

Form CRA-3**[Pursuant to rule 6(4) of the Companies (cost records and audit) Rules, 2014]****FORM OF THE COST AUDIT REPORT**

I/We,..... having been appointed as Cost Auditor(s) under Section 148(3) of the Companies Act, 2013 (18 of 2013) of(*mention name of the company*) having its registered office at (*mention registered office address of the company*) (hereinafter referred to as the company), have audited the Cost Records maintained under section 148 of the said Act, in compliance with the cost auditing standards, in respect of the.....(*mention name (s) of good(s)/service(s) for the period/year..... (mention the financial year)*) maintained by the company and report, in addition to my/our observations and suggestions in para 2.

- (i) 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) In my/our opinion, proper cost records, as per section 148 of the Companies Act, 2013, have/have not been maintained by the company in respect of good(s)/service(s) under reference.
 - (iii) 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.
 - (iv) 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, 2013, in the manner so required.
 - (v) In my/our opinion, company has/does not have adequate system of internal audit of cost records which to my/our opinion is commensurate to its nature and size of its business.
 - (vi) In my/our opinion, information, statements in the annexure to this cost audit report gives/does not give a true and fair view of the cost of production of good(s)/rendering of service(s), cost of sales, margin and other information relating to good(s)/service(s) under reference.
- 2 Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit.

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

SIGNATURE AND
SEAL OF THE COST
AUDITOR (S)
MEMBERSHIP
NUMBER (S)

NOTES:

- (1) Delete words not applicable.
- (2) If as a result of the examination of the books of account, the Cost Auditor desires to point out any material deficiency or give a qualified report, he/she shall indicate the same against the relevant para (i) to
(vi) in the prescribed form of the Cost Audit Report giving details of discrepancies he/she has come across.
- (3) The report, suggestions, observations and conclusions given by the Cost Auditor under this paragraph shall be based on verified data, reference to which shall be made here and shall,

wherever practicable, be included after the company has been afforded an opportunity to comment on them.

ANNEXURE TO THE COST AUDIT REPORT

1. GENERAL INFORMATION:

1. CIN or GLN of the company:
2. Name of the company:
3. Registered office address:
4. Corporate office address:
5. E-mail address of the company:
6. Company's financial year to which the Cost Audit Report relates:
7. Name, address, membership number and e-mail of the Cost Auditor(s):
8. SRN Number and date of Filing of Form of intimation of appointment of cost auditor with the Central Government:
9. Date of first commencement of commercial production/delivery of service of good(s)/service(s) under reference.
10. Date of Board of Directors' meeting wherein the Annexure to the cost audit report was approved:
11. No. of Audit Committee meetings held by the company, and attended by the Cost Auditor during the year.
12. If there is any foreign technical collaboration for the good(s)/service(s) under reference, the following details shall be given:
 - (a) name and address of the foreign collaborators;
 - (b) main terms of agreement ;
 - (c) amount of royalty, lump sum payment, technical aid fee payable and the basis of calculating the same;
 - (d) whether the technical collaborator has contributed to the share capital. If so, the paid up share capital so held.

2. COST ACCOUNTING POLICY:

(1) Briefly describe the cost accounting policy adopted by the Company and its adequacy or otherwise to determine correctly the cost of production/operation, cost of sales, sales realization and margin of the good(s)/service(s) under reference separately for each good(s)/service(s). The policy should cover, inter alia, the following areas:

- a) Identification of cost centres/cost objects and cost drivers.
- b) Accounting for material cost including packing materials, stores and spares etc., employee cost, utilities and other relevant cost components.
- c) Accounting, allocation and absorption of overheads.
- d) Accounting for Depreciation/Amortization.
- e) Accounting for by-products/joint-products or services, scraps, wastage etc.
- f) Basis for Inventory Valuation.
- g) Methodology for valuation of Inter-Unit/Inter Company and Related Party transactions.
- h) Treatment of abnormal and non-recurring costs including classification of other non-cost items.
- i) Other relevant cost accounting policy adopted by the Company.

