

1	2	3	4	5	6	7
21.	Maharashtra	0	0	0	19	0
22.	Manipur	3	3	3	4	8
23.	Mizoram	0	5	3	0	20
24.	Meghalaya	1	0	0	0	0
25.	Nagaland	1	3	4	4	4
26.	Odisha	0	34	14	16	16
27.	Puducherry	1	1	1	1	1
28.	Punjab	0	2	0	0	2
29.	Rajasthan	0	0	295	0	0
30.	Sikkim	0	0	0	0	0
31.	Tamil Nadu	0	9	17	40	38
32.	Telangana	2	4	5	16	22
33.	Tripura	12	5	5	0	4
34.	Uttar Pradesh	0	17	42	41	95
35.	Uttarakhand	0	0	0	8	11
36.	West Bengal	0	0	0	3	12
TOTAL		57	211	487	216	414

Good corporate governance to strengthen Indian companies

1106. DR. AMEE YAJNIK:

SHRI RAJMANI PATEL:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the steps taken by Government for good corporate governance essential for instilling confidence among investors in the Indian market as also to strengthen Indian corporations to be able to compete globally;

(b) the details of the essential efforts that have been taken by Government during the last two years for making suitable atmosphere for investors in the country; and

(c) how many foreign investors have come to India for investment purpose during the recent times?

THE MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): (a) Securities and Exchange Board of India (SEBI) has informed that Major reforms arising out of the recommendations of Kotak Committee have been implemented in a phased manner such as at least one woman independent director in the top 500 listed entities by market capitalization by April 1, 2019 and in the top 1000 listed entities, by April 1, 2020, Separation of CEO/MD and Chairperson (to be initially made applicable to the top 500 listed entities by market capitalization w.e.f. April 1, 2020), Enhanced disclosure of related party transactions (RPTs) and related parties to be permitted to vote against RPTs, Reduction in the maximum number of listed entity directorships from 10 to 8 by April 01, 2019 and to 7 by April 1, 2020, Enhanced role of the Audit Committee, Nomination and Remuneration Committee (NRC) and Risk Management Committee, Disclosures of auditor credentials, audit fee, reasons for resignation of auditors, etc., Disclosure of expertise/skills of directors, Mandatory disclosure of consolidated quarterly results with effect from F.Y. 2019-20, Secretarial Audit to be mandatory for listed entities and their material unlisted subsidiaries, Minimum six directors in the top 1,000 listed entities by market capitalization by April 1, 2019 and in the top 2000 listed entities, by April 1, 2020, Quorum for Board meetings (1/3rd of the size of the Board or 3 members, whichever is higher) in the top 1000 listed entities by market capitalization by April 1, 2019 and in the top 2000 listed entities, by April 1, 2020, Top 100 entities to hold AGMs within 5 months from the end of F.Y. 2018-19 i.e. by August 31, 2019, Webcast of AGMs will be compulsory for top 100 entities by market capitalization.

The Institute of Chartered Accountants of India under the aegis of Investor Education and Protection Fund Authority (IEPFA), Ministry of Corporate Affairs (MCA) conducts Investor Awareness Programs across the country through its Committee on Capital Market and Investors Protection. Investor Awareness Programs are being regularly conducted by ICAI on PAN India basis to educate the investors and to create awareness among the investors regarding the capital market and the program received overwhelming response among the public at large. Investor Awareness Programs are conducted to enhance the ability of investors to understand broad developments in the country having bearing on the corporate sector and the capital market. This initiative was started to educate the investors' on their rights and responsibilities and to make investors' aware of grievances handling mechanism and different agencies to be approached for redressal.

The number of Investor Awareness programmes organised during the years is 2018-19 by ICAI is 670 and IEPF has conducted 26409 programmes for IEPF Authority as on 31.05.2019, since beginning of F.Y. 2018-2019.

In order to strengthen Corporate Governance in India, the Ministry of Corporate Affairs has introduced in the Companies Act, 2013 progressive and transparent provisions on Role and Liability of Independent Director (IDs) in Section 149(4) of the Companies Act provide that every listed public company and prescribed class of companies shall have at least one-third of the total number of directors as independent directors, shareholders play an important role for giving approval in the matters such as Alteration of Memorandum of Association/Article of Association, Change in registered office, Appointment and removal of directors and auditors, Approval of related party transactions beyond specified thresholds, Approval of remuneration to directors, Approval of inter-corporate investments beyond specified limits and further issue of share capital, Auditor can be removed before expiry of his term only after prior approval of the Central Government and Companies are required to file various event based e-forms, which are informatory in nature with RoC and the same are made available on MCA portal for public viewing.

(b) SEBI has informed that in June, 2017, SEBI clarified that the e-PAN issued by Central Board of Direct Taxes (CBDT) can also be produced by Foreign Portfolio Investor for know your customer compliance and SEBI in consultation with RBI has enhanced the limit for investment by FPIs in Government Securities. The limit was enhanced from time to time.

