

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2817
ANSWERED ON:09.08.2001
AMENDMENT IN COMPANIES ACT
ASHOK NAMDEORAO MOHOL

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the ASSOCHAM has requested the Government to amend the Companies Act to give protection to public debenture holders;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government in this regard?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) to (c): Yes Sir. Sections 117A, 117B and 117C of the Companies Act, 1956 were inserted through an amendment to Companies Act on 13.12.2000. These provisions provide, inter-alia, for creation of a debenture redemption reserve for the redemption of debentures. It has also been provided that where a company fails to redeem the debentures on the date of maturity, the Company Law Board, may, on the application of any or all the holders of debentures shall, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith by the payment of principal and interest due thereon.