

(u1/1400/rbn/asa)

1402 hours

*The Lok Sabha re-assembled at two minutes past
Fourteen of the Clock.*

(Shri Ramen Deka in the Chair)

MATTERS UNDER RULE 377 – LAID

1402 hours

HON. CHAIRPERSON (SHRI RAMEN DEKA): Hon. Members, the Matters under Rule 377 shall be laid on the Table of the House. Members who have been permitted to raise matters under Rule 377 today and are desirous of laying them, may personally hand over the text of the matter at the Table of the House within 20 minutes. Only those matters shall be treated as laid for which text of the matter has been received at the Table within the stipulated time and the rest will be treated as lapsed.

Re: Need to use river-friendly techniques

SHRIMATI RAKSHATAI KHADSE (RAVER): Rains falling on lands are drained into rivers running through lengths of catchments & finally discharged into seas in natural drain arrangements. Out of the total rainfall a part is absorbed in the land and the balance reaches the rivers. The absorption of water depends and differs from catchments to catchments and depends upon the land characteristics. Presently with availability of technology, water demand requirements for growing population, demand for more lands and industrial needs man is regulating nature's rivers and also encroaching on the rivers flood path for constructions. Also due to control of river for storage of water through barrages & dams, the downstream of the dam/barrages gradually dries up disturbing rivers' path. Through the august House, I request the Hon'ble Minister to depute a group of experts in this field to study the river-friendly techniques and chalk out proper river and rain management steps to maintain their geophysical characteristics and establish a model law to address these issues.

(ends)

Re: Need to upgrade sub-post office at Maharajganj district headquarters in Uttar Pradesh as Main Post Office

श्री पंकज चौधरी (महाराजगंज):

**Re: Need to ensure payment of arrears to sugarcane farmers by
sugar mill in Motihari under Sheohar parliamentary
constituency, Bihar**

श्रीमती रमा देवी (शिवहर):

**Re: Need to fill-up the vacant posts of sanitary workers in
Railways on permanent basis**

डॉ. किरिट पी. सोलंकी (अहमदाबाद) :

Re: Need to extend Jagdishpur-Haldia and Bokaro-Dhamra gas pipelines upto Rohtas and Kaimur districts of Bihar

श्री छेदी पासवान (सासाराम) :

Re: Need to accord approval to the proposal of Government of Gujarat for establishment of Aanganwadi and Mini Aanganwadi centres in the State

श्री नारणभाई काछड़िया (अमरेली) :

**Re: Need to build a railway over bridge at level crossing no. 1 near
Gaya Railway Station, Bihar**

श्री हरि मांझी (गया) :

**Re: Need to set up a water treatment plant in Dibrugarh
Parliamentary Constituency of Assam**

SHRI RAMESHWAR TELI (DIBRUGARH): My constituency Dibrugarh has a large number of tea gardens. The area is famous for mineral resources like oil, gas, and coal. But the area lacks facilities in drinking water. Despite having many rivers in my constituency, the people of my constituency is facing the problem of non-availability of potable water. There are some places in my constituency where fluoride and other harmful substances have also been found. But people are compelled to drink such contaminated water. I, therefore, request the government to set up a water treatment plant in my constituency, Dibrugarh, for uninterrupted supply of potable water to the people of my constituency.

(ends)

**Re: Need to restart the Additional Central Assistance scheme for
Left-Wing Extremism affected districts in Bihar**

श्री सुशील कुमार सिंह (औरंगाबाद) :

**Re: Need to undertake cleanliness drive at railway lines near
railway stations**

श्री गणेश सिंह (सतना) :

**Re: Need to provide funds for various drinking water projects in
Barmer parliamentary constituency, Rajasthan**

कर्मल सोनाराम चौधरी (बाङ्मेर) :

**Re: Need to provide direct cash transfer to people in lieu of subsidy
on foodgrains under PDS**

श्री सत्यपाल सिंह (सम्भल) :

Re: Need to enact a law for safety of journalists in the country

श्री राजीव सातव (हिंगोली) :

Re: Need to review the decision of Indian Oil Corporation to set up storage facility at Puthuvyppu in Kochi, Kerala

PROF. K.V. THOMAS (ERNAKULAM): There is widespread agitation against the establishment of an L & G storage facility by IOC in Puthuvyppu, Kochi, Kerala by the local people. People fear that this storage facility will be hazardous and dangerous to the local people. Vypeen is a thickly populated island. The people believe that there is violation of CRZ rules, environmental regulations, etc. There is also a case before the Green Tribunal, Chennai against the project. I request the Government not to take any hasty decision until residents apprehensions are addressed.

(ends)

Re: Need to reduce GST rate on fire crackers

SHRI T. RADHAKRISHNAN (VIRUDHUNAGAR): Fireworks industry was started in Sivakasi in the year 1930. Since then it has grown day by day and supporting the livelihood of 8 lakh people in the Virudhunagar District alone by direct employment and another 100 lakh people across the country who earn their living by transporting and selling fireworks.

GST Council in its meeting has decided to impose GST at 28% on fireworks, If the government starts charging 28% GST, the prices of crackers will increase by a minimum of 30% which will affect the sale of crackers which leads to reduction in sales ultimately affecting the employment opportunities of 8 lakh people. Further, the fireworks industry is already facing stiff competition from cheap illegal Chinese fireworks. Therefore, Fireworks industry, if taxed on higher scale, cannot compete against the tax free illegal Chinese fireworks.

The fireworks factories will now vanish under the GST regime with the steep 28% GST rate. This upper most rate of 28% will lead to huge evasions and overall corruption and act as a sure killer of the industry. Since the prevailing “value based exemption” will be scrapped under GST, all the 1220 factories will be brought into GST coverage. Therefore, even a lower rate of tax like 5% or 12% will ensure total compliance from all the 1220 factories, thereby generating enormous and multifold increase in revenue.

Globally, India ranks second in the world next to China in terms of its annual production of fireworks. The fireworks industry can surge forward to meet the global challenges, provided the industry is allowed to survive by charging affordable GST rates like 5% or 12%.

As a member of Lok Sabha from Virudhunagar Constituency, I call upon the government to reduce the GST rate for fireworks from 28% to 5% or 12% thereby saving the industry and livelihood of several lakh people dependent on it.

(ends)

**Re: Monitoring of Central Grants to Jammu & Kashmir and
repealing of Article 370**

SHRI B. SENGUTTUVAN (VELLORE): The Framers of the Constitution, due to various reasons, granted special status to some States upon their accession to the Indian Union. The State of J&K enjoys special status vide the provisions of Art. 370 as a Temporary and Transitory arrangement. While in respect of other States, the special-status provisions have been repealed, in respect of J&K, Art. 370 still remains, The Government of India has been bankrolling the State of Jammu and Kashmir with the money of taxpayers from the rest of India. The mere 1% of Indian population in J&K gets 10% of the grants from the Centre. Over the years, the Government of India (GOI) has been pumping thousands of crores into J&K for developmental works- power projects, railway lines, better roads, prestigious industries and academies of excellence, which resulted in improvement of life of the common man in Kashmir. In comparison, their counterpart in PoK, is poverty-stricken, disease-ridden and unemployed. Between 2000 and 2016, the Gol sanctioned for J&K nearly Rs. 1.25 lakh crore. The NDA under the leadership of the Hon'ble Prime Minister in its outreach to the people of J&K allocated more funds. Each person in J&K received Rs. 91,300 per person over the last 16 years in contrast to Rs. 40001/- per person in the rest of India. The Central grants account for 54% of the State's revenue and 44% of the State's expenditure. The worst part is, the State fails to submit proper audited returns; and ignored several CAG queries.

