

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3723
ANSWERED ON:30.07.2009
CHARTERED ACCOUNTANT
Singh Shri Ganesh

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Central Vigilance Commission (CVC) proposes to prosecute the Chartered Accountants (CAs) involved in Satyam like scams in addition to impose a ban on their practice;
- (b) if so, the details thereof;
- (c) the steps taken by the Government so far to end the unholy nexus between the companies and the Chartered Accountants;
- (d) whether the Government proposes to enact any law to replace Chartered Accountants of companies after three years; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHID)

- (a) and (b) : The profession of Chartered Accountants is regulated under the Chartered Accountants Act, 1949 including disciplinary action in Satyam like cases. The Central Vigilance Commission does not have any role in such cases.
- (c) : Chapter V of the Chartered Accountants Act, 1949 has been amended in 2006 to provide more effective disciplinary mechanism to deal with professional or other misconduct mentioned in First or Second Schedule of the Act.
- (d) : At present, there is no such proposal to replace Chartered Accountants of Companies after three years.
- (e) : Does not arise.