

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 1749  
ANSWERED ON MONDAY, THE 10<sup>th</sup> DECEMBER, 2012**

**VIOLATION OF ACCOUNTING PRINCIPLES AND FINANCIAL  
IRREGULARITIES BY COMPANIES**

**QUESTION**

1749. DR. T.N. SEEMA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government is aware that violation of accounting principles and financial irregularities are being carried out by large corporate groups and their audit firms;
- (b) if so, the details thereof;
- (c) the number of companies and audit firms found guilty of such violations and irregularities during the last three years;
- (d) the details of the losses suffered by the exchequer due to such irregularities; and
- (e) the action taken by Government in this regard?

**ANSWER**

THE MINISTER OF STATE (INDEPENDENT CHARGE) (SHRI SACHIN PILOT)  
IN THE MINISTRY OF CORPORATE AFFAIRS

- (a) to (c) Yes, Sir. As per the latest information available, 427 companies and 104 audit firms were found guilty of violating the accounting principles and financial irregularities.
- (d) Such details are not required to be maintained by this Ministry under the provisions of the Companies Act, 1956.

(e) Penal action has been initiated 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.

\*\*\*\*\*