

THE VICE-CHAIRMAN (DR. E.M. SUDARSANA NATCHIAPPAN): No, no. It is not there in the list ...*(Interruptions)*...

SHRI RUDRA NARAYAN PANY: *

THE VICE-CHAIRMAN (DR. E.M. SUDARSANA NATCHIAPPAN): You have already associated with that ...*(Interruptions)*...

SHRI RUDRA NARAYAN PANY: *

THE MINISTER OF CORPORATE AFFAIRS (SHRI M. VEERAPPA MOILY): Sir, shall I move the Bills? ...*(Interruptions)*...

श्री रुद्रनारायण पाणि :*

THE VICE-CHAIRMAN (DR. E.M. SUDARSANA NATCHIAPPAN): Yes, yes ...*(Interruptions)*...

SHRI RUDRA NARAYAN PANY: Sir, in protest, I am walking out of the House ...*(Interruptions)*...

(At this stage, the hon. Member left the Chamber)

GOVERNMENT BILLS

The Chartered Accountants (Amendment) Bill, 2010.

and

The Cost and Works Accountants (Amendment) Bill, 2010

and

The Company Secretaries (Amendment) Bill, 2010

THE MINISTER OF CORPORATE AFFAIRS (SHRI M. VEERAPPA MOILY): Sir, I beg to move:

That the Bill further to amend the Chartered Accountants Act, 1949, be taken into consideration.

Sir, I also move:

That the Bill further to amend the Cost and Works Accountants Act, 1959, be taken into consideration.

Sir, I also move:

* Not recorded.

That the Bill further to amend the Company Secretaries Act, 1980, be taken into consideration.

Sir, all the three Bills, I hope, will be taken up together for consideration. Ultimately, it is only to amend Sub-Section (2) of Section (2) of all the three Acts.

These are all professional institutes. In fact, in the year 2008, the Limited Liability Partnership Act, was enacted. So, this is an enabling clause for the entities to get the legal status which will combine the flexibility of a partnership with the benefits of limited liability enjoyed by company.

With the services sector in the country growing in a vibrant way and we are creating niche out of it for ourselves, particularly in the services sector, there is a need to provide space with an increasingly significant role in the Indian economy and the high quality of professionals to respond to the global aspirations. This is how all these ideas had been mooted as far back as 2002 when Naresh Chandra Committee gave its report. The Bill is very simple. It is only for the incorporation of this amendment. But, at the same time, this is going to create a magnificent role to be played by all the professionals under these three professional institutes. I would like the House to appreciate the significant move by providing a greater and rapid space for professionals of these three professional institutes.

The questions were proposed.

THE VICE-CHAIRMAN (DR. E.M. SUDARSANA NATCHIAPPAN): Motions for consideration of the Chartered Accountants (Amendment) Bill, 2010; The Cost and Works Accountants (Amendment) Bill, 2010; and the Company Secretaries (Amendment) Bill, 2010, are now open for discussion.

Now, I request Shri S.S. Ahluwalia to make his observations.

श्री एस.एस. अहलुवालिया (झारखंड): उपसभाध्यक्ष महोदय, मैं The Chartered Accountants (Amendment) Bill, 2010; The Cost and Works Accountants (Amendment) Bill, 2010; and the Company Secretaries (Amendment) Bill, 2010 का समर्थन करने के लिए खड़ा हुआ हूँ। महोदय, समर्थन करने के साथ-साथ बहुत सारे कन्सर्न हैं, जिनके संबंध में मैं सरकार को अवगत करना चाहता हूँ। जब 2001 में एनरॉन घोटाला हुआ और उसके साथ-साथ अमेरिका में वर्ल्डकॉम क्वेस्ट और ग्लोबल क्रॉसिंग, इन बड़ी-बड़ी कम्पनियों में घोटाले हुए, जिसमें चार्टर्ड अकाउंटेंट की कम्पनियां या उनके फाइनेंशियल कन्सल्टेंट्स इन्वॉल्व थे, उनमें ये घटनाएं घटीं, उस वक्त सारी दुनिया में रिफॉर्म का दौर शुरू हुआ और उसको मद्देनजर रखते हुए भारत सरकार ने भी 21 अगस्त, 2002 को, डिपार्टमेंट ऑफ कम्पनी अफेयर्स ने श्री नरेश चन्द्रा के नेतृत्व में एक हाई लैवल

