

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

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

**(i) Companies Bill, 2009:**

The Companies Bill, 2009 was introduced in the Lok Sabha on 3<sup>rd</sup> 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 Consequent upon introduction of the Companies Bill, 2011, the Companies Bill, 2009, pending in the Lok Sabha, will be withdrawn.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 procedures and improve compliances under Companies Act, 1956:**

Ministry has taken several initiatives to simplify procedures and improve compliances under Companies Act, 1956. Some of the important initiatives are as under:-

- (a) **New Guidelines for Fast Track Exit of defunct Companies:** The Ministry has issued guidelines for Fast Track Exit mode to give opportunity to the defunct companies to get their names struck off from the Register under section 560 of the Companies Act, 1956 in time bound manner.

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- (b) **Special drive to clear pendency:** A large number of e-forms filed prior to implementation of revised Regulation 17 are pending for want of action by the companies/stakeholders. Without any response from the companies ROCs cannot take process the said forms. As per Regulation 17, these forms have become time barred. To reduce the pendency of such e-forms, Ministry has decided to re-open all such pending forms for reviewing by ROCs and disposing them by 7<sup>th</sup> July, 2011.
- (c) **Action against erring professionals in certifying the documents filed with Registrar of Companies:** During examination of certain e-forms filed by some listed companies, which were also certified by the practicing professionals, it was found that particulars given in the forms were totally different as compared to the records of the company. These are public documents and by furnishing false information to the government as well as to the other stakeholders of the company, the practicing professionals have neglected in discharging their duties and have rendered themselves liable for penal action under Companies Act, 1956 as well as professional misconduct. The Ministry has identified 12 such wrong doing by the practicing professionals. Enquiry has been ordered and if found guilty, they will be barred from filing any document with the Ministry and the concerned professional institute will be informed to initiate penal action against them under their regulations.

**(iii) MCA 21 e-Governance Project:**

In the continuous process of further enhancement and system improvements in the MCA21 system, the following improvements have been made during the month:-

1. An additional payment option i.e. payments through RBI guided NEFT is being introduced.
2. For improving compliances, companies defaulted in filing annual returns and balance sheets from the financial year 2006-07 onwards have been disallowed for filing e-forms.
3. A monitoring mechanism has been introduced in the system for blocking temporarily filings by errant companies as well as professionals for furnishing wrong data and incorrect certification in forms filed under the Companies Act.
4. Introduced improved Complaint Monitoring System.

**(iv) International Cooperation:**

Letter of Intent for strengthening the cooperation between the Ministry of Corporate Affairs of India and the Ministry of Economic Affairs of the Netherlands in the area of Corporate Governance and Corporate Social Responsibility has been

signed 7-6-2011 by Secretary, MCA and Mr. Bob Hiensch, Netherlands Ambassador to India, Government of Netherlands, in New Delhi.

Deputation of Indian delegation consisting of 3 members' team led by Shri Jaikant Singh, Director, Ministry of Corporate Affairs visited Jersey (UK) to attend the International Association of Insolvency Regulators (IAIR)'s Annual General Meeting and Conference held on 19-22 June, 2011 at Jersey (UK)

**(v) Investor Awareness:**

The Ministry's initiative on investor awareness is progressing well. 142 programmes have been organized in different parts of the country till June, 2011.

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

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