

Current affairs noticeboard

Introduction

In this month's edition of *Current Affairs Noticeboard* we continue our discussions of India and shall discuss the more significant reforms relating to corporate governance, the auditing profession and audit independence. For these areas, tables 1 to 3 note the recommendations made by the Naresh Chandra Committee and how these suggestions have been dealt with in *The Companies (Amendment) Bill, 2003*, the *Chartered Accountants (Amendment) Bill, 2003* and the Concept Paper containing a model codified law and Concept Rules. We will find the issues debated bear a striking resemblance to those debated in Australia.

Amendment to last month's edition

In last month's edition of *Current Affairs Noticeboard* we noted that India in its reform process had issued a Concept Paper containing a model codified law that aimed to significantly reduce the number of sections in India's Companies Act. While this may be correct, the amount of law confronting Indian business may not have declined. The government has issued, in 2005, Concept Rules that contains rules and regulations that provide more information on the clauses in the Concept Paper. Srinivasan, 2004, notes the following when discussing the reduced number of sections in the Concept Paper.

The appearance is totally deceptive, for what is lost in terms of sections will be more than made up in terms of rules and regulations (p.1).

References

Ministry of Company Affairs, 2003, *Companies (Amendment) Bill 2003*, May, dca.nic.in/welcome_acts_bills_2003.htm

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Ministry of Company Affairs, 2004, *Concept paper – Note on the Approach*, August, dca.nic.in/bill/comp_act.pdf

Ministry of Company Affairs, 2005, *Notes on Concept Rules*. February, dca.nic.in/concept_rules.htm

Srinivasan K, 2004, 'No concept, only paper', *The Hindu Business Line: Internet Edition*, 7 October, www.hinduonnet.com