

accordance with the formulae described in, the authoritative books of Ayurvedic, Siddha and Unani Tibb systems of medicine, specified in the First Schedule;

Section 3(h): Patent or proprietary medicine means, in relation to Ayurvedic, Siddha or Unani Tibb systems of medicine ail formulations containing only such ingredients mentioned in the formulae described in the authoritative books of Ayurveda, Siddha or Unani Tibb systems of medicine specified in the First Schedule, but does not include a medicine which is administered by parenteral route and also a formulation included in the authoritative books as specified in clause (a);

The State Licensing Authority are empowered to give licenses to the manufacturers for preparing branded Ayurvedic Medicines.

(e) No.

Recommendation of softer penalty under company law

2568. SHRI A.K. SELVARAJ: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that a Government appointed high level panel has recommended softer penalty under company law;

(b) whether it is also a fact that the panel has recommended amendment to 46 provisions under the company law;

(c) whether the quantum of penalties over all recommended by the committee is also lower than their current levels; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ANURAG SINGH THAKUR): (a) to (d) The Government had constituted the Company Law Committee (2019) in September, 2019 to further decriminalise the provisions of the Companies Act, 2013 based on their gravity and to take other concomitant measures to provide further Ease of Living for corporates in the country. The Report of the said Committee contains total 62 recommendations proposing legislative changes in the Companies Act, 2013 which include recommendations with respect to decriminalization as well as ease of living. The Committee has recommended amendments

in the Companies Act, 2013, *inter alia*, to remove criminality in case of certain procedural and technical defaults as well as defaults which can be determined objectively and which, otherwise, lack the element of fraud or do not involve larger public interest. The amendments also seek to provide alternative methods of sanctions in some cases. With regard to decriminalisation aspect, the Committee has recommended amendments in 46 penal provisions of the Companies Act, 2013 (Act), as under:-

- (i) Re-categorising 23 offences out of the 66 remaining compoundable offences under the Act, to be dealt with in the in-house adjudication framework wherein these defaults would be subject to a penalty levied by an adjudicating officer. In addition, the quantum of penalties recommended are generally lower than the quantum of fines presently provided in the Act;
- (ii) Omitting, altogether, 7 compoundable offences; limiting punishment for 11 compoundable offences to only fine by removing provision for imprisonment and recommending that 5 offences be dealt under alternative frameworks;
- (iii) Reducing the quantum of penalties in respect of 6 provisions, which were shifted to the in-house adjudication framework through the Companies (Amendment) Act, 2019;
- (iv) Retention of *status-quo* in case of the non-compoundable offences.

Allegations against car manufacturer

2569. SHRI JOSE K. MANI: Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the anti-trust regulator Competition Commission of India (CCI), has recently examined allegations that an auto major pushes its buyers to purchase insurance policies offered by the company;
- (b) whether a number of auto companies, while selling their vehicles, promote preferred suppliers of complementary goods such as lubricants and insurance; and
- (c) whether the CCI had ordered its investigations unit to probe allegations against the car manufacturer, last year, that the car maker limits discounts its dealer can offer, which is considered a prohibited anti-competitive practice and it hurts consumers?