

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:2404  
ANSWERED ON:10.03.2011  
MECHANISM FOR VERIFYING BALANCE SHEET  
Bhagora Shri Tarachand;Jaiswal Dr. Sanjay

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

- (a) whether the Government is aware that most of the private sector compromises submitting their manipulated/inflated balance sheets to take undue advantage of government schemes;
- (b) if so, the details thereof alongwith the number of such companies found guilty and the action taken against them company-wise;
- (c) whether the Government has constituted/proposes to constitute any monitoring committee to monitor such companies; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS(SHRI R.P.N. SINGH)

- (a) The Companies Act, 1956 provides for preparation of accounts including Balance Sheets as per the Accounting Standards and filing the same through MCA-21 system. The provisions of the Companies Act, 1956 are very specific and mandated for filing true and fair state of affairs of the company.
- (b) to (d) Does not arise.