The Special Status coupled with the infusion of huge Central Grants into Jammu and Kashmir is only counter-productive. Terrorism sponsored by Pakistan and China has taken a toll on the health of the State. Brave sons of India are falling prey to the bullets of violent faceless cowards. The schools and colleges remain closed. The attempts of the Government of India to bring them into the national mainstream have failed. Therefore, I urge the Home Ministry to move an amendment to the Constitution to repeal the temporary provision of Art. 370 thereby allowing amalgamation of J&K with the rest of India by permitting the citizens from rest of India to settle in J&K and exercise more vigilance in monitoring the outlay of Central Grants.

(ends)

Re: Alleged irregularities in Rourkela Steel Plant, Odisha

SHRI BALBHADRA MAJHI (NABARANGPUR): It is appearing in print and electronic media for quite some time that there are large scale alleged irregularities in Rourkela Steel Plant. Some of the alleged irregularities are as follows :-

- (1) Blast furnace slag was being sold at a throwaway price without resorting to e-tender, favouring only a few. Finally when it was enforced by an honest Additional Chief Vigilance Officer it turned out that as against previous price of about Rs.275/- per tonne it fetched Rs. 1065 to Rs. 1105 per tonne meaning a loss of about Rs. 26.00 crores in six months.
- (2) There was breakdown of newly commissioned Blast Furnace no. 5 for a period of 20 days, causing an immediate loss of Rs 50.00 crores and reducing its life span by about 12 years.
- (3) Officers are allowed to continue beyond their period of superannuation. It is learnt that in all these cases, the issues were brought to the notice of Minister concerned and no action seems to have been initiated even after writing about the said alleged irregularities to the Minister concerned.

It is urged upon the Government to investigate the matter through an independent agency like CBI and initiate action against the defaulters.

(ends)

Re: Need to reopen manned railway crossing and provide a halt station and an underpass at level crossing near Sooryagarh Jagannath in Pratapgarh parliamentary constituency, Uttar Pradesh

कुँवर हरिवंश सिंह (प्रतापगढ़) :

Re: Need to undertake survey of unsurveyed land in the country particularly in Rajmahal parliamentary constituency, Jharkhand

श्री विजय कुमार हाँसदाक (राजमहल) :

Re: Implementation of Forest Conservation Act, 1980

ADV. JOICE GEORGE (IDUKKI): The Scheduled Caste and Scheduled Tribe people are being deprived of their rights due to various reasons including the lack of clarity in rules, regulations and procedures for implementing programmes meant for them. The interstate migration of SC people after 1950 is still continuing as a grey area which resulted in denial of rights conferred over them including benefits of education and protection against atrocities. Similarly the programmes and projects meant for the tribal people are also in jeopardy due to indiscriminate exercise of power by various departments mostly the forest and wildlife. The establishment of road connectivity, electric line and improvement of tribal habitats are being obstructed by the forest officials citing lame excuses under the pretext of implementing Forest Conservation Act 1980. The forest right act is also being misinterpreted and misused to their disadvantage. Therefore, the urgent intervention of the Government is requested to solve the above.

(ends)

COMPANIES (AMENDMENT) BILL - Contd

1203 hours

HON. CHAIRPERSON: Now, the House will take up Item No. 9, the Companies (Amendment) Bill, 2016.

Hon. Minister to continue.

वित्त मंत्रालय में राज्य मंत्री तथा कॉर्पोरेट कार्य मंत्रालय में राज्य मंत्री (श्री अर्जुन राम मेघवाल) : माननीय सभापति जी, मैं कंपनीज अमेंडमेंट बिल, 2016 के बारे में कहना चाहता हूं। यह बिल चर्चा करने और पास करने के लिए है। बिल के साथ कुछ ऑफिशियल अमेंडमेंट भी हैं जिनको मैंने ऑलरेडी मूव कर दिया है। मेरा यह कहना है कि कंपनीज एक्ट 2013 दिनांक 19 अगस्त 2013 को नोटिफाइड हुआ था। 2013 के अधिनियम द्वारा कंपनीज एक्ट में बहुत अमेंडमेंट किये गये थे। मुझे ध्यान है कि पन्द्रहवीं लोक सभा में देर रात तक इसके लिए बैठे थे, जैसे स्टोक होल्डर का डिसक्लोजर, डाइरेक्टर, ऑडिटर व प्रमुख कार्मिकों की एकाउंटेबिलिटी है तथा इसका मुख्य उद्देश्य इन्वेस्टर प्रोटेक्शन एंड कॉर्पोरेट गवर्नेन्स है।

That was the main objective behind this amendment to the Companies Act.

(w1/1405/raj-rp)

इस एक्ट के प्रारंभिक काल में कुछ परेशानियां आयी थीं, रिप्रजेंटेशंस आये, जिसको दूर करने के लिए हमारी सरकार आने के बाद मई, 2015 में अमेंडमेंट किया गया था।

सभापति महोदय, जब वर्ष 2015 में कंपनीज एक्ट, 2015 पर राज्य सभा में चर्चा हो रही थी, तब यह सुझाव आया कि अमेंडमेंट कॉम्प्रिहेंसिव रूप में आना चाहिए और इसी श्रृंखला में बहुत माननीय सदस्यों ने कंपनी एक्ट के नये संशोधनों को सुधारने के लिए प्रतिवेदन दिये, जिस पर एक कमेटी बनी, जिसका नाम कंपनी लॉ कमेटी था और कहा गया कि इसमें जितने भी स्टोक होल्डर्स हैं, उनसे वह चर्चा करें, चाहे वह चार्टर्ड एकाउंटेंट के इंस्टीट्यूट्स हों, कंपनी सेक्रेट्री इंस्टीट्यूट हो, कॉस्ट एकाउंटेंट इंस्टीट्यूट हो, इंडस्ट्रीयल

एसोसिएशन हो, सीआईआई हो, एसोचैम हो, फिक्की हो, पी एच डी चैम्बर्स एंड कॉमर्स हो, इन सभी से चर्चा करें और चर्चा करके एक कॉन्ग्रिगेशनल अमेंडमेंट बिल लेकर आएं। सेक्रेट्री कॉरपोरेट अफेयर्स के बीच में अध्यक्षता बनी, उन्होंने एक फरवरी को अपनी रिपोर्ट प्रस्तुत कर दी। उसके बाद यह मैटर स्टैंडिंग कमेटी ऑन फाइनेंस को रेफर हो गया। मैं श्री एम.वीरप्पा मोइली जी को धन्यवाद देना चाहता हूँ, वह इस स्टैंडिंग कमेटी के चेयरमैन थे। उनके सभी वरिष्ठ साथी भर्तृहरि महताब जी, सौगत राय जी, किरीट सोमैया जी, दिनेश त्रिवेदी जी ने बहुत अच्छे सुझाव दिये, एक कॉन्ग्रिगेशनल रिपोर्ट आयी। इस रिपोर्ट के बाद यह बिल लोक सभा में 16 मार्च, 2016 को इंट्रोड्यूस हुआ। जब यह बिल 16 मार्च, 2016 को इंट्रोड्यूस हुआ तो कमेटी को रेफर हुआ और 12 अप्रैल, 2016 को कमेटी को यह रिपोर्ट दिया और 07 दिसम्बर, 2016 को अपनी रिपोर्ट आयी। कमेटी ने दो फील्ड विजिट भी की - मुंबई एंड बंगलुरु, उसमें नेशनल एसोसिएशंस ऑफ सॉफ्टवेयर एंड सर्विसेज कंपनी से भी कंसल्ट किया और एसोसिएशन से भी कंसल्ट किया।

