

No. 52/11/93-CAB
Government of India
Ministry of Law, Justice and Company Affairs
Department of Company Affairs,
B.1. Wing, 3rd Floor, Paryavaran Bhawan, CGO Complex
New Delhi-110 003

Date: 7.6.93

Subject: Maintenance of books of cost accounts as per Cost Accounting Records Rules.

Sir,

It has been brought to the notice of this Department that many of the companies for which maintenance of books of accounts have been made mandatory under Section 209(1)(d) of the Companies Act, 1956 and Cost Accounting Records Rules prescribed, have failed to keep such books of accounts in the manner indicated thereunder. It may be mentioned that books of cost accounts prescribe the right to access at all times to the books of accounts and all subsidiary records (including vouchers) of the company to ensure that the company maintains proper books of accounts and comply with the relevant Cost Accounting Records Rules and also of the provisions prescribed under Section 209 (1)(d) of the Companies Act, 1956.

It is noticed that Cost Auditors sometimes inform the Department of the Company Affairs about non-maintenance/non-submission of cost records by the companies after a lapse of 90 days from the close of financial year or even later. In case, the Company fails to keep the prescribed books of accounts as required by the Act/Rules, the Cost Auditor should bring to the notice of this department immediately i.e. as and when noticed during the year, so that necessary action as prescribed under the Act/Rules against such company could be initiated simultaneously. If the Cost Auditor fails to bring to the notice of the Government about the non-maintenance/non-submission of books of cost accounts by the company as stated above, action would be taken against the cost auditor by the Government under the relevant provisions of the Act/Rules issued from time to time.

(C.D. Vashist)
Director (Cost)