कमेटी बैठाई। नरेश चन्द्र कमेटी ने बहुत सारे रिकमेंडेशंस दिए। उन रिकमेंडेशंस के आधार पर आगे जे.जे. ईरानी कमेटी, श्राॅफ कमेटी - ये सब कमेटियां बैठीं और हमारा जो 1956 का कम्पनीज एक्ट है, उसको परिवर्तित करने के लिए सोचा गया। वह विधेयक यहां पर इंट्रोड्यूज किया गया, स्टैंडिंग कमेटी में गया, स्टैंडिंग कमेटी ने अपनी रिपोर्ट सब्मिट की। इसी बची हमने महसूस किया कि कम्पनीज एक्ट में कई प्रावधान हैं, एक लिमिटेड कम्पनी है, एक लिस्टेड कम्पनी है, एक पब्लिक लिमिटेड कम्पनी है, एक प्राइवेट लिमिटेड कम्पनी है और उसके बाद पार्टनरशिप कम्पनी और प्रोपराइटरशिप कम्पनी है। लेकिन पार्टनरशिप कम्पनी का ऐक्ट बहुत पुराना है और अगर विदेशी पार्टनर रखना होता है तो उसके बारे में बहुत सारी बाधाएं आती हैं। प्रोपराइटरशिप कम्पनी आहिस्सा-आहिस्ता हमारे मुल्क में कम होती गयी क्योंकि जैसे-जैसे टैक्स के, डिसक्लोजर्स के और रिटर्न्स के रिफॉर्म्स आए, वैसे-वैसे प्रोपराइटरशिप वाली कम्पनी की जिम्मेदारी एक आदमी के ऊपर पड़ने लगी, हमारे यहां जो ज्वाइंट फैमिली कॉन्सेप्ट था, वह खत्म होने लगा। तब यह जो नया कॉन्सेप्ट है, Limited Liability Partnership Company, इसको 2008 में हमने एक नया आयाम दिया और वह विधेयक 2008 में पास हुआ जो 2009 में नोटिफाई हुआ। किन्तु हमने पाया कि जो रोल कम्पनी सेक्रेटरी का है, Section 383(A) of Companies Act, 1956... जिस कम्पनी का पेडअप शेयर केपिटल दो करोड़ या उससे ज्यादा है, वहां पर कम्पलसरी है कि एक कम्पनी सेक्रेटरी होना चाहिए। वैसे भी सैक्शन - 233(बी) और 209(1डी) के तहत कॉस्ट एकाउंटेंट होने चाहिए, क्योंकि जब हम डिविडेंड देते हैं, जब हम प्रॉफिट लॉस की बात करते हैं तो उसका सर्टिफिकेशन, किसको कितना प्रॉफिट हुआ, कॉस्ट ऑफ प्रोडक्शन क्या था और अल्टीमेटली उसको कितनी प्राइस पर सेल किया, इन सारी चीजों पर विचार करने के लिए भी कॉस्ट एंड वर्क्स एकाउंटेंट की जरूरत पड़ती है। इसका भी प्रावधान कम्पनी ऐक्ट में है। उसी कम्पनी ऐक्ट में सैक्शन-224(1) के तहत एक चार्टर्ड एकाउंटेंट का सर्टिफिकेट चाहिए, किसी भी रिटर्न को फाइल करने के लिए। अभी पिछले दिनों एम.सी.ए. ने इन्हीं रिफॉर्म्स को मद्देनजर रखते हुए एक सक्च्युलर जारी किया, जहां पर उन्होंने कहा कि ICSI, ICWAI or ICAI अर्थात् चार्टर्ड एकाउंटेंट, कम्पनी सेक्रेटरी और कॉस्ट एंड वर्क्स एकाउंटेंट, ये अगर किसी चीज को सर्टिफाई करते हैं ऑनलाइन के लिए डिजिटल रिटर्न फाइल करने के लिए, तो मान्य होगा। महोदय, जब हमने महसूस किया कि आज लिमिटेड लॉइबिलिटी पार्टनरशिप कम्पनी, इसमें भी एलाउ की जाए कि इसमें एक चार्टर्ड एकाउंटेंट अपने साथ कम्पनी सेक्रेटरी को भी इंवोल्व कर ले और एक कॉस्ट एंड वर्क्स को भी इंवोल्व कर ले, लेकिन आज तक वह सम्भव नहीं है। किन्तु आज यह लिमिटेड लॉइबिलिटी पार्टनरशिप फर्म बनने से, एल.एन.पी. कम्पनी बनने से यह सम्भव हो सकेगा। सिर्फ भारत के लिए नहीं, विदेश का कोई चार्टर्ड एकाउंटेंट या फाइनेंशियल कंसलटेंट अगर हमारे ICSI, ICWAI or ICAI के तहत रजिस्टर्ड हो सकता है तो वैसे लोग भी हमारे साथ कंसलटेंट बन सकेंगे। यह एक अच्छी पहल है और हमारे लोग भी बाहर जा सकेंगे, क्योंकि हमने देखा कि खास करके कॉस्ट एंड वर्क्स वालों को बहुत असुविधा हुई, जब वे चार्टर्ड इंस्टीट्यूट ऑफ मेनेजमेंट

एकाउंटेंट्स, CIMA लंदन के साथ अपना एग्रीमेंट करने जा रहे थे, तो उन्होंने कहा कि हम वर्क्स एकाउंटेंट का मतलब नहीं समझ रहे हैं। What is the meaning of Works Accountant ?

महोदय, कॉस्ट एकाउंटेंट एंड वर्क्स एकाउंटेंट का कंसेप्ट हमारे देश में तब आया, जब हमारे यहां पब्लिक सैक्टर इंडस्ट्री का दौर हुआ, जहां टाइम एंड मोशन डिपार्टमेंट एक वर्क की लेबर, कितने ऑवर्स, किस चीज को प्रोड्यूस करने के लिए कितना समय लगता है, ताकि हम अल्टीमेट फिनिश प्रोडक्ट को या कॉस्ट को एनालाइज कर सकें और तब हम उसकी प्राइस फिक्स कर सकें, इन सारी चीजों को मदेनज़र रखकर किया गया था। किन्तु आहिस्ता-आहिस्ता डिस-इंवेस्टमेंट होने के बाद इनका ICWAI वालों का काम भी बंद हो गया। इनको अब नए रास्ते ढूँढने की जरूरत थी। जो CIMA लंदन है, उसके साथ और दूसरे देशों, अर्थात् बंगला के हमारे पड़ोसी मुल्क बंगला देश, पाकिस्तान और श्रीलंका ने अपने विधेयकों में संशोधन करके, अपने कानूनों में संशोधन करके उनकी मेंबरशिप ली है। किन्तु हमारे यहां से पास किए हुए बच्चे वहां जाकर काम नहीं कर सकते या उनकी कम्पनी के लिए काम नहीं कर सकते। तो इसलिए यह जरूरी था कि हम एक ऐसा संशोधन लाएं और लाकर उनको भी पार्टनर बना सकें या उनकी मान्यता ले सकें, उनकी मेंबरशिप ले सकें, उनसे एफिलिएट हो सकें और हम अपना कार्य आगे कर सकें। महोदय, इन्हीं चीजों को मदेनज़र रखा गया, किन्तु जो सबसे बड़ा कंसर्न है, वह खतरा है और महोदय आज अच्छी तरह से जानते होंगे कि पिछले दिनों सत्यम घोटाला हुआ, और सत्यम घोटाला में प्राइस हाउस और यही प्राइस वाटर हाउस ग्लोबल ट्रस्ट बैंक में भी जब केतन पारिख का स्केम हुआ, उसमें भी जो उनके फाइनेंशियल एडवाइजर थे, जिनके सर्टिफिकेट पर उनके आई.टी.ओ. में दस्तखत होते हैं, प्राइस वाटर हाउस के बारे में, वे इंवॉल्वड थे। फिर सत्यम कम्प्यूटर और Price Ernst & Young Maytas का केस हुआ। Satyam और Maytas के बारे में, मुझे बड़ा आश्चर्य होता है कि Satyam को आप उलटा करके लिख दें, तो वह Maytas बन जाता है, परन्तु हमारे किसी आर.ओ.सी. वाले को नहीं समझ आया कि यह इसी की एक शेल कम्पनी है, जो यह दूसरे नाम से चला रही है, एक Satyam है और एक Maytas है, दोनों कम्पनी एक ही हैं और एक ही परिवार की हैं। दोनों में दो चार्टर्ड एकाउंटेंट फर्म, एक Price Waterhouse और दूसरी Ernst and Young इन्चाल्व थी। यहां तक कि Price Waterhouse को सत्यम कम्प्यूटर में ICAI Disciplinary Committee ने काफी प्रोसिडिंग करने की कोशिश की, परन्तु जो इनके इंडियन पार्टनर थे, इंडियन चार्टर्ड एकाउंटेंट थे, उन्हीं के खिलाफ कार्यवाही हो सकी, कम्पनी के खिलाफ कार्यवाही नहीं हो सकी। परन्तु यह जो LLP आ रहा है, इस LLP के माध्यम से प्राइस वाटर, Ernst and Young, McKenzie, KPMG ये सारे पार्टनर बन जायेंगे। LLP के माध्यम से ये मालिक बन जायेंगे, हिस्सेदार बन जायेंगे, इसके लिए precautionary measures सरकार क्या लेगी? आज हमारे कानून में ऐसा कोई प्रावधान नहीं है कि जिसके कारण, अभी जैसे, "The Institute has asked the Ministry of Corporate Affairs, Government of India to grant additional power so that they may proceed against firms whose partners or employees are frequent offenders."

