



Advisory to Practicing Members conducting Cost Audit

The Ministry of Corporate Affairs (MCA) has issued Companies (Cost Records and Audit) Amendment Rules, 2019 on October 15, 2019. These Amendment Rules have made few minor changes in the existing Rules along with changes in Part D-6 (Reconciliation of Indirect Taxes).

In view of the delay in issuing the above Amendment Rules by the MCA, the Institute had issued an advisory to the practicing members on June 29, 2019 wherein it was advised that the members should include the new Part D-6 (Reconciliation of Indirect Taxes) as available in the Exposure Draft of the Amendment Rules issued by the MCA on 6th August 2018 in their cost audit reports. The Advisory of the Institute also made available the new Part D-6 (Reconciliation of Indirect Taxes).

Pursuant to the notification of Companies (Cost Records and Audit) Amendment Rules, 2019 on October 15, 2019, the following may be noted by the Members and Industry:

- **Cost Audit report submitted to the company and Form CRA-4 already filed** – no further action required for 2018-19.
- **Cost Audit report submitted to the company on the basis of above advisory but CRA-4 is yet to be filed** – await deployment of the Costing Taxonomy 2019 and corresponding Validation Tool. Form CRA-4 in XBRL mode to be filed under Costing Taxonomy 2019.
- **Cost Audit report submitted to the company based on pre-revised Part D-6 (Reconciliation of Indirect Taxes)] and Form CRA-4 is yet to be filed** – the Annexure to the cost audit report is required to include **NEW** Part D-6 (Reconciliation of Indirect Taxes). The cost auditor is required to add **NEW** Part D-6 (Reconciliation of Indirect Taxes) in the report. In case the Board has authorised a Director or any other officer to make such changes as may be necessary, no fresh approval of the Board is required and the company may file Form CRA-4 after Costing Taxonomy 2019 is made available by the MCA. In all other cases, the Company may (a) file Form CRA-4 with NEW Part D-6 after seeking fresh approval of the Board or (b) decide to File Form CRA-4 with NEW Part D-6 and inform the Board at its next meeting.

(CMA Balwinder Singh)

President

The Institute of Cost Accountants of India

2nd November 2019