

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:90
ANSWERED ON:05.12.2013
POLICY FOR CORPORATE GOVERNANCE
Ajay Kumar SHRI

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government proposes to come out with a specific policy for corporate governance to strengthen the transparency in the corporate sector;
- (b) if so, the details thereof along with the time-frame for the same;
- (c) the time-frame by which the Committee set up for the purpose is likely to give its recommendations and whether the unlisted companies are also likely to be included in the said policy;
- (d) if so, the details thereof; and
- (e) the details of the companies that comply with the MCA reporting norms, which is in conformity to the Extensible Business Reporting Language (XBRL) norms?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI SACHIN PILOT)

(a) to (e) On account of increasing importance of businesses to the economics and complexities of operating in an inter-dependent world necessitated this Ministry to constitute a Committee to formulate a Policy document on Corporate Governance under the Chairmanship of Shri Adi Godrej on 07.03.2012. The Committee has since submitted its report to the Central Government.

The Companies Act, 2013 which has received the assent of the President incorporates certain important provisions with regard to following matters to facilitate Corporate Governance in India:-

- (i) Faster incorporation /registration of companies through fully electronic MCA-21 Registry provided;
- (ii) Companies allowed to maintain records and hold meetings through e- governance mode;
- (iii) Companies empowered to function in a manner which is 'self-regulated with disclosures/transparency' rather than 'Government/regulatory approval based regime';
- (iv) Concepts of 'One Person Company' and 'Small Company' recognized to allow new entrepreneurs to take advantage of corporate form of business;
- (v) Faster mergers and acquisitions including short form of merger and cross border mergers allowed;
- (vi) Time bound approvals through National Company Law Tribunal (NCLT);
- (vii) Summary liquidation process for a class of companies provided.

Approximately 30,000 companies are covered in the select criteria for the XBRL. As on 25.11.2013, 26,496 companies have filed documents under XBRL.