

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5088
ANSWERED ON:20.12.2002
AMENDMENTS TO COMPANIES ACT, 1956
A. VENKATESH NAIK

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government have been actively considering to bring certain amendments to the Companies Act, 1956;
- (b) if so, the details thereof;
- (c) whether the various amendments made in the Companies Act, 1956 from time to time have not yielded any positive results; and
- (d) if so, to what extent the new amendments in the Act are going to put a check on the various irregularities by companies?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a): Yes, Sir.

(b) & (c): The Companies (Amendment) Bill, 2002, which enables conversion of cooperatives to, and formation of, producer companies has been passed by the Parliament on 17.12.2002. This is an enabling amendment which will have positive results. Similarly, the Companies (Second Amendment) Bill, 2002, which provides for setting up a National Company Law Tribunal that will deal with dispute resolution, revival and rehabilitation, and winding-up of companies has also been passed by the Parliament on 17.12.2002. By bringing together the jurisdictions presently vested in the Company Law Board, the BIFR and the High Courts, respectively, these amendments will provide a common forum to deal with all the issues concerning companies under the Companies Act and will thus be beneficial to that extent.

(d): These amendments are not aimed at checking any particular irregularities, as such.