(2) Briefly specify the changes, if any, made in the cost accounting policy for the good(s)/service(s) under audit during the current financial year as compared to the previous financial year.

(3) Observations of the Cost Auditor regarding adequacy or otherwise of the Budgetary Control System, if any, followed by the company.

3. PROCESS OF MANUFACTURE OF GOOD(S)/DELIVERY OF SERVICE(S):

A brief note regarding the process of manufacture of good(s)/delivery of service(s) along with flow chart covering manufacture of good(s)/provision of service(s), utility and production/service department engaged in the manufacturing of the good(s)/delivery of service(s).

4. GOOD(S)/SERVICE(S) DETAILS (FOR THE COMPANY AS A WHOLE):

S. No.	Name of each Good(s)/Service(s)	Net Sales (net of taxes, duties etc.)	Covered under Cost Audit (Yes/No)
A	Production of Goods		
	1.		
	2.		
	3. etc.		
	Sub-Total (A)		
B	Services		
	1.		
	2.		
	3. etc.		
	Sub-Total (B)		
C.	Trading Activities		
	1.		
	2.		
	3. etc.		
	Sub-Total (C)		
D.	Other Income		
	Total Income as per Audited Annual Report (A+B+C+D)		

5. QUANTITATIVE INFORMATION FOR EACH GOOD(S)/SERVICE(S) SEPARATELY:

Name of the Good(s)/Service(s)	From _____ to _____		
Financial Year	Unit	Current Year	Previous Year
Particulars			
1. Available Capacity			
(a) Installed Capacity			
(b) Capacity enhanced during the year, if any			
(c) Capacity available through leasing arrangements, if any			
(d) Capacity available through loan license/third party			
(e) Total available capacity			
2. Actual Production/Services rendered			
(a) Self Manufactured/rendered			
(b) Produced under leasing arrangements/outsourced			
(c) Produced on loan license/by third parties on job work/outsourcing agency			
(d) Total Production/Services rendered			
3. Production/services rendered as per excise records/service tax records			
4. Capacity utilization (in-house)			
5. Stock purchased for trading/Services hired			
(a) Domestic purchase/hiring of services			
(b) Imports			
(c) Total Purchases/Services hired			
6. Stock and other adjustments			
(a) Change in stock of Finished Goods/Value of outgoing services			
(b) Self/Captive Consumption/internal services (incl. samples etc.)			
(c) Other quantitative adjustments, if any (wastage etc.)			
(d) Total adjustments			

7. Total Available Quantity/Service rendered [2(d)+5(c) – 6(d)]			
8. Actual Sales			
(a) Domestic Sales (Goods/Services)			
(b) Domestic Sales (Trading)			
(c) Export Sale (Goods/Services)			
(d) Export Sale (Trading)			
(e) Total Quantity Sold/Services rendered			

Notes:

1. It should be mentioned whether the installed capacity is on single shift or multiple shift basis.
2. In order to have a meaningful comparison of production and installed capacity, wherever necessary these details should be expressed in appropriate units.

6. Details of the major input materials/service used for good(s) manufactured/service(s) rendered under reference.

Particulars	Unit	Current Year			Previous Year		
		Quantity	Rate	Amount	Quantity	Rate	Amount
1. Indigenous: (specify)							
(a)							
(b)							
(c) etc.							
2. Self-manufactured: (specify)							
(a)							
(b)							
(c) etc.							
3. Imported: (specify)							
(a)							
(b)							
(c) etc.							
4. Total							

Note: Details should be furnished in respect of major input material(s)/service(s) each constituting at least 5% of the total raw material cost.

6(A) STANDARD/ ACTUAL CONSUMPTION OF INPUT MATERIAL(S)/SERVICE(S) PER UNIT

Particulars (Specify)	Unit	Standard		Actuals	
		Current Year	Previous Year	Current Year	Previous Year
1.					
2.					
3. etc.					

