

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4464
ANSWERED ON:19.05.2006
PERFORMANCE OF CORPORATE SECTOR
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Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether the Government proposes to unshackle bureaucratic control over the corporate sector;
- (b) if so, whether the Government proposes to reduce the submission of various forms by companies annually;
- (c) if so, the details in this regard; and
- (d) the extent to which such steps will improve the performance of corporate sector in the country?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) : The regulation of companies in India takes place on the basis of the Companies Act, 1956. The enforcement of the provisions of the Act that enables the articulation of rights and the respective roles of various stakeholders, takes place through legal action against the defaulting companies before the appropriate judicial/quasi-judicial fora.

(b) to (d) : Companies are statutorily required to file certain information through forms prescribed through Rules under the Companies Act, 1956. However, with a view to enabling ease of compliance through filing of statutory returns by corporate entities, and to enable transparency with regard to corporate disclosures and information, the Government has launched an e-governance project named MCA-21. Under this project, it would be possible for companies to avail all services provided in offices of the Registrars of Companies, and also file their statutory information online, through the use of computers/internet using modern information technology. The arrangements for electronic filings and maintenance of records in electronic form are being set up in the offices of Registrars of Companies in a phased manner. This system will enable updation of records of companies electronically, resulting in greater transparency and availability of company information to stake holders in an easily accessible electronic form, and also facilitate monitoring of defaulting companies.

The Government has also taken up an initiative for comprehensive revision of the Companies Act, 1956 on the basis of a broad-based process of consultation. Taking into account various inputs received, a draft Companies Bill that would further streamline and rationalize regulation of companies, in tune with requirements of the current economic environment, is in an advanced state of preparation, and will be introduced in the Parliament after requisite consultations and approvals.