(x1/1410/ind-rcp)

मैं आपके माध्यम से इनिशियल रिमार्क में यह कहना चाहता हूँ कि इस अमेंडमेंट का जो मुख्य उद्देश्य है, वह ईज ऑफ डूइंग बिजनेस को बढ़ावा देना है। मुझे विश्वास है कि इस अमेंडमेंट के बाद प्रॉसिजर सिम्प्लिफायड हो जायेगा। कम्प्लायंस सरल हो जाएगा और जो कम्पनियां डिफॉल्ट करेंगी, उन्हें सख्त से सख्त सजा देने का प्रावधान इस अमेंडमेंट बिल के माध्यम से किया गया है। कम्पनीज अमेंडमेंट एक्ट, 2016 के मुख्य उद्देश्य का मैंने जिक्र किया है। उसके साथ-साथ होल्डिंग कम्पनी, जिसके विषय में भी इसमें अमेंडमेंट है और इसमें एक बड़ा अमेंडमेंट है कि पहले के प्रावधानों में 20 करोड़ रुपये का टर्नओवर करने वाली कम्पनियों का कम्प्लायंस सरल था, उसकी सीमा हमने 20 करोड़ रुपये से बढ़ाकर सौ करोड़ रुपये कर दी है। इसका मतलब 100 करोड़ रुपये तक की कम्पनियां इसके सरल कम्प्लायंस के कैनवास में आ गई हैं। हमने श्रैश होल्ड लिमिट में कम्प्लायंस सरल करने का काम किया है।

महोदय, मैं आपके माध्यम से सदन को बताना चाहता हं कि हमने सैक्शन-42 में संशोधन किया है, उसमें प्राइवेट प्लेसमेंट में सिक्योरिटीज़ को ईज़ कर दिया है। यह भी एक बड़ा विषय समिति के सामने था। सैक्शन-230 के तहत जो रिओपनिंग आफ एकाउंट को रीड करता है, उसमें भी संशोधन किया गया है। पहले इसमें कोई सीमा नहीं थी। अब इसमें संशोधन करके आठ साल तक के खातों को रिओपनिंग करने का प्रावधान किया गया है। यह भी कम्पनियों को राहत देगा और ईज़ आफ डूइंग बिजनेस को बढ़ाएगा। सैक्शन-96 के तहत जो अनलिस्टेड कम्पनियों को एनुअल जनरल मीटिंग रजिस्टर्ड आफिस में ही करना अनिवार्य था, अब इसमें प्रावधान किया गया है कि रजिस्टर्ड आफिस के अलावा भी आप एजीएम कर सकते हैं और यह कदम भी ईज़ आफ डूइंग बिजनेस को बढ़ाता है। मेरा आपके माध्यम से कहना है कि इंडिपेंडेंट आडिटर्स पांच साल के लिए और फर्म दस साल के लिए अप्रूव होती थी। हर साल एजीएम में रेक्टीफाई करना पड़ता था, अब रेक्टीफिकेशन हटा दिया गया है। यह भी ईज़ आफ डूइंग बिजनेस को बढ़ावा देता है।

महोदय, कम्पनीज एक्ट में एक और संशोधन किया गया है कि जो इनसाइडर ट्रेडिंग है, वह हमने सेबी के साथ हार्मोनाइज किया है। मैं इनीशियल रिमार्क में कहना चाहता हूं कि सैक्शन 185 के तहत जो कॉमन डायरेक्टरशिप वाली कम्पनियों में 'ए' कम्पनी को 'बी' कम्पनी को लोन एलाऊ नहीं था, अब लोन एलाऊ कर दिया गया है। इससे बिजनेस करना आसान होगा। कुल मिलाकर ईज़ आफ डूइंग बिजनेस को बढ़ावा देने के लिए कम्पनीज अमेंडमेंट बिल, 2016 सदन के समक्ष चर्चा के लिए लाया गया है। सार्थक चर्चा के बाद इसके पास होने से ईज़ आफ डूइंग बिजनेस की रैंकिंग में बहुत बड़ा सुधार होने की संभावना है। मैं प्रस्ताव करता हूं कि इस बिल पर सदन चर्चा करे और इस कम्पनीज़ अमेंडमेंट बिल को पास करे।

(इति)

HON. CHAIRPERSON (SHRI RAMEN DEKA): Motion moved:

“That the Bill further to amend the Companies Act, 2013, be taken into consideration.”

1411 hours

PROF. K.V. THOMAS (ERNAKULAM): Sir, as the hon. Minister himself has admitted in his introductory speech, this amendment is to dilute many of the stringent provisions of the Companies Act, 2013. The Companies Act, 2013 has been brought after 50 years. The Companies Act, 1956 was existing and in 2013, when this Act was brought, it was to amend and correct many of the anomalies in the then existing Act. The 2013 Act was brought in a context when we had a large number of scams like the Sahara scam, the Saradha scam. In order to prevent such scams in future, this 2013 Act was enacted. It was discussed many times. The present enactment and amendments are completely diluting the existing stringent regulations. For example, the 2013 Act permits the Central Government to impose a cap on layers of subsidiaries a company can have. This was a very stringent law. The Government proposes to dilute that amendment also.

The Government itself has accepted in the Statement of Objects and Reasons of 2013 Act that the Act introduced significant changes related to disclosures to stakeholders, accountability of directors, auditors and key managerial personnel, investor protection and corporate governance.

The Government itself has accepted that the 2013 Act was to prevent the malpractices existing in many of the private companies. However, the Government continues to say, Government received number of representations from industry Chambers, Professional Institutes, legal experts and Ministries and Departments regarding difficulties faced in

compliance with certain provisions. Amendments of the Act were carried out through the Companies (Amendment) Act, 2015 to address the immediate difficulties arising out of this. So, the Government has openly admitted that this amendment is to help private companies and private manufacturers and industries. What is the position in the country in the last 3 ½ years? This Government has been in power for the last 3 ½ years and they have made a lot of promises. The industrial production has come down from 75 per cent to 50 or 60 per cent. The Government admits this. Many of the major industries are going out of the country. For example, auto industry, General Motors. They are going out of the country.

(y1/1415/smn/vb)

Now, layoffs in many companies like IT is going up everyday. Now, the economy is slowing down. Only thing is that there is a hike in the stock market and everybody knows the reason that blackmoney is again coming back. The Government took a very important decision of demonetisation on 8th November, 2016. What the Government said and what the Prime Minister himself said:

“This is to check blackmoney; this is to prevent terrorism; this is to prevent Pakistan sending fake notes to us. ”

Sir, eight months have passed. Where are we? How much money has come back? Why is the Government hiding it? Many of the Committees of the Parliament have called the Reserve Bank Governor and asked him about the position. He still says that they are counting it. This shows where we stand economically.

