

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION No. 810  
ANSWERED ON FRIDAY, THE 14<sup>th</sup> DECEMBER, 2018  
AGRAHAYANA 23, 1940 (SAKA)**

**REVAMPING OF COMPANIES ACT**

**QUESTION**

**810. SHRI E.T. MOHAMMED BASHEER:**

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

**कारपोरेटकार्यमंत्री**

- (a) whether the Government has made any assessment on the credibility of corporate India's book and governance and if so, the details thereof; and
- (b) whether the Government will make a comprehensive revamp of the Companies Act and if so, the details thereof?

**ANSWER**

**MINISTER OF STATE FOR LAW AND JUSTICE  
AND CORPORATE AFFAIRS**

**(SHRI P. P. CHAUDHARY)**

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**(a):- No such assessment has been carried out.**

**(b):- On the basis of report of the Committee to review offences under the Companies Act, 2013 (CA-13), the Companies Amendment Ordinance (9 of 2018) has been promulgated on November 2, 2018. The twin objectives of the Ordinance are promotion of ease of doing business along with better corporate compliance. The main amendments are as under:-**

- i. Shifting of jurisdiction of 16 types of corporate offences from the special courts to in-house adjudication. This is expected to reduce the case load of Special Courts by over 60%, thereby enabling them to concentrate on serious corporate offences. With this amendment, the scope of in-house adjudication has gone up from 18 Sections at present to 34 Sections of the Act.**

- ii. The penalty for small companies and one person companies has been reduced to half of that applicable to normal companies.**
- iii. Strengthening in-house adjudication mechanism by necessitating a concomitant order for making good the default at the time of levying penalty, to achieve the ultimate aim of achieving better compliance.**
- iv. Declogging the NCLT by:
  - (a) enlarging the pecuniary jurisdiction of Regional Director by enhancing the limit up to Rs. 25 Lakh as against earlier limit of Rs. 5 Lakh under Section 441 of the Act;**
  - (b) vesting in the Central Government the power to approve the alteration in the financial year of a company under section 2(41); and**
  - (c) vesting in the Central Government the power to approve cases of conversion of public companies into private companies.****
- V. Other Amendments relate to re-introduction of provision pertaining to declaration of commencement of business; reduced time for filing documents related to creation and modification of charges; non-maintenance of registered office to trigger de-registration process; and holding of directorships beyond permissible limits to trigger disqualification of such directors.**

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