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**Title:** > Introduction of the Companies (Amendment) Bill, 1998. >

14.18 hrs.

MR. DEPUTY-SPEAKER: Hon. Members, I have to inform that the Minister of Law, Justice and Company Affairs through his letter addressed to the Secretary-General, Lok Sabha received in the Secretariat today morning has intimated that the President has recommended the introduction of the Companies (Amendment) Bill, 1998 in Lok Sabha under Article 117 (1) of the Constitution and also its consideration by Lok Sabha under Article 117 (3) of the Constitution.

The Minister may now seek leave of the House to introduce the Bill.

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND MINISTER OF SURFACE TRANSPORT (DR. M. THAMBI DURAI): I beg to move for leave to introduce a Bill further to amend the Companies Act, 1956.

MR. DEPUTY-SPEAKER: Motion moved:

"That leave be granted to introduce a Bill further to amend the Companies Act, 1956."

>SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I oppose the introduction of this Bill itself. We have taken a decision that whenever a Bill is introduced before the House, we refer it to a departmentally-related Standing Committee. Now this Companies (Amendment) Bill was introduced in this House. This Bill was referred to a Standing Committee. The Standing Committee is considering it. The hon. Minister has himself admitted that the Companies (Amendment) Bill, 1998 has been referred to departmentally-related Standing Committee and the report of the Standing Committee is awaited. So, the hon. Minister has himself admitted that the report of the Standing Committee is awaited. Now the House is seized of the matter. When the House is seized of the matter, it is \_\_\_\_\_

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quite improper on the part of the Government to issue an Ordinance about the very same Bill which is being considered by the Standing Committee and the report is also awaited. What is the urgency of issuing an Ordinance? The Government may think it urgent but the House should also be taken into confidence. What was the urgency of issuing such an Ordinance?

No word has been said about it in the statement of objects and reasons. What prompted the Government to think that this is urgent? Do the multinational companies influence the Government? Were they influenced? Did the extraneous forces influence the Government to issue an Ordinance when this august House is considering the Bill, when we have asked the Committee to submit a Report to explain the matter? I cannot understand how without the Committee explaining the matter, ignoring the provisions of the law, the Government has issued an Ordinance by-passing the Standing Committee of Parliament. You could have by-passed the Standing Committee - and I could have understood it - if there was an urgency, if the situation demanded that an Ordinance be issued. When once the House is seized of the matter, you cannot issue an Ordinance on the very same matter. You have issued an Ordinance on the very same matter that has been given to a Committee for consideration. The Departmentally-Related Standing Committee is seriously considering it. Is it a farce? We have referred the Bill to the Standing Committee and, in the meanwhile, the Government has issued an Ordinance without even taking into confidence the House as well as the Standing Committee. The Standing Committees were formed not as a mere procedure; it is not a farce. This is my objection.

MR. DEPUTY-SPEAKER: Shri Radhakrishnan, I think, you have made your observation.

SHRI VARKALA RADHAKRISHNAN : I understand that the Government is committed to certain multinational companies on allowing them the buy-back of shares. (Interruptions) This is a crime against the Company Law which is in force for four decades. For four decades, from 1956, the Company Law has been here. (Interruptions) This Ordinance is quite irrelevant, improper and amounts to trespassing the rights of this House and the Standing Committee as a whole. (Interruptions)

MR. DEPUTY-SPEAKER: Shri Dhananjaya Kumar, what are you doing? You are stepping into the shoes of Shri Radhakrishnan.

DR. M. THAMBI DURAI: Mr. Deputy-Speaker, Sir, I want to make it clear why we brought in the Ordinance.

The hon. Member himself admitted when he spoke that if there was any emergency we could bring in an Ordinance. Based on the prevailing situation of our economy, many hon. Members raised this even in the previous Session also. Our economy is going down; we have to bring it up somewhat. That is the concern of everybody. Most of the industries have represented their grievances also. As the hon. Member said, there are even some foreigners trying to take away our good companies. (Interruptions) We are performing well but these are the apprehensions. So, only in order to ensure that our economy flourishes and industry gets activated, we have brought in this Ordinance. We are now bringing it before the House for its approval. It is up to the House to accept it or not. An Ordinance is not a permanent law; it is a temporary phenomenon. It is for this House to approve it or not. I am seeking the approval of the House.

There are many factors included in the Companies Act, for the consideration of the Standing Committee. This is not a comprehensive Bill. There are many issues. We thought that this issue was important. It is only for this reason that we issued the Ordinance. We are going to bring a comprehensive Bill, including all the other factors, in the next Session. We will be trying to do that. This Bill is an important Bill. We seek the approval of the House for this Bill.

SHRI E. AHAMED (MANJERI): Sir, I may be permitted to ask only one question.

MR. DEPUTY-SPEAKER: Shri Ahamed, I allowed Shri Radhakrishnan because he had given a notice.

... (Interruptions)

DR. M. THAMBI DURAI: This is only the introduction stage.

>SHRI E. AHAMED : We are nearing the last day of this Session. The hon. Minister has said that the country is facing a financial crisis and this is the only remedy. Why did this Government not bring this Bill on the very first day of this Session? Is it only now that they know that the country is going down financially? Are you not responsible to this House and the people of this country? Is this the only way to do it when the House is adjourning tomorrow? (Interruptions)

DR. M. THAMBI DURAI: Sir, this is only the introduction stage.

MR. DEPUTY-SPEAKER: You will get an opportunity later.

DR. SUBRAMANIAN SWAMY (MADURAI): There should be a Special Session on the economic emergency in the country.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Companies Act, 1956."

The motion was adopted.

DR. M. THAMBI DURAI: I introduce\* the Bill.

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Recommendation of the President \* Introduced with the