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NEWSLETTER MINISTRY OF CORPORATE AFFAIRS

www.mca.gov.in

In This Issue:

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From Secretary's Desk:

I am very happy to welcome you to the first issue of quarterly newsletter of Ministry of Corporate Affairs. The purpose of this newsletter is to provide you with a regular update on the activities of the Ministry. This newsletter intends to report on recent legal developments and issues of interest in the field of corporate governance. The newsletter is expected to act as an interface between the policy makers and stakeholders to bring to fore the issues concerned with corporate governance in India so that the regulatory framework is maintained dynamically responsive to provide a conducive environment for the growth of corporate sector and economic development of the country.

Anurag Goel

Secretary ,

Ministry of Corporate Affairs

Vision of the Ministry of Corporate Affairs

"We resolve ourselves to be the leader and partner in initiatives for Corporate Reforms, Good Governance and Enlightened Regulation, with a view to promote and facilitate effective corporate functioning and investor protection."

Know our Minister

Shri Prem Chand Gupta was born on 3rd February 1950 at Bhiwani, Haryana. Completing his initial studies in Bhiwani, he later graduated in Economics. He was first elected to the Rajya Sabha in 1996. He served in some very important positions in his tenure in the Rajya Sabha. He was re-elected to Rajya Sabha in 2002. In his present assignment, he is spearheading many transformation initiatives which will help evolve business friendly eco-system and yet create an investor sensitive climate in India. The enterprise wide initiative MCA 21, a mission mode governance program of Government of India under National e-Governance plan, the initiation of comprehensive revision of the Companies Act 1956 and introduction of a new legislative framework entitled "Limited Liability Partnership" are amongst his championing initiatives for the Ministry. The following dates highlight Shri Gupta's achievements as a leading political figure:

1996-98 :

- Convener, Sub-Committee on Non-Conventional Energy.
- Member, Committee of Privileges.
- Member, Standing Committee on Energy.
- Member, Board of Environment and Forests.
- Member, Hindi Advisory Committee of the Ministry of Petroleum and Natural Gas.
- Member, Standing Committee on Transport and Tourism.

1998-99

- Member, Committee on Finance.
- Member, Consultative Committee for the Ministry of Communications.

1999-01 :

- Member, Standing Committee on Commerce.
- Member, Consultative Committee for the Ministry of Civil Aviation.
- Convener, Sub-Committee on Commerce and Supply for Ministry of Commerce.
- Attended and Addressed the Plenary United Nations General Assembly 55th Session on 25th October, 2000.
- Convener, Sub-Committee of Ministry of Civil Aviation on Air India.

2001-03 :

- Member, Joint Parliamentary Committee on Stock Market Scam and matters related thereto.
- Re-elected as Member, Rajya Sabha.
- Member, Joint Parliamentary Committee on Soft Drinks.
- Attended and addressed the Plenary United Nations General Assembly 57th Session on 20th November, 2002.

Shri Gupta is a trained pilot and a keen follower of sports, especially cricket and table-tennis. He lives in New Delhi with his wife, two sons and a daughter.

