

No.I-27011/2/2011-Coord
Government of India
Ministry of Corporate Affairs

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi.
Dated the 17 June, 2011

**Subject:- Monthly Summary for the Council of Ministers for the month of
May, 2011.**

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Information on important developments relating to the Ministry of Corporate Affairs during the month of May, 2011 is as under:

(i) Companies Bill, 2009

The Companies Bill, 2009 was introduced in the Lok Sabha on 3rd August, 2009 and was subsequently referred to the Department Related Parliamentary Standing Committee on Finance for examination and report. The Committee had submitted its report to the Parliament on 31.8.2010. The report and the recommendations of the aforesaid Standing Committee have been examined in the Ministry and a revised draft Companies Bill, 2011 prepared in consultation with Ministry of Law (Legislative Department), has been circulated to the various Ministries and Departments for views and comments. Once the consultations with Ministries and Departments are completed , a revised Bill as Companies Bill, 2011 is proposed to be introduced in the next session of the Parliament after obtaining due approvals. Consequent upon introduction of the Companies Bill, 2011, the Companies Bill, 2009, pending in the Lok Sabha, will be withdrawn.

(ii) Initiatives to simplify Companies Act

Ministry has taken several initiatives to simplify Companies Act and to improve stakeholders' participation in the company's affairs. Some of the important initiatives in above circulars are as under : -

(1) **Participation by directors and shareholders in meetings through video conferencing** : In order to provide larger participation and for curbing the cost borne by the Company, Directors, and shareholders to attend various meetings under the provisions of the Companies Act, 1956, participation through video conferencing has been permitted subject to certain compliances.

(2) **Voting in general meeting of companies through electronic mode** : In order to have secured electronic platform for capturing accurate electronic processes, Central Depository Services (India) Ltd (CDSL) and National Securities Depositories Limited (NSDL) are being given approval by the Ministry of Corporate Affairs to provide their electronic platform for capturing accurate electronic voting in General meetings of the company.

(3) **Issue of digital certificates by Registrar of Companies** : The Registrar of Companies has to issue a number of certificates to the companies and other stakeholders as required under the provisions of the Companies Act, 1956. In order to cut timelines and an another step towards “Green Initiative” it has been decided that all certificates and standard letters issued by the Registrar of Companies will now be issued electronically under the digital signatures of the Registrar of Companies.

(4) **Appointment of LLPs of chartered accountants as auditor:** After making amendment in definitions of body corporates, Limited Liability Partnerships of chartered accountants will not be treated as body corporate for the limited purpose of section 226(3A) of the Companies Act, 1956, hence they can be appointed as auditor of a company.

(iii) MCA 21 e-Governance Project

In the continuous process of further enhancement and system improvement in the MCA21 system, the following improvement has been made during the month :

- 1) Auto approval of some e-form has been introduced. E-forms for registration and satisfaction of charges, except for cases where condonation of delay is required from CLB, has been converted in to Straight Through Process(STP) form approved by the system . For condonation cases, the forms will continue to be processed by the RoC under Non STP mode.
- 2) Generation of digitally signed certificate of registration and satisfaction of charges with respect to STP e-form has been introduced.
- 3) A new e-form 23D has been introduced pursuant to Section 233B of the companies Act, 1956 regarding information by cost auditor to Central Government.
- 4) **Competition Act 2002**

Ministry has notified Section 43A and Section 44 of the Competition Act, 2002 w.e.f. 01.06.2011, empowering Competition Commission to impose penalty for non-furnishing of information on combination and also in case of making false statement.

With these notifications, the Competition Act, 2002 [as amended vide Competition (Amendment) Act, 2007] is fully notified.

(iv) Opening of new office of Regional Director(SER), Hyderabad

During the month of May, 2011 a new office has been created in the form of Regional Director (SER) Hyderabad, after approval of Hon'ble Corporate Affairs Minister. This Ministry is organized in five regions. It was felt that the number of companies and area under southern region is quite huge. Therefore, it was decided to create a new region of SER, Hyderabad for better administration and faster service delivery.

(v) Investor Awareness

The Ministry, in partnership with the three Professional Institutes and trade and business chambers, has drawn up a detailed plan for the year 2011-12 for organizing investor awareness programme on a very large scale so as to cover almost all the towns in the country. In implementation of this plan, six investor awareness programmes have already been organized in the month of May, 2011.

(vi) Multi Stakeholder Consultations under IICA GIZ CSR Initiative

Under IICA-GIZ CSR Project joint stakeholder consultations were held with GRI in the cities as mentioned below;-

- 1) Mumbai on 3rd may, 2011
- 2) Delhi on 6th May, 2011
- 3) Kolkata on 9th May, 2011

The objectives of these Consultations were to create awareness on the Voluntary Guidelines and its values, value and business proposition of disclosure and reporting, basics of GRI Guidelines and assisting participants to reflect on the current status, challenges and opportunities of Responsible Business and disclosure in the Indian context.

(vii) Workshop on Integrating Responsible Business Behaviour in MSMEs

Under the IICA-GIZ CSR Project, the Foundation for MSME Clusters (FMC) had undertaken a research study titled 'Mapping of less sustainable MSME Clusters in India' to identify the scale and scope of energy and environmental issues that confront MSMEs, alongwith related social issues. A workshop to disseminate the major learnings of the study was held on Thursday, May 19, 2011 at Tagore Chambers, SCOPE Complex, Lodhi Road, New Delhi. This workshop provided an opportunity to tap into the views of select eminent speakers, both policy makers and practitioners. It also provided a platform for networking among practitioners and policy makers.

(viii) Professional Institutes

The Note for Cabinet, which was sent to the Cabinet Secretariat on 15th March, 2011 in respect of Professional Institutes for enabling the professionals to form Limited Liability Partnership and change in name of Institute of Cost and Works Accountants of India was received back from Cabinet Secretariat on 20.5.2011 to again carry out inter-ministerial consultations and presently under consideration of this Ministry.

2. On other key items, the information is as below:-

- (i) MCA is taking special steps to promote exports of professional services.
- (ii) No decisions taken by the Cabinet / Cabinet Committees are pending for implementation.
- (iii) No case has come to our notice in which any deviation or departure was made from the transaction of business rules or established policy of the Government.

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