax:** Profit before Tax before adjustment for Exceptional Items as per Profit & Loss Account. The Profit before tax amount reflected here must be equal to the “Profit (Loss) as per Financial Accounts” in Para 7.
16. **Profit before Tax to Capital Employed (%):** Profit before Tax expressed as a percentage of Capital Employed.
17. **Profit before Tax to Net Worth (%):** Profit before Tax expressed as a percentage of Net Worth.
18. **Profit before Tax to Net Revenue from Operations of company (%):** Profit before Tax expressed as a percentage of Net Revenue from Operations.
19. **Profit before Tax to Value Added of company (%):** Profit before Tax expressed as a percentage of Value Added.
20. **Debt Equity Ratio (%):** Long Term Borrowings expressed as a percentage of Shareholders’ Funds. Shareholders’ Funds is Share Capital plus free Reserves & Surplus.
21. **Current Assets to current Liabilities (%):** Current Assets excluding current investments expressed as a percentage of Current Liabilities excluding short-term borrowings.
22. **Value Added to Net Revenue from Operations of company (%):** Value Added expressed as a percentage of Net Revenue from Operations.
23. **Net working capital to cost of sales excluding depreciation of company (in months):** (Average Current Assets – Average Current Liabilities) divided by (Cost of Sales excluding depreciation divided by 12).
24. **Raw materials stock to consumption of company (in months):** Raw material stock divided by (Total Raw Material consumption divided by 12).
25. **Stores and spares stock to consumption of company (in months):** Stores & spares stock divided by (Total Stores & Spares consumption divided by 12).



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26. **Work-in-progress stock to cost of production of company (in months):** Work-in-progress stock divided by (Cost of Production of company divided by 12).

27. **Finished goods stock to cost of sales of company (in months):** Finished goods stock divided by (Cost of sales of company divided by 12).

**The rendering or presentation of Para-9 as per costing taxonomy can be made as below:**

**Name of the Company**

**Financial Position and Ratio Analysis (for the company as a whole)**

Sno.	Particulars	Units	Current Year	Previous Year
<b>A.</b>	<b><u>Financial Position</u></b>			
1	Share Capital			
2	Reserves & Surplus			
3	Long Term Borrowings			
4	(a) Gross Tangible Assets			
	(b) Net Tangible Assets			
5	(a) Current Assets excluding Current Investments			
	(b) Less: Current Liabilities excluding Short Term Borrowings			
	(c) Net Current Assets			
6	Capital Employed			
7	Net Worth			
<b>B.</b>	<b><u>Financial Performance</u></b>			
1	Cost of Production			
2	Cost of Sales			
3	Net Revenue from Operations of Company			
4	Value Added			
5	Profit before Tax (PBT)			
<b>C.</b>	<b><u>Profitability Ratios</u></b>			
1	PBT to Capital Employed (B5/A6)	%		
2	PBT to Net Worth (B5/A7)	%		
3	PBT to Net revenue from Operations (B5/B3)	%		
4	PBT to Value Added (B5/B4)	%		
<b>D.</b>	<b><u>Other Financial Ratios</u></b>			
1	Debt-Equity Ratio	%		
2	Current Assets to Current Liabilities	%		
3	Value Added to Net Revenue from Operations	%		
<b>E.</b>	<b><u>Working Capital Ratios</u></b>			
1	Net Working Capital to Cost of Sales excl. depreciation	Months		



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2	Raw Materials Stock to Consumption	Months		
3	Stores & Spares to Consumption	Months		
4	Work-in-Progress Stock to Cost of Production	Months		
5	Finished Goods Stock to Cost of Sales	Months		
<b>Notes to financial position and ratio analysis [text block]</b>				

### **K. Para 10 – Related Party Transactions (for the company as a whole)**

- (a) The information for this para is to be provided for the company as a whole.
- (b) The information of related party transactions is to be given only for the period under cost audit. Previous year figures are not required to be provided.
- (c) The Companies (Cost Audit Report) Rules 2011 stipulated that related party transactions of every transaction are to be provided. The Costing Taxonomy has now stipulated that only the aggregate quantity and value of product or services is required to be provided when such product or service involve transaction with a related party.
- (d) There is no definition of Related Party provided in the Companies (Cost Audit Report) Rules 2011. In the Cost Audit Report Rules 2001, Related Party was defined in accordance with the definition provided in the Accounting Standard (AS)-18. Related Party for this para would have to be considered according to the definition as provided in Accounting Standard 18 as notified by the Ministry of Corporate Affairs.
- (e) Related party disclosure for the Cost Audit Report Rules is restricted to Sale & Purchase of Goods and Receipt & Rendering of Services only.
- (f) The disclosure requires basis for determination of Normal Price for transactions to be stated. Any of the basis as per section 92C of the Income Tax Act, 1961, viz., (i) Comparable Uncontrolled Price Method, (ii) Resale Price Method, (iii) Cost Plus Method, (iv) Profit Split Method, and (v) Transactional Net Margin Method may be adopted. In case any other method is adopted, the same has to be explained as a part of disclosure requirement.



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- (g) The information in respect of related party transactions is to be aggregated for the Products/ Services and not Product or Activity Group basis. In case of product 8-digit ITC-HS Codes and for Services 8-digit as per NPCS Codes is to be indicated. The lists of 8-digit codes for ITC-HS and National Product Classification for Services (NPCS) have been hosted by the Ministry of Corporate Affairs at its website.
- (h) The Corporate Identity Number/Permanent Account Number/Country of origin is required to be disclosed depending on whether the related party is an Indian Company or an Individual or a Foreign Company respectively.
- (i) Each product transacted will have to be identified with the 8-digit CETA Code.

**The rendering or presentation of Para-10 as per costing taxonomy can be made as below:**



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### Para 10: Related Party Transactions (For the Company as a whole)

Sr. No.	Product/ Service Code	Product/ Service Description	Name of Related Party	Type of Related Party	Identification of related party	Nature of Transaction	Aggregate Quantity	Average Transfer Price	Aggregate Amount of Transaction	Average Normal Price	Difference Between Average Transfer Price & Average Normal Price	Basis Adopted to determine the Normal Price
							(A)	(B)	(A*B)	C	(B-C)	
	Product 8-digit CETA Code or Service Code as per NIC Service Code			Separately for (i) Indian Company (ii) Indian Firm/ Individual (iii) Foreign Company	CIN if Indian Company // PAN if Indian Individual or Firm // Country Location, if Foreign Company or Individual	i. Sale of Product ii. Purchase of Product iii. Services Received iv. Services Rendered						Comparable Uncontrolled Price Method ii. Resale Price Method iii. Cost Plus Method iv. Profit Split Method v. Transactional Net Margin Method vi. Any Other method



**L. Para 11 – Reconciliation of Indirect Taxes (for the company as a whole)**

- (a) This Para is to be prepared for the company as a whole covering excise duty, service tax and VAT (including CST and any other State Tax) for all types of products whether or not covered under cost audit.
- (b) The information of indirect taxes is to be given for current year and no previous year's figures are required.
- (c) The format under para 11 is slightly modified to suit the requirement of taxonomy and furnish the details correctly.
- (d) CST and Other State Taxes have been added in the costing taxonomy to show the details relating to them also.
- (e) Assessable Value relating to all types of taxes should be taken from the respective Returns submitted with the tax authorities. For example, assessable value for excise duty should be taken from RT 12 (now ER-1), the gross amount (assessable value) for service tax should be taken as gross value of services as mentioned in ST-3 (under section 70 of Finance Act 1994).
- (f) The duties and taxes Payable is based on clearances of goods and services against the respective heads.
- (g) Duties / Taxes Paid include CENVAT/ VAT Credit utilized on inputs, capital goods, input services and other utilization, if any.
- (h) Taxes paid through PLA/ Cash refer to the payment of Excise Duty, Service Tax, Cess & Others and VAT through debit in PLA account or deposit in to the PLA account or payment in to the bank account by way of cheque or cash through the GAR-7 Challan or the Challan for making the payment of VAT.
- (i) Duties /Taxes Recovered should be taken from Books of Account of the company. It is necessary that the gross turnover or the gross billings should be duly accounted under various heads such as net sales, excise duty, sales tax, service tax, etc.



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(j) Difference between duties / taxes paid and recovered refer to the amount of total duties/ taxes paid and recovered. This may not match due to the following reasons –

- Excise duty element in stock of excise duty paid goods at depots, branches, and warehouse or with C & F agents.
- The goods lying at depots, etc. are duty paid goods which have not been sold to the customer. Hence, the duty has not been recovered from the customers.
- Excise duty/ sales tax paid on free issues, samples, where the taxes are not recovered from customers.
- Excise Duty paid on inter factory transfers.
- Excise Duty paid on the goods captively consumed.
- Excise duty / sales tax / service tax /cess and other payments arising out of Order-in-Original or Order-in-Appeal, etc.

(k) The fines, penalties, interest etc. are not a payment of Excise Duty, Service Tax, Cess & Others and VAT. However, sometimes it is paid through PLA or Cash (deposit in to the bank account by way of cheque or cash through Challan) under the separate code as specified in the Challan. In these circumstances, the amount should be identified and shown separately. This amount can be tallied from Monthly ER-1 Return (Excise), Annual Financial Information Statement in ER-4 (Excise), Half Yearly ST-3 Return (Service Tax) and Monthly / Annual VAT return.

