

No. 3/8/89-CL.V
Government of India
Ministry of Industry
Department of Company Affairs
Shastri Bhawan, 5th Floor, "A" Wing
Dr. R.P.Road,
New Delhi-1

Dated: 5th March 90

To

The Institute of Cost and Works Accountants of India
ICWAI Bhavan, 3, Institutional Area,
Lodi Road, New Delhi

Subject: Clarification under section 224 (1B) of the Companies Act, 1956 read with section 233 of the Act.

Sir,

I am directed to refer to your letter no. PD/69/90 dated 19.2.90 on the subject mentioned above and to say that the cost auditor shall be deemed to have concluded his appointment as soon as he renders a report to the Central Government in accordance with the Cost Audit Report Rules. The specified number of companies for the purpose of section 233B (2) of the Act is to be computed with reference to the number of Companies wherein he is appointed as cost auditor and in respect of which reports is yet to be submitted. The number of companies in respect of which reports have not been submitted should be taken into account for the purposes of ceiling on cost audit.

Yours faithfully

(U.P.Mathur)
Director