

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

RAJYA SABHA
UNSTARRED QUESTION NO. 1970
ANSWERED ON TUESDAY, MARCH 10, 2026
DEREGULATION AND EASIER COMPLIANCE REFORMS
QUESTION

1970. Shri Kesridevsinh Jhala:
Shri Chunnilal Garasiya:

Will the Minister of CORPORATE AFFAIRS
be pleased to state:

- (a) the current status of deregulation of offences under the Companies Act under Government's 'trust-based regulatory reforms';
- (b) the number and categories of offences which have been transferred to civil penalties or internal adjudication mechanisms, the details thereof;
- (c) the impact of these measures on litigation burden, compliance costs and enforcement efficiency; and
- (d) whether there has been any review or evaluation of the outcomes of these reforms in terms of improving Ease of Doing Business and voluntary compliance, if so, the details thereof?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND
MINISTER OF STATE IN THE MINISTRY OF ROAD, TRANSPORT AND HIGHWAYS**

[SHRI HARSH MALHOTRA]

(a) to (c): In keeping with the Government's objective of providing greater ease of doing business to law abiding corporates, process of de-criminalization of technical & procedural violations under Companies Act, 2013 was carried out in phased manner. In the first phase, through the Companies (Amendment) Act, 2019, 16 compoundable offences under the Companies Act, 2013 were shifted to an In-house Adjudication Mechanism.

In the second phase, through the Companies (Amendment) Act, 2020, 35 more compoundable offences under the Companies Act, 2013 were de-criminalized. In addition, through this amendment, in case of 11 compoundable offences, provisions for imprisonment were removed and only fines were retained.

This initiative has reduced litigation burden and compliance costs and has strengthened the enforcement efficiency.

(d): No such specific assessment has been carried out by the Ministry. However, the de-criminalization of various offences under Companies Act, 2013 has reduced the burden on criminal courts and the number of cases under In-house Adjudication Mechanism have increased.
