

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE**

DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 2423

**TO BE ANSWERED ON FRIDAY, 9th MARCH, 2018
[Phalguna 18, 1939 (SAKA)]**

'Auditing of JV Agreements'

2423. SHRI RADHESHYAM BISWAS:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government auditor has been empowered to supervise or conduct audit of Joint Venture (JV) agreements between the Public Sector Undertakings and private enterprises and if so, the details thereof; and
- (b) whether the audited accounts of such agreements are placed before the legislative bodies and if so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE
MINISTRY OF FINANCE**

(SHRI PON. RADHAKRISHNAN)

(a) The audit of Public Sector Undertakings is carried out by the Comptroller and Auditor General of India (CAG) as per provisions of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Companies Act, 2013. The Companies Act provides for supplementary audit of the financial statement of the company by CAG u/s 143 (6) in case of a Government company. While conducting audit of a Public Sector Entity, the examination of joint venture agreements falls within the scope of audit.

(b) Audit reports on the accounts of Government companies are placed before the Parliament under section 394 of the Companies Act 2013. In case a Joint Venture entity falls within the definition of a Government company, as defined under the Companies Act 2013, its accounts are to be placed before the Parliament.