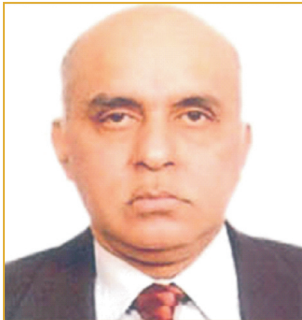




Monthly Newsletter

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Shri Naved Masood,
Secretary, MCA

From The Secretary's Desk

The Advance Estimates of National Income released by the Central Statistical Office (CSO) have estimated our GDP growth at 4.9% for the year 2013-14, which is an improvement over 4.5% in the previous year. This indicates that the economy may have 'bottomed-out' in 2012-13.

and skill development. Some of the important **announcements** include a big push to infrastructure and capacity addition in infrastructure industries, capital infusion of Rs.11,200 crore in Public Sector banks during 2014-15, setting up a non-statutory Public Debt Management Agency (PDMA), provision of Rs. 8,00,000 crore of agriculture credit during 2014-15, reduction in the excise duty to boost consumption demand, and strengthening of financial markets including enlarging the scope of Depository Receipts.

Agricultural sector is expected to grow at 4.6% during 2013-14 as against 1.4% in 2012-13 which is a dramatic improvement. Foodgrain production is expected to touch 263 million tonnes compared to 255 million tonnes achieved in 2012-13. Vegetable and food prices, key drivers of current inflation in India, have moderated. Inflation, measured by the WPI, has declined to eight-months low of 5.05% in January, 2014. Even CPI measure of inflation has declined to 8.79% in January, 2014.

Exports, during January, 2014, have grown by 3.8% and imports declined by 18%. This has lowered the trade deficit during April-January, 2013-14 to USD 119.95 billion compared to the deficit of USD 165.80 billion recorded during the same period last year. The Current Account Deficit which was earlier estimated to be USD 70 billion is now expected to be about USD 45 billion in 2013-14. About USD 15 billion is expected to be added to the foreign exchange reserves by end of the financial year.

As expected, the US has initiated tapering of quantitative easing with US Federal Reserve's decision to reduce the level of purchase of mortgage-backed securities and longer-term treasury securities. India's economy is better prepared for the consequences of tapering, as we have sufficient foreign exchange, robust FDI and FII inflows, and moderate inflation.

The interim Budget for 2014-15 has been presented by the Finance Minister. A vision for the future of our economy has been outlined. These include fiscal consolidation, price stability and growth, current account deficit, financial sector reforms, infrastructure,

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Rules on NCLAT Notified: The Ministry of Corporate Affairs has notified the National Company Law Appellate Tribunal (Salaries, Allowances and other terms and conditions of service of the Chairperson and other Members) Rules, 2014 as per the powers conferred by the new Companies Act 2013. As per these Rules, the Chairperson shall be entitled to a monthly pay of Rs. 90,000/- (fixed) and such other allowances as are admissible to an officer in the Cabinet Secretary's scale. A Judicial/ Technical Member will be paid salary in the pay scale of Rs. 80,000/- (fixed) and such other allowances as are admissible to an officer in the Apex Scale. Earlier, the Ministry notified the National Company Law Tribunal (Salaries, Allowances and other terms and conditions of service of President and other Members) Rules, 2013. The two Notifications are available on the website of the Ministry of Corporate Affairs.

Master details of Companies/LLPs Registered on Ministry's website: Details of Indian Companies, LLPs and Foreign Companies incorporated in India during every month is being uploaded on the Ministry's website (i.e., www.mca.gov.in) under the tab 'Statistics and Reports'. These month-wise master details are being uploaded since November, 2013 and are proposed to be hosted every month on a regular basis. Interested stakeholders can download the same in Microsoft-Excel format from the web-link '<http://www.mca.gov.in/MinistryV2/eir.html>'.

Minister Lays the Foundation Stone for Centre of Excellence at Ajmer: Shri Sachin Pilot, Hon'ble Minister of State (I/C) for Corporate Affairs laid the foundation stone for Centre of Excellence, Ajmer, Rajasthan promoted by Institute of Chartered Accountants of India (ICAI), Institute of Cost Accountants of India (ICoAI) and Institute of Company Secretaries of India (ICSI) on 28.1.2014. The Centre of Excellence is envisaged to engage in training programmes, professional development activities, and investor protection activities for professionals. The Center will also provide professional guidance and consultancy services to corporate sector including medium and small enterprises. The Centre would undertake research,

studies and surveys on various local industries and suggest measures for their betterment. The Centre of Excellence is expected to be completed in two years with a project cost of Rs. 75 crore to be met by the three professional institutions.



