

# Info Capsule

## CONSUMER PROTECTION BILL IS THE TOP PRIORITY: SHRI NARENDRA MODI<sup>1</sup>

The Prime Minister, Shri Narendra Modi inaugurated the two days International Conference on Consumer Protection for East, South, South East and Asian Nations on the theme “Empowering Consumers in New Markets” in New Delhi, on October 26, 2017. The Prime Minister in his inaugural speech congratulated the Department of Consumer Affairs for holding this important event and mentioned that East, South and South East Asian countries have a shared heritage. These nations have long history of trade. This in itself paves way for mutual cooperation in the area of consumer protection. Shri Modi said that it is the consumer that helps markets grow and trade expand. The Prime Minister thanked the delegates from countries and UNCTAD for associating with India in holding this conference. He drew attention of the gathering to the traditions and laws of ancient India as old as 2500 years and Vedic period, when laws existed for preventing unfair trade practices, abuses and adulteration of products.

Shri Modi said, in India, Consumer is considered as God in trade premises. **‘Grahak Devo Bhava’** is the dictum for consumer satisfaction. While mentioning the unique nature of CP Act 1986, He mentioned the new Consumer Protection Bill which is on the top priority of the Government. The Prime minister mentioned several important efforts taken by his government across various sectors like Housing, Energy, Standards, Healthcare, pharmaceuticals and medical devices and procedures that has resulted in financial benefits to consumers.

He drew attention to demonetization and the GST regime that introduced a new business culture which will ultimately bring down prices for consumers. Redressal system that is efficient is the corner stone of democracy, he asserted.

While talking about various sectoral initiatives he mentioned the, importance of good governance, Jandhan Yojna, Make in India programme, Swachh Bharat Abhiyan and provision of free LPG to the poorer sections of society, technology driven PDS system and Aadhar based transparency system, etc that have protected consumer interests and how specific consumers are benefitted and their hard earned money saved. On the digital front he said efforts are on to ensure that at least one member in a rural family gets digitally educated so that the rural population can derive benefits from various government schemes and are able to use UPI, BHIM etc. Finally, while concluding his speech the Prime Minister mentioned the need for trans-national cooperation especially in Asian region on cross border issues based on mutual trust.

Shri Ram Vilas Pawan, Union Minister for Consumer Affairs, Food & Public Distribution, welcomed the delegates from East, South and South East Asian Nations for being in New Delhi to attend this first ever Asian Conference on consumer protection.

Shri Paswan explained various initiatives taken by the Govt in furthering consumer protection. He made specific reference to the New Consumer Protection Bill which is likely to replace the old Act soon and the new BIS Act with specific emphasis on Hallmarking Scheme for ornaments. For protection of consumer interests and their hard earned money, he mentioned, several measures have been taken including Hall Marking of Gold.

<sup>1</sup> Available at: Available at: <http://pib.gov.in/newsite/erelease.aspx>

Secretary General, UNCTAD, Dr. Mukhisa Kituyi in his address elaborated on globalization and the resultant challenges it brought to consumers. He mentioned the backdrop against which the UN Guidelines on Consumer Protection were revised in 2015 and the commendable role India has played. He said that this Conference is an ideal opportunity to learn from best practices and exchange information, and suggested some points for consideration of India to consider in the implementation of UN Guidelines, such as Provision of high quality ICT infrastructure at affordable prices, Consumer safety from hazardous goods, complete disclosure of all information for guidance of consumers, redressal system that is rapid and affordable for consumers in shortest time possible and regulations against identity theft and provision for data privacy protection.

International Conference on Consumer Protection is being organised by the Department of Consumer Affairs, Government of India with the association of United Nations Conference on Trade and Development (UNCTAD). This is the first time an international conference on consumer protection is being organised by India for countries of the region which account for a majority of the global consumers and share common challenges and experiences. 22 countries from East, South and South-East Asia are participating in the international conference. The two day conference will conclude on October 27, 2017.

