

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4481
ANSWERED ON:03.05.2012
ROTATION OF AUDITORS
Viswanathan Shri P.

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the provision of rotation of auditors shall be mandatory in the proposed Company Law Bill, 2009 to avoid Satyam type of fraud;
- (b) if so, the details thereof;
- (c) the name of the monitoring authority for 2 per cent mandatory provision on Corporate Social Responsibility alongwith penal provision for not complying this order;
- (d) whether the Government has received any proposal to impose ceiling on the remuneration of the executives when the company is incurring loss; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE (SHRI R.P.N. SINGH) MINISTRY OF CORPORATE AFFAIRS

- (a) and (b) The Companies Bill 2011 proposes mandatory rotation of auditors for listed and other classes of companies as may be notified.
- (c) The Companies Bill 2011 proposes for mandatory disclosure on CSR with the stipulation that companies shall endeavor to spend in every financial year, atleast 2% of its average net profits on CSR and in case it fails to do so, the Board of Directors shall disclose the reasons for such failure.
- (d) and (e) No, Madam.