

No. 52/430/88-CAB  
Government of India  
Department of Company Affairs,  
Paryavaran Bhawan, CGO Complex  
New Delhi

Dated: 9/1/90

**Subject: Authentication of previous year figures in the Cost Audit Report**

As you know the Cost Audit for a financial year contains corresponding data for the previous year also. Since the cost audit is not regular on year to year basis, normally cost records for the financial year prior to the year under audit are not subjected to statutory examination excepting under section 227 of the Companies Act read with MAOCARO.

It is observed that some of the cost auditors while reporting the corresponding data in the Cost Audit Report for a financial year are qualifying the same by stating that since previous years figures have not been audited by them, they are not responsible.

After a careful examination of the statement made by the cost auditors, the Department is of the view that it would be more appropriate if while mentioning the figures for previous year, the Cost Auditor certifies the position by means of note that figures so stated are on the basis of information furnished by the management, for which he has obtained a certificate from them.

Yours faithfully

(A.P.S. Chawla)  
Joint Director (Cost)