IMPACT ANALYSIS

Companies (Cost Records and Audit) Amendment Rules, 2018

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Reference	Earlier Rules	Amended Rules 2018	Impact Analysis
Table B (SN 7)	Port services of stevedoring, pilotage, hauling, mooring, re-mooring, hooking, measuring, loading and unloading services rendered **by a Port** in relation to a vessel or goods regulated by the Tariff Authority for Major Ports	Port services of stevedoring, pilotage, hauling, mooring, re-mooring, hooking, measuring, loading and unloading services rendered **for a Port** in relation to a vessel or goods regulated by the Tariff Authority for Major Ports under the Major Port Trusts Act, 1963	In the amended rules the earlier words **"by a Port"** now substituted by "**for a Port".** **Impact:** All the vendors providing such services **for the Port** may cover under these rules.
Table B (SN 8)	Aeronautical services of air traffic management, aircraft operations, ground safety services, ground handling, cargo facilities and supplying fuel rendered **by airports** and regulated by the Airports Economic Regulatory Authority under the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008);	Aeronautical services of air traffic management, aircraft operations, ground safety services, ground handling, cargo facilities and supplying fuel rendered **at the airports** and regulated by the Airports Economic Regulatory Authority under the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008);	In the amended rules the earlier words **"By the Airports"** now substituted by "**At the Airports".** **Impact:** It is looking a clerical mistake in the earlier rules which is now rectified.
Table B (SN 13)	Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signaling equipment's of all kind; 8601 to 8608	Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signaling equipment's of all kind; 8601 to 8608, **8609**	One more **Product 8609** is added which was out of coverage in the earlier rules. **8609:** CONTAINERS (INCLUDING CONTAINERS FOR THE TRANSPORT OF FLUIDS) SPECIALLY DESIGNED AND EQUIPPED FOR CARRIAGE BY ONE OR MORE MODES OF TRANSPORT

Table B (SN 19)	Jute and Jute Products; 5303, 5310	Jute and Jute Products; 5303, **5307**, 5310	One more **Product 5307** is added which was out of coverage in the earlier rules. **5307:** YARN OF JUTE OR OF OTHER TEXTILE BAST FIBRES OF HEADING 5303
Table B (SN 28)	Paper; 4801 to 4802	Pulp and Paper; **4701 to 4704**, 4801 to 4802	Additional coverage of **Product 4701 to 4704.** it will fall the Pulp industry under the coverage of cost rules. **4701:** MECHANICAL WOOD PULP **4702:** CHEMICAL WOOD PULP, DISSOLVING GRADES **4703:** CHEMICAL WOOD PULP, SODA OR SULPHATE, OTHER THAN DISSOLVING GRADES **4704:** CHEMICAL WOOD PULP, SULPHITE, OTHER THAN DISSOLVING GRADES
Table B (SN 29)	Textiles;	5004 to 5007; 5106 to 5113; 5205 to 5212; 5303; **5307**; 5310; 5401 to 5408; 5501 to 5516	One more **Product 5307** is added which was out of coverage in the earlier rules. **5307:** YARN OF JUTE OR OF OTHER TEXTILE BAST FIBRES OF HEADING 5303
Table B (SN 33)	(xiii) Automatic impalpable cardiac deflobillator;	(xiii) Automatic impalpable cardiac deflobillator**s**	In the amended rules the earlier word **"**deflobillator**"** now substituted by **"** deflobillator**s".**

Rule 6(6)	Company has to file the cost audit report within 30 days of receipt of copy in the XBRL mode.	In case the registrar has extended the (for special reason) time within which any annual general meeting, other than the first annual general meeting, shall be held, which cannot be more than 3 months, **in that case company may file cost audit report in CRA 4 within resultant extended period of filling financial statement**.	Earlier irrespective of filling financial statement the company has to file the cost audit report in the XBRL Mode within 30 days of receiving the same from the cost auditor but now because of any reason if registrar has extended the time limit for AGM **in that case company may file cost audit report in CRA 4 within resultant extended period of filling financial statement**. **Example:** **Due date of AGM**: 25/09/2018 **Extended Time:** 31/10/2018 **Due date of filling Financial Statements**: Within 30 days of AGM (30/11/2018) In this case company may file Cost Audit Report in Form CRA 4 by 30/11/2018
CRA 1 Item No. 31	Unit of measurement: NA	The UOM will be **same** for each Custom Tariff Heading mention in CCRAR 2014 as **it is given corresponding to that Custom Tariff Heading in Custom Tariff Act. 1975**.	After introducing this clause in CRA 1, it strengthen the Cost Accounting Record Rules and will bring the uniformity in the cost audit report of the similar industry and products. Now UOM of CTA heading will be same as given in the CTA Act. it means every company has to follow the same UOM for each CTA Heading and this can be a good mechanism for Govt. to get the cost analysis, assessment and comparison in the similar product and industry.

Note:

i. Principle rules are the Companies (Cost Records and Audit) Rules, 2014.
ii. The amended rules, 2018 are yet to be notified in the official gazette of India.
iii. The above impact analysis statements are based on the self judgment and no relation with any institution.
iv. The introduction of UOM in the CRA 1 will insist company to prepared records in proper manner.
v. Govt. must look into the Automobile and Packaged Food Industry for the coverage of these rules.