कम्पनियां ये ही हैं, किन्तु उनका जो एम्पलाई यहां पर चार्टर्ड एकाउंटेंट रजिस्टर्ड है या जो कम्पनी सेक्रेटरी यहां पर रजिस्टर्ड है, उसके खिलाफ तो कार्यवाही हो जाती है, लेकिन जो विदेश में रजिस्टर्ड है, उसके खिलाफ कार्यवाही नहीं होती या कम्पनी के खिलाफ कार्यवाही नहीं होती है। ये कम्पनियां इस रूट से पार्टनर बन जायेंगी, मालिकाना हक प्राप्त कर लेंगी। हमें सोचना पड़ेगा कि एक तरफ तो हम ये बेनिफिट यहां के चार्टर्ड अकाउंटेंट को, यहां के लोगों को दे रहे हैं कि बाहर जाकर, दूसरे मुल्को में जाकर एल.एल.पी. में हिस्सेदारी कर सकें और लिमिटेड लायबिलिटी पार्टनरशिप कर सकें और वहां के लोग यहां आ सकें। जब भी कोई फॉरेन डायरेक्ट इन्वेस्टमेंट आता है या एफआईआई आती है, तो वह अपने साथ अपने फाइनेंशियल कंसल्टेंट को लाना चाहती है, परन्तु हमारे यहां इसके लिए प्रावधान नहीं है। यह बड़े आश्चर्य की बात है कि कभी हम नोटिफिकेशन पढ़ते हैं कि हमने Chartered Accountant Firms of Mauritius को अलाऊ किया हुआ है। अब मॉरीशस के बारे में, Mauritius overseas corporate bodies के बारे में, इस सदन में कई बार चर्चा हुई, स्कैम में चर्चा हुई कि वहां शेल कम्पनियां हैं और मुझे नहीं लगता है कि मॉरीशस में कोई चार्टर्ड अकाउंटेंट इंस्टीट्यूशन है, जहां से लोग पास करके अच्छे और भले चार्टर्ड अकाउंटेंट बन रहे हैं। इस रूट से भी लोग आयेंगे। इसके बारे में सरकार कितनी संवेदनशील है, कितनी जागरूक है और उस पर क्या अंकुश लगाने जा रही है, उसके बारे में अगर सरकार सदन को बतायेगी, तो कृपा होगी।

महोदय, यह बहुत लिमिटेड बिल है। इसमें मांग जरूर की गई थी कि Cost and Works Accountant का नाम Cost and Management Accountant कर दिया जाए। इस पर बहुत चर्चा हुई और हम लोगों ने इसके बारे में बार-बार जानने की कोशिश की। हमें पूरी दुनिया में अकाउंटेंट या चार्टर्ड अकाउंटेंट की डेफिनेशन तो मिल जाती है, हमें फाइनेंशियल अकाउंटेंट की डेफिनेशन और नाम तो मिल जाता है, लेकिन मैनेजमेंट अकाउंटेंट की डेफिनेशन कहीं नहीं मिलती है। पूरी दुनिया में कहीं मैनेजमेंट अकाउंटेंट की डेफिनेशन नहीं है इसलिए विधेयक का नाम यह नहीं हो सका। दूसरा, कम्पनी सेक्रेटरी वाले चाहते थे कि उनका नाम चार्टर्ड सेक्रेटरी पड़ जाए। वह भी संभव नहीं हो सका, उसका कारण है कि चार्टर्ड सेक्रेटरी जब पहले ब्रिटिश इंडिया यहां पर थी, जब यहां पर ब्रिटिश का राज था, तो चार्टर कहा जाता था, परन्तु उसके बाद जब हमारा कम्पनीज एक्ट पास हुआ था तो उसमें परिवर्तन किया गया था, इसलिए इसके औचित्य को नहीं समझा गया। मैं यही कहते हुए, इस बिल का समर्थन करता हूं। साथ ही साथ यह भी कहता हूं कि हमारी कंट्री में करीब 8 लाख रजिस्टर्ड कम्पनियां हैं, किन्तु हमारे यहां कम्पनी सेक्रेटरी सिर्फ 21836 हैं। जब Registered Company Secretary 21,836 हैं तो आप समझ सकते हैं कि हम कितने लोगों से कितनी कम्पनियों का काम करवा रहे हैं। हमारी country में Chartered Accountants सिर्फ 1,61,516 हैं, जबकि 8 लाख कम्पनियां हैं। As per law हमें Section 224(1) of The Companies Act के तहत Chartered Accountants Certificate की जरूरत पड़ती है; उन कम्पनियों में हम एक Chartered Accountant से कितना काम करवाते हैं। यही कारण है जब date of return का समय होता है, उस समय उनके ऊपर बहुत ज्यादा

दबाव होता है और वे काम करने में असमर्थ रहते हैं तथा काफी असुविधाओं का सामना करते हैं। यही कारण है SEBI में भी जो Karbi company में घोटाला हुआ है, उनके internal auditor, Haribhakti & Company, को उन्होंने punish किया। इन सभी चीजों का यही कारण है कि उनके ऊपर प्रेशर बहुत ज्यादा है। हमें Indian Chartered Accountants Institute में दाखिला लेने वालों की संख्या बढ़ानी चाहिए, Company Secretaries की संख्या बढ़ानी चाहिए। सेक्टर्स डिस-इन्वेस्ट होने जा रहे हैं, प्राइवेट सेक्टर्स आ रहे हैं, इसलिए उनमें Cost and Works Accountants का उपयोग नहीं हो रहा है। इस सरकार ने अभी एक National Manufacturing Policy डिक्लेयर की है। National Manufacturing Policy डिक्लेयर होने के साथ-साथ cost benefit या cost calculation के लिए Cost and Works Accountants की जरूरत पड़ेगी। इसलिए उनकी संख्या भी बढ़नी चाहिए, ताकि हम सही तरीके से अपनी इंडस्ट्री को चला सकें, disclosure सही हो सके, transparency सही हो सके और ये लोग भी अपने काम को न्याय दे सकें। इन्हीं शब्दों के साथ मैं इस बिल का समर्थन करते हुए, अपनी बात समाप्त करता हूँ।

DR. BHALCHANDRA MUNGEKAR (Nominated): Sir, I support all the three Bills, which are integrated, inter-related and consistent with each other, as far as their content is concerned. This is a most timely measure that the Government is undertaking. Since 1991 the Indian economy has been globalizing and getting more and more integrated into the world economy. The structure of the economy, the dimensions of the economy and the relationships among different financial and industrial entities are also undergoing a change. That is why, legislations in a country prevailing upon at a particular point of time also needs to undergo change in order to accommodate the requirements of changing circumstances. That is why, I fully support all the three Bills - The Chartered Accountant (Amendment) Bill, 2010, The Cost and Works Accountants (Amendment) Bill, 2010, and The Company Secretaries (Amendment) Bill, 2010.