Note: Details should be furnished in respect of major input material(s)/service(s) each constituting at least 5% of the total raw material/input service cost.

6(B) BREAK-UP OF COST OF INPUT MATERIAL(S)/SERVICE(S) IMPORTED DURING THE YEAR:

Particulars	Current Year	Previous Year
(A) Goods		
1. F.O.B. Price (in foreign currency/INR)		
2. Insurance & freight/Travelling expenses, if any		
3. Customs duty, if any		
4. Clearing charges, if any		
5. Inland freight, if any		
6. Other expenses		
7. Total		
(B) Service(s)		
1. --- (please specify)		
2. ---		

10. NET FIXED ASSETS AND DEPRECIATION: (For the Company as a whole)

Particulars	Current Year	Previous Year
1. Net Fixed Assets		
2. Amount of depreciation provided in the financial records		
3. Method of providing depreciation		
4. Amount of depreciation absorbed in the cost records		
5. Shortfall / Excess, if any		

Note: The impact of re-valuation of assets, if any, shall not be included.

11. NET BLOCK, DEPRECIATION AND LEASE RENT: [For good(s)/service(s) covered]

Particulars	Net Fixed Assets at the end of the year (a)	Depreciation for the year (b)	Lease Rent paid, if any (c)	Total (b+c)	Apportionment to Goods/Services				Basis of Apportionment
					A	B	C	D..etc.	
Name of major cost centers for good(s) /service(s): (specify)									
(a)									
(b).. etc.									
Total									

Note : Excluding Net block of assets given on lease, if any.

12. OVERHEADS:

For Company as a whole

Particulars	For the Company as a whole			Share of good(s) produced/ service(s) rendered (in case of more than one good(s) /service(s) additional columns may be added.						Basis of apportionment of the good(s)/ service(s) under reference
				Current Year			Previous Year			
	Quantity	Rate	Amount	Quantity	Rate	Amount	Quantity	Rate	Amount	
Factory Overheads (specify) a. b...etc.										
Administration Overheads (specify) a. b...etc.										
Selling Overheads (specify) a. b...etc.										
Distribution Overheads (specify) a. b...etc.										

Note : The break-up under each head should be furnished in respect of major items constituting at-least 90% of the overhead cost under each head.

13. RESEARCH AND DEVELOPMENT EXPENSES:

Particulars	Current Year (For the Company as a whole)	Share of the Goods/Services covered			Basis of apportionment
		A	B	C..etc.	
1. Process development and improvement					
2. Existing product/service /service development					
3. New product/service /service development					
4. Others, if any					
5. Total amount					
6. Amount capitalized/ deferred during the year					
7. Net amount (5-6)					
8. Deferred amount of earlier years, if any					
9. Total amount provided in the cost records (7+8)					
10. Amount paid to related parties					

14. ROYALTY AND TECHNICAL KNOW HOW CHARGES:

Particulars	For Company as a whole	Share of the Goods/Services covered			Basis of apportionment
		Current Year	A	B	
1. Royalty on production/ Sales/provision of services					
2. Lump sum payment of royalty, if any					
3. Technical know-how charges					
4. Others, if any					
5. Total amount					
6. Amount capitalized/ deferred during the year					
7. Net amount (5-6)					
8. Deferred amount of earlier years, if any					
9. Amount provided in the financial accounts (7+8)					
10. Amount absorbed in the cost records					
11. Shortfall/ Excess, if any					
12. Amount paid to related parties					

Note : The details should be furnished in respect of each agreement separately.

15. ABNORMAL/NON-RECURRING COST

Particulars (Specify)	Current Year	Previous Year
1.		
2.		
3...etc		
.....		
Total		

16. NON-MOVING STOCK (good-wise/service-wise details of non-moving stock may be provided):

Particulars	Current Year	Previous Year
(A) Goods/Service (Specify)		
1.		
2.		
3...etc.		
(B) Goods/Service (Specify)		
1.		
2.		
3...etc.		
(C) Goods/Service (Specify)		
1.		
2.		
3...etc.		

