

GOVERNMENT OF INDIA

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 204
ANSWERED ON MONDAY, DECEMBER 04, 2023
AGRAHAYANA 13, 1945 (SAKA)**

TRANSPARENCY IN CORPORATE MANAGEMENT

QUESTION

204. SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:

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

- (a) whether the Government has taken measures to increase transparency in corporate management;**
- (b) if so, the details thereof; and**
- (c) the details of the efforts being made by the Government to increase the representation of women in corporate management?**

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

[RAO INDERJIT SINGH]

(a) & (b) : The Companies Act, 2013 (Act) and rules made thereunder contain important provisions to ensure transparency in corporate management. The Act and Rules require companies to maintain books of account, various returns and registers in the prescribed form and keep them at their registered offices. The statutory registers and returns maintained and kept by companies can be inspected as required by members or other security holders or other persons in accordance with section 94 of the Act. The companies are also required to forward notices for the general meetings along with explanatory statements as well as other attachments for information of shareholders. Annual financial

statements are also required to be forwarded to the shareholders. In addition, the companies are required to file various documents, copies of resolutions, returns with the Registrar. The disclosures in the Board's report, financial statements and annual returns also seek to ensure that every relevant information is available to the stakeholders as well as in the Registry. The documents kept by the Registrar can be inspected or copies taken electronically by any person in accordance with the provisions of section 399 of the Act. The Act also includes provisions relating to independent directors, Audit Committee, Nomination & Remuneration Committee, independent auditors & vigil mechanism to ensure higher levels of transparency and accountability.

(c) : Second proviso to sub-section (1) of section 149 of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 provides that every listed company and every other public company having paid up share capital of Rs. 100 crore or more or having turnover of Rs. 300 crore or more shall have at least one woman director.

If a company makes default in complying with this provision of the Act, the company and every officer of the company who is in default is liable for penalty provided under section 172 of the Act.

These provisions have been included in the Act with a view to increase the representation of women in corporate management.
