

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 16 August, 2011

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

.....

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

(i) Companies Bill, 2011

The issue relating to the progress of Companies Bill, 2009 has been explained in the monthly report of the last months. Final touches have been given to prepare the draft Company Bill, 2011 which incorporates amendments to Company Bill-2009 in the light of the recommendations of the Parliamentary Standing Committee on Finance and other inputs. The proposed Bill is being sent to PMO as a prelude to obtain Cabinet approval for its inclusion.

(ii) Initiatives to simplify procedures under Companies Act, 1956 :

In order to ensure timelines in service delivery, the Ministry has taken several initiatives to simplify procedures under Companies Act, 1956. Some of the important initiatives are as under: -

(a) New Name Availability Guidelines, 2011

The Ministry has issued new Guidelines for availability of name which has been implemented w.e.f. 24th July, 2011. Now a name can be obtained online if an application form has been certified by the prescribed categories of professional confirming that such professional has used the search facility for checking the resemblance of the proposed name and on that basis certifies that the name is not an undesirable name under the provisions of section 20 of the Act and is also in conformity with the guidelines. In such cases name will be made available by the system online.

(b) Allotment of Director Identification Number (DIN)

Ministry has simplified procedures for online allotment of DIN on the basis of certification by a practicing professional of the specified categories. DIN has been integrated with Permanent Account Number (PAN) under Income Tax. Further, DIN will be used as Designated Partner Identification Number (DPIN) under Limited Liability Partnership Act.

(c) **Amendment in Schedule XIII of the Companies Act, 1956:**

To further relax controls on the corporate sector, no approval of Central Government will be required for payment of remuneration to professional managerial person by companies having no profit or inadequate profit, provided such person has no direct or indirect interest in the management or the capital of the company.

(iii) **MCA21 e-Governance Project**

Enhancements and system improvements in the MCA21 system is a continuous process. Following improvements have been made during the month of July 2011:

- (a) E-Stamping for MCA services has further been extended to the States of Goa, Nagaland and UTs of Daman & Diu and Dadra & Nagar Haveli. The Ministry will generate and collect Stamp Duty on behalf of these governments. With these extensions, companies registered in all States and UTs will have the facility of availing online e-stamping for MCA services. Emerging as a reference model for joint-services, MCA21 appears to be the first project in the country where a service covered under the State subject is rendered by a Central Ministry on behalf of the States/UTs and funds are promptly transferred to the eligible governments. This also ensures the process speedier, cleaner and transparent.
- (b) Certain important measures have been initiated to bringing about further improvements in the end-user convenience and enhancements in the usability functions. Procedures have been simplified for incorporation process as under: -
 - Online allotment of Directors Identification Number (DIN) by the system.
 - Online application and approval of Name by the system.
 - Online issue of Incorporation Certificate by ROC under his digital signature.

With the introduction of above simplified procedures, it is expected to complete the process of incorporation of a new company within 24 hours.

(iv) **Investor Awareness**

Investor Awareness Programmes are being conducted in partnership with the three professional Institutes and a detailed work plan for the 2011-12 has been drawn up. During the month of July, 2011, 58 such programmes were conducted.

2. On other key items, the information is as under:-
- (i) MCA is taking special steps to promote export 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.

(V. K. Kapoor)
Deputy Secretary to the Government of India
Tel.: 2338 9263

