

F. No. 52/5/CAB-2011  
Government of India  
Ministry of Corporate Affairs  
**Cost Audit Branch**

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'B-1' Wing, 2<sup>nd</sup> Floor,  
Paryavaran Bhawan,  
CGO Complex, Lodhi Road,  
New Delhi – 110 003

Dated the November 5, 2012

To,

The President,  
Institute of Cost Accountants of India,  
12, Sudder Street,  
Kolkata – 700 016

**Subject: Default by the Cost Auditors in filing Form 23D  
against the corresponding Form 23C.**

Sir,

Ministry of Corporate Affairs vide General Circular No. 15/2011 dated April 11, 2011 had prescribed a revised procedure to be followed for appointment of cost auditors. As per the revised procedure, each company is required to e-file its application with the Central Government in the prescribed Form 23C within ninety days from the date of commencement of each financial year, which shall be approved by MCA within 30 days.

2. Upon approval by MCA, the company is required to issue formal letter of appointment to the cost auditor, who shall, within 30 days of receipt of such letter of appointment, inform the Central Government in the prescribed Form 23D alongwith a copy of such appointment.

3. It is, however, observed that since April 1, 2011, though all the appointment applications made by the companies concerned in Form 23C have already been approved by the MCA, a large number of cost auditors have defaulted in filing the required Form 23D within the stipulated time. In many cases, the default period is even more than a year. This has been viewed very seriously by the Ministry.

4. Keeping in view the initial operation of the revised procedure, all the defaulting cost auditors are requested to file their required Form 23D that have already become due till date, by December 16, 2012 positively. In case of any further default, names of such defaulting members shall be sent to the Institute on December 17, 2012 intimating the Institute to initiate Disciplinary Proceedings against them under the relevant provisions of Cost and Works Accountants Act, 1959.

5. In cases where the company concerned, after approval of Form 23C, has failed to issue the formal letter of appointment to the cost auditor, they shall do so within 15 days of the issue of this Circular enabling the cost auditor to file Form 23D within the extended time indicated above. In case of non-compliance, the company and every officer thereof who is found to be in default shall be punishable as per provisions of the Companies Act, 1956.

6. The Institute is requested to circulate this for the information of all concerned.

Yours faithfully,



(B.B. Goyal)

Adviser (Cost)

Tel: 011-24366005

Copy to:

- ✓ 1. E-Governance Cell, Ministry of Corporate Affairs, Shastri Bhavan, New Delhi with a request to upload this circular on the MCA's website.
2. All Regional Directors / Registrars of Companies
3. PS to CAM
4. PS to Secretary / Additional Secretary
5. PS to Joint Secretary (R) / Joint Secretary (M)
6. PS to DII (UCN)
7. PS to Economic Adviser