In July, 2017, a new sub-category was created under the FPI limits in State Development Loans (SDLs). This sub-limit referred to as SDL-Long Term is available exclusively for investment on tap by Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks).

In September, 2017 Combined Corporate Debt Limit was renamed as Corporate Debt Investment Limit (CDIL) and Rupee Denominated Bonds issued overseas by Indian Companies were excluded from it. Also, limit freed from exclusion of Masala Bonds was made available to long term FPIs in infrastructure sector.

SEBI in consultation with RBI withdrew the minimum residual maturity restriction of three years for investment by FPIs in G-Secs and SDLs on June 15, 2018.

Further, *vide* Circular dated March 12, 2019, the requirement that no FPI shall have an exposure of more than 20% of its corporate bond portfolio to a single corporate, has been withdrawn.

Since March 1, 2019, FPIs are allowed to invest through one more route called, voluntary retention route (VRR) which is free of the macro-prudential and other regulatory norms applicable to FPI investments in debt markets, provided FPIs voluntarily commit to retain a required minimum percentage of their investments in India for a period. Investment through this Route shall be in addition to the General Investment Limit. SEBI *vide* circular dated 15.02.2018 in order to ease the Investment of FPIs in India, the extant access and investment norms were fine tuned.

In March, 2018, SEBI in consultation with RBI, decided to allocate separate limit of INR 5,000 crore to FPIs for taking long position in Interest Rate Futures. On September 21, 2018 SEBI issued the directions on eligibility conditions for FPIs, provides that the KYC Registration Agencies (KRAs) shall lock personal information provided with regard to beneficial owner including SMO of FPI.

On April 10, 2018, SEBI issued a clarification on Clubbing of investment limits for FPIs. Further, SEBI had constituted a working group on March 26, 2018 under the Chairmanship of Shri H.R. Khan, Deputy Governor (Retired), Reserve Bank of India for redrafting the SEBI (Foreign Portfolio Investors) Regulations, 2014. The number of FPIs at the end of each of the last four financial years are as under:—

Year	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
No of FPIs	8,717	8,781	9,227	9,390

Ministry of Corporate Affairs (MCA) in the last two years has taken up the reforms such as Setting up Central Registration Centre (CRC) for processing of applications for name reservation and incorporation of companies and LLPs within 1-2 days, no fees is charged for all companies having an authorized capital upto Rs. 15 lakh, integration of MCA21 system with registration of EPFO, ESIC, GST, PAN and TAN at the time of incorporation of companies in SPICe Form. Ministry has amended the Companies (Incorporation) Rules, 2014 and integrated incorporation form SPICe which extends 8 services (Name Reservation, PAN, TAN, DIN, EPFO, ESIC, GST and Incorporation) for starting a business and name Availability Rules have been simplified. In order to remove ambiguity in name reservation, Companies (Incorporation) Rules, 2014 is amended through Companies (Incorporation) Fifth Amendments Rules, 2019. Consequently, time taken for approval of name of proposed company has reduced to 1-3 days.

As per information provided by Department for Promotion of Industry and Internal Trade (DPIIT), Project Monitoring Invest India Cell (PMIC) is an institutional mechanism for resolving a variety of issues with a view to fast tracking the approvals for setting up and expeditions commissioning of large public, private and public-private partnership (PPP) Projects. At present, PMIC is functioning under the administrative control of Department for Promotion of Industry and Internal Trade (DPIIT). Any investor having issues delaying or likely to delay the execution of a project can raise them on the PMIC portal (e-suvidha) for taking up with the concerned authority in the Central and State Governments.

- (c) No such data is available in the Ministry of Corporate Affairs.

Debarring auditors from auditing

1107. SHRI K.R. ARJUNAN: Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that Government is considering to debar certain auditors from auditing for five years;
- (b) if so, the details thereof;
- (c) whether it is also a fact that Government has found certain audit firms involved in corrupt practices; and
- (d) if so, the details thereof?

THE MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): (a) to (d) A petition under Section 140(5) of the Companies Act, 2013 was filed by Union of India, through the Regional Director, Western Region before the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench against the Auditor Mukesh Maniklal Choksi of the company Zen Shaving Limited and the said bench has debarred him for a period of 5 years *vide* order dated 06.02.2019. The appeal against the impugned order is pending before the National Company Law Appellate Tribunal (NCLAT), New Delhi. Another petition under the said section has also been filed by Union of India, through the Regional Director, Western Region against the Deloitte Haskins and Sells LLP and others of the company Infrastructure Leasing And Financial Services Ltd. Further, petition under the said Section is being filed by Union of India, through Registrar of Companies, Pune against the Auditor Dattaray Maruti Khune of the company Netwealth Agrotech India Limited.