Now, there is nothing substantial here which needs to deal with extensively. In the beginning, I must congratulate Shri Ahluwalia for most of the points that he has mentioned. I fully support them and I am inclined to agree with what he has said. Since beginning, the Chartered Accountants service has been a highly professional service and, that is why, the results of the Chartered Accountants examinations never exceeded six per cent. He has just now mentioned the statistics. Taking into account the number of legal, industrial concerns and companies, the number of

Chartered accountants and the number of Secretaries is not only inadequate but grossly inadequate. Now, under these circumstances, there is always a tendency on the part of the players in the market to enjoy the 'scarcity rete'? Now, this whole body fully understands what is meant by 'scarcity rete'. In a particular locality, if 15 years ago there were ten MBBS Doctors and one Dental Surgeon, now there are ten Dental Surgeons and one MBBS Doctor. After liberalization and privatization of education, practically every medical college, whether required or not, has been giving admissions to Dental Surgeons, and that is why 50 per cent of the Dental Surgeons are on the footpath, just like Notaries go to the High Court and get affidavits. That is why, when the economy is growing at the rate of 8 to 8.5 per cent, the structure of the economy is undergoing a change. The share of the services sector is increasing alarmingly even much higher than the contribution of the manufacturing sector or industry to the GDP. We must sufficiently increase the number of both Company Secretaries and the Chartered Accountants. But this is the quantity dimension of Chartered Accountants. The most important thing is the professional ethics of these professionals. We have been discussing, time and again, black money in the economy. We are talking about bringing back black money to the country. Estimates are very much different. But we scarcely discuss -- and sometimes it is painful to me -- how the black money is generated and that generation of black money is substantially related to the professional management of the companies and the company entities. For example, the owners of the company do not know how to manipulate the transactions. It is depending upon the acumen and the intelligence of the professional bodies to guide the firms and the concerns as to how to transfer money from one account to another account undertaking all the anomalies. And it is in this context, when I see the Economic Survey of India, I find that the maximum Foreign Institutional Investment in India is coming from Mauritius. What is the size of Mauritius? That is why it is quite possible that money is illegally taken by some entities to foreign countries with the advice and superb consultancy with the Chartered Accountants and Company Secretaries and that money is legally brought in the form of Financial Institutional Investment on which today more than 50 per cent of the Stock Exchange functioning in this country is depending. That is why along with the quantity of Chartered Accountants and Company Secretaries, the professional ethics in this country, unfortunately, is declining very fast and, sometimes, I feel that it is going to the point beyond repairs. The second point is regarding precautionary measures, changing the name of the Act and applying the provisions of the Limited Liability Partnership Act provisions to this Acts. In a country where professional ethics declines or is lacking, in that country it is not only possible to get higher rate of growth, but it is impossible to make growth 'inclusive'. It is from this point of view when we

1.00 P.M.

are discussing the issues of inclusive growth, all these things are related to 'inclusive growth'. And I just mentioned about scarcity rete. There is a tendency on the part of people -- we call it 'oligopoly' in Economics; we call it sometimes 'monopoly' -- to form cartel. Just now Shri Ahluwaliaji mentioned that number of Chartered Accountants and Chartered Accountant firms are overburdened with the jobs which they are undertaking from different firms. But in the process what is happening is that these are not independent jobs that they are doing. When ten firms are taking 100 companies jobs, in the process they are forming the cartel, and, in that cartel, it is possible to exploit the profit beyond range; that is called the scarcity rete. I appreciate all these amendments. It is also necessary to change the nomenclature. As it was earlier mentioned, these three Bills will try to remove the anomalies and the ambiguities of terms 'firm', 'partner', 'partnership, and 'sole proprietorship'. Most of the time when I was teaching -- let me share with you very, very briefly and in a lighter vein -- Labour Economics in the University of Mumbai, I found that there were several Acts but there was no one standard definition of 'workman'. We are discussing bonus; we are discussing minimum wages; we are discussing standard wages, but we don't have a, standard definition even today of 'workman'.

Now, these kinds of anomalies are creating confusion and this confusion is utilised by the vested interests in order to seek the scarcity rete. That is why, I support these Bills and, at the same time, I suggest that we should try to bring the legislation which will be consistent with the modernisation of the economy and also will be dealing with the professional ethics and transparency. Thank you, Sir.

(MR. DEPUTY CHAIRMAN in the Chair)

MR. DEPUTY CHAIRMAN: Now, Shri Narendra Kumar Kashyap.

श्री ब्रजेश पाठक (उत्तर प्रदेश): सर, उनकी जगह मैं बोलना चाहता हूँ।

श्री उपसभापति: ठीक है।

श्री ब्रजेश पाठक: धन्यवाद सर। आपने मुझे बहुत ही महत्वपूर्ण बिल पर बोलने का मौका दिया।

MR. DEPUTY CHAIRMAN: Hon. Members, it is now one o'clock. We will complete this Bill before 1.30 p.m. At 1.30 p.m., we will adjourn for lunch, and after lunch, we will take up the Appropriation (No.4) Bill, 2011.

