

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5266
ANSWERED ON:24.04.2015
IMPLEMENTATION OF NEW COMPANIES ACT
Dhotre Shri Sanjay Shamrao;Mahtab Shri Bhartruhari

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has charted/proposes to prepare a road map for implementation of the new Companies Act that envisages setting up of Investor Education and Protection Fund Authority (IEPFA) and National Financial Reporting Authority (NFRA) in the country;
- (b) if so, the details thereof along with the time by which IEPFA and NFRA are likely to be set up in the country;
- (c) the details of the functioning, authorities, powers and responsibilities to the IEPFA and NFRA;
- (d) whether several sections of the new Companies Act relating to protection of investors have not been notified by the Government so far;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the steps taken/being taken by the Government for expeditious and proper implementation of the said Act?

Answer

THE MINISTER OF CORPORATE AFFAIRS(SHRI ARUN JAITLEY)

(a) to (f): The provisions of section 125 and section 132 of the Companies Act, 2013 respectively provide details about the constitution, powers and responsibility of the Investor Education and Protection Fund Authority (IEPFA) and National Financial Reporting Authority (NFRA). These sections are yet to be notified. The draft Rules with regard to these two authorities have been prepared and placed on the website of this Ministry inviting comments/suggestions from stakeholders. Consultations have also been held with the Ministry of Finance and Controller General of Accounts (CGA) on the accounting and refund process for IEPFA. The draft Rules are expected to be notified during the year 2015-16.

Other provisions relating to investor protection such as Independent Directors, Committees of the Board, Appointment of small Shareholders Director, related party transactions, etc. have already been notified. Certain sections which require the functioning of National Company Law Tribunal and its appellate body are under litigation in the Supreme Court and have not been notified.