

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3047
ANSWERED ON:02.08.2002
FOREIGN AUDIT FIRMS
NARESH KUMAR PUGLIA;SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have been considering to allow foreign audit firms to practice in the country;
- (b) if so, the reasons and justification therefor;
- (c) whether the Council of the Institute of Chartered Accountants of India has considered a working group to review proposals for amendments submitted to the Government in this regard; and
- (d) if so, the details thereof and the time by which the working group is likely to submit its report to the Government?

Answer

MINISTER OF FINANCE & COMPANY AFFAIRS (SHRI JASWANT SINGH)

- (a) & (b) As per provisions of the Companies Act, 1956 and the Chartered Accountants Act, 1949, no person shall be entitled to carry out statutory audit work unless he is a member of the Institute of Chartered Accountants and has obtained from the Council of the Institute of Chartered Accountants of India a certificate of practice.
- (c) & (d) The Institute of Chartered Accountants of India (ICAI) constituted in March, 2002, a Working Group to suggest amendments to the Chartered Accountants Act, 1949 and the Regulations framed thereunder. The group submitted its report on 29th June, 2002 to ICAI.