

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:3733

ANSWERED ON:02.12.2010

NEW COMPANIES BILL

Naik Dr. Sanjeev Ganesh;Owaisi Shri Asaduddin;Sarvey Shri Sathyanarayana;Sule Supriya

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

- (a) whether the Government is examining the provisions of the New Companies Bill;
- (b) if so, the details thereof; and
- (c) the extent to which the New Companies Bill will be beneficial for companies as well as common people?

**Answer**

THE MINISTER OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHID)

(a) & (b) Yes, Madam. The Government is examining the provisions of the new Companies Bill keeping in view the various recommendations of the Parliamentary Standing Committee on Finance made in its report submitted on 31st August, 2010.

(c) The new Companies Bill, 2009 will be beneficial for companies as well as common people as it provides, inter alia, as below:

- (i) Requirements at the time of incorporation would be clear and precise;
- (ii) Responsible self regulation with disclosures and accountability;
- (iii) Electronic mode provides for company processes;
- (iv) Protection of right of minority shareholders;
- (v) Introduction of concepts like Key Managerial Persons (KMP), independent directors and committees of Board;
- (vi) More accountability on the part of auditors;
- (vii) Investor Education & Protection Fund (IEPF) claims to be allowed even after seven years; and
- (viii) Shareholders Association / Group of shareholders enabled to take legal action and introduction of "Class Action Suits".