

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4495
ANSWERED ON:17.12.2009
REVIEW OF COMPANIES ACT
Pratap Narayanrao Shri Sonawane

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Organization for Economic Co-operation and Development (OECD), countries are reforming the company law in the economic context particularly to promote entrepreneurship, ensure better corporate competitiveness and more productive resource allocation;
- (b) if so, whether the Government proposes to review the Companies Act to address the economic issues; and
- (c) the details of action being initiated in this regard?

Answer

THE MINISTER OF CORPORATE AFFAIRS(SHRI SALMAN KHURSHID)

(a) The Governments of the 30 Organization for Economic Co-operation and Development (OECD) countries have approved a revised version of the OECD's Principles of Corporate Governance adding new recommendations for good practice in corporate behaviour with a view to rebuilding and maintaining public trust in companies and stock markets.

(b) & (c) The Government has revised the Companies Act, 1956 comprehensively in the form of Companies Bill, 2009 to enable the corporate legal framework to be more effective in the emerging economic environment and encourage good corporate governance. The Bill was introduced in the Lok Sabha on 3.8.2009 and has been referred to the Department related Parliamentary Standing Committee on Finance for its examination and report.