**The rendering or presentation of Para-11 as per costing taxonomy can be made as below:**

**Name of the Company**

**Reconciliation of Indirect Taxes**

	Particulars	Assessable Value	Excise Duty	Service Tax	Cess & Others	VAT / CST
		Rs. Lakhs	Rs.	Rs.	Rs.	Rs.
	<b>Duties/Taxes Payable</b>					
	<b>Excise Duty</b>					
1	Domestic					
2	Export					
3	Stock Transfers (Net)					
4	Others					
5	Total Excise Duty (1 to 4)					
6	Service Tax					





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7	VAT / CST					
8	Other State Taxes if any					
9	<b>Total Duties / Taxes Payable (5 to 8)</b>					
	<b>Duties/Taxes Paid</b>					
10	Cenvat/VAT Credit Utilised - Inputs					
11	Cenvat/VAT Credit Utilised - Capital Goods					
12	Cenvat/VAT Credit Utilised - Input Services					
13	Cenvat/VAT Credit Utilised - Others					
14	Total (10 to 13)					
15	Paid through PLA/Cash					
16	Total Duties/Taxes Paid (14 + 15)					
17	Duties/Taxes Recovered					
18	Difference between Duties/Taxes Paid and Recovered					
19	Interest/Penalty/Fines Paid					

**Note: Shaded cells will not have any figures.**

### 7.0 Costing Taxonomy for Compliance Report

The Companies (Cost Accounting Records) Rules 2011 as well as the 6 Regulated Industries cost accounting records rules notified by the MCA contained the Compliance Report format and Annexure to the Compliance Report. A number of information was contained in the e-Form for filing of the Compliance Report. In the Costing Taxonomy for Compliance Report, the information contained under “General Information” in the e-form has been merged and the entire information has now been made a part of the information required to be filed in the Compliance Report. The explanation of each of the elements is provided below.

#### General information

- Corporate identity number or foreign company registration number:** Provide valid CIN/FCRN Number of the Company which should be same as per MCA Database. This is a mandatory field.
- Name of company:** Enter the name of the Company which should be based on CIN or FCRN as applicable and as per MCA Database. This is a mandatory field.



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3. **Address of registered office or of principal place of business in India of company:** Enter registered office address. In case of a foreign company, enter address of principal place of business as per MCA Database. This is a mandatory field.
4. **Address of corporate office of company:** Enter corporate office address. In case it is the same as registered office, enter registered office address as per MCA Database. This is a mandatory field.
5. **Email address of company:** Enter email address of the company as per MCA Database. This is a mandatory field.
6. **Date of start of reporting period:** Enter date of start of reporting period. The format would depend on the tool being used. 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. This is a mandatory field.
7. **Date of end of reporting period:** Enter date of end of reporting period. The format would depend on the 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. This is a mandatory field.
8. **Level of rounding used in cost statements:** Enter level of rounding off used for the 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. This is a mandatory field.
9. **Reporting currency of entity:** The currency of reporting is INR. This is a mandatory field.
10. **Date of board of directors meeting in which annexure to compliance report was approved:** Enter date of meeting of Board of Directors approving the annexure to compliance report. This is a mandatory field.

Please note that no separate approval from the Board is required for the Instance document of the Compliance Report since the data/information contained in the Instance document would already have been approved by the Board of Directors. However, if the data & other information as given in the Instance document differ from



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that approved by the Board, then it is advisable to get fresh approval of the revised the Compliance Report unless the Board while according approval had authorized any officer of the company to make modifications as required in the XBRL document.

11. **Nature of Employment of cost accountant:** Enter whether the cost accountant is in employment or in practice. If the cost accountant is in practice, items 12 and 13 are mandatory fields.
12. **Category of cost accountant:** Enter 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. This is a mandatory field.
13. **Firm's registration number:** Enter registration number of the firm allotted by the Institute of Cost Accountants of India. This is a mandatory field. **[Members are advised to check the Firm Registration Number allotted to them from the portal of the Institute and enter the correct number. In case of Partnership Firms the Firm Registration number starts with "0" and in case of individuals or sole proprietors the number starts with "1". The Firm registration number is different from the Membership Number of individual members irrespective of whether the cost auditor is a Partnership Firm or a Sole Proprietor or Individual].**
14. **Name of cost accountant or cost accountant's firm who has certified compliance report of company:** Enter 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. This is a mandatory field.
15. **Permanent account number of cost accountant or cost accountant's firm:** Provide PAN of firm in case the cost accountant is a partner in 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. This is a mandatory field.
16. **Address of cost accountant or cost accountant's firm:** Enter address of the firm as registered with the Institute of Cost Accountants of India. This is a mandatory field.
17. **Email id of cost accountant or cost accountant's firm:** Enter email id of the firm. This is a mandatory field.
18. **Membership number of member signing report:** Enter 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, enter membership



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number of the person signing the report. It should be a valid membership number as per the Institute of Cost Accountants of India database. This is a mandatory field.

19. **Name of member signing report:** Enter name of the member signing the report. The name should be entered as appearing in the database of the Institute of Cost Accountants of India. This is a mandatory field.
20. **Date of signing compliance report by cost accountant:** Enter 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.
20. **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.



### Annexure to Compliance Report

#### Quantitative Information

1. **Name of product or activity group:** Enter name of product/activity group as per MCA Product Group classification. This is a mandatory field.
2. **Product or activity group code:** Enter product/activity group code as per MCA Product Group classification. This is a mandatory field.
3. **Unit of Measurement:** Enter Unit of Measurement of the Product or Activity Group.
4. **Quantity produced of product or activity group:** Enter the Production quantity of the Product Group.
5. **Quantity sold of product or activity group:** Enter the Sales quantity of the Product Group.
6. **Net operational revenue of product or activity group:** Enter net operational revenue of the product/activity group as per the audited financial accounts of the company.
7. **Whether product or activity group covered under cost audit:** Enter YES/NO against each product group code. This is a mandatory field.
8. **Other incomes of company:** Enter other incomes of the company as a whole as per audited annual accounts. This is a mandatory field.
9. **Total revenue as per financial accounts:** Sum of Net Operational Revenue and Other Incomes of the company. This figure should be equal to the Net Revenue of the company as per audited annual accounts. This is a mandatory field.

Note: Under the Revised Schedule VI, 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/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 required to be shown as a part of total Revenue of the company to reconcile with the total revenue of the company as per



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audited annual accounts. In such cases, “Other Operating Revenues” that cannot be directly linked to a product/activity group, such items are to be shown against Product Group Code **“4100 – Ancillary Products not elsewhere specified”**.

The Para can be presented in the following format:



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### QUANTITATIVE INFORMATION

Year ended \_\_\_\_\_

Product Group Name	Product Group Code	UOM	Whether or not Covered in Cost Audit Yes/ No	Actual Production	Net Operational Revenue	
					Quantity Units	Value Amount
<b>Total</b>						
<b>Other Incomes</b>						
<b>Total Income as per Audited Annual Report</b>						

### Reconciliation Statement (for the company as a whole)

- (a) The profit reconciliation statement is for the company as a whole. The previous year figures are not required to be provided.
- (b) Link tables have been provided for “Amount of incomes not considered in cost accounts” and “Amount of expenses not considered in cost accounts”.
- (c) **Profit or Loss from Product or Activity Groups under Cost Audit:** Enter Profit before Tax, Exceptional & Extra Ordinary Items. This is mandatory if yes is selected in 'Whether product or activity group covered under cost audit' in the Quantitative information.
- (d) **Profit or Loss as Per Cost Accounts:** This is mandatory field.
- (e) **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
- (f) **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





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- (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
- (g) Profit or Loss as per Financial Accounts:** This is mandatory field. The Profit or Loss is amount of Profit/Loss before Tax as per financial accounts.



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**The rendering or presentation of the reconciliation Statement as per costing taxonomy can be made as below:**

**Name of Company**

**Reconciliation Statement (for the company as a whole)**

Particulars	Current Year Rs. Lakhs
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	
<b>Total profit (loss) as per cost accounts</b>	
Add: Amount of incomes not considered in cost accounts	
Less: Amount of expenses not considered in cost accounts	
<b>Total</b>	
Difference in stock valuation as per cost and financial records	
<b>Profit (loss) as per financial accounts</b>	

**Details of Amount of incomes not considered in cost accounts**

Particulars	Current Year Rs. Lakhs
1.	
2.	
3.	
4. (etc.)	
<b>Total</b>	

**Details of Amount of expenses not considered in cost accounts**

Particulars	Current Year Rs. Lakhs
1.	
2.	
3.	
4. (etc.)	
<b>Total</b>	



**Appendix - A**

**8.0 FAQs**

<b>S.No.</b>	<b>Description</b>
8.1	General FAQs
8.2	Stakeholder FAQs



### 8.1 General FAQs

#### 1. What is XBRL?

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.

#### 2. What are the potential uses of XBRL?

XBRL can be applied to a very wide range of business applications including financial and cost data. XBRL has applications in the following areas:-

- Reporting for internal and external purposes by an entity involving financial and costing data/information.
- Business reporting to all types of regulators, including tax and financial authorities, central banks and governments.
- Filing of loan reports and applications; credit risk assessments.
- Exchange of information between government departments, institutions and banks.