I. Major Achievements / Initiatives taken during 2006-07

- The MCA 21 Project was initially launched on pilot basis at Coimbatore on 18th February, 2006 and then at Puducherry, and Ernakullum. The Project was launched at Delhi by Hon'ble Prime Minister of India on 18th March, 2006. It became operational at all 20 RoC offices by the end of July, 2006. The e-filing of all documents, using digital signatures of authorized representatives of the companies was mandated under law with effect from September 16, 2006.
- Keeping in view the potential for growth of the services sector and the dominant role played by the professionals in the country's economy, a new legal framework to provide for Limited Liability Partnership has been evolved for which a Bill has been introduced in the Parliament in December, 2006. It has been referred to the Parliamentary Standing Committee on Finance for examination.
- The National Advisory Committee on Accounting Standards constituted under section 210A of the Companies Act, 1956 recommended Accounting Standards 1-29 (except AS 8 which has been merged with AS 26) for prescribing under the Act. These Accounting Standards were examined in consultation with Ministry of Law and have been prescribed under the Companies Act, 1956 through notification number GSR 739(E), dated 7th December, 2006. This is the result of a five year long exercise and is a major achievement of the Ministry whereby the Indian Accounting Standards, incorporating the best international practices, have been developed and notified.
- Amendments to the three Acts governing the three professional Institutes of Chartered Accountants, Cost and Works Accountants and the Company Secretaries were carried out during the current Financial Year to provide for greater freedom with accountability in these professions. New Councils have been elected by ICAI and ICSI and the election process initiated for ICWAI under the amended provisions of the three Acts.

Dataquest IT Path-Breaker Award, 2006 to MCA21 Project

MCA21 Project was awarded the Dataquest IT Path-Breaker Award, 2006 and recognized as a major Government initiative in the field of e-governance, with use of technology for improving and changing the existing processes and making life easier for India's business community, investors and aspiring entrepreneurs.

New Look MCA Offices

Initiatives have been taken to provide modern and productive work environment to the field offices of the Ministry, wherein new office complexes are to be constructed at Jaipur, Chandigarh and Cuttack, built up spaces are acquired from UTIISL at Chennai and Bangalore and existing offices are to be refurnished.

- Initiatives were taken to revamp the cadre management of Indian Company Law Service (ICLS). A proposal to set up “Indian Institute of Corporate Affairs” has been included in the eleventh five year plan with an estimated outlay of Rs. 211 crore. The Institute would function as a think tank for the Ministry of corporate affairs, provide a single window service to various stakeholders including corporate and professionals and take up training and capacity building measures for the Indian Company Law Service (ICLS).
- An Accounting and Records Management Project has been undertaken in the official Liquidators offices in the four metros to computerize the complete accounts of the companies which are under liquidation in order to enable an effective control over the inventory – cash/ bank balance, stock, plant and machinery, land and building, debtors etc.
- To weed out defunct/ inactive companies, a comprehensive action plan has been formulated under which nearly 2 lakh companies of the presently registered 8 lakh companies have been identified for further scrutiny and action according to the legal procedure laid down for this purpose.
- An organizational development initiative has been launched in consultation with staff Inspection Unit (SIU) of Ministry of Finance for restructuring of the Ministry headquarter, with clear articulation of its vision, mission and desired outcomes, accompanied by requisite process re- engineering and capacity building measures.

The Companies (Amendment) Act, 2006

The provisions of the Companies (Amendment) Act, 2006 have been made effective from 16th September 2006 and 1st November 2006. e-filing and obtaining of Director Identification Number have been made mandatory from 16th September 2006 and 01st November 2006 respectively.

Filing of DIN-1 and DIN-3

The last date for filing of DIN Form-1 and DIN Form-3 without payment of fee has been extended from March 31, 2007 to June 30, 2007.

II. Conferences/ Seminars/ Meetings organized

- A Conference on “Competition Law and Policy” was organized by the Asian Development Bank at New Delhi on 16 – 17 May, 2006 in which competition authorities, experts and other stakeholders of about 16 countries participated. International organizations such as OECD, UNCTAD and APEC were also invited to participate. The conference was inaugurated by the Minister of Corporate Affairs. Officials of the Ministry also participated in the conference.
- The Governing Council of National Foundation for Corporate Governance met in July 18, 2006 to discuss the present status of Corporate Governance in India. It recommended to prepare and adopt a “Country Strategy” on corporate governance to sensitize and involve various stakeholders in the effort to provide best corporate governance practices in the country.
- A meeting of Committee on Investor Education and Protection Fund (IEPF) was held on August 23, 2006 under the chairmanship of Secretary, MCA. Subsequently a meeting of the sub-committee on the Investor Education and Protection Fund (IEPF) was held on September 7, 2006 in which a number of proposals for financial assistance to the NGOs / Investor Association were considered and approved.
- A delegation led by Hon’ble Minister of Company Affairs, Government of India visited UK in January, 2007 to discuss the strengthening of cooperation between India and UK on corporate matters. As a result it has been decided to set up a Joint Working Group on Corporate Affairs.
- A high level team from the Law School of George Washington University, USA visited the Ministry during January, 2007 and showed interest in developing their association with the Indian Institute of Corporate Affairs.

