

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:480

ANSWERED ON:20.02.2009

IRREGULARITIES IN COMPANIES

Acharia Shri Basudeb;Adsul Shri Anandrao Vithoba;Botcha Lakshmi Smt. Jhansi;Chandrappan Shri C.K.;Murmu Shri Hemlal;Rao Shri Sambasiva Rayapati;Reddy Shri Suravaram Sudhakar;Thakur Shri Anurag Singh;Verma Shri Ravi Prakash;Yaskhi Shri Madhu Goud

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether irregularities i.e.,similar to those in Satyam Computers have come to the notice of the Government in some other companies;
- (b) if so, the details thereof and the action taken/being taken by the Government thereon;
- (c) whether the Government proposes to carry out inspection of books of accounts of the various companies to check such financial irregularities; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

(a) to (d):The events relating to Satyam Computer Services Ltd are specific to a particular company.

Government orders inspections under Sec.209A of the Companies Act, 1956 of the books of accounts of companies on regular basis on scrutiny of statutory filings/ financial statements of the companies, Auditors'comments/qualifying remarks on their financial statements,on complaints against the companies by individuals or institutions or on references or information from other regulatory bodies/Government Departments etc about non-compliance with or violation of the provisions of the Companies Act, 1956 and other irregularities. Suitable action under the law is taken in case any non-compliance/ violation of the Companies Act comes to notice with regard to any company on the basis of inspection reports.

During the current year,(FY: 2008), 146 inspections have been conducted and inspection reports received by the Ministry till 31.1.2009.The inspection of books of accounts of companies under the said provisions of the Companies Act, 1956 as also legal action against the companies in violation and their directors and officers,as warranted, takes place on an ongoing basis.