

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4244
ANSWERED ON:06.09.2012
VIOLATION OF ACCOUNTING PRINCIPLES
Naranbhai Shri Kachhadia

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government is aware that violation of accounting principles and financial irregularities are being carried out by various companies and their audit firms;
- (b) if so, the details thereof;
- (c) the number of companies and audit firms found guilty for violating of accounting principles and financial irregularities during the last three years; and
- (d) the action taken by the Government in this regard?

Answer

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

(a) to (d) Yes, Madam. During the last three years, 316 companies and 73 audit firms were found guilty of violation of accounting principles and other financial irregularities for non-compliance of disclosure norms. Prosecutions have been filed against such companies and audit firms, under section 211 and section 227 read with section 233 respectively of the Companies Act, 1956 for such violations.