

House Panel for Bringing Cos Under Anti-graft Law

BIGGER AMBIT Punishment for companies offering bribes to public servants recommended

A parliamentary panel has favoured the inclusion of companies under the Prevention of Corruption Act, which regulates matters of corrupt practices by public officials. The panel, which examined a bill to amend the act, has finalised its report and will table it in Parliament next week. The bill has specific provisions to deal with the giving of bribes to public servants and the giving of bribes by commercial organisations. Highly placed officials in the government told ET the panel is in favour of including companies under the Prevention of Corruption Act.

The report is one of three that are scheduled to be tabled in the budget session, which resumes from April 25. The other two are from a joint parliamentary committee examining the Insolvency and Bankruptcy Code and from a panel looking into the Enemy Property (Amendment and Validation) Bill. The Prevention of Corruption (Amendment) Bill is aimed at bringing stricter anti-corruption laws in India. It proposes enhanced punishment for bribe givers and bribe takers. At present, there is no law to punish bribe givers. Government sources told ET that the panel has recommended anti-bribery guidelines for companies and their employees while dealing with public servants. Commercial organisations can be held responsible if they or people acting on their behalf are found to have offered bribes to public servants. The Central Vigilance Commission is probing a case involving US retail giant WalMart Stores and confectionery major Mondelez India Ltd. against certain government employees for alleged corruption.

The Prevention of Corruption (Amendment) Bill has provisions for the attachment and forfeiture of property of public servants accused of corruption. The Cabinet had approved amendments to the Prevention of Corruption Act, 1988, last April. It also aims at speedy completion of corruption trials and extending protection from prosecution to public servants who cease to hold office following retirement and resignation.

The Insolvency and Bankruptcy Code was introduced in the Lok Sabha by finance minister Arun Jaitley in December and the JPC's report is expected next week. The bill makes it easier for weak companies to exit or restructure their businesses. The code seeks to amend 11 laws, including the Companies Act, 2013 and the Sick Industrial Companies (Special Provisions) Repeal Act, 2003. It will apply to companies, partnerships, limited liability partnerships, individuals and other bodies stipulated by the government.

The Enemy Property (Amendment and Validation) Bill is intended to guard against claims of succession or transfer of property left behind by people who migrated to Pakistan and China.

The President promulgated the Enemy Property (Amendment and Validation) Ordinance, 2016, on January 7 to make amendments to the Enemy Property Act, 1968. The amendments are aimed at plugging loopholes to ensure that such properties that have been vested with the Custodian (State) continue that way and do not revert to the enemy subject or firm.

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