



December 13, 2017

Info Capsule

MCA NOTIFIED THE COMPANIES (COST RECORDS & AUDIT) AMENDMENT RULES, 2017¹

Ministry of Corporate Affairs has notified the Companies (Cost Records & Audit) Amendment Rules, 2017 dated December 7, 2017. In exercise of the powers conferred by sub-sections (1) and (2) of section 469 and section 148 of the Companies Act, 2013, the Central Government has made amendment to the Companies (Cost Records and Audit) Rules, 2014.

As per the notification following amendments has been made in the Companies (Cost Records and Audit) Rules, 2014 –

1. In Rule 2, after clause (f), the following clause has been inserted and shall be deemed to have been inserted *with effect from the April 1, 2016*:

(fa) "Indian Accounting Standards" means Indian Accounting Standards as referred to in Companies (Indian Accounting Standards) Rules, 2015.

2. In the Annexure to the Companies (Cost Records and Audit) Rules, 2014, Form CM-1 and Form CRA-3, *has been substituted* and shall be deemed to have been substituted *with effect from the April 1, 2016*.

The Ministry has also clarified via *Explanatory Memorandum* that no person is being adversely affected by giving retrospective effect to this notification. The proposed amendments have been made on account of amendments made in the Companies (Indian Accounting Standards) Rules, 2015. *The amendment notification is available on the following link:* www.mca.gov.in/Ministry/pdf/CompaniesCostrecordsAuditRule_08122017.pdf

FILING OF FORM TRAN-I TO AVAIL INPUT TAX CREDIT²

Transition to GST provided for trust based transition of input tax credit of the existing taxpayers. A tax payer could file Form TRAN-1 and avail input tax credit on the basis of closing balance of the input tax credit declared in the last return under the pre GST regime. The last date for filing of Form TRAN-1 is December 27, 2017. In keeping with the philosophy of voluntary compliance, revision of Form TRAN-1 has also been provided. The last date for revision of TRAN-1 is also December 27, 2017.

It has been noted that some taxpayers have availed extraordinarily high transitional credit of CGST which is neither commensurate with the trend of input tax credit of the industry nor as maintained by the taxpayer himself in the past. Some of these high transitional credits may have a bonafide explanation or may be a case of bonafide mistake. However, it has been noted that high transitional credit has been claimed in many cases for which perhaps no bonafide explanation exists. Analysis to identify such units is underway. Such behaviour leads to breach

¹ Available at: http://www.mca.gov.in/Ministry/pdf/CompaniesCostrecordsAuditRule_08122017.pdf

² Available at: <http://pib.gov.in/newsite/erelease.aspx>

of trust between the taxpayer and the tax-administration, which is the bed-rock of self-assessment regime in GST.

Taxpayers who have claimed transitional credit erroneously are advised to avail of the opportunity to revise Form TRAN-1 by December 27, 2017 and ensure that only correct and bonafide credit is availed in transition, failing which the tax administration would be constrained to initiate audit and enforcement action against the identified units.

MINISTER FOR COMMERCE AND INDUSTRY, SHRI SURESH PRABHU MEETS PRESIDENT OF ARGENTINA AND HOLDS BILATERAL MEETINGS DURING WORLD TRADE ORGANISATION MINISTERIAL IN BUENOS AIRES, ARGENTINA³

The Minister for Commerce and Industry, Shri Suresh Prabhu held a number of bilateral meetings in Buenos Aires, Argentina during the ongoing World Trade Organisation (WTO) Ministerial Conference.

The Minister for Commerce and Industry called on the President of Argentina, Mr. Mauricio Macri. The two leaders held discussion on a wide range of issues of bilateral cooperation.

The Minister also met the Minister of Economic Affairs, Education and Research of Switzerland, Mr. Johann N. Schneider-Amman. The two ministers discussed issues related to bilateral relations and ongoing negotiations on the India-EFTA.

Shri Prabhu also met the Minister for Foreign Affairs of Argentina, Mr. Jorge Faurie. The two ministers discussed issues related to bilateral matters which encompass political, economic, scientific and technological cooperation.

The Minister for Commerce and Industry also participated in the Business Forum: Plenary Session on Trade and Agriculture: 'Promoting Food Security' during the WTO Ministerial Conference. Shri Prabhu during the panel discussion emphasised on the issue of food and nutrition security for India's population.

Team ICSI

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