

## **FICCI ON COMPANIES BILL**

**New Delhi, December 19, 2012:** FICCI welcomes passage of this important Bill by the Hon'ble Lok Sabha. The Bill has been through many iterations in its draft stage and has emerged as a contemporary legislation and a worthy replacement to the time tested Companies Act, 1956. "The Bill intends to simplify regulations, bring greater clarity, accountability and oversight in managing businesses and balance various stakeholder interests including encouraging greater social responsibility by profitable corporates", said **Mrs. Naina Lal Kidwai, President, FICCI**, complimenting the Government on its dynamic approach in making the Companies Act as contemporary and robust as possible.

FICCI has interacted intensively with the Ministry of Corporate Affairs during the evolution and feels that the Government has taken into account to the extent possible the valid concerns of Industry. The operation of the Bill also leans heavily on extensive Rules, which are expected to be put out for wider debate before their notification.

The new Bill has - besides brevity - brought in numerous concepts of governance, and management into law, which we expect should ultimately lead to higher transparency and better administration of the corporate sector. We also welcome the reinforcing message both from the Hon. Minister and Ministry officials of a non-intrusive approach and their good faith on responsible self-regulation by the corporate sector.

There do remain limited areas of concern and practical hardships for corporates but we believe these can be resolved in time with constructive dialogue and mutual reciprocation. FICCI also looks forward to the smooth creation and operation of the National Company Law Tribunal (NCLT) which assumes important functions and whose functioning will be critical going forward.

**FICCI MEDIA DIVISION**