

### Distinction between CAS 4 & CAS 22

Basis of Distinction	CAS 4	CAS 22
<b>Coverage</b>	This Standard deals with the principles and methods of <b>classification, measurement and assignment</b> for the determination of <b>cost of production or acquisition or supply of goods or provision of services</b> as required under the provisions of <b>GST Acts/Rules</b> .	This standard deals with the principles and methods of determining the <b>Manufacturing Cost of excisable goods</b> .
<b>Objective</b>	The objective of this Standard is to bring <b>uniformity and consistency in the principles and methods of determining the cost of production or acquisition or supply of goods or provision of services</b> as required under the provisions of GST Acts/Rules.	The objective of this standard is to bring uniformity and consistency in the principles and methods of <b>determining the Manufacturing Cost of excisable goods</b> .
<b>Scope</b>	<ul style="list-style-type: none"> <li>(i) Determination of cost of production of goods;</li> <li>(ii) Determination of cost of acquisition of goods;</li> <li>(iii) Determination of cost of supply of goods;</li> <li>(iv) Determination of cost of provision/supply of services ; and</li> <li>(v) Determination of value of supply of goods or services as per open market value or as per goods or services of like kind and quality</li> </ul>	This standard should be applied to cost statements which require classification, measurement, assignment, presentation and disclosure of Manufacturing Cost of excisable goods.

<b>Definitions</b>	Focus is on Capacity Utilisation and Classification of Overheads	Focus is on Classification of Cost and its relevance to Production / Manufacturing.
<b>Principles of Measurement</b> <b>[Major Key Points]</b>	<ul style="list-style-type: none"> <li>✓ COP / POS for each product / Service Separately</li> <li>✓ Aggregation of Direct &amp; Indirect Costs</li> <li>✓ Measurement of Material cost Separate [Including Spoilage, Defectives, etc.,]</li> <li>✓ Measurement of Employee Cost</li> <li>✓ Cost of utilised Consumed</li> <li>✓ Cost of Packing Materials</li> <li>✓ High Value Spare to recognised as PPE [Property, Plant &amp; Equipment]</li> <li>✓ R &amp; D Cost measured Separate</li> <li>✓ Treatment of Royalty &amp; Technical Know How [One Time Payment ]</li> <li>✓ QC Cost measurement</li> </ul>	<ul style="list-style-type: none"> <li>✓ Manufacturing cost for each excisable good shall be measured separately.</li> <li>✓ Material cost shall be measured separately for each type of material</li> <li>✓ Measurement of Employee Cost</li> <li>✓ Cost of Packing Materials</li> <li>✓ Direct Expenses for Manufacture</li> <li>✓ R &amp; D Cost Measurement is separate</li> <li>✓ Cost incurred for manufacturing of excisable goods after split-off point shall be measured for each Joint/By-Product.</li> <li>✓ Royalty and Technical Know-how Fee for manufacturing of excisable goods paid [One Time]</li> <li>✓ QC Cost Measurement</li> </ul>
<b>Presentation</b>	<p>Appendix-1: Statement of Cost of Production of the taxable goods</p> <p>Appendix-2: Statement of Cost of Provision/Supply of the taxable Services</p> <p>Appendix-3: Statement of Cost of Acquisition of taxable goods</p>	<p>Cost statement as per Appendix 1 to this standard or as near thereto shall present following information:</p> <p>(a) Actual capacity utilization in absolute terms</p>

	<p>Appendix-4: Statement of Open Market Value / Value as per Goods or Services of like kind and quality</p> <p>Differentiation between Companies covered under Cost Audit and not Covered under Cost Audit for presentation of Information</p>	<p>and as a percentage of normal capacity.</p> <p>(b) Cost information relating to various elements of Cost shall be presented separately.</p>
--	--	--