

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 754
ANSWERED ON FRIDAY, JULY 24, 2015
SHRAVANA 2, 1937 (SAKA)**

CORPORATE GOVERNANCE

QUESTION

754. SHRI RAJESHBHAI CHUDASAMA:

Will the Minister of CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

be pleased to state:

- (a) whether the Ministry has prepared any action plan for improvement in governing system and its implementation, if so, the details thereof;**
- (b) whether Prime Minister has also given suggestions for improvement in corporate governance, if so, the details thereof;**
- (c) whether Government is taking steps to promote corporate sector in the country; and**
- (d) if so, the details thereof?**

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

कारपोरेट कार्य मंत्री

(श्री अरुण जेटली)

(a) to (d):- The Companies Act, 2013 which replaces the Companies Act, 1956 incorporates various provisions aimed at strengthening of corporate governance in companies in India. These provisions include, inter-alia, enhanced responsibilities for the Board and its committees like the Audit Committee and Nomination and Remuneration Committee, enhanced disclosures to stakeholders, appointment of Independent Directors, stricter norms for ensuring independence and accountability of auditors and greater level of investor protection.

The Indian Accounting Standards (Ind AS) have also been notified in February 2015, and are expected to contribute to improved corporate governance. The number of activities under Corporate Social Responsibility has also been expanded. Further, Companies Act, 2013 has been amended to do away with mandatory requirement of minimum paid up capital for companies, common seal for companies and the requirement of filing declaration of commencement of business with a view to facilitate doing business using company as a vehicle. Incorporation process for a company has been simplified through the introduction of an integrated e-form INC-29, amongst other steps.
