

Reduction in time taken for incorporation of a new company

1949. DR. K. P. RAMALINGAM: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that the Government is trying to bring down the average number of days required for incorporation a new company to just one to two days;

(b) if so, the details thereof;

(c) whether it is a fact that during the last one year many steps have been taken and as such the number of days taken has already come down and it will further reduce the time taken for incorporation of a new company; and

(d) if so, the details thereof?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) to (d) Yes, Sir. A Central Registration Centre (CRC) has been set up, which clears applications for name availability within the next working day. In addition, an integrated form INC-29 has been introduced. Minimum Paid up Capital requirement has been done away with. Common Seal affixation has been made optional. Declaration form for Commencement of Business is no longer required.

Action on investor complaints

1950. DR. T. N. SEEMA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether action is taken on all cases for which action was contemplated by Government for the disposal of investor complaints;

(b) if so, the details thereof along with the manner in which investor grievances are resolved;

(c) if not, reasons therefor;

(d) whether the illegal activities of such fraudulent companies are not controlled due to delay in taking action and laws enacted by Government are not being adhered to properly;

(e) if so, the details thereof indicating the number of companies against whom action have been initiated so far; and

(f) the steps taken or proposed to be taken by the Government in this regard?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) to (c) Yes, Sir. Investors' complaints received in the Ministry and its field offices are

forwarded to the concerned companies for remedial action. In case the company fails to redress the grievance of the complainant and/or is found to be in violation of the provisions of the Companies Act, suitable action under the provisions of the Companies Act, 2013/1956 is initiated. Further, in the meetings of the 'Investors Complaints Resolution Forum' held in offices of Registrar of companies from time to time, complainants and representatives of companies meet and discuss to resolve investor grievances.

(d) to (f) On receiving information about alleged illegal activities of Companies, inspections, investigations and where necessary prosecutions are carried out. Prosecution related to investors' complaints has been launched against 73 companies in 2012-13, 66 companies in 2013-14 and 102 companies in 2014-15.

Relaxation under section 42 of Companies Act

1951. PROF. M. V. RAJEEV GOWDA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether there is any plan to relax the conditions laid down under Section 42 of the Companies Act to issue a private placement offer;

(b) whether this is being done to ease norms to enable crowd funding for startups, if so, details thereof; and

(c) whether there has been any assessment of the risks involved in easing these norms and if so, details thereof?

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): (a) to (c) Companies Law Committee (CLC) constituted by Government to look into issues arising out of implementation of Companies Act, 2013 has in its report made recommendations to ease private placement procedures laid down under Section 42 of the Companies Act, 2013. Simplified procedures are recommended for all private placements irrespective of the type of company. The CLC had extensive consultations with stakeholders before giving its recommendations. The recommendations of the CLC have been accepted by the Government.

Compendium for assessing the implementation of CSR activities

1952. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether a compendium has been brought out to assess the implementation of CSR activities by corporate companies;

(b) if so, the details thereof;