

**GOVERNMENT OF INDIA  
COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:1506  
ANSWERED ON:03.03.2006  
NEW ACCOUNTING SYSTEM  
Vallabbhaneni Shri Balashowry

**Will the Minister of COMPANY AFFAIRS be pleased to state:**

- (a) whether the Government proposes to notify a new accounting system;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the time by which it is likely to be implemented?

**Answer**

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) to (c) : No new Accounting System is proposed to be notified by the Government. However, in order to enable the Central Government to prescribe Accounting Standards under section 211(3C) of the Companies Act, 1956 (Act), the National Advisory Committee on Accounting Standards (NACAS) constituted under section 210A of the Act, after obtaining recommendations of the Institute of Chartered Accountants of India, has submitted its recommendations on Accounting Standards to the Government on 07.02.2006. This Ministry is examining the recommendations of NACAS for the purpose of prescribing the Accounting Standards under section 211(3C) of the Act. In the meantime, pursuant to section 211(3C) of the Act, the standards of accounting already specified by the Institute of Chartered Accountants of India are deemed to be the Accounting Standards for the purposes of the Act.