Shri Sachin Pilot, Hon'ble Minister of State (Independent Charge) for Corporate Affairs at Foundation Stone Laying Ceremony for Centre of Excellence at Ajmer. Shri Subodh Kumar Agrawal, the then President of ICAI is also seen in the picture.

MoU Signed between IICA and FICCI: Indian Institute of Corporate Affairs (IICA) signed a Memorandum of Understanding (MoU) with Federation of Indian Chambers of Commerce and Industry (FICCI) on 13.01.2014 to collaborate and partner with each other in the areas of corporate social responsibility, competition law, corporate laws, corporate governance, inclusive growth and sustainable development of the industry and the economy. The MoU was signed by Dr. Bhaskar Chatterjee, Director General & CEO, IICA, and Dr. Didar Singh, Secretary General, FICCI. IICA and FICCI have agreed to: i) Organize awareness programmes to promote various aspects of the new Companies Act 2013, especially Corporate Social Responsibility, across major cities in India; ii) Undertake capacity building measures to mainstream the adoption of CSR and responsible governance practices by the industry; iii) conceptualise and develop agenda, course content and modules and organise short term courses and training for corporate professionals.

ICSI Moves to Online Registration for Company Secretary-ship Course: With a view to provide efficient and any-time service to students, the Institute of Company Secretaries of India (ICSI), working under the aegis of the Ministry of Corporate Affairs, has moved to complete online registration

for the Company Secretary-ship (CS) Course w.e.f 1.1.2014. Now-onwards the Institute accepts only online registration to the CS course.

President of the ICAI Appointed as the President of SAFA:

President of the Institute of Chartered Accountants of India (ICAI), Shri Subodh Kumar Agrawal, has been appointed the President of the South Asian Federation of Accountants (SAFA) for the year 2014 w.e.f. 01.01.2014. He was the Vice-President of SAFA for the year 2013. ICAI nominee has got this coveted position after a gap of eight years. SAFA, an Apex Body of SAARC is a forum of professional accountancy bodies in the SAARC Region. It was formed in the year 1984 and has at present the membership of 10 accounting institutions from India, Bangladesh, Pakistan, Nepal, Sri Lanka and Maldives. Bhutan and Afghanistan have been given Observer Status. ICAI is one of the founder members of SAFA and also hosts its Permanent Secretariat at New Delhi.

Investor Protection and Awareness:

1. In collaboration with the three Professional Institutes [i.e., Institute of Chartered Accountants of India, Institute of Company Secretaries of India, and Institute of Cost Accountants of India], 348 Investor Awareness Programmes were conducted in different towns/cities of the country during January, 2014. The Regional Directorate, South Eastern Region conducted two Investor Awareness Programs (IAP) through the Federation of Andhra Pradesh Chamber of Commerce, Hyderabad.
2. Till the end of January, 2014, 2135 companies have uploaded information about unpaid and unclaimed amounts of investors lying with them on the website (www.iepf.gov.in). This website has been set up for companies to file details of unpaid and unclaimed amounts of investors for the last seven years, which are yet to be transferred to the Consolidated Fund of India. The total amount reported by these companies by end January, 2014 amounts to Rs. 2,483.55 crore.

Circulars: The Ministry of Corporate Affairs has issued a General Circular No. 1/2014 dated 15.01.2014 concerning administration of the

Companies Act, 1956 in January, 2014. General Circular No. 1/2014 is regarding Report under Section 394A of the Companies Act, 1956. Section 394A of the Companies Act, 1956 requires service of a notice on the Central Government wherever cases involving arrangement/compromise (under Section 391) or reconstruction/amalgamation (under Section 394) come up before the court of competent jurisdiction. It is decided by the Ministry that while responding to notices of Hon'ble High Court on behalf of the Central Government under Section 394A, the Regional Director concerned shall invite specific comments from Income Tax Department and other sectoral regulator, if any, within 15 days of receipt of notice before filing his response to the Hon'ble High Court.