#### 3. Who can benefit from using XBRL?

All types of organisations can make use of XBRL to automate their process of data collection and distribution to various stakeholders. It helps in saving costs and improving the efficiency in managing business information – financial or cost. XBRL, being extensible and flexible, can be adapted to a wide variety of requirements. All stakeholders whether they are preparers, transmitters or users of business data in the financial information supply chain can benefit from the use of XBRL.

#### 4. What is the future of XBRL?

XBRL has a bright future ahead of it that goes way beyond the current focus on regulatory reporting and compliance. Businesses that are now creating XBRL filings for



regulatory bodies should be thinking about how they can leverage their investment in understanding and using XBRL to drive more consistent and comparable internal reporting. By tagging data at the account/transaction level, by investigating how XBRL can help to deliver new holistic reports that integrate and connect financial and non-financial data, and by leveraging emerging online XBRL data streams for better industry performance and peer group analytics, every business can power its own journey towards financial transformation.

### 5. Who developed XBRL?

The Extensible Business Reporting Language (XBRL) is managed and promoted by XBRL International, a not-for-profit consortium, with companies, government bodies and other organizations as its members. Currently over 600 organizations are associated with XBRL International. It is comprised of jurisdictions, which represent countries, regions or international bodies and which focus on the progress of XBRL in their area.

### 6. What is the 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.

### 7. What is 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.

### 8. Where can I find the Costing Taxonomy and related Business Rules?

The Costing Taxonomy and related Business Rules including sample instance documents can be downloaded from the website of MCA (<http://mca.gov.in>). The specific links are as follows:

#### Costing Taxonomy –

[http://www.mca.gov.in/Ministry/pdf/Costing\\_Taxonomy\\_2012-11-22\\_v1.0.zip](http://www.mca.gov.in/Ministry/pdf/Costing_Taxonomy_2012-11-22_v1.0.zip)

#### Business Rules –

[http://www.mca.gov.in/Ministry/pdf/Revised\\_Business\\_Rules\\_Updated\\_XBRL\\_Costing\\_29.11.2012.zip](http://www.mca.gov.in/Ministry/pdf/Revised_Business_Rules_Updated_XBRL_Costing_29.11.2012.zip)



**9. What are the contents of the excel sheets provided with the Costing Taxonomy?**

The excel sheets are for reference and easy understanding of various components of taxonomy in a human readable form. The excel workbook contains the following worksheets:-

- I. **Elements:** This worksheet contains all the concepts that form the costing taxonomy. The concepts are defined as elements/tags along with their characteristics such as data type, balance type, Nillable etc. e.g. cost of sales of product or activity group is an element defined as:

Characteristic	Property	Meaning
Element Name	CostofSalesofProductorActivityGroup	Name of the Element / Tag
Preferred Label	Cost of sales of product or activity group	Label that would appear in the rendered report
Label Role	Standard label	It is a standard label
Abstract	False	Abstract is False implies element can be used to tag data. Abstract set to True indicates that the element is only used in a hierarchy to group related elements together and cannot be used to tag data in an instance document.
Data Type	Monetary Item Type	It is monetary data type
Balance Type	Debit	The balance is debit balance
Period	Duration	The concept is reported for the period (financial year)
Substitution Group	Item	This tells whether the element is item, tuple, hypercube or dimension.
Nillable	True	Nillable set to true means the element can take empty values. If set to False it would means that the element in the instance should have non empty value.



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m. **Labels:** This worksheet contains the 491 nos. of labels to be used as preferred labels in the final presentation (rendering) of the report in human readable format. A screenshot of the labels is given below:

#	ElementName	LabelLang	LabelValue	Role
1	AbridgedCostStatementOfProductOrActivityGroupAbstract	en	Abridged cost statement of product or activity group [abstract]	standard label
2	ActualProductionOfProductOrActivityGroupAbstract	en	Actual production of product or activity group [abstract]	standard label
3	ActualProductionQuantity	en	Actual production quantity	standard label
4	ActualSalesOfProductOrActivityGroupAbstract	en	Actual sales of product or activity group [abstract]	standard label
5	AddressOfCorporateOfficeOfCompany	en	Address of corporate office of company	standard label
6	AddressOfCostAccountantOrCostAccountantsFirm	en	Address of cost accountant or cost accountant's firm	standard label
7	AddressOfCostAuditorOrCostAuditorsFirm	en	Address of cost auditor or cost auditors firm	standard label
8	AddressOfRegisteredOfficeOrOfPrincipalPlaceOfBusinessInIndia	en	Address of registered office or of principal place of business in India of company	standard label
9	AdjustmentsInWorkInProgressAndFinishedStocksOfCompany	en	Adjustments in work-in-progress and finished stocks of company	standard label
10	AggregateAmountOfTransaction	en	Aggregate amount of transaction	standard label
11	AggregateQuantityOfRelatedPartyTransaction	en	Aggregate quantity of related party transaction	standard label
12	AmountOfExpensesNotConsideredInCostAccounts	en	Amount of expenses not considered in cost accounts	standard label
13	AmountOfIncomesNotConsideredInCostAccounts	en	Amount of incomes not considered in cost accounts	standard label
14	AmountOfMarginAsPerCostAccounts	en	Amount of margin as per cost accounts	standard label
15	AssessableValueMember	en	Assessable value [member]	standard label
16	AssessableValueMember	en	Assessable value (AV) is the "value" on which duty is payable as a percentage of the value	documentation
17	AvailableCapacityOfProductOrActivityGroup	en	Available capacity of product or activity group	standard label
18	AvailableCapacityOfProductOrActivityGroupAbstract	en	Available capacity of product or activity group [abstract]	standard label
19	AvailableQuantityForSaleOfProductOrActivityGroup	en	Available quantity for sale of product or activity group	standard label
20	AverageNormalPriceOfRelatedPartyTransaction	en	Average normal price of related party transaction	standard label
21	AverageTransferPriceOfRelatedPartyTransaction	en	Average transfer price of related party transaction	standard label

n. **References:** This worksheet contains the relationships between elements and the references of the elements defined by authoritative literature. The reference parts used are listed below:

Reference part	Use
Name	CAS
Publisher	Institute of Cost Accountants of India
Section	Title of sections of standard or interpretation
Paragraph	Paragraph (number) in the standard
Subparagraph	Subparagraph (number) of a paragraph

An illustration is given below:

#	Prefix	Standard Label	Element Name	Publisher	Name	Section	Paragraph
56	in-cost	Sales of product or activity group	SalesOfProductOrActivityGroup	MCA	Cost Audit Report Rules	Annexure to Form II	4
57	in-cost	Self manufactured quantity	SelfManufacturedQuantity	MCA	Cost Audit Report Rules	Annexure to Form II	4

o. **Extended Link Cost Audit Report:** This worksheet contains the Extended Link Role definitions contained in the Cost Audit Report. Extended Link Roles represents a set of relationships between concepts and are the logical grouping of elements.



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The extended links are then used in link bases to build the relationships. The list of extended link roles in the Cost Audit Report are:

#	Extended Link Role definition	Used On
1	[100100] General information	presentationLinkbaseRef
2	[100300] Cost audit report (Form-II)	presentationLinkbaseRef , definitionLinkbaseRef
3	[100310] Cost accounting policy	presentationLinkbaseRef
4	[100320] Product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
5	[100330] Quantitative information of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
6	[100340] Abridged cost statement of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
7	[100340a] Abridged cost statement-Details of material consumed	presentationLinkbaseRef , definitionLinkbaseRef
8	[100340b] Abridged cost statement-Details of utilities	presentationLinkbaseRef , definitionLinkbaseRef
9	[100340c] Abridged cost statement-Details of industry specific operations	presentationLinkbaseRef , definitionLinkbaseRef
10	[100350] Operating ratio analysis of product or activity group	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
11	[100360] Profit reconciliation	presentationLinkbaseRef , calculationLinkbaseRef
12	[100360a] Profit reconciliation-Details of incomes not considered	presentationLinkbaseRef , definitionLinkbaseRef
13	[100360b] Profit reconciliation-Details of expenses not considered	presentationLinkbaseRef , definitionLinkbaseRef
14	[100370] Value addition and distribution of earnings	presentationLinkbaseRef , calculationLinkbaseRef
15	[100400] Financial position and ratio analysis	presentationLinkbaseRef , calculationLinkbaseRef
16	[100410] Related party transactions	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
17	[100420] Reconciliation of indirect taxes	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
18	[100421] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
19	[100421a] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
20	[100421b] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
21	[100421c] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
22	[100421d] Reconciliation of indirect taxes/not-all	definitionLinkbaseRef
23	[900000] Typed default	definitionLinkbaseRef
24	[910000] Axis-Defaults	definitionLinkbaseRef
25		
26		

- p. **Presentation Cost Audit Report:** This worksheet defines the structure of the Cost Audit Report for displaying the data along with preferred label attribute and the specific order in which they appear. This enables the taxonomy users to view the representation of elements in the human readable format. The illustration below shows the presentation of Product or Activity Group Details (Para 3 of the Annexure to Cost Audit Report):

