

Legislative sanction of Cost Accounting maintenance forming part of books of accounts across Geographies to enable Professional Accountants orient in performance.

Whereas PAIB recognises the importance of the role of professional accountants in business in creating and sustaining business value.

Whereas with reference to page 9 and 11 of the document that amply speaks about the areas of specific interest of PAIB.

It is hereby felt that in respect of the roles played by PAIB with predominant focus on accounting and reporting the lacunae in legislations of respective geographies relating to enabling maintenance of performance related Cost Accounting data with harmony and homogenous generation of reports across geography, needs to be addressed by PAIB committee with utmost urgency to give justice to large number of stakeholders class, majority consumers.

The model established in India and other south Asian nations can be replicated in other geographies primarily the developing and under developed world.

Indian Law -209. **Books of account to be kept by company.** 1[

(1) Every company shall keep at its registered office proper books of account with respect to-

(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place;

(b) all sales and purchases of goods by the company; 2[

(c) the assets and liabilities of the company; 3[ and]

(d) 3[ in the case of a company pertaining to any class of companies engaged in production, processing, manufacturing or mining activities, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed, if such class of companies is required by the Central Government to include such particulars in the books of Account:] Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of directors may decide and when the Board of directors so decides, the company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.]

## Law for books of accounts in United Kingdom: Companies Act 2006

### **CHAPTER 2**

#### ACCOUNTING RECORDS

##### **386 Duty to keep accounting records**

(1) Every company must keep adequate accounting records.

(2) Adequate accounting records means records that are sufficient—

(a) to show and explain the company's transactions,

(b) to disclose with reasonable accuracy, at any time, the financial position of the company at that time, and

(c) to enable the directors to ensure that any accounts required to be prepared comply with the requirements of this Act (and, where

applicable, of Article 4 of the IAS Regulation).

(3) Accounting records must, in particular, contain—

(a) entries from day to day of all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place, and

(b) a record of the assets and liabilities of the company.

(4) If the company's business involves dealing in goods, the accounting records must contain—

(a) statements of stock held by the company at the end of each financial year of the company,

(b) all statements of stocktakings from which any statement of stock as is mentioned in paragraph (a) has been or is to be prepared, and

(c) except in the case of goods sold by way of ordinary retail trade, statements of all goods sold and purchased, showing the goods and the buyers and sellers in sufficient detail to enable all these to be identified.

(5) A parent company that has a subsidiary undertaking in relation to which the above requirements do not apply must take reasonable steps to secure that the undertaking keeps such accounting records as to enable the directors of the parent company to ensure that any accounts required to be prepared under this Part comply with the requirements of this Act (and, where applicable, of Article 4 of the IAS Regulation).

## Company Law of United States:

### 10-1601. Corporate records

A. A corporation shall keep as permanent records minutes of all meetings of its shareholders and board of directors, a record of all actions taken by the shareholders or board of directors without a meeting and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.

### **B. A corporation shall maintain appropriate accounting records.**

C. A corporation or its agent shall maintain a record of its shareholders in a form that permits preparation of a list of the names and addresses of all shareholders and in alphabetical order by class of

shares showing the number and class of shares held by each.

D. A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

E. A corporation shall keep a copy of all of the following records at its principal office, at its known place of business or at the office of its agent:

1. Its articles or restated articles of incorporation and all amendments to them currently in effect.
2. Its bylaws or restated bylaws and all amendments to them currently in effect.
3. Resolutions adopted by its board of directors creating one or more classes or series of shares and fixing their relative rights, preferences and limitations, if shares issued pursuant to those resolutions are outstanding.
4. The minutes of all shareholders' meetings and records of all action taken by shareholders without a meeting for the past three years.
5. All written communications to shareholders generally within the past three years, including the financial statements furnished for the past three years under section 10-1620.
6. A list of the names and business addresses of its current directors and officers.
7. Its most recent annual report delivered to the commission under section 10-1622.
8. An agreement among shareholders under section 10-732.

**There is thus no homogeneity in legislation in as far as what constitutes accounting records except that Indian and south asian legislations are clearer of what they want IFAC needs to harmonise this first before addressing anything else.**

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