III. Steps in the Direction of Good Corporate Governance

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships among the many players involved (the stakeholders) and the goals for which the corporation is governed. Thus, corporate governance is a multi-faceted subject having a number of role players. Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.

Corporate governance depends upon two factors.

- The first is the commitment of the management for the principle of integrity and transparency in business operations.
- The second is the legal and the administrative framework created by the government.

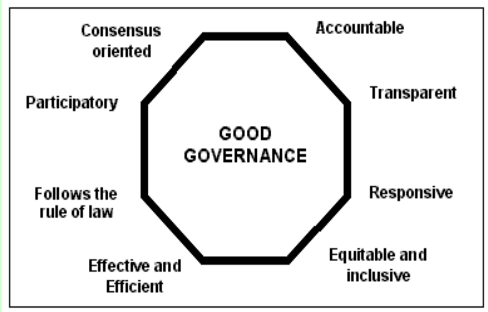
Thus, Government's main role is to ensure that there is an underlying, up-to-date and relevant framework of fundamental company law that encourages both enterprise and investment.

Steps undertaken by MCA in the direction of good corporate governance

- **National Foundation for Corporate Governance**

Ministry of corporate affairs has set up National Foundation for Corporate Governance (NFCG) as a not-for-profit Trust to provide a platform to deliberate issues relating to good corporate governance and to sensitize corporate leaders on the importance of good corporate governance practices, to facilitate exchange of experiences and ideas between corporate leaders, policy makers, regulators, law enforcing agencies and non-government organizations.

Characteristics of good governance



A website of NFCG was launched to serve as a vehicle for dissemination of policies for better corporate governance. NFCG has framed an Action Plan, which includes development of good corporate governance principles on identified themes i.e.
(i) corporate governance norms for Institutional Investors,
(ii) corporate governance norms for independent directors, and
(iii) corporate governance norms for Audit.

An "Investor Helpline" www.investorhelpline.in has been launched under IEPF through Midas Touch Investors Association to provide a mechanism for redressal of grievances and to create investor awareness.

Three core groups were constituted under these themes. Besides, the NFCG sponsored orientation programmes for Directors through Institutes of Excellence, organized seminars and conferences to propagate the need for following good corporate governance practices.
Future Plans of NFCG include taking up the issue of adopting a country strategy on corporate governance, encourage corporate governance cooperation in South Asia particularly relating to SAARC countries, dissemination of corporate governance practices for the small and medium corporates.

- **Investor Education and Awareness**

Investor Education and Protection Fund (IEPF) was established under Section 205C of the Companies Act, 1956 by way of Companies (Amendment) Act, 1999 for promotion of investors' awareness and protection of the interests of investors Under IEPF, various programmes on investor education and awareness have been funded and organized through Voluntary associations or organisations registered under IEPF. Ministry also has launched a number of awareness / education campaigns through electronic as well as print media. Three series of advertisements on investor education were issued in national as well as regional language newspapers. Through these advertisements, efforts have been made to educate investors for investing in IPOs, market instruments, Mutual Funds etc. Proposals were invited from researchers/ research organizations to carry out research on the subjects of investor education/ protection and related issues under IEPF. Investor Education message was aired on All India Radio through Prasar Bharati to create awareness on the issues concerning investors and about the IEPF.Under the Capacity building programme one "Training of Trainers" programme through Indian Institute of Capital Market (IICM), Mumbai had been conducted especially for the new organizations active at Taluka level.