#	Prefix	Preferred Label	Element Name	Label Role	Order
80	ELR	[100320] Product or activity group			
81	in-cost	Product or activity group [abstract]	ProductOrActivityGroupAbstract	standard label	
82	in-cost	Details of product or activity group [abstract]	DetailsOfProductOrActivityGroupAbstract	standard label	1
83	in-cost	Product or activity group [table]	ProductOrActivityGroupTable	standard label	1
84	in-cost	Identification of product or activity group [axis]	IdentificationOfProductOrActivityGroupAxis	standard label	1
85	in-cost	Whether previous year figures are reported	WhetherPreviousYearFiguresAreReported	standard label	2
86	in-cost	Details for not reporting previous year figures [text block]	DetailsForNotReportingPreviousYearFiguresExplanatory	standard label	3
87	in-cost	General information of product or activity group [abstract]	GeneralInformationOfProductOrActivityGroupAbstract	standard label	4
88	in-cost	Name of product or activity group	NameOfProductOrActivityGroup	standard label	1
89	in-cost	Product or activity group code	ProductOrActivityGroupCode	standard label	2
90	in-cost	Four digit CETA chapter headings included in product or activity group	FourDigitCETAChapterHeadingsIncludedInProductOrActivityGroup	standard label	3
91	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	standard label	4
92	in-cost	Whether product or activity group covered under cost audit	WhetherProductOrActivityGroupCoveredUnderCostAudit	standard label	5
93	in-cost	Other incomes of company	OtherIncomesOfCompany	standard label	2
94	in-cost	Total revenue as per financial accounts	TotalRevenueAsPerFinancialAccounts	standard label	3
95	in-cost	Notes to product or activity group [text block]	NotesToProductOrActivityGroupExplanatory	standard label	4

- q. **Calculation Cost Audit Report:** This worksheet contains the Additive relationships between numeric items expressed as parent-child hierarchies in the Cost Audit Report. Each calculation child has a weight attribute (+1 or -1) based upon the natural balance of the parent and child items. Illustration below represents the calculation view of the Value addition and distribution of earnings of the Annexure to Cost Audit Report (Para 8):





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1	Prefix	Standard Label	Element Name	Order	Weight
131	ELR	[100370] Value addition and distribution of earnings			
132	in-cost	Distribution of earnings	DistributionOfEarnings		
133	in-cost	To employees as salaries, wages, retirement benefits and others	ToEmployeesAsSalariesWagesRetirementBenefitsAndOthers	1	1
134	in-cost	To shareholders as dividend	ToShareholdersAsDividend	2	1
135	in-cost	Funds retained by company	FundsRetainedByCompany	3	1
136	in-cost	To government as taxes	ToGovernmentAsTaxes	4	1
137	in-cost	Other distribution of earnings	OtherDistributionOfEarnings	5	1
138	in-cost	Earnings available for distribution	EarningsAvailableForDistribution		
139	in-cost	Other incomes of company	OtherIncomesOfCompany	1	1
140	in-cost	Value added of company	ValueAddedOfCompany	2	1
141	in-cost	Net revenue from operations of company for value addition	NetRevenueFromOperationsOfCompanyForValueAddition	1	1
142	in-cost	Gross revenue from operations of company	GrossRevenueFromOperationsOfCompany	1	1
143	in-cost	Excise and other duties of company	ExciseAndOtherDutiesOfCompany	2	-1
144	in-cost	Export incentives of company	ExportIncentivesOfCompany	2	1
145	in-cost	Adjustments in work-in-progress and finished stocks of company	AdjustmentsInWorkInProgressAndFinishedStocksOfCompany	3	1
146	in-cost	Cost of bought out inputs of company	CostOfBoughtOutInputsOfCompany	4	-1
147	in-cost	Cost of materials consumed of company	CostOfMaterialsConsumedOfCompany	1	1
148	in-cost	Cost of process materials or chemicals of company	CostOfProcessMaterialsOrChemicalsOfCompany	2	1
149	in-cost	Cost of stores and spares consumed of company	CostOfStoresAndSparesConsumedOfCompany	3	1
150	in-cost	Cost of utilities of company	CostOfUtilitiesOfCompany	4	1
151	in-cost	Cost of other bought out inputs of company	CostOfOtherBoughtOutInputsOfCompany	5	1

- r. **Definition Cost Audit Report:** It is used to express the dimensional relationship between elements of the Costing Taxonomy for the Cost Audit Report. An illustration of the definition linkbase for the Cost Audit Report showing elements of the Product or Activity Group Details is given below:

1	Prefix	Standard Label	Element Name	Order	Context Element	Closed
43	ELR	[100320] Product or activity group				
44	in-cost	Product or activity group [abstract]	ProductOrActivityGroupAbstract			
45	in-cost	Details of product or activity group [abstract]	DetailsOfProductOrActivityGroupAbstract	1		
46	in-cost	Product or activity group [table]	ProductOrActivityGroupTable	1	scenario	TRUE
47	in-cost	Identification of product or activity group [axis]	IdentificationOfProductOrActivityGroupAxis	1		
48	in-cost	Whether previous year figures are reported	WhetherPreviousYearFiguresAreReported	2		
49	in-cost	Details for not reporting previous year figures [text block]	DetailsForNotReportingPreviousYearFiguresExplanatory	3		
50	in-cost	General information of product or activity group [abstract]	GeneralInformationOfProductOrActivityGroupAbstract	4		
51	in-cost	Name of product or activity group	NameOfProductOrActivityGroup	1		
52	in-cost	Product or activity group code	ProductOrActivityGroupCode	2		
53	in-cost	Four digit CETA chapter headings included in product or activity group	FourDigitCETAChapterHeadingsIncludedInProductOrActivity	3		
54	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	4		
55	in-cost	Whether product or activity group covered under cost audit	WhetherProductOrActivityGroupCoveredUnderCostAudit	5		

- s. **Extended Link Compliance Report:** This worksheet contain the Extended Link Role definitions contained in the Compliance Report. Extended Link Roles represents a set of relationships between concepts and are the logical grouping of elements. The extended links are then used in link bases to build the relationships. The list of extended link roles in the Compliance Report are:

1	#	Extended Link Role definition	Used On
2	1	[200100] General information compliance	presentationLinkbaseRef
3	2	[200300] Quantitative information	presentationLinkbaseRef , calculationLinkbaseRef , definitionLinkbaseRef
4	3	[200400] Reconciliation statement	presentationLinkbaseRef , calculationLinkbaseRef
5	4	[200400a] Reconciliation statement-Details of incor	presentationLinkbaseRef , definitionLinkbaseRef
6	5	[200400b] Reconciliation statement-Details of expe	presentationLinkbaseRef , definitionLinkbaseRef
7	6	[200500] Compliance report (Form B)	presentationLinkbaseRef
8	7	[990000] Typed default	definitionLinkbaseRef

- t. **Presentation Compliance:** This worksheet defines the structure of the Compliance Report for displaying the data along with preferred label attribute and the specific order in which they appear. This enables the taxonomy users to view the representation of elements in the human readable format. The illustration below



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shows the presentation of Quantitative Information (Para 2 of the Annexure to Compliance Report):

1	Prefix	Preferred Label	Element Name	Label Role	Order
30	ELR	[200300] Quantitative information			
31	in-cost	Quantitative information [abstract]	QuantitativeInformationAbstract	standard label	
32	in-cost	Details of product or activity group [abstract]	DetailsOfProductOrActivityGroupAbstract	standard label	1
33	in-cost	Product or activity group [table]	ProductOrActivityGroupTable	standard label	1
34	in-cost	Identification of product or activity group [axis]	IdentificationOfProductOrActivityGroupAxis	standard label	1
35	in-cost	General information of product or activity [abstract]	GeneralInformationOfProductOrActivityAbstract	standard label	2
36	in-cost	Name of product or activity group	NameOfProductOrActivityGroup	standard label	1
37	in-cost	Product or activity group code	ProductOrActivityGroupCode	standard label	2
38	in-cost	Unit of measurement for product or activity group	UnitOfMeasurementForProductOrActivityGroup	standard label	3
39	in-cost	Quantity produced of product or activity group	QuantityProducedOfProductOrActivityGroup	standard label	4
40	in-cost	Net operational revenue of product or activity group [abstract]	NetOperationalRevenueOfProductOrActivityGroupAbstract	standard label	3
41	in-cost	Quantity sold of product or activity group	QuantitySoldOfProductOrActivityGroup	standard label	1
42	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	standard label	2
43	in-cost	Whether product or activity group covered under cost audit	WhetherProductOrActivityGroupCoveredUnderCostAudit	standard label	4
44	in-cost	Other incomes of company	OtherIncomesOfCompany	standard label	2
45	in-cost	Total revenue as per financial accounts	TotalRevenueAsPerFinancialAccounts	standard label	3

u. **Calculation Compliance Report:** This worksheet contains the Additive relationships between numeric items expressed as parent-child hierarchies in the Compliance Report. Each calculation child has a weight attribute (+1 or -1) based upon the natural balance of the parent and child items. Illustration below represents the calculation view of the Quantitative Information and Reconciliation Statement of the Annexure to Compliance report:

