

Cost audit should be part of Clause 49: Govt panel

NEW DELHI: A government-appointed committee has suggested expanding the ambit of Clause 49 on the listing of companies specified by market regulator SEBI to include the cost audit report. The Corporate Affairs Ministry-appointed committee, which has representation from the ICWAI, ICAI, ICSI, CII, FICCI, ASSOCHAM, PHDCCI, SEBI, academicians and management consultants, among others, was of the view that this could provide reliable and credible cost and revenue data to regulators.

"It (Clause 49) must be duly amended to focus and to con-

form to the cost audit structure so that companies report on the efficiency performance in more detail and to the benefit of stakeholders in evaluating the company," the latest report of experts on cost audit standards said.

Clause 49 of the Listing

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deals with aspects of corporate governance. "An appropriate cost management system is required in all business units to remain competitive and the Government should ensure through a legal framework that companies do install such a system," it said. PTI