

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:108

ANSWERED ON:17.10.2008

REVIEW OF THE ACCOUNTS OF UNLISTED COMPANIES

Adsul Shri Anandrao Vithoba; Tripathy Shri Braja Kishore

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether a panel appointed by the Planning Commission has proposed to review the accounts of unlisted companies in the country;
- (b) if so, the details in this regard;
- (c) whether the Government proposes to bring such companies under their ambit with a view to review their accounts;
- (d) if so, the details thereof; and
- (e) the action taken by the Government so far in this regard?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) : The Planning Commission had placed a draft report of the High Level Committee on Financial Sector Reforms set up by it and headed by Dr. Raghuram Rajan on their website for public comment. The draft report has, inter-alia, made certain suggestions for review of accounts of both listed and unlisted companies on selective or sample basis.

(c) to (e): Under the provisions of Companies Act, 1956, (the Act), the accounts of all companies are subject to audit by a chartered accountant within the meaning of Chartered Accountants Act, 1949. The audited financial statements of a company are also statutorily required to be filed with Registrar of Companies, where they may be viewed by the stakeholders. Such accounts may also be subjected to inspection/scrutiny by the Registrar of Companies or other officers authorised by the Central Government/SEBI in this behalf, if need be, under the provisions of the Act. The existing statutory provisions provide appropriate framework for review of company accounts where necessary.