

ICAI chief Mohanty lauds companies bill

NEW DELHI: Suresh Chandra Mohanty, President of the The Institute of Cost Accountants of India, congratulated Union Minister of Corporate Affairs Sachin Pilot and his team for their 'unstinted efforts' in reforming the country's corporate legislation in tune with global realities and the Indian economy. The new legislation will ensure impetus for the growth momentum as the Bill focuses to enhance transparency, compliance, self-reporting, regulatory and disclosure with fewer regulations.

Mohanty strongly rejected the apprehensions in the media that companies opposed cost audit citing compliance cost and data theft which have been appropriately addressed even in the new mechanism in force since 2011 and as the objects and reasons in the Companies (Amendment) Bill, 1956, for maintenance of cost records and audit thereof to make efficient audit possible. Effective utilisation of available material and labour and to prevent fraud and dishonesty in the corporate sector have more relevance in the



present competitive business environment.

Referring to the press reports on the subject, he said that it is quite natural that given the choice, industry does not need any audit, including financial and secretarial audit. In fact, in many countries there is no statutory financial audit for companies up to a threshold limit. But the Indian economic and business environment is quite different and one size does not fit all.

Different types of audits mandated under law have withstood the test of economic upheavals through scams and corporate frauds from which our country was protected. When some lone exceptions happened, the Government has acted fast in further strengthening the audit mechanism.