1	Prefix	Standard Label	Element Name	Order	Weight
2					
3	ELR	[200300] Quantitative information			
4	in-cost	Total revenue as per financial accounts	TotalRevenueAsPerFinancialAccounts		
5	in-cost	Other incomes of company	OtherIncomesOfCompany	1	1
6	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	2	1
7					
8	ELR	[200400] Reconciliation statement			
9	in-cost	Profit (loss) as per financial accounts	ProfitLossAsPerFinancialAccounts		
10	in-cost	Profit (loss) as per cost accounts	ProfitLossAsPerCostAccounts	1	1
11	in-cost	Profit (loss) from product or activity groups covered under cost audit	ProfitLossFromProductOrActivityGroupsUnderCostAudit	1	1
12	in-cost	Profit (loss) from product or activity groups covered under cost accou	ProfitLossFromProductOrActivityGroupsCoveredUnderCostAcc	2	1
13	in-cost	Profit (loss) from activities not covered under cost accounting record	ProfitLossFromActivitiesNotCoveredUnderCostAccountingRecc	3	1
14	in-cost	Difference in stock valuation as per cost and financial records	DifferenceInStockValuationAsPerCostAndFinancialRecords	2	1
15	in-cost	Amount of incomes not considered in cost accounts	AmountOfIncomesNotConsideredInCostAccounts	3	1
16	in-cost	Amount of expenses not considered in cost accounts	AmountOfExpensesNotConsideredInCostAccounts	4	-1
17					

v. **Definition Compliance Report:** It is used to express the dimensional relationship between elements of the Costing Taxonomy for the Cost Audit Report. An illustration of the definition linkbase for the Compliance Report showing elements of the Quantitative Information (Para 2) is given below:

1	Prefix	Standard Label	Element Name	Order	Context Element	Closed
2						
3	ELR	[200300] Quantitative information				
4	in-cost	Quantitative information [abstract]	QuantitativeInformationAbstract			
5	in-cost	Details of product or activity group [abstract]	DetailsOfProductOrActivityGroupAbstract	1		
6	in-cost	Product or activity group [table]	ProductOrActivityGroupTable	1	scenario	TRUE
7	in-cost	Identification of product or activity group [axis]	IdentificationOfProductOrActivityGroupAxis	1		
8	in-cost	General information of product or activity [abstract]	GeneralInformationOfProductOrActivityAbstract	2		
9	in-cost	Name of product or activity group	NameOfProductOrActivityGroup	1		
10	in-cost	Product or activity group code	ProductOrActivityGroupCode	2		
11	in-cost	Unit of measurement for product or activity group	UnitOfMeasurementForProductOrActivityGroup	3		
12	in-cost	Quantity produced of product or activity group	QuantityProducedOfProductOrActivityGroup	4		
13	in-cost	Net operational revenue of product or activity group [abstract]	NetOperationalRevenueOfProductOrActivityGroupAbstract	3		
14	in-cost	Quantity sold of product or activity group	QuantitySoldOfProductOrActivityGroup	1		
15	in-cost	Net operational revenue of product or activity group	NetOperationalRevenueOfProductOrActivityGroup	2		
16	in-cost	Whether product or activity group covered under cost audit	WhetherProductOrActivityGroupCoveredUnderCostAudit	4		
17						



### 10. What is the use of other files given in xml / xsd format along with the taxonomy?

Taxonomy file has extensions of XML and XSD. An XBRL processor (computer software that understands and/or manipulates XBRL documents) will need those XML and XSD documents.

### 11. How and where can a person interested in filing cost audit report and compliance report in XBRL format take training for the same?

The Institute of Cost Accountants of India has been organizing XBRL training programmes across the country to familiarize interested professionals with the Costing Taxonomy. The details of the programmes are available on the website of the Institute ([www.icwai.org](http://www.icwai.org)) as well the website of MCA ([www.mca.gov.in](http://www.mca.gov.in)).

### 12. How can the cost audit report and compliance report is converted into the XBRL format?

XBRL is an open source technology. Any of the following methods can be adopted to create the instance document required for filing of the respective reports.

- 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 necessary document.
- Various elements of Cost Audit Report and 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.

### 13. Does preparing XBRL Documents mean that the entire report has to be typed (Data Entry) in XBRL?

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. The softwares developed by individual vendors being different, some may require data entry to be done, while some others may facilitate tagging on the document itself.



**14. Is the XBRL software required to be purchased from a software vendor or MCA will provide the software. Which agency should I approach to get the XBRL software?**

XBRL instance document creation 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. MCA is not recommending any specific XBRL software.

There are several software vendors in the market, who are in the business of developing XBRL software tools. The users are free to choose the one that suits their requirements in order to create XBRL documents for filing.

**15. What is the purpose of the Final Costing Taxonomy and the Business Rules?**

The final costing taxonomy published by MCA is to be used for mapping of individual cost elements of the company to the Taxonomy. The Business Rules of the Costing Taxonomy published by the MCA 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.

**16. What process is to be followed to file the reports in XBRL Format?**

Ministry of Corporate Affairs has given the Filing Manual that can be downloaded from the following link:

[http://www.mca.gov.in/Ministry/pdf/XBRL\\_Filing%20manual\\_Costing%201.0.pdf](http://www.mca.gov.in/Ministry/pdf/XBRL_Filing%20manual_Costing%201.0.pdf)

The following steps have to be followed in sequence:

- 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.

**17. Is it necessary to convert the instance document (xml) into a human readable / pdf format?**



Though technically, it is not required to convert the xml instance document into human readable / pdf format, it is advisable to generate a human readable format of the instance document to ensure its correctness by matching with relevant Cost Audit Report or Compliance Report prepared by the Cost Auditor/Accountant before it is uploaded.

**18. Whether it is required to validate the instance document created before uploading the same on MCA portal?**

Yes, validating the instance document is a pre requisite before filing the Cost Audit Report and Compliance Report on MCA portal. A tool has been provided on the MCA portal for validating the generated XBRL instance document. You are required to download the tool from the portal and validate the instance document before uploading the same. The MCA XBRL validation tool can be downloaded from the XBRL website of the Ministry of Corporate Affairs from the following link:

[http://xbrltool.mca.gov.in/XBRL/XBRL\\_TOOL/MCAXBRLCostingTaxonomy\\_ValidationTool\\_Version1.0.zip](http://xbrltool.mca.gov.in/XBRL/XBRL_TOOL/MCAXBRLCostingTaxonomy_ValidationTool_Version1.0.zip)

**19. Will extension to the taxonomy be allowed based on company specific requirements?**

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

**20. When we are filing Cost Audit Report/ Compliance in XBRL format, then whether the previous Form-I and Form-A are still in existence or not?**

Previous forms are no longer in existence. Only the new forms I-XBRL and A-XBRL are to be used for filing of Cost Audit Report and Compliance Report respectively in the XBRL format.



### 8.2 Stakeholder's FAQs

#### Filing Related

**1. Which companies are required to file Cost Audit Report and Compliance Report in XBRL format and what is the authority for the same?**

Ministry of Corporate Affairs has mandated filing of the Cost Audit Report and Compliance Report from the financial year 2011-12 onwards (including overdue reports relating to any previous year) by all cost auditors and companies concerned by using the XBRL taxonomy. MCA vide Circular No. 18/2012 dated July 26, 2012, has extended the last date of filing of cost audit reports and compliance reports with the Central Government in XBRL format up to December 31, 2012. The relevant General Circular No. 8/2012 dated 10.5.2012 [as amended on 29.6.2012] and No. 18/2012 dated 26.7.2012 issued by MCA can be accessed from the following link:

[http://www.mca.gov.in/Ministry/companies\\_act.html](http://www.mca.gov.in/Ministry/companies_act.html).

**2. Which companies are not required to file the Cost Audit Report?**

All such companies that are **NOT** covered under the company specific Cost Audit Orders issued prior to 31.3.2011 and/or under the industry specific Cost Audit Order No. 52/26/CAB-2010 dated 2<sup>nd</sup> May 2011, 30<sup>th</sup> June 2011 and 24<sup>th</sup> January 2012 are not required to file Cost Audit Report. However, companies meeting with the threshold limits as prescribed in the relevant Cost Accounting Records Rules 2011 are required to file Compliance Report in the XBRL format.

**3. Which companies are exempted from filing the Compliance Report?**

All such companies that are not covered under any of the Cost Accounting Records Rules notified in 2011 are not required to file the Compliance Report.

Further, as per MCA's General Circular No. 68/2011 dated 30.11.2011 read with the General Circular No. 12/2012 dated 4.6.2012, such companies that are covered under any of the Cost Accounting Records Rules notified in 2011 but wherein all their products/activities, excluding the exempted categories, are covered under cost audit, are not required to separately file the Compliance Report.

**4. If my Cost Audit Report pertains to the financial year prior to 2011-12, then do I need to file the report in XBRL format?**

As per MCA's General Circular No. 8/2012 dated 10.5.2012, all Cost Audit Reports required to be filed with the Central Government starting from financial year 2011-12



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and also in respect of any financial years prior to 2011-12 [that has not been filed so far] need to be filed in XBRL format.

- 5. Central Government vide General Circular no. 18/2012 dated July 26, 2012 has extended filing of the Cost Audit Report in XBRL format till December 31, 2012. A company follows different financial year viz. from October 01, 2011 to September 30, 2012. As per Companies (Cost Audit Report) Rules, 2011, filing of Cost Audit Report becomes due by March 27, 2013, i.e. within 180 days from the end of the reporting year. Is this company still required to file the Cost Audit Report in XBRL format by December 31, 2012 or it would be allowed to file the report until March 27, 2013?**

The companies are required to file their Cost Audit Report [or the Compliance report] for the year 2011-12 within 180 days of the close of the financial year or by December 31, 2012, whichever is later.

- 6. Who will certify XBRL filing for Cost Audit Report?**

The Cost Auditor [or the lead Cost Auditor in case the company has more than one Cost Auditors] is required to digitally sign and file the Cost Audit Report for the company as a whole.