17^v**WRITTEN OFF STOCK /FORFEITED SERVICES (good-wise/service-wise details may be provided):**

Particulars	Current Year	Previous Year
(A) Goods/Service (Specify)		
1.		
2.		
3...etc.		
(B) Goods/Service (Specify)		
1.		
2.		
3...etc.		
(C) Goods/Service (Specify)		
1.		
2.		
3...etc.		

18. INVENTORY VALUATION (at the end of the year):

Particulars	Basis of valuation	Current Year			Previous year		
		Quantity	Rate	Amount	Quantity	Rate	Amount
1. Input material:							
(i) Purchased							
- Indigenous							
- Imported							
(ii) Self manufactured							
2. Chemicals, additives and consumables							
3. Stores and spares							
4. Packing materials							
5. Tools and implements and Jigs, Dies and Fixtures.							
6. Work-in-progress:							
(i) material cost							
(ii) conversion cost (details to be given)							
7. Finished goods:							
(i) unpacked							
(ii) packed							
8. Scrap/wastage							
9. Others, if any							
10. Total value of inventory as per cost accounts							
11. Total value as per financial accounts							
12. Reasons for major differences, if any							

Notes :

- (1) In respect of item at Sr. Nos. 1 and 6 details be furnished in respect of each major input material constituting at least 5% of the total material cost.
- (2) Give in brief the method of inventory valuation system indicating the elements of cost included therein and the extent thereof.
- (3) Capital work-in-progress to be shown separately.

19. Sales/Revenue of the good(s)/service(s) covered:

Particulars	Current Year			Previous Year		
	Quantity	Rate	Amount (Rs.)	Quantity	Rate	Amount (Rs.)
1. Purchased Goods/Outsourced services : (specify) (a) (b)						
2. Loan License Basis: (specify) (a) (b)						
3. Own Manufactured/self-rendered: specify (a) (b)						
4. Total Sales/Revenue						

Note: (i) Separate details shall be furnished for indigenous sales and export sales.

20. Margin per Unit of Output/service rendered:

Particulars	Current Year			Previous Year		
	Sales/Revenue (Rs.)	Cost of Sales (Rs.)	Margin (Rs.)	Sales/Revenue (Rs.)	Cost of Sales (Rs.)	Margin (Rs.)
1. Purchased Goods/Outsourced services: Specify						
2. Loan License Basis/third party services (Specify)						
3. Own Manufactured/Self-rendered: (Specify)						

Note: (i) Above details shall be furnished for good(s)/service(s) covered.

(ii) Separate details shall be furnished for margin on indigenous sales and export sales. Whereas the good(s)/service(s) (such as sugar, bulk drugs, formulations etc.) is sold at different prices in accordance with government policy, sales realization and margin on such good(s)/service(s) at different prices shall be shown along with quantity and value.

21. Related Party Transaction:

Sl. NO.	Name & Address of the Related Party	Good(s)/service(s)	Quantity	Transfer Price	Nature of Transaction (sale, purchase etc.)	Amount	Normal Price	Basis adopted to determine the Normal Price

Note: 1. Details should be furnished for each sale/purchase separately.

22. Central Excise/Service Tax Reconciliation for the Good(s)/service(s) under reference

S. No.	Particulars	Good(s)/Service(s)		
		A	B	C
A.	Quantitative Details:			
1	Opening Stock			
2	Add: Production/services			
3	Less: Closing Stock			
4	Total Sales/Clearances			

S. No.	Particulars	Assessable Value (Rs.)	Rate of Duty	Amount of Duty (Rs.)
B.	Details of Clearances:			
1	Total Clearances			
2	Less: Duty Free Clearances			
3	Excisable/Service taxable Clearances			
4	Penalty/Fine/Interest payable, if any			
5	Total Duty Payable (total 3 & 4)			