Sir, in the 2013 case, how was this brought? In view of the changes in the national and international economic environment and expansion and growth of economy of our country, the Central Government, after due deliberations, decided to repeal the Companies Act, 1956 and enact a new legislation to provide for new provisions to meet the changed national and international economic environment and further accelerate the expansion and growth of our economy. This was the purpose of 2013 Act. The present amendment of 2017 should be an attempt to find what the faults are, to find remedial measures and if the Government's intention was in that direction, we would have definitely supported them. But if you go clause by clause of important amendments that the Government is bringing, one of it says that investments in the company cannot be made through more than two layers of investment. That was in 2013. What is the attitude of the Government?

Similarly, the memorandum must define the specific objects for which the company is being incorporated and other related matters. It permits the annual return for a one-person company or a small company to be signed by the Company Secretary or the bank. There are a large number of acts in the Companies Act, 2013. How the Government is going to handle it in the 2017 amendments? These are serious matters. For example, take the case of CSR. How the CSR of a company has to be decided? How it would be fully under the control of the Government? These are some of the issues which have been under discussion and deliberation.

Sir, my request to the Government is that it has to look at the problems of the poor, of the farmers and of the small traders. For example, in the case of GST, the hon. Finance Minister is here, what are we hearing from different parts of the country? The officers in the Finance Ministry are threatening the people in many parts of the country. Stories are coming out. So, when I had an occasion to talk to the hon. Prime Minister, he said the Government will ensure that the officers will not create problems in the country but the picture is quite different. This is something that the Government has to look into. I am not against GST because GST is one of our products. But at the time of implementation, the Government has to be careful.

Similar is the case of this Companies Act Amendment. The 2013 enactment came in the context of Sahara scam, Sarada scam etc. We have to find a solution to similar scams. Now, again everything has been thrown open. Everything is free. What are the private companies or multinational companies going to do in this country? So, I think the Government has to be serious about these amendments and see that the industry flourishes and employment is generated.

(z1/1420/mmn-pc)

But at the same time the corporate houses should not take undue advantage of the economic situation in this country. So that should be primarily in the mind of the Government.

With these words, I request the Government to consider these amendments properly. Thank you.

(ends)

1420 बजे

डॉ. किरीट सोमैया (मुम्बई उत्तर पूर्व) : माननीय सभापति महोदय, माननीय मंत्री जी ने चर्चा के प्रारंभ में बताया कि मुख्यतः कंपनीज़ एक्ट, 2013 के संदर्भ में गत दो-तीन सालों में जो सुझाव आए, उनके लिए यह कंपोज़िट अमेन्डमेन्ट बिल लाया गया है। उन्होंने ऐसा प्रस्तावित किया।

माननीय मंत्री जी ने दो चीज़ों का उल्लेख किया है कि मुख्यतः, कंपनीज़ एक्ट का उद्देश्य इन्वेस्टर्स प्रोटेक्शन और कॉरपोरेट गवर्नेन्स था। मेरे सहयोगी और सदन के वरिष्ठ सदस्य कांग्रेस के थॉमस जी ने इसी विषय को आगे बढ़ाते हुए यह अमेन्डमेन्ट लाते समय या कंपनीज़ एक्ट का एग्जिक्यूशन करते समय, कहीं इसमें कुछ त्रुटियाँ तो नहीं हैं, इसकी ओर सदन का ध्यान आकर्षित किया। उन्होंने सहारा स्कैम से लेकर शारदा स्कैम और अनेक पॉन्जी कंपनियों का उल्लेख किया।

मैं सब से पहले मंत्री महोदय से एक बात कहना चाहूँगा। We certainly welcome and support 'ease of business', लेकिन 'ईज़ ऑफ बिज़नेस' का एग्जिक्यूशन करते समय 'ईज़ी फॉर बिज़नेस' और इस बिज़नेस की व्याख्या कहीं पर कैसी हो जाती है, मैं आज उसके दो-चार उल्लेख-उदाहरण देने वाला हूँ। एक चीज़ होती है - 'एक्ट' और दूसरी होती है उसका - 'एग्जिक्यूशन'। 'ईज़ी ऑफ बिज़नेस' जिस प्रकार होता है, उसके उदाहरण के रूप में थॉमस जी ने 4-5 कंपनियों के नाम दिए हैं। इस अमेन्डमेन्ट का सभी लोग स्वागत करते हैं। फाइनेंस कमेटी ने भी इसका समर्थन किया है। इस अमेन्डमेन्ट के दो-चार अच्छे उद्देश्य अर्थात् 'एनकरेजिंग स्टार्ट-अप्स' हैं। जब यह मूल एक्ट सन् 2013 में आया था, उस वक्त इसके स्टार्ट-अप्स की कल्पना ने इतनी प्रगति नहीं पाई थी। After 2014, when the Modi Government took over, the Prime Minister himself insisted on the new entrepreneur, the 21st century's entrepreneur, उनको बढ़ावा देना चाहिए। स्टार्ट-अप बिज़नेस के लिए इसमें कुछ अच्छे

सुझाव आए हैं- harmonising the law, easier management. प्राइवेट लिमिटेड कंपनियों के संबंध में छोटे-छोटे स्ट्रिक्जेंट प्रोविजंस किए गए थे। छोटी-छोटी प्राइवेट लिमिटेड कंपनियों और एस.एम.ई. कंपनियों को इस कंपनीज़ एक्ट के एग्जिक्यूशन में तकलीफ हो रही थी। इन प्राइवेट लिमिटेड कंपनियों के मालिक, जो खुद लोन्स लेते और देते हैं, उसके संबंध में भी इसमें त्रुटियाँ थीं। इसके संबंध में अच्छे सुझाव आए हैं। हम इस अमेन्डमेन्ट का स्वागत करते हैं, लेकिन मैं मंत्री महोदय का ध्यान एक दूसरी बात की ओर दिलाना चाहूँगा। वास्तव में मैं आज डीमॉनिटाइजेशन पर ज्यादा बोलना नहीं चाहता हूँ। हमारे मित्र ने डीमॉनिटाइजेशन का उल्लेख किया है। डीमॉनिटाइजेशन के कारण कांग्रेस का बहुत डीवैल्युएशन हो चुका है। अब तो वह अपने खुद के अस्तित्व के लिए डीमॉनिटाइजेशन की चर्चा बंद करे। अगले चुनाव के लिए जिस व्यक्ति को वे प्रधान मंत्री का पर्याय मान रहे थे और उन्हें वह पद देने की बात कर रहे थे, वे भी उनके भ्रष्टाचार से कंटाल आकर इस ओर आ गए हैं।

(a2/1425/mz-san)

