

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

STARRED QUESTION NO:346
ANSWERED ON:16.12.2005
COMMITTEE ON PENDING CASES OF VIOLATIONS
Abdullakutty Shri A.P.;Chaure Shri Bapu Hari

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether the Government has appointed a committee to aid and advice in cases pending against a large number of companies for violations of the relevant provisions under the various Acts under his Ministry;
- (b) if so, the kind of advice the committee is expected to render;
- (c) whether any terms of reference have been drawn up in this regard;
- (d) if so, the details thereof; and
- (e) the extent to which it is likely to help in reducing the cases of the courts?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) Yes Sir, the Government constituted an Expert Group headed by Shri O.P. Vaish on Streamlining Prosecution Mechanism under the Companies Act, 1956.

(b), (c) & (d) Terms of reference of the Expert Group were as under:-

(i) Identification of broad categories of offences for which cases filed for violations of Companies Act, 1956 are pending and the period thereof;

(ii) The reasons for excessive pendency where relevant;

(iii) Review of the steps taken in the past to expedite disposal of these cases, their outcome and the constraints;

(iv) Identifying ways and means through which disposal of these cases could be expedited;

(v) Ways and means for expeditious disposal of cases of purely technical nature and workable mechanism to enable this in a definite time frame.

(e) The report of the Vaish Committee has been received and is under examination. Rationalization of the cases for prosecution for violations of Companies Act, 1956 may result in cases pertaining to offences of procedural nature being disposed of expeditiously, thereby enabling greater focus on prosecution for more serious offences.