A website, namely www.watchoutinvestors.com was created to help the investors to protect themselves from unscrupulous promoters, companies and entities. The website is a national registry of economic defaulters and covers information on convictions by various regulatory bodies.

IV. Legislative developments

Limited Liability Partnership Bill -- Current Status and Salient Features :

- Due to increasing role of service sector in the national economy and growing diversity in the range of services being offered, a need is increasingly felt for a new Corporate form that would enable professional expertise and entrepreneurial initiative to combine, organize and operate in an innovative and efficient manner. This need has also been recognized for businesses which may require a framework that provides flexibility suited to requirements of service, knowledge and technology based enterprises, without imposing on them detailed legal and procedural requirements intended for large widely held companies. Internationally, the Limited Liability Partnership (LLP) structure has emerged as a form of business organization that is common to but not limited to, entities offering professional services.
- Various committees and expert Groups have, from time to time, recommended introduction of LLP legislation in India. In the last decade itself, Abid Hussain Committee (1997) has recommended this legislation in the context of SSIs. The Naresh Chandra Committee on Regulation of Private Companies and Partnerships (2003) and Dr. Irani Committee on New Company Law (2005) have also made recommendations for a separate LLP Legislation.
- In view of above mentioned facts, Ministry has introduced a Bill, namely Limited Liability Partnership Bill, 2006 in Rajya Sabha on 15th December, 2006. The Bill is under consideration of the Standing Committee on Finance.

Salient Features of the LLP Bill are:

i. The LLP shall be a body corporate and a legal entity separate from its partners. Any two or more persons, associated for carrying on a lawful business with a view to profit, may by subscribing their names to an incorporation document and filing the same with the Registrar, form a Limited Liability Partnership. The LLP will have perpetual succession;

ii. The mutual rights and duties of partners of an LLP inter se and those of the LLP and its partners shall be governed by an agreement between partners or between the LLP and the partners subject to the provisions of the proposed legislation.

Vanishing companies

For identifying a company as vanished, following Criteria has been adopted:

1. **Companies, which have not complied with listing requirements/filing requirements of Stock Exchange/ROC respectively for a period of 2 years;**
2. **No correspondence has been received by the Exchange from the company for a period of two years.**
3. **No office of the company is located at the mentioned registered office address at the time of stock exchange inspection.**

All the conditions laid down have to be met for treating a company as vanishing and companies satisfying one or more but not all conditions are not to be considered as vanishing.

The Bill, if enacted, would provide flexibility to devise the agreement as per their choice. In the absence of any such agreement, the mutual rights and duties shall be governed by the provisions of proposed legislations;

iii. The LLP will be a separate legal entity, liable to the full extent of its assets, with the liability of the partners being limited to their agreed contribution in the LLP which may be of tangible or intangible nature or both tangible and intangible in nature. No partner would be liable on account of the independent or un-authorized actions of other partners or their misconduct;

iv. Every LLP shall have at least two partners and shall also have at least two individuals as designated partners, of whom at least one shall be resident in India. The duties and obligations of Designated Partners shall be as provided in the law;

v. The LLP shall be under an obligation to maintain annual accounts reflecting true and fair view of its state of affairs. A statement of accounts and solvency shall be filed by every LLP with the Registrar every year. The accounts of LLP shall also be audited, subject to any class of LLPs being exempted from this requirement by the Central Government;

vi. The Central Government shall have powers to investigate the affairs of an LLP, if required, by appointment of competent inspector for the purpose;

vii. The proposed legislation would confer powers on the Central Government to apply such provisions of the companies act, 1956 to provide, inter alai, for mergers, amalgamations, winding up and dissolutions of LLPs, as appropriate , by notification with such changes or modifications as deemed necessary. However, such notifications shall be laid in draft before each House of Parliament for a total period of 30 days and shall be subject to any modifications as may be approved by both Houses;

viii. The Indian Partnership Act, 1932 shall not be applicable to LLPs . other entities may convert themselves to LLP in accordance with provisions of the proposed legislation;

ix. The Central Government shall have powers to make rules for carrying out the provisions of the proposed legislation.

