

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1808
ANSWERED ON:10.12.2004
GUIDELINES ON RULES AND REGULATIONS
Rao Shri Sambasiva Rayapati

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether the Government is working on a set of draft rules on transfer pricing in the context of related party transactions under the Companies Act;
- (b) if so, whether to supplement the existing guidelines under other regulations, these guidelines are required; and
- (c) if so, the time by which the rules on transfer pricing in corporate sector will be considered and introduced?

Answer

MINISTER OF COMPANY AFFAIRS (PREM CHAND GUPTA)

(a) Yes, Sir,

(b) Yes, Sir,

(c) A new legislation to replace the existing Companies Act 1956 is at concept stage. Rules for regulation of transfer pricing would be considered once the enabling provisions for the same are finalized in the legislation.