मुद्दा सिर्फ भ्रष्टाचार का है। जो कंपनीज़ एक्ट 2013 बना उसमें भ्रष्टाचार किस प्रकार से पनपा, बहुत अच्छा स्ट्रिक्जेंट एक्ट था। स्ट्रिक्जेंट एक्ट के अंतर्गत गत सप्ताह वित्त मंत्री श्री अरुण जेटली जी ने मेरे द्वारा पूछे गए प्रश्न के उत्तर में कहा कि ‘around 12th July, 2017, we have deregistered or struck off 1,62,618 companies.’ Why did the previous Government not stop it up till 2014? Who registered these companies? क्या ये महज वर्ष 2014 या वर्ष 2012 में कंपनियां रजिस्टर्ड हुई थीं? ये सब कंपनियां वर्ष 2004 से वर्ष 2014 के दरमियान बनीं। इन कंपनियों का उपयोग कैसे हुआ, किसने किया, मैं उसका उदाहरण देने वाला हूँ। What is ‘ease of business’ and what is ‘easy for business’? What was the definition of business for the earlier Government? बोगस कंपनियां बनाओ, फेल कंपनियां बनाओ, बेनामी कंपनियां बनाओ और मनी लॉन्डरिंग के लिए जैसे चाहे वैसे उसको उपयोग करो। सरकारी प्रॉपर्टी एक

कंपनी से दूसरी में लेना, दूसरी से तीसरी में ले जाना और वहां से लाकर फिर राज्य सरकार के मुख्य मंत्री के परिवार के नाम पर वे कंपनियां रातों-रात ट्रांसफर हो जाती हैं।... (व्यवधान) रेलवे की प्रॉपर्टी, रेलवे के होटल, ईज ऑफ बिजनेस और ईजी फॉर बिजनेस, इसका थोड़ा अंतर समझ लो। पहले की सरकार ईजी ऑफ बिजनेस करती थी, **We want ease of business for SMEs, for genuine manufacturers and genuine industrialists. This is the difference between 'ease of business' and 'easy for business.'**

माननीय सभापति महोदय, कंपनियां किस प्रकार से बनीं। मैं आपको इसके एक-दो उदाहरण देना चाहूंगा। मेरे पास यह सूची है। इसकी कंपनियां **Mishail Packers and Printers Private Limited is one of them.** मैं उनके बेनिफिशियरी के नाम नहीं पढ़ता हूं। उसे पढ़ने की आवश्यकता भी नहीं है। वह समाप्त हो गया है। आज तो शपथ विधि भी हो गई है। अब मैं आगे जाता हूं। मनी लॉन्डरिंग 8 हजार करोड़ रुपये का हुआ। क्या कोई पूछने वाला है? मैंने सुरेश प्रभु जी से पूछा कि इस प्रकार से रेलवे की प्रॉपर्टी दूसरी कंपनी के पास कैसे पहुंच गई। किसी व्यक्ति के नाप पर कैसे चढ़ गई। वह भी चार्टर्ड अकाउन्टेन्ट हैं, मैं भी चार्टर्ड अकाउन्टेन्ट हूं। उनको भी समझने में काफी सप्ताह लगे और मैं तो अभी तक नहीं समझ पाया हूं।... (व्यवधान)

श्री रवनीत सिंह (लुधियाना) : आप पढ़े नहीं हैं।

डॉ. किरीट सोमैया (मुम्बई उत्तर पूर्व) : हां जी, हम अनपढ़ हैं, वे पढ़े-लिखे हैं। मुझे सुरेश प्रभु जी ने कहा कि एक काम करो कि तुम्हारी एक पी.एच.डी. मुम्बई यूनिवर्सिटी से है और अब दूसरी पी.एच.डी. बिहार की कंपनियों के ऊपर कर लो। अभी गाइड को फुर्सत मिल गई है और शायद अब टोटल ही फुर्सत हो जाएगी। तुम गाइड बना लो, तुम्हें अच्छा गाइड करेंगे। ... (व्यवधान) वह इमरजेंसी वाला मीसा, यानी जेल में... (व्यवधान)

श्री अश्विनी कुमार चौबे (बक्सर) : जब हम लोग जेले में थे मीसा वाले में, तो पैसा रखा गया था ... *(Not recorded)* में... (व्यवधान)

डॉ. किरिट सोमैया (मुम्बई उत्तर पूर्व) : वह ... (*Not recorded*) में आप गए थे, ये ईमानदार हैं।

HON. CHAIRPERSON (SHRI RAMEN DEKA): Dr. Kirit Somaiya, please address the Chair.

डॉ. किरिट सोमैया (मुम्बई उत्तर पूर्व) : सभापति महोदय, मैं आपके द्वारा यहां एक उदाहरण देना चाहूंगा। एक कंपनी और ये सब वर्ष 2013 के एक्ट के अंतर्गत फंक्शनिंग कर रही थीं। ये कंपनी वर्ष 2005 के बाद बनीं। उसमें आप देखें।

(b2/1430/ak-bks)

It is stated that : “... In a way, a relative converted black money into white by selling a share of rupee one at Rs. 10...” एक रुपये का शेयर दस रुपये में बेचा। It further states that : “... and repurchasing the same at Rs. 1.11 per share ...”. एक रुपये का शेयर दस रुपये में और तीन महीने के बाद में... (व्यवधान) लेकिन यह कमाल तो हममें से किसी को नहीं आता है। हमारे मंत्री को इसे पकड़ना भी नहीं आता है। 7 लाख पचास हजार शेयर्स इस प्रकार से लिये गये, इसे टैक्निकल फाइनेंशियल लेंग्वेज में राउंड ट्रिपिंग कहते हैं और साढ़े तीन सौ करोड़ रुपये, मैं अभी की बात कर रहा हूँ, हमारे महाराष्ट्र के उस समय के उप-मुख्य मंत्री डेढ़ साल से जेल में हैं, मेरे महाराष्ट्र के साथी समझ जायेंगे। उन्होंने जिन कंपनियों में मनीलांड्रिंग की, मैं माननीय मंत्री जी से पूछना चाहूंगा कि वेनु इंफ्रा प्रोजैक्ट प्राइवेट लिमिटेड, आशीष प्रोपर्टीज प्राइवेट लिमिटेड, गुड वैल्यूज टाप ट्रेड प्राइवेट लिमिटेड, स्वप्न सुंदरी होल्डिंग एंड ऐस्टेट डैवलपर्स प्राइवेट लिमिटेड और फर्स्ट ग्रोथ प्रोपर्टीज प्राइवेट लिमिटेड ये जो सब कंपनियां हैं, इनमें जिन्होंने मनी लांड्रिंग की, ई.डी. ने उन्हें अरेस्ट किया, वे वहां से सुप्रीम कोर्ट तक आए, सुप्रीम कोर्ट ने उन्हें बेल नहीं दी, डेढ़ साल से जेल में हैं। मैं मंत्री जी से मांग करना चाहता हूँ कि इन कंपनियों में जिन बाकी लोगों ने मनी लांड्रिंग की है, क्या ई.डी. उसकी जांच करेगा, क्या इंकम टैक्स डिपार्टमेंट उसकी जांच करेगा? चाहे कोई भी हो, किसी का

साला हो, किसी का श्वसुर हो, चाहे वह मुम्बई वाला हो या दिल्ली वाला हो या बिहार वाला हो। मंत्री महोदय आप और मैं राजस्थान घूमते थे तो राजस्थान वाला भी साला-बहनोई हो तो आपके ऊपर जिम्मेदारी है। जिन्होंने इस प्रकार से मनी लांड्रिंग की है, उन सब कंपनियों की मैं बैलेंस शीट लेकर आया हूँ और इनमें किसने-किसने मनी लांड्रिंग की, यह सब जब आप चाहोगे, मैं ये डाकूमैन्टरी एविडेंस आपको देने के लिए तैयार हूँ। ... (व्यवधान)