Competition Commission of India: Activities Undertaken

Planning Commission has constituted a Working Group on Competition Policy for the 11th Five Year Plan under the Chairmanship of Shri Vinod Dhall, Member, Competition Commission of India. The Commission has prepared advocacy literature on a number of subjects and made it available for wide distribution. The Commission has also been organizing training workshops for Central and State Government officers in cooperation with the Indian Institute of Public Administration, New Delhi. The series of workshops was launched by Shri Prem Chand Gupta, Hon'ble Minister of Company Affairs on 17th November, 2006.

The Commission has been interacting with numerous academic institutions for inclusion of competition law and policy in their curriculum. The Commission has initiated steps to prepare model curriculums for different academic disciplines with the intention of making these available to academic & other institutions. These institutes are: (i) Institute of Chartered Accountants of India, (ii) Institute of Cost and Works Accountants of India, and (iii) Institute of Company Secretaries of India. In addition, efforts are being made to include this subject in MBA curriculum of the Indian Institute of Management, Ahmedabad, and the LLB curriculum of Delhi University.

The Commission has also undertaken activities to persuade the State Governments to pursue more pro-competition policies and practices, with the objective of promoting economic growth and enhancing consumer welfare. At the suggestion of the Competition Commission, most of the State Governments have designated nodal departments/officers for competition issues. Seminars/meetings have been held with representatives of the State Governments. An advisory committee consisting of experts and State Government representatives has been constituted to advise the Commission. The Commission provides internship facilities on competition law and policy to students, and also supports 'moot law competitions' held by law institutes/legal bodies. The guidelines are available on the website of the Commission.

Competition (Amendment) Bill 2006 - Current Status

The Competition Commission of India was established on 14th October, 2003. However, due to legal challenges this commission could not be made fully functional. The supreme Court delivered its Judgment in the matter on 20.01.2005. It closed the writ petition leaving open all questions regarding the validity of the enactment, including the validity of the rules to be decided after the amendment of the Act and declined to pronounce on the matters argued before it in a theoretical context and based only on general pleadings. Taking into account the orders of the supreme court, the submissions made by the Government before the court and consultations done with various Ministries, Competition (Amendment) Bill 2006 was introduced in the Parliament in March, 2006. The Standing Committee on Finance presented its report on the Bill before both the Houses of Parliament on 12.12.2006.The recommendations of the Standing Committee are being examined in the Ministry.

Acceptance of the Programme by Stakeholders – a smooth transition

1. The Portal www.mca.gov.in has emerged as one of the most popular site in any Government programme experiencing 2 million hits on an average and having experienced a maximum of 6.5 million hits on a single day i.e. on 29th November 2006.
2. Total number of documents electronically filed till 31st March 2007 was 18.33 lakhs.
3. More than 80% of the documents were filed by the companies and professionals directly using the portal (Internet) without any help.
4. About 2 lakh company records were viewed online as on 31st March, 2007 using Public view of documents facility.

V. MCA21 e-Governance Project: Milestones Achieved

The 'MCA21 e-Governance Project' is one of the mission mode projects of the Government of India under National e-Governance plan to provide easy and secure on-line services through the use of information technology to various stakeholders.

The Project was initially launched at Coimbatore as a Pilot on February 18, 2006**.** Hon'ble Prime Minister of India launched the second Pilot at Delhi on March 18, 2006. Thereafter, the project was launched in a progressive manner and the nation-wide roll-out was completed across all the Offices of 20 Registrars of Companies on September 4, 2006.

