

PREFACE

The Companies Act, 2013 has brought in a number of changes to the mechanism of statutory maintenance of cost accounting records and cost audit. The Central Government has also issued Companies (Cost Records and Audit) Rules, 2014 superseding the earlier Rules issued under the Companies Act, 1956.

The Companies (Cost Records and Audit) Rules, 2014 has become applicable to prescribed products and services from 1st April, 2014. A number of changes have been brought about in the entire mechanism and there was a need to revise the earlier edition of this book that dealt with the provisions of the Companies Act, 1956 and the Rules framed thereunder.

This edition contains detailed clause by clause analysis of the current Rules and wherever needed comparison with the previous Rules have been made. The book contains explanations to the rules with practical examples.

Based on my practical experience in the field, I have also provided a case study with the help of data showing building up of a cost structure and determination of cost of production of individual products complete with the preparation of a cost audit report as well as a compliance report. This book can be considered as a practical guide to cost accounting records rules and cost audit reporting. A separate chapter deals with the different elements of the Costing Taxonomy 2015 which should be useful to all. I feel this book would serve as a guide to the members in practice as well as industry.

I am extremely grateful to the officers in the Ministry of Corporate Affairs for their continued encouragement and valuable guidance who encouraged me to write this book to meet with the requirements of young professionals entering the field of practice and also towards my commitment to the profession and without whose help, support and guidance this publication would have never come to the hands of the readers.

It is difficult to list the names of everyone who have extended their help and guidance in the preparation of this book.

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I am grateful to the Institute of Cost Accountants of India for having agreed to my request to use the material contained in its publication on Cost Accounting Standards. The copyright in the Institute's material used by me vests with the Institute of Cost Accountants of India. By reproducing such material I intend to enhance the utility of the publication. Any lapse in reproducing the contents of the Institute's copyright materials is my responsibility and not that of the Institute.

I am confident that this book would be well received by one and all and act as a guide to the young members joining the practice of cost accountancy. I shall be very pleased to have views and comments of the users of this book for making further improvement in the content.

This book is dedicated to the memory of my father Late D. N. Banerjee from whom I learnt the basics of cost and management accounting and who has always been my guiding force.

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