

FICCI COMMENTS ON COMPANIES BILL

New Delhi, December 14, 2011: “The long awaited Companies Bill has been tabled in Parliament today. It has undergone many refinements over the waiting and discussion period and it will take some time to go through the final draft minutely to see what changes, if any, have been made post-discussions”, said **Mr. Sidharth Birla, Chairman, FICCI Corporate Law Committee.**

However, the structure of the Bill is contemporary and sound and the way it seemed to be emerging encouraged us because it had elements of some visionary improvements - rather than just attend to shortcomings, for example incorporating reactions of corporate failure !

FICCI has welcomed many important concepts in the Bill; one example is the innovations for smaller businesses in the form of One-Person-Companies.

For larger, established businesses there are many important implications in the way a Board should be composed and how it should operate. For example, the Code for Independent Directors as has been suggested in a Schedule is a welcome step; the introduction of “Key Management Personnel” for enhanced as well as a true reflection of accountability has been brought in.

We also hope the new provisions relating to corporate arrangements and amalgamations will lead to positive effects of businesses. On an overall balance, it is eminently possible that the new Bill will be largely supportive rather than intrusive.

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