

# **Amita Desai & Co., Company Secretaries, Mumbai –India**

## **NEWS ALERT- 18 Sept 2019- Companies Law Committee**

On 13<sup>th</sup> July 2018 a Committee was constituted and its report was submitted on 27<sup>th</sup> August 2018 to Hon'ble Corporate Affairs Minister. The Committee has recommended:

- (a) re-categorizing of certain offences into 'civil wrongs',
- (b) declogging the NCLT and
- (c) certain essential elements of corporate governance

On 18th September, 2019, Ministry of Corporate Affairs (MCA) decided and announced setting up of a Company Law Committee (CLC) to address following issues in line with the Governments objective of promoting ***Ease of Living in India:***

- (a) by providing ***Ease of Doing business*** to law-abiding corporates,
- (b) fostering improved corporate compliance for stakeholders at large
- (c) address emerging issues having an impact on the working of corporates in the country.

CLC will be headed by Secretary, MCA namely Mr. Injeti Srinivas. The CLC may invite other practitioners who have knowledge or experience in the filed on corporate law. CLC may also take help of Vidhi Centre, an NGO for legal research assistance. CLC will submit its recommendations in phases and subject-wise to the government from time to time as may be decided by the Chairperson of CLC.

CLC will have one year tenure and have following terms of references

1. ***Offences*** : *Analyse the nature of offences* (compoundable and non-compoundable) and submit its recommendation for re-categorize as ***“Civil Wrongs”*** certain offences under the Companies Act and measure to optimize the compliance requirement under the Companies Act, 2013 (CA2013) ;
2. ***Settlement***: Examine the feasibility of ***introducing settlement mechanism***, deferred prosecution agreements under the CA,2013 ;
3. ***LLP 2008*** : Study Limited Liability Partnership Act, 2008 (LLP 2008) and suggest measures to *plug the gaps in LLP 2008* with the aim of Ease of Doing Business ;
4. ***Further Declogging NCLT***: Suggest measures to further de-clog and improve the functioning of National Company Law Tribunals (NCLT) ;
5. ***Removing Bottlenecks*** : Suggest measures for removing any bottlenecks in the overall functioning of statutory bodies like Serious Frauds Investigations Office (SFIO), The Investor Education and Protection Fund Authority (IEPFA) and the National Financial Reporting Authority (NFRA) etc under CA 2013;

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6. **Ease of Living** : Identifying and suggesting specific provisions to be amended in CA 2013 and LLP 2008 to bring about greater **Ease of Living** for the corporate stakeholders, including but not restricted to review of Forms under this two Acts ; and
7. **Other Relevant** : Any other relevant recommendations as it may deem necessary.

The Union Budget 2018 focusses on the 'ease of living' for the common man and introduces a plethora of measures for the same like upliftment of farmers, promoting agri-exports, providing affordable healthcare, insurance cover and education and making available basic utilities across sections of the society.

# In June 2019 in a meeting between Prime Minister Modi and Secretaries of various Ministers, the prime minister said each ministry should come out with an "impactful decision" for which approvals will have to be taken within 100 days. He also said that people were yearning for a better life and the government must focus on ensuring **Ease of Living**, and asked the officials to begin work on making India a five-trillion dollar economy.

With many path breaking decisions taken by Modi Government, one more mass movement of **Ease of Living in India** is started with a model based on '**Sarvajan Hitay, Sarvajan Sukhay**' which covers corporate stakeholders also for Ease of Doing Business in India.

#Courtesy

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By Amita Desai

**Amita Desai & Co.**

**Company Secretaries**

1005, Hubtown Solaris

Prof N S Phadke Marg,

Andheri (East), Mumbai -400 069,

India

Website : [www.amitadesai.com](http://www.amitadesai.com)

Email: [info@amitadesai.com](mailto:info@amitadesai.com) and [amita@amitadesai.com](mailto:amita@amitadesai.com)

Landline: + 91-22-2684-5920/21

Fax: + 91-22-6678-7499

Mobile : + 91-982-017-7691