प्रो. सौगत राय (दमदम) : आप इनके बारे में बोलिये।... (व्यवधान)

डॉ. किरीट सोमैया (मुम्बई उत्तर पूर्व) : क्या मैं एक-एक नाम बोलूँ?... (व्यवधान) कुछ मेरे मित्र आपकी पार्टी में भी हैं, क्योंकि इसमें कोलकाता की कंपनियां भी शामिल हैं।... (व्यवधान)

महोदय, मैं संकट महसूस कर रहा हूँ। मेरे मित्र, हमारे सीनियर सदस्य कह रहे हैं, कुछ मेरे मित्र उनकी पार्टी में भी हैं और इन कंपनियों में जिनका शारदा चिट फंड में मनी लांड्रिंग हुआ है, उन कंपनियों के नाम भी इन कंपनियों की सूची में हैं। वह कहेंगे तो मैं अभी एक-एक नाम बोल दूंगा और उसके बेनिफिशियरीज... (व्यवधान) मेरे पास पांच सौ कंपनियों की सूची है। एक नम्बर से लेकर एडीए, एग्जिम से लेकर आदाम विनकॉम से लेकर आकाश फाउंडरी से लेकर 529 कंपनी जिंग मर्चेट प्राइवेट लिमिटेड ... (व्यवधान)

SHRI K.C. VENUGOPAL (ALAPPUZHA): Sir, I have a Point of Order. ... (*Interruptions*) Sir, I am raising a Point of Order. ... (*Interruptions*) This is a discussion on The Companies Bill. While participating in the discussion on this Bill the hon. Member, Dr. Kirit Somaiya, is pointing out and through his speech making insinuations. ... (*Interruptions*)

HON. CHAIRPERSON: Kindly mention the Rule No.

... (*Interruptions*)

SHRI K.C. VENUGOPAL (ALAPPUZHA): There was a hawala scandal in Kerala BJP. Are you aware about that also? There was a big

news about it, and your Party has investigated the matter. An amount of Rs. 5.5 crore was sent to Delhi. Who is taking that money? ...

(Interruptions)

HON. CHAIRPERSON: Hon. Member, Dr. Kirit Somaiya, please continue.

... *(Interruptions)*

SHRI K.C. VENUGOPAL (ALAPPUZHA): Let us talk about that also.

... *(Interruptions)*

डॉ. किरीट सोमैया (मुम्बई उत्तर पूर्व) : सभापति महोदय, मेरे मित्र अगर जांच कराना चाहते हैं तो केरल में हमारा एक ही विधायक है।

(c2/1435/gg-spr)

कल तक आपकी सरकार थी। आज से हमारे मित्र कम्युनिस्टों की सरकार है। वहां तो भारतीय जनता पार्टी का इतना ही काम है। राष्ट्रीय स्वयं सेवक संघ के इतने ही स्वयंसेवक हैं। ... (व्यवधान) लेकिन एक जन को काम करने नहीं देते हैं। उनसे इतना डरते हैं कि कितने ही कार्यकर्त्ताओं और स्वयंसेवकों की हत्या की जाती है। तीन सौ से ऊपर की हत्या की जा चुकी है। अभी इतना घोटाला, जैसे मैंने कहा कि यह 529 कंपनियों की लिस्ट जब भी माननीय मंत्री महोदय कहेंगे, मैं उनको देने के लिए तैयार हूँ। कोई राज्य का उप-मुख्य मंत्री है तो कोई मुख्य मंत्री है तो कोई अभी का उप-मुख्य मंत्री है। यह जो ईज़ ऑफ डूइंग बिज़नेस और ईज़ी फॉर बिज़नेस है, मैं एक और चीज़ के ऊपर आपका ध्यान आकर्षित करना चाहता हूँ। जो इनवेस्टर्स प्रोटेक्शन की बात की है my Ph.D. was on non-investor protection. मंत्री महोदय, कंपनीज़ एक्ट के एग्ज़िक्युशन के बारे में जिस प्रकार से आपने यह प्रोविज़न किया है, I supported that provision. जो प्राइवेट इनवेस्टर्स, प्राइवेट प्लेसमेंट है, लेकिन प्राइवेट प्लेसमेंट का इस प्रकार का दुरुपयोग होता होगा तो आपको

सावधान रहना पड़ेगा। आज आप रजिस्ट्रार ऑफ कंपनीज़ में ऑन-लाइन एप्लिकेशन करो, आपको तुरंत रजिस्ट्रेशन मिल जाता है। **There is no due diligence. We have to pay attention. We have to correct that system.** आपको पासपोर्ट चाहिए, दस धक्के देने पड़ते हैं, पचास डॉक्यूमेंट्री एविडेंसिस देने पड़ते हैं। राशन कार्ड चाहिए, पचास डॉक्यूमेंट्स देने पड़ते हैं, लेकिन ईज़ ऑफ डूइंग बिज़नस के कारण इस प्रकार की स्थिति होगी, यह नहीं पता था। मैं आपको एक उदाहरण देना चाहता हूँ कि एल्डर फार्मा नाम से मुंबई की एक फार्मास्युटिकल कंपनी है। हमने इस पर डिपॉज़िट लेने के ऊपर थोड़ा सा ईज़ी किया, लेकिन आप भी जानते हैं कि आपके पास कितनी शिकायतें आती हैं। छोटे-छोटे निवेशक कंपनीज़ में डिपॉज़िट रखते हैं। कंपनी दिवाला निकाल देती हैं। उसके बाद ये बेचारे दस साल इंतजार करते हैं। **I would refer to the CAG Report which was presented in Lok Sabha on 10th March, 2017 – Report No.2, Chapter No.5 – fictitious sales and purchases by shell companies and hawala operators.** हम राजनीति में हैं, हमारे राजनीतिक मतभेद होंगे, उनकी चर्चा जरूर करें, लेकिन इन फाइनेंशियल फ्रॉड करने वाले लोगों से हम सबको मिल कर लड़ना चाहिए। मैं इसमें इतना आश्चर्यचकित हो गया कि एल्डर फार्मा ने डिक्लेयर कर दिया कि हमारे पास पैसे नहीं हैं, हम डिपॉज़िटर्स को पैसे नहीं देंगे। वित्त मंत्री को मैंने पत्र लिखा, शिकायत भेजी, माननीय अरूण जेटली जी का जवाब 14 दिसंबर, 2015 को आया कि एल्डर फॉर्मास्युटिकल के विरुद्ध शिकायत आई है। उसके बाद में कंपनी अफेयर्स सैक्रेट्री का जवाब आया, मिनिस्ट्री ऑफ कॉर्पोरेट अफेयर्स, 03 फरवरी, 2017 को **Liquidator is appointed.** उसके बाद लिक्विडेटर का जवाब 19 जनवरी, 2017 को आया। इनवेस्टर्स की इतनी सारी शिकायतें मैंने भेजीं। अब आपको आश्चर्य होगा कि जो सीएजी ने रिपोर्ट प्रेज़ेंट की है। 35 कंपनियों का एक-एक उदाहरण उन्होंने दिया है। सीएजी ने अपनी रिपोर्ट में कहा है कि शैल कंपनीज़ बना कर हवाला ऑपरेटर्स, शैल कंपनीज़ और उसके द्वारा किस प्रकार से फ्रॉड किया जाता है, फिर चाहे वह कोलकाता की हो या मोरिशियस बेस्ड हो या मुंबई, दिल्ली बेस्ड हो। एक ओर

