

SC judge, ex-Sebi chief rap new Companies Act

The Companies Act, 2013, was made in undue haste and exposes Parliament's lack of expertise in law making, said Supreme Court judge A K Sikri here on Thursday.

He wasn't the only eminent person who criticised the new law, at a book release function. M Damodaran, former Securities and Exchange Board of India (Sebi) chairman, termed it "an excellent piece of badly drafted legislation".

All speakers before him, noted Sikri, agreed that this was a law "made in haste".

Each word in a law should be thoroughly explained, he said. Adding: "Ninety per cent of parliamentarians don't even know what are the intricacies of law. So, where is the will of Parliament?"

"Of course, such a law is not an exception," he said. "One good example has been last week, one law which has been made. I won't say much about that," implicitly criticising the way the National Judicial Appointments Bill, 2014, was passed in Parliament last week.

On the new Companies Act, Sikri said this was a case where we'd been trying since 1999 to bring a new law. "And, after so much of exercise, what have we got ultimately?...that there is no thinking behind it," he regretted.

He also sounded a word of caution that one should be careful of relying too much on the National Companies Law Tribunal (NCLT), yet to be notified after enactment of the Companies Act. "I dread that there would be so much given to NCLT and whether it can handle it or not," he said.

"Tribunalisation of justice is the order of the day but whether we are delivering on it or not must be debated," he added.

Sikri, also a former head of the Punjab and Haryana high court, also expressed disappointment between the differences over the law between the ministries of finance and corporate affairs.

As for Damodaran, he said laws should be clear and concise, "so that every morning we do not wake up knowing of regulations and laws, each drafted worse than its predecessor, and providing proof of old statement... that language was given to man to conceal his thought, not express it."

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