

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4545
ANSWERED ON:06.08.2009
STATUTORY AUDITORS
Shanavas Shri M. I.

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Statutory Auditors of listed companies are appointed by the companies in its general meeting;
- (b) if so, the details thereof;
- (c) whether by such appointment of statutory auditors by the management there is a nexus between the Auditors and the management;
- (d) if so, the details thereof;
- (e) whether there is a proposal to have the statutory auditors appointed by a Regulatory Authority in respect of listed companies like in the cases of banks and Government companies;and
- (f) if so, the details thereof?

Answer

THE MINISTER OF CORPORATE AFFAIRS(SHRI SALMAN KHURSHID)

- (a) & (b). Yes, Sir.As per provisions of section 224 of the Companies Act, 1956, every company is statutorily required to appoint an Auditor to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting. As per section 619 of the Act, an Auditor in a Government company is appointed by the Comptroller and Auditor General of India.
- (c) & (d). No, Sir.The appointment of statutory auditor is made by the shareholders of a company in its annual general meeting.
- (e) & (f). At present,no such proposal is there.