सरकार को लूटते हैं, दूसरी ओर छोटे निवेशकों को लूटते हैं। इस एल्डर फार्मा की 700 करोड़ रुपये की डिपॉजिट डिपॉजिटर्स को नहीं दी और सीएजी ने अपनी रिपोर्ट में कहा है कि महाराष्ट्र सरकार के सेल्स टैक्स डिपार्टमेंट ने, वैट डिपार्टमेंट ने ऐसी 2000 कंपनियों की लिस्ट अपनी वेबसाइट पर डाली है। इन 2000 कंपनियों ने, खोका कंपनियों के पास से खोटे परचेज़ बिल लिए और वे अपने अकाउंट में लगाए। It amounts to Rs.30,000 crore. 30 हजार करोड़ रुपये खोटे खर्चे दिखाए। इसके कारण इनकम टैक्स इतना बचा, खोटे बिल अकाउंट किए, प्रॉफिट कम किया और डिपॉजिटर्स के पैसे डुबा दिए। एल्डर फार्मा कहता है कि मेरे पास पैसा नहीं है। इसमें सीएजी ने अपनी रिपोर्ट में लिखा है कि एल्डर फार्मा ने दो बोगस बिल के द्वारा 77 करोड़ 40 लाख रुपये बोगस बिल अकाउंट कर के बाहर निकाल दिए। डिपॉजिटर्स के पैसे नहीं दिए जाते हैं।

(d2/1440/cs-sr)

सीएजी ने लिखा है कि ईडी और इन्कम टैक्स ने इस विषय में, जो महाराष्ट्र सरकार ने वैट के ऊपर जो दो हजार कंपनीज कीं और वैट बोगस, उनका वैट आउट प्रूव हो गया है, कोर्ट में एप्लीकेशन रिजेक्टेड, लेकिन इन्कम टैक्स डिपार्टमेंट और ईडी को भी उनके ऊपर कार्रवाई करनी चाहिए। मैं यह सीएजी रिपोर्ट और उसकी जानकारी टेबल पर रखना चाहूँगा।

महोदय, अंत में मैं इतना ही कहूँगा कि यह जो अच्छा बिजनेस है, लेकिन आखिर में यह भी ध्यान में रखना पड़ेगा कि ए गुड बिल, ईज़ ऑफ बिजनेस, लेकिन पॉजी कंपनियों को बढ़ावा न मिले, यह भी ध्यान देना पड़ेगा। जो मान्यवर वित्त मंत्री ने बजट सेशन में कबूल किया था, वचन दिया था कि वर्ष 2016 के बजट में कि एंटी पॉजी कानून लाया जाएगा, वह बिल लगभग बनकर तैयार है। मैं सरकार से आग्रह करूँगा कि 1998-99, when I was in this House, at that time, I had introduced this subject. तभी से केन्द्र सरकार कह रही है। वर्ष 2003 में सरकार ने निर्णय लिया कि केंद्र स्तर पर एंटी पॉजी एक्ट बनाया जाएगा। आज 2017 हो गया है। आपने बजट में वचन दिया है तो आप जल्दी वह बिल इंट्रोड्यूस करो और एक ओर आप बिजनेसमैन को राहत दीजिए और दूसरी ओर छोटे इन्वेस्टर्स का रक्षण कीजिए। (इति)

1442 hours

SHRI S.R. VIJAYA KUMAR (CHENNAI CENTRAL): Thank you, Sir. I wish to express my gratitude to our immortal leader Puratchi Thalaivi Amma and thank you for allowing me to speak on the very important Companies (Amendment) Bill, 2016.

As on 31st December, 2016, a total of 16,13,371 companies were registered in the country. Of them, 11,43,131 companies were active and the rest were inactive. Of the active companies, there are 10,77,398 private companies and 65,733 public companies engaged in under four broad heads, namely, business services, manufacturing, trading and construction. Business services include hardware and software, data processing, research and development, legal, accounting and audit services, business and management consultancy, entertainment and advertising etc. Manufacturing companies include food products, textiles, paper, metallic/non-metallic mineral products, chemicals and petrochemicals, radio, television, mobile phones and communication products, transport equipments etc. The total authorized capital of these companies is around Rs.53 lakh crore.

The Companies Act was enacted and enforced on 12th September, 2013 which replaced the old Companies Act of 1956. The Act was brought in to address the loopholes and discrepancies that were present in the old Act. Since then, the Act has been amended *vide* the Companies (Amendment) Act, 2014 and the Companies (Amendment) Act, 2015. The Companies (Amendment) Bill, 2016 was introduced in the Lok Sabha on March 16, 2016, to further amend the Act. It was

referred to the Standing Committee on Finance on April 12, 2016 and the Committee submitted its 37th Report on December 6, 2016. In April 2017, the Government circulated certain amendments to the Bill.

The Bill amends the Companies Act, 2013 in relation to structuring, disclosure and compliance requirements for companies. The Act of 2013 permits the Central Government to impose a cap on layers of subsidiaries that a company can have. But the Companies (Amendment) Bill, 2016 removed the restrictions on the number of layers of subsidiaries of a company. The amendments to the Bill, 2016 restores, the provision in the Act of 2013 and permits the Central Government to impose a cap on layers of subsidiaries of a company.

With regard to the cap on investments through layers of companies (Section 186) under the 2013 Act, investments in a company cannot be made through more than two layers of investment companies. The amendment in the Bill of 2016, removes the restrictions on number of layers of investment companies. Now, the Government restores the provision in the 2013 Act and prohibits investments in a company through more than two layers of investment companies.

As far as the objects of the company are concerned, it was recommended by the Standing Committee on Finance that the amendments in 2016 Bill may lead to the creation of bogus entities and *status quo* should be restored.

(e2/1445/ub-hcb)

The recommendations are accepted. It is required that the Memorandum is to define the specific objects for which the company is being incorporated.

A simple form of annual return may be prescribed for small companies, one-person companies and private companies with less than annual sales turnover of say, Rs. 100 crore. This may apply to other forms of companies as well to avoid repetitive information. The Government has accepted the recommendations of the Standing Committee. The amendment extends the power of the Central Government to prescribe abridged form of annual returns for other types of companies, in addition to one person company or a small company.

As far as the annual financial statement (Section 129) is concerned, the amendment prescribes for a company to attach a separate financial statement of its associate companies, in addition to that of its subsidiaries. For financial statement of foreign subsidiary (Section 137), every company is required to file a copy of its financial statement with the Registrar along with the accounts of subsidiaries incorporated in foreign countries.

If the accounts of foreign subsidiaries are not required to be audited under the local law, companies need to make a special declaration stating the same. This applies only for public listed companies. It was recommended that such a provision should be applicable to all companies, and not just listed public companies.

