

#### **Operations by foreign audit firms in the country**

3606. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

- (a) whether there is any proposal with Government to allow foreign firms such as KPMG, Deloitte, Ernst & Young and Price Waterhouse Corpn. to begin auditing operations in our country;
- (b) whether the existing rules do not allow foreign firms to carry out auditing functions in the country but were allowed to carry out functions such as advisory consulting and research only; and
- (c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) There is no proposal under consideration to allow foreign firms to begin auditing operations in our country.

(b) and (c) Foreign firms cannot carry out auditing functions in the country. They can however, operate in areas as consulting and research as consulting company registered under the Companies Act 1956.

Further, Section 226 of the Companies Act, 1956 stipulates the qualifications and disqualifications of auditors, according to which only a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 or a firm of Chartered Accountants are qualified for appointment as auditors of a company. This Section also prohibits a body corporate from being appointed as auditor of a company.

#### **Release of pension by nationalized banks**

3607. SHRI O.T. LEPCHA: Will the Minister of FINANCE be pleased to state:

- (a) whether in spite of the directives the authority of releasing pension rests with the headquarters of the respective nationalized banks on month-to-month basis;
- (b) whether the headquarters do not release the pension for one or the other reason inspite of the recommendations of the branch heads;
- (c) if so, the number of such cases where pension was not released since January, 2011 on month-to-month basis, bank-wise in Delhi/New Delhi;
- (d) whether Government would issue directions to the nationalized banks to release pension by the respective branch heads; and