श्री ब्रजेश पाठक: सर, The Chartered Accountants (Amendment) Bill, 2010; The Cost and Works Accountants (Amendment) Bill, 2010 and The Company Secretaries (Amendment) Bill, 2010, ये तीनों बिल सूक्ष्म हो सकते हैं, लेकिन अपनी भारतीय अर्थव्यवस्था के लिए बहुत ही महत्वपूर्ण बिल हैं। अभी हमारे साथियों ने अपने विचार व्यक्त किए। उन्होंने अपने विचार व्यक्त करने के दौरान यह बात रखी कि भारतीय अर्थव्यवस्था में चार्टर्ड एकाउंटेंट्स, कंपनी सेक्रेटरीज़ और कॉस्ट एंड वर्क्स एकाउंटेंट्स किस तरह से भूमिका निभा रहे हैं। अभी वर्तमान परिदृश्य में हम लोगों के समक्ष अक्सर काले धन यानी ब्लैक मनी की चर्चा आती है। काले धन को सफ़ेद धन कैसे बनाया जाए और कंपनियों को धन मुहैया कराने में हम इन चार्टर्ड एकाउंटेंट्स की भूमिका देखते हैं। अभी हाल ही में आपने देखा, मारीशस की भी चर्चा हुई और उन देशों की भी चर्चा हुई, जिनको tax haven के नाम से जाना जाता है, कि भारतीय अर्थव्यवस्था को चौपट करने में किस ढंग से इन संस्थाओं का योगदान रहा है। इन अमेंडमेंट्स के साथ हमारा यह भी सुझाव है कि हम इनको किसी ढंग से विनियमित कर सकते हैं, जिससे वास्तव में जो नंबर का एक धन है, नंबर एक की मनी है, उसी का उपयोग हो पाए और काले धन का उपयोग विदेशों के जरिए हवाला के जरिए न होने पाए। सर, इन संशोधनों के जरिए हम अपने देश की फर्माँ को विदेश में काम करने की अनुमति देने वाले हैं तथा विदेश की फर्माँ को अपने देश में काम करने की अनुमति देने वाले हैं। जब विदेशी उद्योगपति हमारे देश में किसी उद्योग में अपना धन लगाने का काम करते हैं, तो उनकी मंशा होती है कि वे इस देश के अन्दर अपने काम के साथ अपने वित्तीय सलाहकार जोड़ने का काम करें। इसी को अनुमति देने के लिए इन बिल्स को लाने की जरूरत पड़ी है। माननीय सभापति महोदय, हम लोग इन बिल्स का समर्थन करने के लिए खड़े जरूर हुए हैं, लेकिन हमारे जो महत्वपूर्ण सुझाव हैं, उन पर भी ध्यान देने की आवश्यकता है कि इन कम्पनियों के माध्यम से ये कम्पनी सेक्रेटरीज़, कॉस्ट एकाउंटेंट्स और चार्टर्ड एकाउंटेंट्स, जो ब्लैक मनी को regularize करने का काम कर रहे हैं, हमें उसे भी रोकने की आवश्यकता है। धन्यवाद।

SHRI T.K. RANGARAJAN (Tamil Nadu): Sir, the Government is bringing in these three Bills, namely, the Chartered Accountants (Amendment) Bill, 2010, the Cost and Works Accountants (Amendment) Bill, 2010, and the Company Secretaries (Amendment) Bill, 2010. The idea behind these amendment Bills is to enable them to form Limited Liability Partnership firms.

In the case of ICWAI, the name has been changed to the Institute of Cost and Management Accountants, which may enable the Institute to go for Mutual Recognition Agreement. My only apprehension is that bringing them under the Limited Liability Partnership will help the black sheep in

the profession. The amendments will be fodder for the honest professionals of these Institutes. A few words have been spoken by the hon. Member from the Congress Party about ethics of this job.

These institutes, all along these years, have been functioning under the regime of unlimited partnership only, and, in my opinion, the unlimited liability partnership is not a stumbling block for the development of these institutes. They are also functioning very effectively.

Sir, when it comes to amending the Bill pertaining to the Institute of Chartered Accountants of India, I would like to bring to the knowledge of the august House, the serious implications, the limited liability Bill will bring. The serious implications arise because of the policy of the present Government to open the doors for foreign firms performing accounting services. These companies sneaked into India under the garb of Management Consulting Firms and took over surrogate C.A. firms for their nefarious games. The Enron collapsed. The Global Trust Bank failed. The Satyam Computers fudged the accounts, and, recently, a mining company belonging to * was found doing illegal mining.

MR. DEPUTY CHAIRMAN: Don't take the name. ...*(Interruptions)*...

SHRI T.K. RANGARAJAN: All these are audited by the surrogate C.A. firms and are witness to the nefarious games of the foreign management consulting firms. If you lift the veil, you find the names of Price Waterhouse, Arthur Andersen, DH & Sells, and, others. The dominant management consulting firms in the United States are (1) Price Waterhouse, (2) Ernst and Young, (3) KPMG, and, (4) Deloitte Haskins and Sells. We have Tri-murti. We are bringing Char-murti.

They are controlling almost the entire management consulting in the United States, and, nobody knows as to who are the real owners of these companies even in the United States. Further, these companies have their controlling offices in tax havens. This shows the standard of their audit. Because these companies cannot do the audit in India directly, they lure a local C.A. firm to be their surrogate and carry on their nefarious activities. And, when the ICAI pointed out to these firms that they could not do the auditing by these surrogate firms, these foreign companies never cared for the objection raised by the ICAI. These are the professional ethics, which these companies or firms are having.

*Expunged as ordered by the Chair.

Sir, in India, the ICAI is a body created by an Act of Parliament. So, it is under the direct supervision of the Union Government but in the United States, It is a State subject. Each State has its own laws. They do not allow our C.A. firms to enter into their country but they are entering into our country wearing a different garb and we simply wink over it.

Sir, in the context of these foreign consulting firms luring Indian audit firms to be the surrogate, don't you think that the limited liability Bill will be handy for these foreign firms to lure the Indian audit firms further easily as their liability is limited now. Sir, in the entire world, India stands second in the number of Chartered Accountants, next only to the United States. Even UK does not have this much of Chartered Accountants. When this is our strength, why should we kneel before the foreign firms? Where is the necessity for allowing the foreign management consulting firms? These firms do not respect the laws of our land. Numerous letters were written by the ICAI to these foreign firms seeking the information of audit companies in India, but they never cared to reply. This is the respect that they give to our Institute, which is constituted under a statute passed by our Parliament. The remedy you are trying to give by the Limited Liability Bill is like giving 'crocin' for cancer. Before introducing Limited Liability Partnership Firms for the ICAI, I demand that the Government must call the ICAI to immediately take action on all surrogate firms operating in India.

Two, pending final action, these firms must be instantly blacklisted and the Government must ask SEBI to direct listed companies from changing such tainted auditors.

Three, the Ministry of Corporate Affairs needs to take action on all multinational accounting firms operating in India as consulting firms.

Four, the ICAI must be asked to explain why despite the JPC's directions it failed to act against Pricewaterhouse Coopers in the Global Trust Bank case which ultimately led to the Satyam scandal.

Five, the Reserve Bank must explain why Pricewaterhouse is allowed to continue as auditors for the Global Trust Bank despite the reservation expressed by the JPC.

