

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

NOTIFICATION

New Delhi, theJuly, 2018

G.S.R..... (E).- In exercise of the powers conferred by sub-sections (1) and (2) of section 469 and section 148 of the Companies Act, 2013 (18 of 2013) (hereinafter referred as the Act), the Central Government hereby makes the following rules further to amend the Companies (Cost Records and Audit) Rules, 2014, namely:-

1. These rules may be called the Companies (cost records and audit) Amendment Rules, 2018. Save as otherwise provided in these rules, in respect of those companies who have already filed their Cost Audit Report in form CRA-4 for the financial year 2017-2018 with the Central Government prior to issue of this notification, such companies are not required to file their Cost Audit Report for the said financial year once again.

2. In the Companies (cost records and audit) Rules, 2014 (hereinafter referred to as the principal rules), in Annexure, in Form CRA-1, the following amendments shall be deemed to have been substituted with effect from the 1st day of April, 2017, namely:-

(i) for sub-paragraph numbers (m), (q), (r), (s) of paragraph number 7 on 'Overheads', the following paragraph numbers shall be substituted, namely:-

“(m) Overheads shall be classified according to functions, viz., works, administration, selling and distribution, head office, corporate etc. Works overheads, also known as Production Overheads, Operation Overheads, Factory Overheads or Manufacturing Overheads, shall be the indirect costs involved in the production of a product or in providing service. Administrative overheads shall be the aggregate of cost of resources consumed in activities relating to general management and administration of an organisation. Selling and Distribution overheads shall be the aggregate of cost of resources consumed in the selling and distribution activities of the organization.

(q) In case of leased assets, if the lease is an operating lease, the entire rentals shall be included in the administrative overheads. If the lease is a financial lease, the finance cost portion shall be segregated and treated as part of finance costs.

(r) Selling and Distribution Overheads, the benefits of which are expected to be derived over a long period, shall be amortized on a rational basis.

(s) Any demurrage or detention charges or penalty levied by the transportation or other authorities in respect of distribution activity shall not form part of Selling and Distribution Overheads.”;

(ii) paragraph number 8 on ‘Administrative Overheads’ shall stand deleted;

(iii) for sub-paragraph numbers (a) and (c) of paragraph number 28 on ‘Cost Statements’, the following paragraph numbers shall be substituted, namely:-

“(a) Cost statements (monthly, quarterly and annually) showing quantitative information in respect of each goods or service under reference shall be prepared showing details of available capacity, actual production, production as per excise records, production as per GST records, capacity utilisation (in-house), stock purchased for trading, stock and other adjustments, quantity available for sale, wastage and actual sale, total quantity of outward supplies as per cost records and total outward supplies as per GST records during current financial year and previous year.

(c) Cost statements (monthly, quarterly and annually) in respect of reconciliation of indirect taxes showing details of total clearances of goods or services, assessable value, duties or taxes paid, CENVAT or VAT or Service Tax or GST, Credit utilised, duties or taxes recovered and interest or penalty paid.”;

3. In the principal rules, in Annexure, in Form CRA-3, the following shall be substituted, namely:-

(i) in point 12 of table 2 of Part A, the following shall be substituted, namely:-

“12(a) Number of audit committee meeting (s) during the year for which Cost Auditor was invited.

12(b) Number of audit committee meeting(s) attended by cost auditor during year.”:

(ii) in table 4 of Part A, the words “Exceptional, Extra Ordinary and Other Comprehensive Income, if any” shall be substituted as:-

“(i) Exceptional and Extra Ordinary income

(ii) Other Comprehensive Income, if any”;

(iii) in table 4 of Part A, the words “Turnover as per Excise records” shall be substituted as “Turnover as per Excise / GST records”;

(iv) in point 3 of table 1 of Part B, the words “Production as per Excise records” shall be substituted as “Production as per Excise/ GST records.”;

(v) table 3 of Part D, for sl. nos. 1, 2, 3 and 9, the following shall respectively be substituted, namely:-

- “1 Revenue from Operations;
 2 Less: Taxes and other duties;
 3 Net Revenue from Operations;
 9 Add: (i) Exceptional and Extra Ordinary income
 (ii) Other Comprehensive Income, if any”;

(vi) table 6 of Part D, shall be re-numbered as table 6(A) of Part-D and shall be applicable till 30.06.2017 and a new table namely 6(B) shall be inserted as follows:-

“6(B) Reconciliation of GST (for the company as a whole) (applicable w.e.f. 01.07.2017)

Particulars		Taxable Value/ Assessable Value	Excise Duty	Goods & Services Tax			
				CGST	SGST / UTGST	IGST	Cess
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sl. No.	Duties/ Taxes Payable						
	Excise Duty						
1	Domestic						
2	Export						
3	Stock Transfers						
4	Others, if any						
5	Total (1 to 4)						
Goods & Services Tax							
6	Outward Taxable Supplies (other than zero rated, Nil Rated and Exempted)						
7	Outward Taxable Supplies (zero rated)						

8	Inward Supplies (liable to Reverse Charge)						
9	Other Outward Supplies (Nil Rated, Exempted)						
10	Non-GST Outward Supplies						
11	Total (6 to 10)						
12	Total Duties / Taxes Payable (5 + 11)						
	Duties/ Taxes paid [by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be]						
	GST - Input Tax Credit Utilised						
13	CGST						
14	SGST / UTGST						
15	IGST						
16	Cess						
17	Transitional Credit						
18	Total Input Tax Credit Utilised (13 to 17)						
19	Payment through Cash Ledger						
20	Total Duties/Taxes Paid (18 + 19)						
	Difference between Taxes Paid and Payable (12 - 20)						
21	Interest/Penalty/Fines Paid						

[F.No. 1/40/2013-CL-V Part 1]

**K.V.R. MURTY,
Jt. Secy., Government of India**

Explanatory Memorandum: It is certified that no person is being adversely affected by giving retrospective effect to this notification. The proposed amendments have been made on account of introduction of Goods and Services Tax.

Note.- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 425 (E), dated the 30th June, 2014 and amended *vide* number G.S.R. 01(E), dated the 31st December, 2014 and *vide* number G.S.R. 486 (E), Dated the 12th June, 2015 and *vide* number G.S.R. 695 (E), dated the 14th July, 2016 and *vide* number G.S.R. 1498 (E), dated the 7th December, 2017 and *vide* number G.S.R. 1526 (E), dated the 20th December, 2017.