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ORDER INSTITUTING DISCIPLINARY  
PROCEEDINGS, MAKING FINDINGS,  
AND IMPOSING SANCTIONS

*In the Matter of Siva Prasad Pulavarthi,*  
  
*Respondent.*

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) PCAOB Release No. 105-2010-004  
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) March 16, 2010  
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By this Order, the Public Company Accounting Oversight Board ("Board" or "PCAOB") is barring Siva Prasad Pulavarthi ("Prasad," or "Respondent") from being an associated person of a registered public accounting firm. The Board is imposing this sanction pursuant to PCAOB Rule 5300(b)(1), on the basis of its findings concerning Respondent's noncooperation with a Board investigation, by failing to comply with an Accounting Board Demand ("Demand") requiring, among other things, his testimony.

I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, fair, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002 ("Act") and PCAOB Rule 5200(a)(3) against the Respondent.

II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, the Respondent has submitted an Offer of Settlement ("Offer") that the Board has determined to accept. Solely for purposes of this proceeding and any other proceedings brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings herein, except as to the Board's jurisdiction over Respondent and the subject matter of these proceedings, which is admitted, Respondent consents to the entry of this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions ("Order") as set forth below.

**ORDER**

**III.**

On the basis of Respondent's Offer in this matter, the Board finds that<sup>1/</sup>:

**A. Respondent**

1. Siva Prasad Pulavarthi, age 43, is a citizen and a resident of India, and has been a practicing accountant in Hyderabad, Andhra Pradesh, India and a Member of the Institute of Chartered Accountants of India ("ICAI")<sup>2/</sup> since 1995 (License No. ACA-204076). At all relevant times, Prasad was a Manager/Senior Manager, and beginning in April 2007, an Associate Director, with the registered public accounting firm of Lovelock & Lewes, Chartered Accountants ("Lovelock"), and an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). Prasad resigned from Lovelock on or about January 29, 2010.

**B. Respondent Failed to Cooperate with a PCAOB Investigation.**

2. Pursuant to Section 105(b) of the Act and PCAOB Rules, the Board conducts investigations into acts or practices of registered public accounting firms and their associated persons that may violate any provision of the Act, the Rules of the Board, the provisions of securities laws relating to the preparation and issuance of audit reports and the obligations and liabilities of accountants with respect thereto, including the rules of the U.S. Securities and Exchange Commission ("Commission") issued under the Act, or professional standards. Section 105(b)(3)(A) of the Act authorizes the Board to sanction an associated person of a registered public accounting firm for refusing to testify in connection with a Board investigation.

3. As described below, Respondent failed to cooperate with the Board's investigation by failing to comply with a Demand requiring his testimony, issued to Respondent pursuant to PCAOB Rule 5102(b).

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<sup>1/</sup> The findings herein are made pursuant to the Respondent's Offer, and are not binding on any other person or entity in this or any other proceeding.

<sup>2/</sup> The ICAI describes itself as "a statutory body established under the Chartered Accountants Act, 1949 . . . for the regulation of the profession of Chartered Accountants in India." [www.icai.org](http://www.icai.org).

## ORDER

### Background

4. Lovelock is one of five members of the PricewaterhouseCoopers International Limited network of firms that is located in India and registered with the Board. Lovelock participated in the audits of the March 31, 2005, 2006, 2007, and 2008 financial statements of Satyam Computer Services, Limited ("Satyam"). Satyam is an issuer, as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

5. From April 2000, until March 2005, Prasad was the Engagement Manager for the Satyam audit engagement. From April 2005, until March 2008, Prasad was the Client Relationship Manager for the Satyam audit engagement.<sup>3/</sup>

6. As the Engagement Manager for the 2005 Satyam audit engagement, Prasad had responsibility for, among other areas, supervising and reviewing audit work related to cash and accounts receivable.

7. On January 7, 2009, Satyam filed a Form 6-K with the Commission in which Satyam disclosed that its founder and then chairman revealed that he had inflated key financial results for Satyam, including overstating a cash balance by \$1 billion, overstating profits for the past several years, overstating the amount of debt owed to Satyam, and understating Satyam's liabilities.

8. On January 8, 2009, the Board issued an Order of Formal Investigation regarding the audits and reviews of the financial statements of Satyam.

9. On January 14, 2009, Satyam reported to the Commission, on a Form 6-K, that Price Waterhouse had advised that all audit reports for the period 2000-2008 should no longer be relied upon.

### Respondent's Refusal to Appear and Testify

10. On March 10, 2009, the Division sent Respondent a Demand which required him to appear for testimony on April 28, 2009.

11. The Division anticipated taking testimony from the Respondent concerning, among other things, his role in the audits of Satyam's financial statements.

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<sup>3/</sup> The audit opinions on Satyam's financial statements were signed in the name of Price Waterhouse.

**ORDER**

12. After several attempts to accommodate Respondent with respect to the dates and location of testimony, including a delay to allow new counsel to become familiar with the matter after Respondent changed counsel, Respondent, through counsel, informed the Division in January 2010 that he would not comply with the Demand for testimony.

**IV.**

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, fair, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in Respondent's Offer. Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 105(b)(3)(A)(i) of the Act and PCAOB Rule 5300(b)(1), Siva Prasad Pulavarthi is barred from being an associated person of a registered public accounting firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i).

ISSUED BY THE BOARD.

/s/ J. Gordon Seymour

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J. Gordon Seymour  
Secretary

March 16, 2010