- **Statutory Framework**:

A comprehensive statutory framework has been introduced under section 610B of the Companies Act, 1956, with the enactment of Companies (Amendment) Act, 2006 (No. 23 of 2006), published in the Gazette of India (Extraordinary), dated the 30th May, 2006. It enables electronic filing, storage, retrieval, viewing, processing and transmission of company data required to be filed under the said Act. All transactions, other than those applicable to matters pertaining to liquidation of companies, have been covered under the e-Governance programme, which includes:

(a) Incorporation of a company
(b) Filing of annual statutory returns
(c) Registration, modification and satisfaction of charges
(d) Statutory filings related to all events as stipulated in the Companies Act (with the exception of matters related to liquidation)
(e) Inspection of public documents
(f) Issue of certified copies
(g) Investor complaints; etc

- **Website/ Portal and Electronic Registry**

The Government has created a website www.mca.gov.in and set up a portal accessible through the internet to enable electronic filing of documents under the project. A Data Centre has been set up at Delhi to serve as a Secure Electronic Registry for storage and retrieval of all the records. A Disaster Recovery Centre has also been set up at Chennai in order to provide for a back up of the Electronic Registry to which recourse can be taken in the event of any technology breakdown, man-made or natural disaster incapacitating the Data Centre.

The operations can be revived within a period of 12 hours in the event of services getting disrupted from the Data Centre. As the project operator manages the sovereign data, the project envisages setting up of a Government Secure Repository (GSR) to which the data would be archived periodically.

- **e-Forms :**

Prior to the implementation of the e-Governance programme, all transactions, including statutory filings by companies, were conducted in the manual mode using the prescribed forms, which supported submissions in physical paper form. These Forms have been re-engineered and converted into electronic Forms (e-Forms) so as to make the same compatible with the e-Governance processes. The e-forms have been designed with the in-built “pre-fill” feature whereby the data in the required fields is captured from the database available in the electronic registry in an automated manner. Requirements of repetitive data entry have been significantly reduced. The process of electronic filing also incorporates the facility of "pre-scrutiny" of the e-Form. This is a completely electronic process where the system verifies if the form is complete in all respect. This is, however, limited to such checks as can be performed by the computerized system.

About 4.33 crore pages were scanned.

- **Scanning and Digitization of Company Records :**

The Central Government has scanned and digitized the permanent documents of companies and the Annual Return and Balance Sheets for a period of two years and thus created an electronic repository of part of the legacy data. All event-based filings by the companies immediately preceding the launch of the programme have also been captured in the electronic repository. It is expected that the data in the electronic Registry would get enriched substantially over a period of time, as the electronic filings of Companies will add to the legacy records in a seamless manner.

Total Number of DIN issued as on 31st March, 2007 were 5.04 lakhs

- **Director Identification Number :**

A concept of Director Identification number (DIN) has been introduced as part of the e-governance initiative. The need for introduction of a unique identifier for Directors arose from (i) creating a comprehensive and authentic database on the Directors, and (ii) the phenomenon of companies that raise funds from the public and subsequently vanish, with their directors becoming untraceable. Sections 266A to 266G of Companies (Amendment) Act, 2006, provide for a Director Identification Number (DIN). The DIN is in the form of a unique identifier for an existing or a future intending director, containing personal information about such director. This would not only help in fixing the identity of the person but also co-relate his participation in other companies, past or present.

A process for allotment of DIN has been put in place duly supported by the provisions contained in the Companies Act, 1956 and the rules made there under.

- **e-Filing :**

The Government has mandated electronic filing by the companies from September 16, 2006. Making the filings in electronic mode would also need use of methods that ensure the security and the authenticity of the filings. A process has been evolved according to which the user will be required to (i) register himself; (ii) apply for a Director identification Number (in the case of a Director); and (iii) obtain a Digital Signature for use in MCA21 application.

