Corporate Affairs Minister Dr. Veerappa Moily says the policy aims at high economic growth

The government is in the process of bringing out a national competition policy that will aim to achieve the highest sustainable levels of economic growth, entrepreneurship, and employment. Minister of Corporate Affairs, Dr. Veerappa Moily has said. He was speaking at the annual day workshop organised by the Competition Commission of India (CCI) to commemorate three years of implementation of the Competition Act. Dr. Moily said that the proposed policy has already been circulated to the ministries for their comments and, thereafter, it will be put up to the Cabinet for approval.

He also said that some of CCI’s decisions have proved to be important milestones in ensuring free play of market forces in a liberalised economy. Policies initiated and pursued in various sectors such as manufacturing, electricity, telecommunications, roads, transport, civil aviation, and tourism have yielded rich dividends so far. The minister expressed the hope that effective enforcement of competition laws and enactment of the competition policy would pave the way for the second-biggest reform initiatives after the 1991 economic reforms.

(Source: Press Information Bureau)

More: http://pib.nic.in/newsite/creleas eaxx.php

Dr. Moily said that the proposed policy has already been circulated to ministries for their comments

Realty PEs in fund-raising mode

The real estate sector in India is witnessing a flood of new or follow-on private equity (PE) funds in the market. Though funds launched last year found it tough to raise money, 2012 has seen more firms jumping on the fund-raising bandwagon. This is despite the fact that PE/venture capital (VC) deals in realty have reduced drastically in 2012 so far. According to data from VCData, 17 deals worth $60 million have taken place in 2012 so far against 38 deals worth $1.3 billion last year.

IL&FS Investment Managers, Anand Rathi-Knight Frank, JP Morgan Partners, ASK Investment Advisors, Azure Capital Advisors, and Lavi Real Estate Advisors are some of the firms in a fund-raising spree.

Sanjay Dutt, former India CEO of Jones Lang LaSalle, also plans to launch a realty fund. Knight Frank India national director Amit Goenka said: "The risk weightage of realty has risen due to project delays, credit defaults, shallow market conditions, and low returns.”

(Source: Business Standard)


SEBI to regulate hedge funds, PEs

Aiming to bring unregulated and highly regulated investment funds such as hedge funds and private equity-venture capital (VC) funds under its ambit, Sebi on Monday came out with a comprehensive framework called Alternative Investment Funds (AIFs) Regulations.

Market players feel that regulating hedge funds and investment vehicles that trade with short-term objectives is a step in the right direction. But VC industry veterans feel the steps could make capital Indian-origin funds difficult. "AIFs Regulations endeavour to extend the perimeter of regulation to unregulated funds with a view to systemic stability, increasing market efficiency, encouraging formation of new capital and consumer protection," SEBI said. The regulation covers all AIFs, including PEs, real estate funds, and hedge funds, and makes it mandatory for them to register with SEBI. The regulator has exempted existing PEs and VC funds from the regulation till their mandates to run the fund come to an end. But these funds will not be able to raise any fresh funds from investors, Sebi said. VC/PEs that operate through an offshore vehicle structure do not come under this regulation.

(Source: Deccan Herald)

More: http://www.deccanherald.com/content/180903/scrib-regulate-hedge-funds.html
CSI President Nesar Ahmad has said he has requested Yashwant Sinha, Chairman of Parliamentary Standing Committee on Finance, to work towards approval of the Bill in the ongoing Budget session of Parliament.

The Bill, which will replace the Companies Act 1956, seeks to give a fillip to the cause of corporate social responsibility (CSR) and corporate governance. Once the Bill comes into force, there will be a huge demand for company secretaries in the country and ICSI is all geared to meet this challenge, Ahmad said.

A new vision and mission formulated by ICSI wants Company Secretaries to lead Corporate India as Governance professionals, he added.

(Source: IBN Live)

More:

According to the National Crime Records Bureau (NCRB), the quantum of fake Indian currency seized and recovered during the last three years as per the information available as on date is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (no. of pieces)</th>
<th>Total Value (in rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6,17,979</td>
<td>23,24,83,717</td>
</tr>
<tr>
<td>2010</td>
<td>6,22,264</td>
<td>27,83,19,689</td>
</tr>
<tr>
<td>2011</td>
<td>5,54,631</td>
<td>25,70,24,986</td>
</tr>
</tbody>
</table>

To address the fake currency menace, several agencies, such as RBI, Ministry of Finance, Ministry of Home Affairs, Security and Intelligence Agencies of the Centre and States, and the Central Bureau of Investigation (CBI), are working in tandem to thwart illegal activities related to fake currency. At the functional level, CBI has been declared as the nodal agency for coordination with the States and the Directorate General of Revenue Intelligence (DRI) has been nominated as the Lead Intelligence Agency for the purpose. National Investigation Agency (NIA) has been empowered by National Investigation Agency Act to investigate and prosecute such offences to deal with this menace. The Government had also constituted a Terror Funding and Fake Currency Cell (TFFC) in NIA in 2010 to focus on investigation of terror funding and fake currency cases.