S. No.	Particulars	Inputs	Capital Goods	Total
C.	Summary of CENVAT Credit			
1	Opening Balance			
2	Add: Availed during the year			
3	Add: Refunds received during the year			
4	Less: Closing Balance as per Excise/Service Tax Records			
5	Total CENVAT Credit utilized during the year (1+2+3+4)			
6	Closing Balance as per Annual Accounts			

7	Difference between 4-6			
8	(State amount and reasons for difference)			

S. No.	Particulars	Amount (Rs.)
D.	Reconciliation of Duty Paid	
1	Excise Duty Payable as per 'B'	
2	Total Excise Duty paid through: (a) CENVAT Account- (Input goods/services) (b) CENVAT Account- (Capital Goods) (c) P.L.A. Total (a+b+c)	
3	Difference between (1-2)	
4	(State amount and reasons for difference)	
5	Excise Duty as per RT – 12	
6	Difference between (2-5)	
7	Amount and reasons for difference	
E.	Reconciliation of Duty Paid & Recovered:	
1	Excise Duty paid as per P and L A/c	
2	Excise Duty recovered as per P and L A/c	
3	Difference between duty paid and recovered	
4	Amount and reasons for difference	
F.	Reconciliation of Turnover	
1	Turnover as per excise/ST records	
2	Turnover as per Annual Accounts (Net off Duties & Taxes)	
3	Difference between (1-2)	
4	Amount and reasons for difference	

23. Profit Reconciliation:

S. No.	Particulars	Current year	Previous year
1	Profit or Loss as per Cost accounting records		
2	Add: incomes not considered in cost accounts: Specify		
3	Less: expenses not considered in cost accounts: Specify		
4	Add: overvaluation of closing stock in financial accounts		
5	Add: under-valuation of opening stock in financial accounts		
6	Less: under-valuation of closing stock in financial accounts		
7	Less: overvaluation of opening stock in financial accounts		
8	Adjustments for others, if any (specify)		
9	Profit or Loss as per financial accounts		

24. Cost Statement: (for each good(s)/service(s) separately)

S. No.	Particulars	Quantity	Rate per Unit	Amount	Cost per Unit	
		Unit	(Rs.)	(Rs.)	Current Year (Rs.)	Previous Year (Rs.)
1	Material consumed: 1.Purchased: (a) Indigenous (specify) (b) Imported (specify) 2. Self-Manufactured/Rendered (specify)					
2	Process Chemicals (specify)					
3	Utilities: 1.Purchased: (a) Indigenous (specify) (b) Imported (specify) 2. Self-Manufactured (specify)					

4	Direct Wages and Salaries					
5	Consumable Stores & Spares					
6	Depreciation					
7	Outsourced Service Cost					
8	Intermediate Service Cost					
9	Lease Rent, if any					
10	Repairs and Maintenance: (a) Building (b) Plant & Machinery (c) Others, if any					
11	Other works overheads					
12	Total Works Overheads					
13	Overheads related to service cost					
14	Overheads related to outsourced service cost					
15	Royalty, if any					
16	Technical assistance/know-how fee					
17	Research and Development					
18	Quality Control					
19	Administrative overheads (relating to production/service activities) (a) Salaries and Wages (b) Others (specify) (c) Total (a+b)					
20	Total					
21	Adjustment for variances (where standard costing system is followed)					
22	Add: Opening Stock Less: Closing Stock (Work-in- progress)					
23	Less: Credits (from wastage and by-products/services)/recoveries, if any					
24	Packing cost Primary (a) Material (b) Others (c) Total					
25	Cost of Production/service					
26	Finished Goods purchased, if any					
27	Opening Stock Closing Stock (finished goods/services)					
28	Total					
29	Quantity and cost transferred for: (i) Captive consumption, if any (ii) Sales (iii) Others, if any					
30	Packing cost Secondary (a) Material (b) Others (c) Total					
31	Other expense: (a) Administrative overheads (others) (b) Others (specify)					
32	Selling & Distribution Expenses: (a) Salaries & Wages (b) Freight & Transport charges (c) Commission (d) Advertisement expenses (e) Royalty on sales, if any (f) Warranty expenses (g) Total (a to f)					

