

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

STARRED QUESTION NO:399  
ANSWERED ON:30.07.2009  
CROSS BORDER MERGER OF COMPANIES  
Panda Shri Prabodh

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether the Government proposes to review cross border merger of companies;
- (b) if so, the details thereof and the manner in which it is likely to affect the Indian Companies;
- (c) whether the Government proposes to amend the existing laws in this regard;
- (d) if so, the details thereof; and
- (e) the time by which a final decision will be taken in the matter ?

**Answer**

THE MINISTER OF CORPORATE AFFAIRS(SHRI SALMAN KHURSHID)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in answer to Lok Sabha Starred Question No. 399 for 30.07.2009 regarding Cross Border Merger of Companies.

(a) and (b) Yes, Sir.The Government has proposed a comprehensive revision of the Companies Act, 1956. As per the proposed Companies Bill 2009, the companies registered under the Companies Act, 1956 and companies incorporated in the jurisdiction of such countries as may be notified from time to time by the Central Government, may merge or amalgamate. By virtue of the specific clause on Cross Border merger in the proposed Bill, an Indian company would be able to merge with a foreign company incorporated outside India and vice-versa.

(c) and (d) Yes Sir.The proposal for Cross Border merger was introduced in the Companies Bill, 2008. The Government introduced the Companies Bill, 2008 in the Lok Sabha on 23.10.2008, to provide for a comprehensive revision of the provisions of the Companies Act, 1956. The Companies Bill, 2008, has lapsed in view of Article 107(5) of the Constitution. The Government now proposes to introduce Companies Bill, 2009 in the Parliament.

(e) The Government has already taken a decision in this respect. The Bill is likely to be introduced in the present session of the Parliament.