

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
RAJYA SABHA  
STARRED QUESTION NO. 265  
ANSWERED ON MONDAY, THE 10<sup>th</sup> FEBRUARY, 2014**

**AUDIT OF PRIVATE COMPANIES BY GOVERNMENT AUDITOR  
QUESTION**

\*265. SHRI K. N. BALAGOPAL:

Will the Minister of CORPORATE AFFAIRS  
be pleased to state:

(a) whether there is any court verdict that empowers the Government auditor to audit books of accounts of private corporate entities and if so, the details thereof; and

(b) Government's stands on this issue?

**ANSWER**

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

(SHRI SACHIN PILOT)

(a) & (b):- A statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN ANSWER TO RAJYA SABHA STARRED QUESTION NO. 265 FOR 10.02.2014 REGARDING AUDIT OF PRIVATE COMPANIES BY GOVERNMENT AUDITOR**

(a) & (b):- No, Sir. There is no general Court verdict that empowers the Government auditor to audit books of accounts of private corporate entities. However in a recent order Hon'ble High Court of Delhi, in the Writ Petition (Civil) No. 3673 of 2010 (Association of Unified Telecom Service Providers of India & Others Vs. Union of India & Others) and Writ Petition (Civil) No. 3679 of 2010 (Cellular Operators Association of India & Others Vs. Department of Telecommunication & Others) has held that the Comptroller and Auditor General of India has powers to conduct a revenue audit of the accounts drawn by the Private Telecom Operators who have entered into licence agreements to provide cellular/unified access service as per licence agreements. The Telecom Service Providers have filed Special Leave Petitions, against the above judgment, before the Supreme Court and the matter is sub-judice. However, in the facts of this case there is no issue concerning Company Law.

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