### **THE MINISTER OF STATE FOR LAW, JUSTICE AND CORPORATE AFFAIRS, MR. P. P. CHAUDHARY REVIEWS THE FOLLOW-UP ACTION BY THE STATES ON PROPERTIES BELONGING TO AROUND 2.09 LAKH COMPANIES STRUCK-OFF FROM THE REGISTER OF COMPANIES BY THE CENTRAL GOVERNMENT**

***Mr. P. P. Chaudhary asks the States' representatives that process of identification and tracking of properties belonging to such companies needs to be completed at the earliest and requisite information be shared with the Ministry of Corporate Affairs in a time bound manner***

The Minister of State for Law, Justice and Corporate Affairs, Mr. Chaudhary today sought the response from the representatives of the State Governments on the letter sent by the Ministry of Corporate Affairs on September 12, 2017 to the States for identification and tracking of properties belonging to around 2.09 lakh companies which had been struck-off by the Central Government. Till then, the figure of struck-off companies presently stands at around 2.25 lakh. Mr. Chaudhary insisted that the process of identification of such properties needs to be completed at the earliest and requisite information be shared with the Ministry of Corporate Affairs in a time bound manner.

The Minister of State for Law, Justice and Corporate Affairs, Mr. Chaudhary was speaking at the Meeting held in the Ministry of Corporate Affairs under his chairmanship to discuss the follow-up action by the States on properties belonging to the companies struck-off from the Register of Companies by the Central Government under Section 248 of the Companies Act, 2013.

At the outset of the meeting, the Minister of State for Law, Justice and Corporate Affairs, Mr. Chaudhary emphasized that tackling the menace of Shell Companies is an imperative element of fight against Black Money. He said that such fight against corruption was meant to be a multi-pronged one and it was necessary for all stakeholders, including the States, to play their role in this fight. He stressed that such a drive shall unearth *benami* properties which shall discourage illegal and corrupt practices in the system thereby creating a healthy economic environment for honest businessmen. Mr. Chaudhary highlighted that this whole exercise shall go a long way in creating an atmosphere of confidence and faith in the corporate system paving the way for ease of doing business in India. The interest of stakeholders would be protected and the image of the country in the global business arena and fora would substantially improve.

During the aforesaid Meeting, additional State-wise information pertaining to such companies was shared with the State representatives. The Minister of State for Law, Justice and Corporate Affairs, Mr. Chaudhary expressed confidence that since the country-wide land records had been computerized, it would not take much time for the States to provide the requisite information to the district authorities as also to the Central Government.

The Minister of State for Law, Justice and Corporate Affairs, Mr. Chaudhary impressed upon the State representatives that consequent upon striking-off of these companies from the Register of Companies, any transaction pertaining to properties owned by such companies, by the Directors or authorized signatories of such companies on behalf of the companies, would be *void ab initio* and a nullity till such companies are restored by an order of National Company Law Tribunal (NCLT) under Section 252 of the Companies Act, 2013. In fact, by virtue of the company's name having been struck-off from the Register of Companies under the Companies Act, 2013, its identity as a legal person had been lost and hence, the legal ownership of properties belonging to such a company was non-existent.

The Minister of State for Law, Justice and Corporate Affairs, Mr. Chaudhary clarified that it was the duty of the District Administration to prevent any transaction of such properties and exercise due diligence based on the information shared by the Ministry of Corporate Affairs. He impressed upon the State representatives to ensure that requisite directions are urgently issued to all the district authorities dealing with registration of properties to put appropriate mechanism in place so as to prevent transactions in properties belonging to such struck off companies. Mr. Chaudhary also advised that the erring officials allowing registration of transactions in such properties by ignoring the requisite directions, may be subjected to disciplinary action, because permitting and registering transactions in such properties was illegal, as the companies owning such properties stand dissolved under the Companies Act, 2013.

The Minister of State for Law, Justice and Corporate Affairs, Mr. Chaudhary expressed confidence that the support of the States in this drive against black money would ensure its success in ushering a clean and effective Corporate Governance in the country.

### **Team ICSI**

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