Above all, the Government should review the alternative route of entry of foreign accounting firms in India in the name of management consulting firms and the circumvention of the law of the land taking place directly and indirectly by performing accounting services by them.

With these words, I conclude and request the Minister to consider all these issues.

MR. DEPUTY CHAIRMAN: Lunch-break will be there after the Bill is passed.

SHRI PYARIMOHAN MOHAPATRA (Odisha): Sir, I will take only two minutes. A number of issues have already been raised. I agree with my colleagues on the issue of activities of foreign accounting firms in India. There is a need to consolidate our accounting firms.

I rise to support these three amending legislations. It would help in their consolidation. Consolidation is already taking place. Because of non-application of Limited Liability Partnership Act, 2008 to these professions, consolidation was taking place slowly. Now this will move faster and, in the process, hopefully, Indian firms will not be the tail-ender of foreign firms or their agents. They would be competing with those firms on their own.

Having said this, I have some reservations like one of my previous speakers who mentioned the kind of things our chartered accountants have been doing. He mentioned Mauritius which is a very familiar example. Plenty of examples are there in stock exchange manipulations. Plenty of examples are available to see what these professions, particularly of chartered accountants, have done to our national exchequer. Every time you go to file your income tax, your chartered accountant will tell you how to avoid paying tax by making a very thin line between tax avoidance and tax evasion. You pay your taxes. But once you afford a chartered accountant, he saves your tax in a legal manner. How much the country loses on this account, unfortunately, has not been calculated by the Finance Ministry. They ought to have done so. They ought to do so now and see the dangers which these combinations possess or these professions possess and how these professions can be reined in so that the national interest is not affected.

One small issue that I have with the Cost and Works Accountants is about the amendment to the 'cost accountancy' calling them Cost and Management Accountancy. Management accountancy as a subject as such is not the preserve of the syllabi of the cost accountancy. When somebody passes cost accountancy, it is nobody's case that that person alone learns management accountancy. Management accountancy is a much more generic issue which is taught in MBA

(Finance) which also other Chartered Accountants learn, which also to some extent Company Secretaries learn if you look at the syllabi of that also. So, I wish that the recommendations of the Standing Committee to cut out that management from Indian Cost and Management should have been accepted. I wish that should have been accepted and also in case of Company Secretaries the amendment suggested regarding calling them Chartered Secretaries should have been accepted. I hope the Government will think about it in future.

SHRI M. VEERAPPA MOILY: Mr Deputy Chairman, I must commend the excellent suggestions given by all the distinguished Members from this side and also from the other side of the House. I think, this is a great step which has been taken, particularly, to respond to the vibrant service sector. Many, many concerns have also been expressed. But you also appreciate that all those concerns cannot be addressed only through these Bills. We have a comprehensive Companies' Bill, 2011 which we already propose to move in the Lok Sabha. I feel that that Bill will address many of these problems which have been raised here. Hon. Members have also referred to certain issues which have to be tackled by the Reserve Bank of India; and some of the issues have to be tackled by the SEBI also. There are so many agencies which have to address those problems. I would like to answer a few queries which are germane to the question before us. In fact, the limited liability partnership is always viewed as an alternate corporate business vehicle that provides the benefits of limited liability. But also allows its members the flexibility of organizing their internal structure as a partnership of a mutually arrived agreement. It will enable the entrepreneurs, professionals, enterprises, corporate bodies, to get the kind of services they require. In fact, these are the days where there is no place for mediocrity. Now, we require excellent services, world class services. That does not mean that world class services will come only from abroad. We need to nurture indigenously. We must enable our professional institutes to develop these. We need to provide them that kind of legal environment so that they can build themselves up. We have an excellent ladder by which we can climb. The hon. Deputy Chairman himself is a Chartered Accountant of the highest repute. You will appreciate that we need to have a lot of capacity building within those professional institutes or professional bodies. This is only one such vehicle by which we will allow them to grow and build themselves into legal entities and to organise themselves. Wherever a deficit is there that will be definitely and adequately provided for by this kind of a legal environment. That doesn't mean

that it is the end of the journey. There are a lot of things which need to be done to build capacity. Why don't we have the biggest institutions of the world? On one occasion, where the hon. Deputy Chairman was also present, I said that we wanted 100 such legal entities to come up within five years or ten years. Let us prepare the roadmap which I have already discussed with all the three Institutes. I said, "Whatever you require that you must get but I want not less than 100 such magnificent institutes or giants in the world to be produced by India". We are taking many other steps to create such entities in the country. We need to have them. We can't be only pigmies and we can't subserve only the foreign companies. I think that kind of a personality needs to be built and it is only a step in that direction. In fact, the proposed amendments will enable professionals of all the three Institutes to provide the other members of the Institute and also to form partnership with all the members of either of these recognised Institutes. That flexibility is now provided. The LLPs are given encouragement in the country, particularly, after the LLP Act was enacted in 2008. As on 30th September, 2011, 6,439 LLPs have registered in the country mainly in the business service, trading, real estate, rentals, construction and so on. That is the trend of the world and we can't disable these Institutes from building that kind of a legal world entity. Now these amendments will make the services of these three Institutes to grow like that and join the big market, particularly, in the LLP sector.

In fact, a number of things have been stated here by the distinguished Members. You all know that our senior Member, Shri Ahluwalia, has given a number of suggestions. He has expressed a number of concerns. Some of them, as I have already told you, will be definitely addressed by the Companies Bill. We have seen to it and the present amendments, in fact, have provided for that. One overarching approach which I would like to say is with regard to the change of name in the case of Institute of Cost and Works Accountants. They want that management should be added. We have dealt with that and deliberated on that. We can't agree with that. As rightly pointed out by a distinguished senior Member that the term "management" is generic in nature. Suppose we add management to the Cost and Works Accountants, then it should not be assumed that the management component is excluded from the other Institutes. These are the legal problems. We tried to examine it and even the Standing Committee tried to examine it thoroughly, and, ultimately, they came to the conclusion that the term "management" can't be added. But, in fact, we have deleted some words and the rest of it remained there.

Coming to some of the matters which have been referred to by the distinguished Members, I would like to say that about the Satyam case, the Institute of Chartered Accountants has already instituted action through the disciplinary mechanism. You all know that disciplinary mechanism has to be exercised by the respective Institutes, and on both, the Satyam and the Global Trust Bank, and also, the Chartered Accountants and others involved in these banks and in the companies, the actions were delayed. That is because of many of the court proceedings. We have been pursuing that. Recently, the process has, again, started after having the necessary clearance from the court proceedings. In fact, in Satyam case, maximum punishment has been awarded to the Chartered Accountants who are involved in that. So, we are pursuing that matter. In fact, it is right that multinational companies have come as management consultants and have started functioning through surrogate firms. They have been doing it. ICAI has examined the violations by these multinational firms. They were examined by the Ministry, and the matter has been taken up with the regulatory authorities like RBI, SEBI etcetera. They are under serious consideration, and we will try to expedite those proceedings.