- **Authentication of' Documents with Digital Signatures:**

To ensure security and authenticity of filings in electronic mode, use of Digital Signatures by the persons, specified under the Act and Rules made there under, has been introduced to file the documents on behalf of the company.

The provisions for use of Digital Signatures have already been made under the Information Technology Act, 2000 and the rules notified by the Central Government in this behalf vide Notification GSR. 735(E) dated 29th October, 2004. As such, all filings made from September 16, 2006 were required to be made with the use of Digital Signatures as provided for under various provisions of the IT Act.

- **Physical submission of paper :**

Notwithstanding the mandating of e-filing, some of the transactions involve submission of physical papers due to various requirements such as stamp duty, signed copy of complaint by the complainant, provision of supporting documents, issue of certified copies of documents, etc. Suitable mechanisms are proposed to be evolved to progressively facilitate all transactions in the electronic mode.

- **Payment of statutory fees:**

The fi1ings by the companies entail payment of statutory fees. The system has been designed to facilitate payment of these fees, both in the off-line and on-line mode. A total of 200 Bank Branches of 5 Banks across the country had been authorized initially to accept payment of statutory fees in off-line mode. This network has been extended with another 199 Branches of the Punjab National Bank. The facility for online payment through Credit Card and Internet Banking has also been provided as an option through a secure payment gateway, to ensure prompt recognition of payment and delivery of service.

- **Investor Complaints and Grievance Handling :**

Suitable forms have been devised for investors to make complaints and for a complainant to seek redressal of his grievances in the electronic mode using the e-Governance programme. The idea behind instituting the electronic submission of complaints is to ensure that complete details of the complaint are obtained so that the facilitation of redressal can be done effectively. It also provides a facility to consolidate the type of complaints that are received against any company, so that the company can effectively analyze the causes and take remedial action. The persistent complaints and serious nature of complaints also provides the Government with early indicators of problems in companies so that reasonable steps can be taken as provided by Law, to protect the interest of investors/depositors/stakeholders.

- **Facilitation centres:**

The solution architecture provides for setting up of Registrars' Front Offices (RFOs) as facilitation centres at 52 locations through out the country. Keeping in view that the stakeholders including corporate entities and the public may face certain difficulties in the beginning in switching over from manual mode of document filing to an electronic filing system, these facilitation centres have been set up to provide complete range of services for e-filing of documents to the stakeholders who do not have the necessary computing/ IT infrastructure or capability to use the same for e-filing from their own locations. The Project provides for continuation of this support for a period of three years without any charge to the stakeholders. Recognising the need for greater outreach for facilitation in e-filing, the Ministry has introduced a scheme of 'Certified Filing Centres (CFC)' wherein the practicing professionals (Chartered Accountants, Company Secretaries and Cost Accountants) have been authorised to set up the CFCs and provide services to the stakeholders on a user charge basis. More than 800 CFCs have been approved for this purpose.

- **Help Desk :**

In a large-scale transition involving migration from a traditional paper based system to an e-Governance system, extensive help and handholding facilities were arranged during the transition period. These include a centralized Call Center with phone numbers published on the MCA portal, insertions through the print media on User Filing Guide and education/ orientation programmes were conducted with the involvement of all the stakeholders across the country. The facilities were made available continuously through a localized help-line facility at all RFOs and an e-mail based help-desk that can be accessed through the portal and direct facilitation through RFO and CFCs.

VI. Recent Notifications and Circulars issued by MCA

- **Constitution of National Advisory Committee on Accounting Standards**

  (Published in the gazette of India, part ii- section 3- sub-section (ii), extraordinary)

NOTIFICATION

New Delhi, dated the 9th March, 2007.