- 7. Who will certify XBRL filing for Compliance Report?**

Any valid Member of the Institute of Cost Accountants of India who is either in full-time employment with the concerned company or is holding full-time Certificate of Practice can only certify the Compliance Report.

- 8. I am holding valid membership of the Institute of Cost Accountants of India as well as of the Institute of Company Secretaries of India. As a full-time employee of the company, can I certify its Compliance Report?**

Yes, being a valid Member of the Institute of Cost Accountants of India and in full-time employment with the concerned company, you can certify its Compliance Report provided you are not signing the Compliance Report as Company Secretary or as Director of the company also.

- 9. The responsibility of filing Cost Audit Report with the Central Government lies with the Cost Auditor. Whose responsibility is it to create XBRL document?**

Creation of the Cost Audit Report in XBRL format, as approved by the Board and certified by the Cost Auditor, is the responsibility of the company. However, filing the Cost Audit Report in XBRL format with the Central Government is the responsibility of





the Cost Auditor, who has to ensure the correctness of data and other information contained in the XBRL Instance Document.

**10. I have completed the Cost Audit and the Board of Directors has also approved the Cost Audit Report / Compliance Report. Is the Board of Directors of the company required to approve the Instance document of the Cost Audit Report / Compliance Report?**

No separate approval from the Board is required for the Instance document of the Cost Audit Report or of the Compliance Report since the data/information contained in the Instance document would already have been approved by the Board of Directors. However, if the data & other information as given in the Instance document differ from that approved by the Board, then it is advisable to get fresh approval of the revised Cost Audit Report or the Compliance Report unless the Board while according approval had authorized any officer of the company to make modifications as required in the XBRL document.

**11. A company has not appointed anyone as the lead cost auditor. Is it required to appoint a lead cost auditor for consolidation?**

The company is not required to separately appoint a lead Cost Auditor. It may designate/nominate any one of the existing Cost Auditors as the lead Cost Auditor and assign the additional task of consolidation, who would be responsible for verifying the consolidated report and filing the same with the Central Government.

**12. Is Performance Appraisal Report required to be filed with the Central Government as a part of the Cost Audit Report?**

As per provisions of the Companies (Cost Audit Report) Rules, 2011, every cost auditor, who submits a cost audit report, is also required to furnish Performance Appraisal Report to the Board/Audit Committee of the company in the prescribed format (Form III). However, this report will not be required to be filed with the Central Government.

**13. My company is in the business of power generation. As per the MCA Circular, power companies are not required to file the Balance Sheet and Profit & Loss Account in XBRL format. Do I still need to file Cost Audit Report / Compliance Report (as applicable) in XBRL format?**

Power generation companies have been exempted from filing their Balance Sheet and Profit & Loss Account in XBRL format as the relevant taxonomy as per disclosure requirements under the Electricity Act, 2003 is still under development. However, under the said Act, there are no such separate disclosure requirements for cost





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details. Hence, the costing Taxonomy for filing the Cost Audit Report or the Compliance Report is common to all companies. Therefore, companies engaged in the business of power generation, transmission or distribution are also required to file Cost Audit Report / Compliance Report (as applicable) in the XBRL format.

### **Taxonomy Related**

#### **1. Can I use C&I taxonomy to create Cost Audit Report or Compliance Report?**

No, there is a separate in-Cost taxonomy for creating Cost Audit Report or Compliance Report. The Costing Taxonomy can be accessed from the website of Ministry of Corporate Affairs. The relevant link for the costing taxonomy is:

[http://www.mca.gov.in/Ministry/pdf/Costing\\_Taxonomy\\_2012-11-22\\_v1.0.zip](http://www.mca.gov.in/Ministry/pdf/Costing_Taxonomy_2012-11-22_v1.0.zip)

#### **2. Do I need separate validation tool for validating the instance document of Cost Audit Report/Compliance report or the same validation tool as applicable for validating the instance document of Balance Sheet and Profit & Loss account can be used?**

Yes. Ministry of Corporate Affairs has developed separate validation tool to validate the instance documents of Cost Audit Report or Compliance report. The MCA XBRL validation tool can be downloaded from the XBRL website of the Ministry of Corporate Affairs from the following link:

[http://xbrltool.mca.gov.in/XBRL/XBRL\\_TOOL/MCAXBRLCostingTaxonomy\\_ValidationTool\\_Version1.0.zip](http://xbrltool.mca.gov.in/XBRL/XBRL_TOOL/MCAXBRLCostingTaxonomy_ValidationTool_Version1.0.zip)

#### **3. My company has to file both Cost Audit Report and Compliance report. Can I use the same taxonomy for both the reports?**

Yes. The in-Cost taxonomy contains elements for both Cost Audit Report and Compliance Report. The entry points are different. However, common elements are defined at one place only.

#### **4. Costing taxonomy shows variation when compared to the formats of Cost Audit Report and Compliance Report given in the notified Cost Accounting Records Rules and Cost Audit Report Rules. Can the instance documents created as per Costing taxonomy be filed with the Central Government or I need to create instance document conforming to the notified formats?**

In XBRL mode, only the requisite data & other information as per the Costing Taxonomy is required to be filed by attaching the valid instance document with the relevant e-Form. No other formats as earlier notified are required to be filed. The final



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Costing Taxonomy as available on the MCA website supersedes the formats of Cost Audit Report and Compliance Report as given in the earlier notified Cost Accounting Records Rules and Cost Audit Report Rules.

5. **The revised structure of the Compliance Report as well as the Cost Audit Report has stipulated reporting at the “Product or Activity Group” level. What would be the basis of determining a “Product or Activity Group” for a multi-product company?**

“Product or Activity Group classification” shall be strictly in accordance with the notification issued by the Ministry of Corporate Affairs vide S.O. No. 1747(E) dated 7<sup>th</sup> August 2012. The link for accessing the product group notification is:

[http://mca.gov.in/Ministry/pdf/S.O.\(E\)1747\\_07\\_08\\_2012.pdf](http://mca.gov.in/Ministry/pdf/S.O.(E)1747_07_08_2012.pdf)

6. **If my company deals in multiple product groups and there are multiple cost auditors appointed in the company. Do I need to file multiple Cost Audit Reports or only consolidated Cost Audit Report in XBRL format?**

In the XBRL format, you are required to file only one consolidated Cost Audit Report for the company as a whole. If a company has multiple Cost Auditors, then in such case, one of them may be designated/ nominated as the lead Cost Auditor who will file the consolidated cost audit report for the company as a whole. However, the lead Cost Auditor would be required to provide details of all the Cost Auditors of the company including the report of the individual Cost Auditors with their comments and observations separately for each Cost Auditor in the consolidated report. Only the data contained in para 3 to 11 would be consolidated, wherever applicable.

7. **In the Abridged Cost Statement (Para 5) of the Cost Audit Report pertaining to my company, I want to report cost elements for which I am not able to find the corresponding elements in the taxonomy? How do I report such costs?**

In the Costing taxonomy, there is provision for separate link Table for Industry Specific Operating Expenses in the Abridged Cost Statement of the Cost Audit Report. Such cost details, for which no matching corresponding cost element is found in the Abridged Cost Statement, such cost elements are to be defined and reported in the industry specific operating expenses link table.

8. **In the Abridged Cost Statement (Para 5) of the Cost Audit Report pertaining to my company, I want to report more than 10 numbers of materials / utilities / industry specific operating expenses? However, the taxonomy supports only reporting 10 numbers of materials / utilities / industry specific operating expenses in the**



**corresponding link tables? How do I report additional cost elements under these heads?**

The materials/utilities/industry specific operating expenses link tables in the Abridged Cost Statement have a provision for reporting only 10 different cost elements respectively. In case, a company has more than 10 numbers of materials/utilities/industry specific operating expenses, 9 nos. of such materials/utilities/industry specific operating expenses, whose value is in descending order need to be reported separately and the balance may be clubbed together as “others” so as to ensure that the total value of such materials/utilities or industry specific operating expenses is equal to the materials cost or the utilities cost or the industry specific operating cost [as the case may be] reported in the main part of the Abridged Cost Statement. Since the “others” category would be an amalgamation of different elements, the unit, quantity and rate in the “others” category may be kept blank.

**9. Where do I get 8-digit ITC Codes / NPCS Codes to be used for preparing the Cost Audit Report?**

The 8-digit ITC Codes can be accessed from the link:

[http://www.mca.gov.in/XBRL/pdf/ITC\\_HS\\_codes.pdf](http://www.mca.gov.in/XBRL/pdf/ITC_HS_codes.pdf)

The 8-digit NPCS Code can be accessed from the link:

[http://mca.gov.in/XBRL/pdf/NPCS\\_codes.pdf](http://mca.gov.in/XBRL/pdf/NPCS_codes.pdf)

**10. In my company, two different units of measurement are used for the same product group. How do I report details about such product groups under the relevant Para of the Cost Audit Report?**

If a company has two different units of measurement for the same product group, then details for the same product group are to be reported twice with different units of measurement for all the relevant paras and such details need not be aggregated on the Product or Activity Group Code. In this connection, the notes provided in the notification issued by the Ministry of Corporate Affairs vide S.O. No. 1747(E) dated 7<sup>th</sup> August 2012 may be referred to.

**11. My company has related party transactions only in respect of the financial transactions? Do I need to fill in the details of these transactions in the related party transactions para?**



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In the cost audit report, as per the notified taxonomy, details in respect of only the following types of transactions are to be reported. Therefore, details of all the remaining financial transactions with the related parties are not to be reported in the Cost Audit Report.