Companies in the Registry: As on 31st January, 2014, 13.77 lakh companies were registered under the Companies Act, 1956. Of these, 2.68 lakh companies are closed; 27,617 companies are in the process of being closed; and as many as 1.43 lakh companies have not filed their Annual Returns/ Balance Sheets (i.e., Annual Statutory Filings) for more than three consecutive years, and are classified as 'dormant'. In other words, there are about 9.37 lakh active companies, of which 1.40 lakh companies were incorporated within the preceding eighteen months (not due for filing).

A total of 8,206 companies were registered under the Companies Act, 1956 during January, 2014 with authorized capital of Rs. 943.21 crore. Of these, 8,174 companies were registered as Companies Limited by Shares with an authorized capital of Rs. 9,43.15 crore; 31 Companies Limited by Guarantees with an authorised capital of Rs. 6 lakh; and 1 Unlimited Liability Company. Under the category of companies registered as limited by shares, Maharashtra had maximum number of registrations (1,563) followed by Delhi (1,356) and Uttar Pradesh (741). Economic activity-wise maximum number of companies (2,806) were registered under Business Services (IT and R&D).

During January, 2014, two State Level Public Enterprises (SLPEs) and two Central Public Sector Undertakings (CPSUs) were registered under the

Companies Act, 1956, with authorized capital of Rs. 55.1 crore. The SLPEs incorporated are: 1. Bhavanam Foundation Kerala, and 2. Kerala State Coir Machinery Manufacturing Company Limited. The CPSUs

incorporated are: 1. Cheyyur Infra Limited and 2. Odisha Infrapower Limited. Of these, first two are registered as private limited and other two are registered as public limited companies.

Major Events Attended by Senior Officials of the Ministry:

1. Shri M.J. Joseph, Additional Secretary, interacted with NFCG on 02.02.2014, regarding 'Social Media Campaign on new Companies Act' so as to understand the views of stakeholders on the provisions of the Act.
2. Shri Anil Kumar Bhardwaj, Director, made a presentation at "National Workshop on Right to Information" organised by Department of Personnel and Training at Indian Institute of Public Administration, New Delhi on 09.01.2014.
3. Shri Anil Kumar Bhardwaj, Director, conducted a training session on MCA-21, XBRL-Filing and implementation of new Companies Act, 2013 to Officer Trainees of the Indian Company Law Service on 29.01.2013 at IICA, Manesar.

Initiatives at RD, South Eastern Region: The Ministry has accepted a proposal received from the Regional Directorate, South Eastern Region to conduct Investor Awareness Programs (IAP) through the Federation of Andhra Pradesh Chamber of Commerce, Hyderabad (FAPCCI). In South Eastern Region, FAPCCI conducted two IAPs during January, 2014. IAPs are usually being organised by three Professional Institutes i.e., Institute of Chartered Accountants of India, Institute of Company Secretaries of India, and Institute of Cost Accountants of India.

Major Events at IICA:

1. Training of officers and officials of Official Liquidator: The training programme for 10 officers & officials of Official Liquidator, Delhi commenced on 16.12.2013 and concluded on 13.01.2014. The topics covered under the programme included winding up of companies, powers of liquidator, dissolution of company, voluntary liquidation, basics of accounting, statement of affairs, inspection of books and records, SARFAESI Act etc.

Events at CCI:

1. The Second 'Special Knowledge Sharing Lecture Series' was delivered by Dr. Russel Pittman, Director of Economic Research in the Antitrust Division of U.S. Department of Justice, on 'Competition Issues in Transport Sector' on 22.01.2014.
2. The Lord Mayor of City of London, Rt Hon Alderman Fiona Woolf along with delegation, visited the Commission on 20.01.2014, and had meeting with the Commission.
3. Shri Yogender Chaudhary, Adviser(Law) and Shri Sukesh Mishra, Joint Director(Law) held sessions on 'Overview of Competition Law' and 'Competition Law and Government' on 17.01.2014 during the Management Development Programme for Lok Sabha Secretariat Officers organized at National Academy of Direct Taxes, Nagpur.
4. Dr Satya Prakash, Director(Law) made a presentation on ' Overview of Competition Act-2002' and had interaction with 40 newly recruited Additional District and Session Judges at Judicial Training & Research Institute, Lucknow on 22.01.2014.
5. Dr Seema Gaur, Adviser (Eco) and Shri Vipul Puri, Dy Dir(FA) under the leadership of Shri Anurag Goel, Member, participated in two workshops on competition issues organized by Government of Kerala on 07th & 08th January, 2014 at Thiruvananthapuram and Kochi respectively.