

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1379

ANSWERED ON:18.07.2014

AMENDMENT IN COMPANIES ACT

Jayadevan Shri C. N.;Mahadik Shri Dhananjay Bhimrao;Satav Shri Rajeev Shankarrao;Sule Smt. Supriya Sadanand

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government proposes to amend/revise the Companies Act, 1956;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has held discussions with the representatives of the corporate sector and other stakeholders in this regard;
- (d) if so, the details thereof including the outcome of the discussions held and the reaction of the Government thereto; and
- (e) the other measures taken/being taken by the Government for effective implementation of the new Companies Act?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

(a) to (e):- A little more than a half of the provisions of Companies Act 2013 came into force from 1st April 2014. Following this, several communications were received in the Ministry of Corporate Affairs drawing attention to certain practical difficulties concerning these provisions or seeking clarifications about the same. To facilitate understanding the difficulties and to explain the provisions an interactive session was held under the aegis of the National Foundation of Corporate Governance at New Delhi on 21st June 2014. Following exchange of views a number of points got resolved. Points have also been identified for elaboration through orders under Section 470 of the Act relating to removal of difficulties, amendments in certain Rules and through issue of clarificatory circulars and suitable exemptions. Four draft Notifications under section 462 of the Act have been tabled in Parliament for a month. Circulars have already been issued to provide greater clarity. The question of amending the Act would be considered in case the above measures prove insufficient.