

12.12 hrs.

APPROPRIATION (RAILWAYS) NO.  
3 BILL, 1959

The Minister of Railways (Shri Jagjivan Ram) I beg to move\*:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1959-60 for the purposes of Railways, be taken into consideration."

Mr. Speaker: The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1959-60 for the purposes of Railways, be taken into consideration."

*The motion was adopted*

Mr. Speaker: There are no amendments to clauses.

The question is:

"That clauses 2, 3, the Schedule, clause 1, the Enacting Formula and the Long Title stand part of the Bill".

*The motion was adopted.*

*Clauses 2, 3, the Schedule, Clause 1, the Enacting Formula and the Long Title were added to the Bill".*

Shri Jagjivan Ram: I beg to move:

"That the Bill be passed"

Mr. Speaker: The question is:

"That the Bill be passed".

*The motion was adopted.*

12.13 hrs.

SUSPENSION OF FIRST PROVISO  
TO RULE 74

The Minister of Commerce (Shri Kanungo): With your permission, I beg to move:

"That the first proviso to Rule 74 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the motion for reference of the Companies (Amendment) Bill, 1959, to a Joint Committee be suspended".

I have given notice of a motion for reference of the Companies (Amendment) Bill, 1959, to a Joint Committee. The reference to a Joint Committee cannot ordinarily be made, if it involves matters falling within the purview of sub-clauses (a) to (f) of clause (1) of article 110 of the Constitution. Out of the 212 clauses contained in the Companies (Amendment) Bill, only one clause, namely clause 27, may attract sub-clause (a) of clause (1) of article 110 of the Constitution, as it contains a provision empowering the Central Government to prescribe a fee, not exceeding Rs. 50 for an appeal against the refusal or failure of a public company or a subsidiary of a public company to register the transfer or transmission of shares or debentures or to send notice of its refusal to register the same within two months. It is, therefore, necessary to suspend the operation of the first proviso to Rule 74 of the Rules of Procedure and Conduct of Business in the Lok Sabha before the motion to refer the Bill to a Joint Committee can be moved. Considering the nature of some of the provisions contained in the Bill and diverse interests concerned with the proposed amendments, I am sure the House will agree that it is most desirable that the Bill should be referred to a Joint Committee. As the House is aware, the Companies Bill of 1955 was also referred to a Joint Committee.

\*Moved with the recommendation of the President.

Mr. Speaker: Do not fees come under clause (2) of article 110? It refers to 'payment of fees for licences or fees for services rendered' (Interruptions) If there is a doubt, it is better to have it cleared.

Shri Kanungo: This is done by way of ample precaution

Mr. Speaker: If it is done by way of abundant caution, there is no harm

The question is.

"That the first proviso to Rule 74 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to the motion for reference of the Companies (Amendment) Bill, 1959, to a Joint Committee be suspended"

*The motion was adopted.*

12.17 hrs.

#### COMPANIES (AMENDMENT) BILL

The Minister of Commerce (Shri Kanungo): On behalf of Shri Lal Bahadur Shastri, I beg to move

"That the Bill further to amend the Companies Act, 1956, be referred to a Joint Committee of the Houses consisting of 45 members, 30 from this House, namely — Sardar Hukam Singh, Shri H C Heda, Shri Satyendra Narayan Sinha Pandit Dwarka Nath Tiwary, Shri Shivram Rango Rane, Shri Radhelal Vyas, Shri N R M Swamy, Shri P T Thanu Pillai, Shri M Shankaraya, Shri Jagannatha Rao, Shri Ajit Singh Sarhad, Shri Radheshyam Ramkumar Morarka, Shri G D Somani, Shri Peroze Gandhi, Shri C D Pande, Shri Mulchand Dube, Shri Rohanlal Chaturvedi, Shri Arun Chandra Guha, Shrimati Sucheta Kripalani, Shri Narendrabhai Nathwani, Shri K T K Tangamani, Shri S Easwara Iyer, Shri M R Masani, Shri Yadav Narayan Jadhav, Shri Tridib Kumar Chaudhuri, Shri Surendra Mahanty, Shri G K Manay, Shri Naushir Bharucha, Shri Lal Bahadur Shastri and the Mover,

and 15 members from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the last day of the first week of the next session;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committees will apply with such variations and modifications as the Speaker may make, and

that this House recommends to Rajya Sabha that Rajya Sabha do join the said Joint Committee and communicate to this House the names of members to be appointed by Rajya Sabha to the Joint Committee"

Hon Members are aware that the principal act, namely, the Companies Act, 1956, which the present Bill seeks to amend was debated on the floor of this House at some length and in great detail and passed in November 1955. It was brought into force from the 1st of April 1956. As mentioned in the Statement of Objects and Reasons appended to the present Bill, the Act had barely been in force for 13 months when Government decided to appoint a Committee under the chairmanship of Shri A V Viswanatha Sastri a former Judge of the Madras High Court, to examine the structure of the Act as well as its contents with a view not only to removing its drafting defects and deficiencies, including practical difficulties in its working but also ensuring better fulfilment of the purposes underlying the Act. The Committee submitted its report in November 1957. The Report was published and copies of it were made available to Members of both Houses of Parliament.

In its Report, the Committee referred to the usual criticisms regarding