Hon. Member T.K. Rangarajan, as you know, has mentioned about the foreign firms entering into India through surrogate firms. That I have already answered. He said that real owners are not known; they do not care about the objections raised by the ICAI. Why not allow foreign firms when, you know, they fail to reply properly, to account for it? In fact, ICAI has advised to take action against violations of these. And they have seriously taken it up. I think, we will definitely address them seriously and take a proper action.

Our distinguished Member Mohapatra has already asked...

SHRI RUDRA NARAYAN PANY (Odisha): Mr. Mohapatra!

SHRI M. VEERAPPA MOILY: Mohapatra.

SHRI RUDRA NARAYAN PANY: Mr. Mohapatra.

SHRI M. VEERAPPA MOILY: Mr. Mohapatra. Distinguished Member Mr. Mohapatra! Am I correct?

MS. MABEL REBELLO (Jharkhand): Happy?

SHRI RUDRA NARAYAN PANY: Yes.

SHRI M. VEERAPPA MOILY: ...in fact, after independence, why a colonial name like

Chartered should be there. You know, this is a matter which is left to the Chartered Accountants of India to consider; I do not want to make further comment on that. Particularly after the Enron and other global financial scams, the Government of India has made substantial changes in the Chartered Accountants Act. The amendments, after getting passed, have permitted even award of a monetary penalty up to Rs.5 lakhs. Besides the maximum punishment to the personnel involved in the scam, the action has been taken. Fortunately, very prompt action taken, particularly on Satyam, has saved a number of stakeholders.

SHRI S.S. AHLUWALIA: What about the Price Waterhouse?

SHRI M. VEERAPPA MOILY: About the Price Waterhouse also, the action has been taken. And we can take action. It is not that we cannot take action. As I have already told you, since there are a number of court cases, we could not do it. But, anyway, we will seriously look into it and try to see that wherever it is possible to take action, we will not hesitate. Moreover, you all know that the Companies Bill, which is coming up, has provided many things on this, particularly to provide for the appropriate ethics and standards to be maintained by the various corporate bodies, and this will definitely provide, you know, enough punishment.

SHRI S.S. AHLUWALIA: Sir, please yield for a minute. Let me tell you why we are concerned. We have seen the Harshad Mehta scam. There we found that auditors were involved. We saw another stock market scam where also auditors were involved. Now in the recent 2G scam, you will be surprised to know that in all the cases of all these companies, whatever certificates were given by the auditors that their authorized capital is this much and paid up capital is this much, were false. They got the license on the basis of false certificates issued by the auditors. It is a very serious issue, Sir.

DR. ASHOK S. GANGULY (Nominated): Sir, it is a very serious issue. I want to make a point. Hon. Minister, I think the issue is very serious and it will come up in the Companies Bill. But the point is, the global chartered and accountancy firms have a monopoly and this has to be broken. The Indian Institute of Chartered Accountants must be empowered and it must be insisted upon that auditors of professional integrity, who come under the law, must be promoted and those who give such certificates that Ahluwaliaji is talking about, the hon. Minister is talking about, must be banned

from this profession. It is a much larger issue. We will take it up at the future date when the Companies Bill comes up. But this is a global menace. It is not a national menace alone. This is not to condemn the profession of chartered accountancy, but those who slip into the profession under the garb of becoming Chartered Accountants, that has to be taken into account. I compliment the hon. Member and the hon. Minister because I have been interacting with the Department of Corporate Affairs. But this is an issue of a much larger dimension. Thank you.

SHRI S.S. AHLUWALIA: Sir, I started my speech by saying about the wrong doings of America. It has started from America.

SHRI T.K. RANGARAJAN: I would again like to draw the attention of the Minister and request the Government to review the alternative route of entry of foreign accounting firm in India in the name of management consulting firms. Let him reply to that.

MR. DEPUTY CHAIRMAN: He has said that.

SHRI M. VEERAPPA MOILY: Mr. Deputy Chairman, Sir, in fact, our hon. Member is having a very vast experience in the company affairs and also corporate governance. The distinguished Member has already given suggestions. In fact, we have held discussions with him. Many a time, I have also discussed with him. In fact, you all know that the Serious Fraud Investigation Office, SFIO has emerged from an Executive Order. There was no legislative backup for that. Now in the new Companies Bill, we have given it a legislative status. A number of things have been included so that if any serious fraud happens, they cannot just escape. We have also provided many things to prevent such frauds happening from time to time; for providing the most transparent administration in the corporate bodies. We have also taken initiatives to come out with a national corporate governance policy. We never had that kind of a policy. We are also coming out with a National Competition Policy. We never had that kind of a policy. We need to fit in many of the mechanisms which we are lacking. That is what we are trying to do. In fact, many of the questions and concerns which have been raised by the distinguished Members today, we have directly addressed them in the Companies Bill. The Companies Bill has provided remedies for many of these things. When it comes to that, we will discuss it in more details. I do not want to deal with that now. As far as the inclusive part of the

corporate bodies is concerned, as raised by the distinguished Member, Dr. Mungekar, we have provided that. For the first time in the world, we have provided a legal status for the corporate social responsibility in our Companies Bill. We have provided for that. That is why I do not want to prolong the reply. It would be suffice to say that a number of inputs which have been given by all of you, will be considered not only in the Companies Bill, but also in many of the regulations which we are going to pass in future.

I commend the Bill for the consideration of the House.

MR. DEPUTY CHAIRMAN: I shall first put the Chartered Accountants (Amendment) Bill to vote.

The question is:

That the Bill further to amend the Chartered Accountants Act, 1949, be taken into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 and 3 were added to the Bill.

MR. DEPUTY CHAIRMAN: Now, clause 1. There is one amendment (No.2) by the Minister.

Clause 1: Short title and commencement

SHRI M. VEERAPPA MOILY: I move:

(No.2) That at page 1, line 2, *for* the figure "2010" the figure "2011" be *substituted*.

The question was put and the motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

SHRI M. VEERAPPA MOILY: Sir, I move:

That at page 1, line 1, *for* the word "Sixty-first" word "Sixty-second" be *substituted*.

The question was put and the motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI M. VEERAPPA MOILY: Sir, I move: That the Bill, as amended, be passed.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: I shall now put the Cost and Works Accountants (Amendment) Bill, 2010, to vote. The question is:

That the Cost and Works Accountants (Amendment) Bill, 2010, be taken into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill. In clause 2, there is one amendment (No.3) by the Minister.

