Government forms 8-member panel to review new Companies Act

Taking a note of India Inc's demand to relax some provisions of the Companies Act 2013, the government has constituted an eight-member panel, which includes members from the industry as well as judiciary, to review the new act.

The panel will consist of the secretary and joint secretary from the ministry of corporate affairs along with the presidents of Institute of Chartered Accountants, Company Secretaries and Cost Auditors.

Former Delhi High Court Judge Reva Kheterpal, Chief legal Counsel of Tata Sons Bharat Vasani and Chairman of L&T Financial Holdings YM Deosthalee have also been appointed as members of the review committee.

The panel will give its recommendations to the government on the issues arising out of implementation of Companies Act. The panel will also examine recommendations received from the bankruptcy law panel and high level committee on Corporate Social Responsibility.

Even after the 16 amendments in the new companies act passed by Parliament in last session, the industry has been pressing for more relaxation as they think that government still needs to relax some provisions which will cut down on the compliance and will improve the ease of doing business in India.

"There were about 50 odd provisions (in the Companies Act, 2013) which were very hurting. We will be constituting a committee may be in the course of next week," Finance Minister and Corporate Affairs Minister Arun Jaitley had said earlier.

Ever since the new act was notified in April 2014, the ministry of corporate affairs has issued eight removal of difficulty orders, twenty four amendments to rules along with the amendments to the act.

"The government may go in for another round of amendments depending on suggestions received from the committee," said a senior government official.

"We'll put forward our concerns regarding the companies act to the government," President of CA institute Manoj Fadnis said.

Out of 470 provisions of the Companies act 2013, the government is yet to implement 40% of it.

(Economic Times)