

used or transferred otherwise than provided under the scheme.

**Kerala Government's investment in Treasury Bills**

1055. SHRI THOMAS KUTHIRAVATTOM: Will the Minister of FINANCE be pleased to state:

(a) what is Kerala Government's Surplus including investment in Treasury Bills as on 31st March, 1986; and

(b) how does this compare with the assessment made at the time of finalising the State's Annual Plan for the current year 1986-87?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The final figure of closing balance of 1985-86 which is comparable with the corresponding figures assessed at the time of finalising the State's annual Plan 1986-87 has not become available. This will be furnished as soon as it becomes available.

**Appointments of Auditors in Government Undertakings**

1056. SHRI PARVATHANENI UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) what are the criteria prescribed for appointment of Auditors for Government Undertakings;

(b) whether it is a fact that audit is conducted by Chartered Accountants who do not have even five years experience and the established firms are overlooked; and

(c) whether Government will ensure that the audit work of Government Undertakings is allotted to only well established and experienced Chartered Accountants?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) No criteria have been prescribed by the Government of India for appointment of auditors of Government Undertakings. Section 619 (2) of the Company's Act provides that the auditor of a Government Company will be appointed by the Central Govern-

ment on the advice of the CAG of India. In recommending auditors for Government Undertakings, the following broad guidelines are laid down by the CAG:

- (i) the location of the company;
- (ii) the nature and the complexities of the company to be audited;
- (iii) the location of the Chartered Accountant's firm;
- (iv) the fee for the audit;
- (v) the organisational strength of the firm of Chartered Accountants!; and
- (vi) their record of work and experience.

(b) and (c) Audit is entrusted either to partnership firms in which atleast one partner has more than five years experience or to a sole proprietary firm in which the proprietor has more than five years experience. Thus, audit is entrusted to only established and experienced Chartered Accountants.

**Voluntary Income Tax Disclosure scheme**

1057. PROF. C. LAKSHMANNA: Will the Minister of FINANCE be pleased to state:

(a) what has been the response to the recent Voluntary Income-tax Disclosure Scheme;

(b) whether the response to the Scheme was very encouraging due to certain controversies and confusions in interpretations of the provisions of the Scheme; and

(c) whether Government have made an inquiry into this matter; if so, what are the factors for poor response to the Scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) The response to the amnesty Circulars issued by the Govt. for Voluntary Disclosure of Income has been very encouraging.

(b) No, Sir.

(c) In view of the reply to part (a) above, the Government did not think it necessary to make any enquiry in the matter.