**Intervention by India on Article 9 of the draft text made by Ms. Aparna Mudiam, Assistant Director, Ministry of Corporate Affairs, Govt. of India**

Thank You Mr. Chair,

India while affirming its commitment to the intent of this article seeks to prevent human rights violation by business activities of a transnational character and wishes to observe that Article 9 is the core of this LBI and our approach is for businesses to come up with self- regulating procedures. In India, as regulators of business, we have sought to change the philosophy of business to make it for people and planet and not just for profit. The Companies Act, 2013, under Section 166, casts fiduciary duties on the director which make him responsible to not only the Company, its members and shareholders, but also to its employees, community, and for protection of the environment. Further, section 135 of the Act requires that companies which meet a certain threshold of net worth, turnover and net profit are required to spend 2% of their average of net profit before tax of three preceding financial years towards socially responsible activities.

2. My delegation is of the view that while the draft LBI urges businesses to take measures to prevent human rights violations, certain improvements are desirable.

3. The duty to prevent human rights violations as elucidated in article 9.2.c is an onerous one and the threshold must be reduced to 'seeking to prevent' human rights violations which is a reduced standard. Further, 'seeking to prevent' human rights violations should be treated as a mitigating factor while affixing liability under Article 10.

4. Further, article 9.4 also needs to be re-drafted to make 'due-diligence' understood as a 'standard of conduct' and not as a 'standard of result'.

5. India appreciates the exemption clause provided in article 9.5 for protection of certain small and medium enterprises from additional undue administrative burdens. However the carve out is only for select obligations under Article 9. Considering the importance of SMEs in the economy, more flexibility in exemptions may be provided to SMEs.

Thank You.