With regards to late filing, the 2013 Act gave the companies 270 days of upper time limit. The amendments remove the time limit for filing of documents under the Act. For non-filing of documents under Section 92 (filing of annual return) and Section 137 (filing of financial statements), a minimum fine amount of Rs. 100/day has been specified. Further, the company shall be liable for penal action. If a company defaults on submitting the documents for two or more times, the fees levied on the company may be doubled. The imposition of fines on late filing may not fetch desired results in many small companies and perhaps detrimental to the survival and growth of smaller companies. It is, therefore, desired that the provisions of the 2013 Act should be restored.

In calculation of profits to provide dividends (Section 123), the company should declare or pay dividends only out of the profits of the company. The amendments add a proviso which, in computing profits, excludes: (i) any unrealised or notional gains, or (ii) revaluation of assets and any change in carrying amount of an asset or liability.

With regards to the loans to directors of companies (Section 185), a company is not allowed to advance any loan to its directors or to any person in whom the director is interested. The Bill 2016 allows the companies to advance a loan to any person a director is interested in if the company passes a special resolution to this effect.

The amendments proposed by the Government provide that if loans extended are used against certain conditions, in addition to the company and its directors, every defaulting officer in the company may

also be imprisoned or fined. The amendment proposed deletes the provision that provides power to SEBI to enforce the insider trading and forward dealing provisions of the Act.

The Bill permits an independent director to have a pecuniary relationship up to 10 per cent of his total income with the company. Currently, there are restrictions on loans that can be provided to a company by its director or their relatives. The restrictions are based on factors such as net worth of the companies. The loans from directors are major source of funding for Micro, Small and Medium Enterprises (MSMEs). Restrictions on these loans are restraining the finances and growth of MSMEs. The restriction on loans from directors should be reduced to promote growth of MSMEs.

Currently, every company is required to file a copy of the financial statement with the Registrar, consisting of details regarding balance sheet, cash flow and profit and loss statements, etc. Further, companies are required to attach accounts of subsidiaries which are incorporated in foreign countries. The Bill requires that if the accounts of such subsidiaries are not required to be audited under the local law, companies need to make a special declaration stating that. However, the requirement applies only for public listed companies. The Committee recommended that such requirement should hold to all public companies.

The Bill also seeks to set a limit on the reopening of accounts of a company.

(f2/1450/kmr/rv)

The Bill suggests that the accounts of a company prior to eight years from the date of examination must not be reopened. This will be a great relief to companies as they will not have to carry on the cumbersome task of maintaining books of accounts for several years as they currently are required to.

Before I conclude, I would like the Union Government to make more provisions and provide powers to the Central and State Governments as well as elected representatives to involve, suggest, recommend and monitor the annual allocation and spending of the public and private sector companies under the corporate social responsibility.

Thank you, Sir.

(ends)

1451 hours

PROF. SAUGATA ROY (DUM DUM): Sir, I rise to speak on the Companies (Amendment) Bill, 2016.

I did not want this debate to be a bipartisan debate or a partisan debate. I wanted this to be a general discussion on the problems faced by the companies. Very often in recent times problems regarding companies have come up. We had the collapse of the Satyam Computers. We had the history of ponzy companies. In recent times what we are hearing very much is about the shell companies that have been floated post demonetization.

Our hon. Shri Kirit Somaiya brought up many issues including Elda pharmaceuticals. My request to him would be to directly go to the Minister instead of raising it in Parliament. In the Corporate Affairs Department there is the Serious Fraud Investigation Office (SFIO). If somebody has done something wrong, let the Government take action through the SFIO. We the opposition people will raise this issue in Parliament. People belonging to Ruling Party can always approach the Minister, talk about things in the party meetings. I do not know why hon. Shri Somaiya decided not to take that route.

Hon. Shri Somaiya spoke about demonetization. He says that demonetization has been proved to be correct because of UP elections. It is strange to relate one thing to another. They may say lynching of people by *Gorakshaks* is also related to victory in UP election. These are entirely different issues.

The bad effects of demonetization are being felt now. In the first quarter of 2017, the GDP has already gone down by one per cent. Small industries have been destroyed altogether. We have been trying to repeatedly find out how much money has been deposited in the banks till today after demonetization. The Reserve Bank Governor has not been able to say how much money was deposited in the banks after demonetization. So, I do not want to go into those matters.

As I said earlier, it should not be a partisan debate because the Companies Act which was passed during UPA-2 regime in 2013 was the result of a long discussion. The Bill was introduced in 2011. Then it went to Standing Committee. In 2013, Shri Veerappa Moily was the Minister and Shri Sachin Pilot became the Minister who piloted the Bill. That Bill brought a whiff of fresh air because the old Companies Act, 1956 was outdated and was not competent to deal with a liberalized economy. So, the 2013 Act was very much appreciated by business circles. When the NDA came to power in 2014, obviously it was a new Government and they wanted to do something. Many people represented to them about problems being faced in the implementation of the Companies Act, 2013.

(g2/1455/gm-my)

Out of 470 sections of the Companies Act 2013, 284 sections were already implemented and the National Company Law Tribunal has now been set up. So, there is no problem, but still when businessmen and Chartered Accountants went to the Minister of Finance Shri Arun Jaitley, he first brought in an amendment in 2015.

That amendment was discussed in the Rajya Sabha which gave certain suggestions on it. At that time, the Government set up a Committee called the Company Law Committee comprising Chartered Accountants, Cost Accountants, Company Secretaries and a former High Court judge under the chairmanship of Secretary of the Ministry of Corporate Affairs.

The Committee submitted a report to the Government. Then the Government introduced the current Bill in 2016. It came to the Standing Committee on 12th April 2016. I am a member of this Standing Committee. So we deliberated on the new Bill and we met FICCI, CII, ASSOCHAM, Chartered Accountants, Cost Accountants, Bombay Chamber of Commerce and Industry and then the Standing Committee gave a report under the Chairmanship of Shri M. Veerappa Moily.

It is in line with that report that the present Bill has been brought in. So, I cannot really object to the structure of the present Bill. The only thing I am happy about and for which I want to thank Shri Jaitley is that today he has left it to Shri Arjun Ram Meghwal to pilot the Bill and he himself is absent. Shri Mehgal was a very vocal Member of Parliament but after having become a Minister of State, he does not get so much time to speak. So, today he will be piloting the Bill and maybe replying to our queries etc. So I welcome him in this role.

What are the specialities of this new Companies Bill? The main object is to improve the ease of doing business so that people who want to start a start-up or a one-man company do not have to go through so

many formalities, so many disclosures, so many filling up of forms. So, the idea is to make the law simple so that only lawyers do not benefit but the companies also benefit. That is why this law has been brought.

The amendments proposed are expected to simplify the disclosure and compliance requirements for companies. The example is doing away with the requirement of Government approval for managerial remuneration and replacing it with approval through a special resolution by shareholders in a general meeting. It is a good addition. The Bill has also suggested simplifying the format of the Board's report and recommended avoidance of repetitive information. The requirement of filing an extract of annual return as part of the Board's report has been removed. Exemption has been provided for uploading individual financial statements of step-down foreign subsidiaries by listed holding company where consolidated financial statements have been prepared by foreign subsidiaries according to the laws of the relevant foreign countries.

In the interest of transparency and fairness, guiding principles for determination of penalties have been introduced such as size of company, nature of business etc. To encourage start-ups, the amendment Bill proposes several incentives to start-ups and small companies, pre-conditions for a company to be considered 'small' have been relaxed and so has the format of Board's report and annual return for one person companies or small companies.