33	Interest & Finance Charges: (a) For manufacturing activity (b) Others (c) Total (a to b)					
34	Total Cost of Sales (excluding excise duty/service tax) of packed quantity sold					
35	Sales realization Less: Excise duty & others statutory levies					
36	Net Sales Realization					
37	Margin					
38	Add: export benefits and incentives, if any					
39	Total margin (including export benefits)					
40	Ex-factory price (excluding sales tax)					
41	Maximum retail price (excluding sales tax etc.)					
42	Maximum retail price, if any, prescribed by the Government/statutory body etc.					

Note:

1. Separate proforma shall be prepared for each type/variety/ description of good(s)/service(s) under reference.
2. Separate proforma shall be prepared for the quantity used for captive consumption, quantity sold within the country and the quantity exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the proforma applicable for the quantity produced and exported.
3. Separate proforma shall be prepared for any related party/inter-unit transfer of intermediate/finished good(s)/service(s) under reference.
4. The proforma may be suitably modified to cover the special features, if any, of the good(s)/service(s) covered.
5. Indicate whether the prices of the good(s)/service(s) covered are ex-factory prices, F.O.R prices, door delivery prices or any other terms. In case of ex-factory prices, whether cost of dispatch packing materials, freight, insurance and delivery charges are recoverable from the customers separately.

Form No. CRA-4

Form for filling Cost Audit Report with the
Central Government

[Pursuant to Rule 6 (6) of the Companies (cost records and audit) rules, 2014]

PART 1—GENERAL INFORMATION**Note :** All fields marked in *are to be mandatorily filled.1* (a) Corporate identity number (CIN) or foreign
company registration number of the company

Pre-Fill

(b) Global location number (GLN) of company

2. (a) * Name of the company

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

(c) *E-mail address of the company

3. (a) *Financial year

From

(DD/MM/YYYY)

To

(DD/MM/YYYY)

(b) *Date of Board of Directors meeting in which
Annexure to the cost audit report was approved

(DD/MM/YYYY)

4 (a) *State number of good (s) /service (s) for which the Cost Audit Report is being submitted

(c) *Details of such good (s) /service (s) of the company (Number of rows depending on 4 (a) above)

Good (s)/servie (s) Covered

- 5 (a) *State number of goods (s)/service (s) not covered in the Cost Audit Report
 (d) (b) *Details of such good (s)/service (s) of the company (Number of rows depending on 5 (a) above)

Good (s)/servie (s)

6 Details of the cost auditor

- (a) *Category of the the cost auditor Individual Cost accountant's firm LLP
 (b) *Name of the cost auditor or the cost auditor's firm appointed as cost auditor of the company

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

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

- (i) Line I
 Line II
 (ii) City
 (iii) State
 (iv) Country
 (v) Pin Code

(f) *E-mail Id oft he cost auditor or cost auditors's firm

7 (a) *Whether the cost auditor's report has been qualified

Yes No

If yes, please state

(b) *Whether the cost auditor's report has any reservations

Yes No

If yes, please state

(c) *Whether the cost auditor's report has any adverse remarks

Yes No

If yes, please state

8 (a) *Whether the cost auditor's report contain any observation or suggestions

Yes No

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

Yes No

PART-II

Attachments :

- 1 Cost audit report Attach
 2 Operational attachment (s) – if any Attach

List of attachments

Remove attachment

Verification :

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

I have been authorised by the Board of Director's resolution dated (DD/MM/YYYY)
 number

To sigh and submit this form.

I am authorised to sign and submit this form.

To be digitally signed by :

Managing Director or Director or Manager or Secretary (in case of an Indian company)
or an authorised representative (in case of a foreign company)

Digital
Signature

*Designation

*Director identification number of the Director or Managing Director; or the manager
or of authorised representative; or Membership number, if applicable of the secretary

Director of the company

Digital
Signatures

Director identification number of the director

Modify

Check Form

Prescrutiny

Submit

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