RBI has also initiated several measures to curb the menace of counterfeit currency. These measures include augmenting the security features, running education campaigns, and cash handlers to facilitate detection of counterfeits.

(Source: Press Information Bureau)

More:
http://pib.nic.in/newsite/erlease.aspx

The Union Finance Minister Pranab Mukherjee said that the primary benefit of the Goods and Services Tax (GST), when introduced, would be the removal of the cascading effect of taxes, which acts like a hidden cost and makes goods and services uncompetitive both in domestic and international markets. The finance minister said that GST would check the leakage of revenue and the states should be able to realise tax revenues commensurate to consumption of goods and services within their territory. He said that it would provide a stable source of tax revenue and would play a very vital role in sewing India together into one common market.

The minister said that for the consumer, the biggest advantage of the GST would be its transparent character as well as the reduction in the overall tax burden on goods, which is currently in the range of 25 to 30 per cent.

Mr. Mukherjee was addressing the second meeting of the Consultative Committee attached to the Ministry of Finance during the current year here yesterday. The subject of the meeting was "GST-The Way Forward".

(Source: Press Information Bureau)

More:
http://pib.nic.in/newsite/erlease.aspx

GST will make goods, services more competitive both in domestic and international markets: Pranab

Finance minister Pranab Mukherjee that the primary benefit of the GST would the removal of cascading effect of taxes which acts like a hidden cost and makes goods and services uncompetitive.
MCA orders scrutiny of Reebok India's books

The Ministry of Corporate Affairs (MCA), on Wednesday, ordered a scrutiny of the books of accounts of sportswear maker Reebok's Indian arm over complaints of an alleged Rs.870-crore fraud.

“We have ordered an enquiry under Sec. 234 of the Companies Act, which is a non-invasive scrutiny. The Registrar of Companies (RoC) has been asked to submit its report in three days. Based on the report, we will order further scrutiny,” a senior MCA official said.

The official said the enquiry was ordered on the basis of a complaint from an investor.

Under the Section 234 of the Companies Act, 1956, the RoC can call for information or explanation from a company. When contacted, the Adidas Group said: “We are given to understand that our criminal complaint has been registered for investigation by the Indian law enforcement authorities. We shall continue to cooperate with the authorities in their investigation of the matter.”

(Source: Indian Express)
Economic initiatives taken by UPA govt in the last 3 years

Economic reforms which began in 1991 in the wake of a crisis in balance of payments was focused on macro-economic stabilization and structural reforms.

The macroeconomic outcome subsequent to economic reforms in the form of high growth, relative stability and resilience owe in large measure to the reform process.

Reforms are an ongoing process and a number of initiatives have been taken in the last three years. In fiscal policy, which seeks to resume mandated fiscal consolidation, to obviate the main risk of overshooting of subsidies, the Budget for 2012-13 has announced the endeavor to restrict expenditure thereon to under 2 per cent of GDP. This would be facilitated by the move towards nutrient based subsidy in fertilizers and the use of unique identity based ‘Aadhaar’ system for rationalizing subsidies. Steps have been taken for expediting the passage of Direct Tax Code (DTC) Bill and evolving a consensus among stake holders in implementation of subsidies. The Chief Economic Adviser (CEA) had clarified that the report attributed to him in this regard are not accurate through a separate press release issued by Press Information Bureau on April 20, 2012.

This information was given by the Minister of State for Finance, Shri Namak Narain Meena in written reply to a question in Rajya Sabha today.

(Source: Press Information Bureau)

Government releases white paper on black money

The UPA government’s white paper on the problem of black money in India, in more ways than one, failed to achieve its intended purpose. The document, which runs nearly a 100 pages, is ambiguous in its definition of black money.

The recommendations on how to curb the problem amount to a boiler plate repetition of administrative, legal, and even technological solutions of the sort that are Routinely trotted out by government officials when the question of black money comes up.

The paper goes into excruciating detail when explaining the bureaucratic framework, yet it pays short shrift to wider policy failures that lead to the existence of black money in the first place. It, however, does a credible job of providing the necessary background on the sources of black money in India and the regulatory frameworks.

(Source: Press Information Bureau)

More: http://pib.nic.in/archive/others/2012/may/d2012052101.pdf