

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

STARRED QUESTION NO:330
ANSWERED ON:17.04.2000
DECLARE MANDATORY ENVIRONMENTAL AUDIT FOR COMPANIES
ANNA SAHEB M.K. PATIL;SUBODH MOHITE

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government propose to amend The Companies Act, 1956 to incorporate environmental audit mandatory for companies keeping in view several judgements of Supreme Court and High Courts;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the steps taken by the Government to check environmental pollution from the existing companies and new companies?

Answer

MINISTER OF STATE FOR LAW, JUSTICE AND COMPANY AFFAIRS

(SHRI O. RAJAGOPAL)

(a) to (c) : A provision (Clause 173(1)(f)) has been included in the Companies Bill, 1997 pursuant to which a report by the Board of Directors of a company, with respect to 'the measures taken for the protection of environment in such manner as may be prescribed' shall be attached to every balance sheet laid before a company in general meeting,. The Government will prescribe the manner in which these measures for protection of environment are to be indicated, after the Companies Bill, 1997 is passed. At present this Bill stands referred to the Department related Standing Committee on Home Affairs.

(d) Steps taken by the Government (M/o Environment and Forests) to check environmental pollution from the existing companies and new companies inter-alia, include:

1. Effluent and emission standards have been notified under the Environment (Protection) Act, 1986 to check pollution.
2. Industries have been directed to instal necessary pollution control equipment on a time bound basis and legal action is taken against the defaulting units.
3. Ambient Air and Water Quality Standards have been notified.
4. Fiscal incentives are provided for installation of pollution control equipments and shifting of industries from congested areas.
5. Public awareness compaigns on the effect of pollution have been launched.