1. Sale or Purchase of Goods
2. Services Received or Rendered

**12. I am an individual practising cost accountant? What do I need to fill in the “Category of Cost Accountants” or the “Category of Cost Auditor”? It only gives the option of “Firm / Sole Proprietor”?**

An individual practising cost accountant needs to fill in as “Sole Proprietor” Option under the category of Cost Accountants or of the Cost Auditors. The category of Sole Proprietor includes individuals also.

**13. Form 23C has been filed by my company but the same is not yet approved. Can I still file the Cost Audit Report pertaining to my company?**

Cost Audit Reports can be filed for the company only after filing Form 23C and ensuring that the same is approved.

**14. Form 23C has been filed by my company but related Form 23D has not been filed. Can I still file the Cost Audit Report pertaining to my company?**

Filing of Form 23D has been made mandatory for appointments of cost auditors from the financial year commencing on or after April 1, 2011. Since earlier years’ reports (prior to 2011-12) are also required to be filed in the XBRL format for which no Form 23D was applicable, hence filing of Form 23D is not applicable for filing such cost audit reports.

**15. The taxonomy provides the option of providing multiple SRN number of Form 23C and Form 23D for the same Cost Auditor. Under what circumstances do I provide multiple SRN Numbers for the same Cost Auditor?**

If the company has filed multiple Form 23C against the same cost auditor either for the same or for different products/units, then the SRN numbers of all such Form 23C and the SRN numbers of all the corresponding Form 23D filed by the cost auditor(s) are required to be provided in the fields provided for the same in the taxonomy. Such cases would arise in respect of Form 23C filed before the new Form 23C was introduced enabling appointment of a cost auditor for multiple products under multiple cost audit orders.



16. **Does a company mandatorily require indicating previous year(s) figures in the relevant columns of the Para(s) to Annexure to the Cost Audit Report even if the Cost Accounting Records Rules were not applicable to the company in the previous years?**

If a company was already covered under erstwhile Cost Accounting Records Rules, previous year figures are required to be given in the cost audit report even in the first year of cost audit. Suitable disclosure may be made by the cost auditor that the previous year figures are as provided by the management.

In case some of the products of the company was under cost accounting records/cost audit prior to 2011-12 and additional products have come under cost accounting records and cost audit from 2011-12, then previous year figures in respect of such products that were under cost accounting records prior to 2011-12 is required to be provided. The taxonomy provides reporting of previous year figures according to product group and the same should be suitably disclosed in Para 3.

However, if both cost accounting records rules and cost audit becomes simultaneously applicable for the first time on a company, then disclosure of previous year figures is optional.

Any non-disclosure of previous year figures must be supported with reasoned justification.

### **E-Filing Related**

1. **Whether the existing e-forms are to be used for filing Cost Audit Report / Compliance Report in XBRL mode?**

No, the existing forms are not to be used for filing Cost Audit Report/ Compliance Report. For this, new Form I-XBRL for Cost Audit Report and A-XBRL for Compliance Report have been made available on the MCA portal that can be downloaded from the following link:

[http://www.mca.gov.in/MCA21/Download\\_eForm\\_choose.html](http://www.mca.gov.in/MCA21/Download_eForm_choose.html)

2. **By when can we file the Form I-XBRL and A-XBRL for Cost Audit Report & Compliance Report?**

All cost auditors and companies can file their Cost Audit Reports / Compliance Reports by 31<sup>st</sup> December 2012, in XBRL mode by using e-Form I-XBRL and A-XBRL, without any penalty, up to 31<sup>st</sup> December 2012 or 180 days from the end of the financial year, whichever is later.



**3. Do we have the option to file detailed Cost Audit Report/ Compliance Report with the form as PDF attachment instead of XBRL format?**

No, the PDF formats of Cost Audit Report / Compliance Report are not allowed to be attached. Only the XBRL instance documents of Cost Audit Report / Compliance Report needs to be attached with the Form I-XBRL and A-XBRL respectively.

**4. Whether the instance documents attached with Form I-XBRL and A-XBRL needs to be digitally signed. If yes, by whom?**

No, the instance documents attached with the e-Forms are not required to be digitally signed. Only the e-Form I-XBRL for filing the Cost Audit Report need to be digitally signed by the Cost Auditor [or by the lead Cost Auditor as the case may be as well as by one director and another director/ manager/company secretary of the company.

The e-Form A-XBRL for filing the Compliance Report need to be digitally signed by the Cost Accountant who has certified such Compliance Report of the company as well as by one director/manager/ company secretary of the company.

**5. While filing the Form 23C in MCA-21 portal, there was some mistake pertaining to the name of the firm. Can I still file the Cost Audit Report for the company?**

Yes, you can still file the Cost Audit Report in the XBRL format provided the Form 23C belongs to the same company and same cost auditor and has been duly approved.

**6. Does Government allow re-filing of the revised Cost Audit Report / Compliance Report in case of any errors in the original filings?**

For the current year, the MCA-21 system would allow re-filing of the revised Cost Audit Report/ Compliance Report of the company only in case of an error in the original filings.

**7. Does Government allow multiple filings of the Cost Audit Report / Compliance Report for the same company?**

For each company, only one consolidated Cost Audit Report/ Compliance Report for the company as a whole is required to be filed in the XBRL format.

**8. What shall be the process for uploading the filled Form I-XBRL and A-XBRL on MCA portal?**

The process for uploading the filled Form I-XBRL and A-XBRL is same as the process of filing of any other e-form, for example, Form 23C or Form 23D or earlier e-form for



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filing cost audit report with pdf attachment. 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](http://www.mca.gov.in/Ministry/pdf/XBRL_Filing%20manual_Costing%201.0.pdf)

9. **How to view the Cost Audit Report / Compliance Report submitted in XBRL format on MCA Portal?**

The Cost Audit Report / Compliance Report filed by the company are not public documents and cannot be viewed in public domain by anyone.



## **9.0 Glossary**

**attribute** — a property of an element (e.g., its name, balance, and data type).

**block tagging** — the process of applying a selected element to a block of text in a report (e.g., an entire footnote disclosure, a significant accounting policy, or a table).

**calculation linkbase** — a file containing calculation relationships between elements.

**context** — the company- and report-specific information that indicates the relationships of tagged data to other information.

**definition linkbase (or dimensional linkbase)** — a file used to define dimensional relationships between elements.

**extension taxonomy** — a taxonomy that allows users to add to a base taxonomy by creating new elements or changing element relationships and labels without altering the original taxonomy. It will usually consist of a “schema file” (an XBRL term for an element declaration file) and several “linkbases” (an XBRL term for a relationships file).

**identifier** — an identifier for the business entity. For example, an SEC registrant might use the Central Index Key (CIK) code as its identifier.

**instance document** — an XML file that contains an entity’s report-specific information. It represents a compilation of the reporting entity’s financial and report-specific information using elements from one or more taxonomies.

**label linkbase** — a file used to associate labels with designated tags.

**linkbase** — an XBRL technical term for a relationships file.

**mapping** — the process of determining the appropriate tag or element for an item in the financial statements, including the notes to the financial statements and financial statement schedules, or determining if a new extension element should be created.

**namespace** — an XML namespace is a collection of names, identified by a Uniform Resource Identifier (URI) reference, which are used in XBRL documents as element types and attribute names.

**presentation linkbase** — a file that defines the organizational relationships (order) of elements using parent-child hierarchies.





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**reference linkbase** — a file used to associate elements within the taxonomy to references to authoritative accounting literature.

**relationships file** — a taxonomy file that defines specific relationships between elements and other data about elements. There are five standard relationships file types: Presentation, Calculation, Definition (Dimensional), Label, and Reference.

**schema** — an XBRL Schema defines the structure and the content of the XBRL documents that refer to it, by defining, in particular, the elements and attributes and providing information about their type and possible content.

**tag** (noun) — an XBRL tag, or element, is a computer-readable financial reporting term or concept (e.g., a line item on the face of the financial statements, an important narrative disclosure, or an item disclosed in a financial statement schedule).

**tagging** (verb) — the process of associating or applying selected tags or elements to financial data, as well as adding context to the data. The tagging process is performed during the creation of an instance document.

**taxonomy** — a dictionary of computer-readable business reporting terms (known as tags or elements) in which each term is defined and assigned a relationship to other terms.

**Uniform Resource Locator (URL)** — a type of Uniform Resource Identifier (URI) that specifies where an identified resource is available and the mechanism for retrieving it.

**validate** — the process of verifying that certain aspects of instance documents and taxonomies comply with XBRL specifications.



