

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:754  
ANSWERED ON:24.07.2015  
Corporate Governance  
Chudasama Shri Rajeshbhai Naranbhai

**Will the Minister of CORPORATE AFFAIRS 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)  
???????? ???? ???? (???? ???? ????)

(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.

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