Clause 2: Substitution of references to certain expressions by certain other expressions.

SHRI M. VEERAPPA MOILY: Sir, I move:

(No.3) That at page 1, lines 7 to 12, be *deleted*.

The question was put and the motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 3 -- Amendment of section 2.

SHRI M. VEERAPPA MOILY: Sir, I move:

(No.4). That at page 2, line 1, *for* the words "principal Act", the words, figure and brackets "Cost and Works Accountants Act, 1959 hereinafter referred to as the principal Act)" be *substituted*.

(No.5). That at page 2, line 12, *for* the words "Institute of Cost and Management Accountants of India", the words "Institute of Cost Accountants of India" be substituted.

(No.6). That at page 2, line 25, *for* the words "cost and management accountancy", the words "cost accountancy" be *substituted*.

(No.7). That at page 2, line 33, *for* the words "cost and management accountancy", the words "cost accountancy" be *substituted*.

(No.8). That at page 2, line 36, *for* the words "cost and management accounting", the words "cost accounting" be *substituted*

(No.9). That at page 2, lines 37 and 38, *for* the words "cost and management accountant", the words "cost accountant" be *substituted*.

(No.10). That at page 2, lines 39 and 40, be deleted.

The questions were put and the motions were adopted.

Clause 3, as amended, was added to the Bill.

Clause 4 - Amendment of section 3.

SHRI M. VEERAPPA MOILY: Sir, I move:

(No.11). That at page 2, lines 42 and 43, *for* the words "Institute of Cost and Management Accountants of India", the words "Institute of Cost Accountants of India" be *substituted*.

The question was put and the motion was adopted.

Clause 4, as amended, was added to the Bill.

Clause 5 -- Amendment of section 5.

SHRI M. VEERAPPA MOILY: Sir, I move:

(No.12). That at page 3, line 5, *for* the words "Institute of Cost and Management Accountants of India", the words "Institute of Cost Accountants of India" be *substituted*.

(No.13). That at page 3, line 9, *for* the words "Institute of Cost and Management Accountants of India", the words "Institute of Cost Accountants of India" be *substituted*.

The questions were put and the motions were adopted.

Clause 5, as amended, was added to the Bill.

Clause 6 -- Amendment of section 22A

SHRI M. VEERAPPA MOILY: Sir, I move:

(No.14) That at page 3, line 11, *for* the words "Institute of Cost and Management Accountants of India", the words "Institute of Cost Accountants of India" be *substituted*.

The question was put and the motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 7 - Amendment of Section 25.

SHRI M. VEERAPPA MOILY: Sir, I move:

(No.15). That at page 3, line 14, *for* the words "cost and management accountants", the words "cost accountant" be *substituted*.

The question was put and the motion was adopted.

Clause 7, as amended, was added to the Bill.

Clause 8 was added to the Bill.

MR. DEPUTY CHAIRMAN: Now, we shall take up clause 9. There is one amendment (No. 16) by the Minister.

Clause 9 - Amendment of first schedule

SHRI M. VEERAPPA MOILY: Sir, I move:

(No. 16) That at page 3, lines 22 and 23, *for* the words "institute of Cost and Management Accountants of India", the words "institute of Cost Accountants of India" be *substituted*.

The question was put and the motion was adopted.

Clause 9, as amended, was added to the Bill.

Clause 10 - Amendment of Second Schedule

SHRI M. VEERAPPA MOILY: Sir, I move:

(No. 17). That at page 3, lines 24 and 25, be *deleted*.

The question was put and the motion was adopted.

Clause 10, as amended, was added to the Bill.

MR. DEPUTY CHAIRMAN: Now, we shall take up clause 1. There is one amendment (No. 2) by the Minister.

Clause 1 - Short Title and Commencement

SHRI M. VEERAPPA MOILY: Sir, I move:

(No.2) That at page 1, line 4, *for* the figure "2010", the figure "2011" be *substituted*.

The question was put and the motion was adopted.

Clause 1, as amended, was added to the Bill.

MR. DEPUTY CHAIRMAN: Now, we shall take up the Enacting Formula. There is one amendment (No. 1) by the Minister.

Enacting Formula

SHRI M. VEERAPPA MOILY: Sir, I move:

(No. 1) That at page 1, line 1, *for* the word "Sixty-first", the word "Sixty-second" be *substituted*.

The question was put and the motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI M. VEERAPPA MOILY: Sir, I move:

That the Bill, as amended, be passed.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: Now, I shall put the Company Secretaries (Amendment) Bill, 2010 moved by Shri Veerappa Moily to vote. The question is:

That the Bill further to amend the Company Secretaries

Act, 1980, be taken into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up Clause-by-Clause consideration of the Bill.

Clauses 2 and 3 were added to the Bill.

MR. DEPUTY CHAIRMAN: Now, we shall take up Clause 1. There is one amendment (No. 2) by the Minister.

Clause 1 -- Short title, extent and commencement

SHRI M. VEERAPPA MOILY: Sir, I move:

(No. 2) That at page 1, line 4, *for* the figure "2010", the figure "2011" be *substituted*.

The question was put and the motion was adopted.

Clause 1, as amended, was added to the Bill.

MR. DEPUTY CHAIRMAN: Now, we shall take up the Enacting Formula. There is one amendment (No. 1) by the Minister.

Enacting Formula

SHRI M. VEERAPPA MOILY: Sir, I move:

(No. 1) That at page 1, line 1, *for* the word "Sixty-first", the word "Sixty-second" be *substituted*.

The question was put and the motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI M. VEERAPPA MOILY: Sir, I move:

That the Bill, as amended, be passed.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: Now, the House is adjourned for lunch for one hour.

The House then adjourned for lunch at forty-five minutes past one of the Clock.

The House re-assembled, after lunch, at forty-four minutes past two of the clock, MR. DEPUTY CHAIRMAN in the Chair.

THE APPROPRIATION (NO.4) BILL, 2011

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Sir, I move:

That the Bill to authorize payment and Appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2011-12, as passed by Lok Sabha, be taken into consideration.

Sir, I would not like to make any long observation at the introductory stage. As all the hon. Members of the House are aware, this is a Money Bill as per description under article 110 of the Constitution. And, therefore, Rajya Sabha does not discuss the Demands for Grants, but Rajya Sabha discusses in the form of Appropriation Bill. They can discuss these issues, and Supplementary Demand also provides us an opportunity to take a look back at the state of economy. I would just like to mention a couple of issues which are important for the consideration of the hon. Members. This is the second batch of the Supplementary Demand. The proposals for the cash additionality is Rs.56,848.46 crores, and if we take into account the technical Supplementary, then,