**10.0 MCA Circulars on XBRL for Cost Audit Report and Compliance Report**

<b>Circular No.</b>	<b>Date</b>	<b>Description</b>	<b>Annexure</b>
General Circular No. 8/2012	May 10, 2012	Filing of Cost Audit Report (Form-I) and Compliance Report (Form-A) in the eXtensible Business Reporting Language (XBRL) mode.	Annexure-1
52/17/CAB-2011	June 29, 2012	Filing of Cost Audit Report (Form-I) and Compliance Report (Form-A) in the eXtensible Business Reporting Language (XBRL) mode.	Annexure- 2
General Circular No. 18/2012	July 26, 2012	Filing of Cost Audit Report and Compliance Report in the eXtensible Business Reporting Language (XBRL) mode.	Annexure-3
S.O. 1747(E)	August 07, 2012	Product or Activity Group Classification	Annexure- 4



## The Institute of Cost Accountants of India

Annexure – 1

General Circular No. 8/2012

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

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

Dated the May 10, 2012

To,

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

**Subject: Filing of Cost Audit Report (Form-I) and Compliance Report (Form-A) in the eXtensible Business Reporting Language (XBRL) mode.**

Sir,

It has been decided by the Ministry of Corporate Affairs to mandate the cost auditors and the companies to file Cost Audit Reports (Form-I) and Compliance Reports (Form-A) for the year 2011-12 onwards (including the overdue reports relating to any previous year) by using the XBRL taxonomy. These reports, required to be filed in the XBRL format, would be based on the Taxonomy on XBRL being developed for the formats (Form-I & 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
- (viii) Companies (Cost Audit Report) Rules, 2011



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2. Hence, all cost auditors and companies, which are liable to file Cost Audit Reports (Form-I) and Compliance Reports (Form-A), are requested to file their reports with the Central Government after 30<sup>th</sup> June, 2012 in the XBRL mode by which time the relevant taxonomy together with Form-I & Form-A in XBRL format is likely to be ready and notified.

3. 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 - 2

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

\*\*\*\*\*

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

Dated the June 29, 2012

To,

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

**Subject: Filing of Cost Audit Report (Form-I) and Compliance Report (Form-A) in the eXtensible Business Reporting Language (XBRL) mode.**

Sir,

In continuation of MCA's General Circular No. 8/2012 dated 10<sup>th</sup> May, 2012, it has been decided that filing of Cost Audit Reports and Compliance Reports with the Central Government in the XBRL mode shall be allowed after 31<sup>st</sup> July, 2012. 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 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



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5. PS to Joint Secretary (A) / Joint Secretary (R) / Joint Secretary (M)
6. PS to DII (RC) / DII (UCN)
7. PS to Economic Adviser



## The Institute of Cost Accountants of India

### Annexure – 3

General Circular No. 18/2012

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

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

Dated the July 26, 2012

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,

Vide MCA's General Circular No. 8/2012 dated 10<sup>th</sup> May, 2012 [as amended on 29<sup>th</sup> June, 2012], it has already been mandated by the Ministry of Corporate Affairs that all cost auditors and the concerned companies shall file their Cost Audit Reports and Compliance Reports for the year 2011-12 onwards [including the overdue reports relating to any previous year(s)] only in the XBRL mode. For this purpose, the applicable taxonomy, business rules, validation tools, etc. and also the "Product Group" classification required for preparing the cost audit reports and compliance reports as per the notified Cost Accounting Records Rules, 2011 and Cost Audit Report Rules, 2011 are under preparation and would soon be made available by the Ministry. The actual date for enabling XBRL filing will be intimated separately.

2. It has now been decided by the Ministry that all cost auditors and the concerned companies will be allowed to file their Cost Audit Reports and Compliance Reports for the year 2011-12 [including the overdue reports relating to any previous year(s)] with the Central Government in the XBRL mode, without any penalty, upto 31<sup>st</sup> December, 2012.
3. The Institute is requested to circulate this for the information of all concerned.

(B.B.Goyal)  
Adviser (Cost)  
Tel: 011-24366005



## *The Institute of Cost Accountants of India*

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





## **The Institute of Cost Accountants of India**

### **Annexure – 4**

[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 7<sup>th</sup> 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 3<sup>rd</sup> June, 2011;
- b) The Companies (Cost Audit Report) Rules, 2011 notified vide GSR 430(E), dated the 3<sup>rd</sup> June, 2011;
- c) The Cost Accounting Records (Telecommunication Industry) Rules, 2011 notified vide GSR 869(E), dated the 7<sup>th</sup> December, 2011;
- d) The Cost Accounting Records (Petroleum Industry) Rules, 2011 notified vide GSR 870(E), dated the 7<sup>th</sup> December, 2011;
- e) The Cost Accounting Records (Electricity Industry) Rules, 2011 notified vide GSR 871(E), dated the 7<sup>th</sup> December, 2011;
- f) The Cost Accounting Records (Sugar Industry) Rules, 2011 notified vide GSR 872(E), dated the 7<sup>th</sup> December, 2011;
- g) The Cost Accounting Records (Fertilizer Industry) Rules, 2011 notified vide GSR 873(E), dated the 7<sup>th</sup> December, 2011;
- h) The Cost Accounting Records (Pharmaceutical Industry) Rules, 2011 notified vide GSR 874(E), dated the 7<sup>th</sup> December, 2011.



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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- to S.O. 1747(E) dated 7<sup>th</sup> August 2012

Serial Number	Product or 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	Tea and Tea Products (incl. 210120)	0902
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
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
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
			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
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
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
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
			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
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
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
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
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
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	Not Applicable





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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
		and power lines	
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
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
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
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
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
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	Not Applicable



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
		services	
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
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



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
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
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	Not Applicable



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Serial Number	Product or Activity Group Code	Name of the Product or Activity Group	Central Excise Tariff Act (CETA) Chapter Headings covered in the Product or Activity Group
		elsewhere specified	
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]

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**11.0 Important Links**

S.No.	About	Link
1.	Website of MCA	<a href="http://www.mca.gov.in">http://www.mca.gov.in</a>
2.	Website of ICAI-CMA	<a href="http://www.icwai.org">http://www.icwai.org</a>
3.	XBRL website of MCA	<a href="http://www.mca.gov.in/XBRL/index.html">http://www.mca.gov.in/XBRL/index.html</a>
4.	The Companies (Cost Audit Report) Rules 2011	<a href="http://www.mca.gov.in/Ministry/notification/pdf/Revised_Report_Rules_03jun11.pdf">http://www.mca.gov.in/Ministry/notification/pdf/Revised_Report_Rules_03jun11.pdf</a>
5.	The Companies (Cost Accounting Records) Rules 2011	<a href="http://www.mca.gov.in/Ministry/notification/pdf/Common_Record_Rules_03jun11.pdf">http://www.mca.gov.in/Ministry/notification/pdf/Common_Record_Rules_03jun11.pdf</a>
6.	Master Circular No. 2/2011 on Cost Accounting Records and Cost Audit	<a href="http://www.mca.gov.in/Ministry/pdf/Circular_2-2011_11Nov2011.pdf">http://www.mca.gov.in/Ministry/pdf/Circular_2-2011_11Nov2011.pdf</a>
7.	Cost Audit Orders issued under section 233B	<a href="http://www.mca.gov.in/Ministry/cao.html">http://www.mca.gov.in/Ministry/cao.html</a>
8.	General Circular No. 18/2012 dated 26.07.2012 regarding Filing of Cost Audit Report and Compliance Report in the eXtensible Business Reporting Language (XBRL) mode.	<a href="http://www.mca.gov.in/Ministry/pdf/General_Circular_18_2012.pdf">http://www.mca.gov.in/Ministry/pdf/General_Circular_18_2012.pdf</a>
9.	Circular dated 29.06.2012 regarding Filing of Cost Audit Report (Form I) and Compliance Report (Form A) in the eXtensible Business Reporting Language (XBRL) mode.	<a href="http://www.mca.gov.in/Ministry/pdf/General_Circular_No_2_8_12_2012.pdf">http://www.mca.gov.in/Ministry/pdf/General_Circular_No_2_8_12_2012.pdf</a>
10.	General Circular 8/2012 dated 10.05.2012 regarding Filing of Cost Audit Report (Form-I) and Compliance Report (Form-A) in the eXtensible Business Reporting Language (XBRL) mode.	<a href="http://www.mca.gov.in/Ministry/pdf/General_Circular_No_08_2012.pdf">http://www.mca.gov.in/Ministry/pdf/General_Circular_No_08_2012.pdf</a>



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S.No.	About	Link
11.	SO 1747(E ) dated 07.08.2012 regarding Product or Activity Group Classification	<a href="http://www.mca.gov.in/Ministry/pdf/General_Circular_No_08_2012.pdf">http://www.mca.gov.in/Ministry/pdf/General_Circular_No_08_2012.pdf</a>
12.	Final Costing Taxonomy	<a href="http://www.mca.gov.in/Ministry/pdf/Costing_taxonomy_2012-09-12.zip">http://www.mca.gov.in/Ministry/pdf/Costing_taxonomy_2012-09-12.zip</a>
13.	Business Rules Final Costing Taxonomy 2012	<a href="http://www.mca.gov.in/Ministry/pdf/Business_Rules_XBRL_Cost_Audit_taxonomy_2012_21_Sep_2012.zip">http://www.mca.gov.in/Ministry/pdf/Business_Rules_XBRL_Cost_Audit_taxonomy_2012_21_Sep_2012.zip</a>
14.	NPCS Codes	<a href="http://www.mca.gov.in/XBRL/pdf/NPCS_codes.pdf">http://www.mca.gov.in/XBRL/pdf/NPCS_codes.pdf</a>
15.	ITC HS Codes	<a href="http://www.mca.gov.in/XBRL/pdf/ITC_HS_codes.pdf">http://www.mca.gov.in/XBRL/pdf/ITC_HS_codes.pdf</a>
16.	XBRL Training Schedules	<a href="http://www.mca.gov.in/XBRL/training_sch.html">http://www.mca.gov.in/XBRL/training_sch.html</a>