S.O. 339 (E).- In exercise of the powers conferred by sub-section (1) of section 210A of the Companies Act, 1956 (1 of 1956), the Central Government hereby constitutes an Advisory Committee to be called the National Advisory Committee on Accounting Standards, consisting of the following persons to advise the Central Government on the formulation and laying down of accounting policies and accounting standards for adoption by companies or class of companies under the said Act, namely:-

(1)	Shri Yezdi H. Malegam, Chartered Accountant	Chairperson (shall hold office upto 28.2.2008) [under clause (a) of sub-section (2) of section 210A]
(2)	Shri T.N. Manoharan, President of the Institute of Chartered Accountants of India	Member (shall hold office upto 28.2.2008) [nominated under clause (b) of sub-section (2) of section 210A]
(3)	Ms. Preeti Malhotra, President of the Institute of Company Secretaries of India	Member (shall hold office upto 28.2.2008) [nominated under clause (b) of sub-section (2) of section 210A]
(4)	Shri Dhananjay V. Joshi, President of the Institute of Cost and Works Accountants of India	Member (shall hold office upto 28.2.2008) [nominated under clause (b) of sub-section (2) of section 210A]
(5)	Shri. Prashant Saran, Chief General Manager-in-charge, Reserve Bank of India	Member (shall hold office upto 28.2.2008) [nominated under clause (d) of sub-section (2) of section 210A]
(6)	Shri A.K. Awasthi, Director General (Commercial), Nominee of the Comptroller and Auditor-General of India	Member (shall hold office upto 28.2.2008) [nominated under clause (e) of sub-section (2) of section 210A]

’)	Dr. N. Balasubramanian, Nominee of the Indian Institute of Management, Bangalore	Member (shall hold office upto 28.2.2008) [nominated under clause (f) of sub-section (2) of section 210A]
(8)	Shri Dinesh Verma, CIT(ITA), Central Board of Direct Taxes	Member (shall hold office upto 28.2.2008) [nominated under clause (g) of sub-section (2) of section 210A]
(9)	Shri Ved Jain, Nominee of the Associated Chambers of Commerce and Industry of India	Member (shall hold office upto 28.2.2008) [nominated under clause (h) of sub-section (2) of section 210A]
(10)	Shri S.R. Mehta, Nominee of the Federation of Indian Chambers of Commerce & Industry	Member (shall hold office upto 28.2.2008) [nominated under clause (h) of sub-section (2) of section 210A]
(11)	Shri R. K. Nair Executive Director, Securities & Exchange Board of India	Member (shall hold office upto 28.2.2008) [nominated under clause (i) of sub-section (2) of section 210A]
(12)	Shri Jitesh Khosla Joint Secretary, Ministry of Company Affairs	Member (shall hold office upto 28.2.2008) [nominated under clause (c) of sub-section (2) of section 210A].

. This notification shall take effect from the date of publication in the Official Gazette.

[F.No.1/5/2001-CL.V]
JITESH KHOSLA
Joint Secretary

- **Companies (Director Identification Number) Second Amendment Rules, 2007**

NOTIFICATION

New Delhi, 29th March, 2007

G.S.R.265(E) --- In exercise of the powers conferred by clauses (a) and (b) of subsection(1) of Section 642 read with sections 266A, 266B and 266E of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules to amend the Companies(Director Identification Number) Rules , 2006 , namely :-

1. (1) these rules may be called the Companies (Director Identification Number) Second Amendment Rules, 2007
   (2) They shall come into force on the date of their publication in the official Gazette.

2. in the Companies (Director Identification Number) Rules, 2006, --
   i. in rule 4, in the proviso, for the figures, letters and words " 31st March 2007", the figures, letters and words, 30th June 2007 " shall be substituted :
   ii. in rule 6, in proviso, for the figures, letters and words "31st March 2007" , the figures, letters and words, 30th June 2007 " shall be substituted :

[F.No.1/4/2006/CL V]
Y.S.Malik,
Joint Secretary

Foot Note: The principal rules were published in the Gazette of India vide number G.S.R. 649(E), dated 19th October, 2006 and subsequently amended vide number G.S.R 14(E) dated the 9th January, 2007.