

Annual Report 2010-11



सत्यमेव जयते

**MINISTRY OF CORPORATE AFFAIRS
GOVERNMENT OF INDIA
NEW DELHI**

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CHAPTER - I

Overview

Introduction

1.1.1 This report covers the period from 1st April, 2010 to 31st December, 2010. The Ministry of Corporate Affairs is concerned with the administration of a wide range of statutes for the regulation of the corporate sector including the Companies Act, 1956. Beside, it also administers the following Acts:

- i) The Competition Act, 2002 as amended by Competition (Amendment) Act, 2009
- ii) The Limited Liability Partnership (LLP) Act, 2008.
- iii) The Chartered Accountants Act, 1949
- iv) The Cost and Works Accountants Act, 1959
- v) The Company Secretaries Act, 1980
- vi) The Partnership Act, 1932
- vii) The Societies Registration Act, 1860
- viii) The Companies (Donations to National Funds) Act, 1951
- ix) The Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 (since repealed)

1.1.2 Shri Murli Deora assumed the charge as Union Cabinet Minister in the Ministry of Corporate Affairs on 20th January, 2011.

1.1.3 Shri D.K.Mittal assumed the charge of Secretary, Ministry of Corporate Affairs on 1st February, 2010 after Shri R.Bandhopadhyay relinquished the charge on 31.01.2010.

Organisational Set-up

1.2 The Ministry has a three tier organisational set-up for administration of the Companies Act, 1956 namely, the Secretariat at New Delhi, the Regional Directors at Mumbai, Kolkata, Chennai, Noida (U.P.), Ahmedabad and Guwahati and 20 offices of Registrars of Companies (ROCs) in States and Union Territories. 19 offices of the Official Liquidators who are attached to various High Courts functioning in the country are also under the overall administrative control of the Ministry. A brief description of the above offices/ establishments is given in Chapter-II.

Revision of Companies Act and other related Legislations

Comprehensive revision of the Companies Act

1.3.1 Keeping in view the developments taking place nationally as well as internationally and with a view to modernize the structure for corporate regulation in India and represent a major reform statement by the Government to promote the development of the Indian corporate sector through enlightened regulation, a decision was taken to revise the existing Companies Act, 1956 comprehensively.

1.3.2 Accordingly, the Companies Bill, 2009 was introduced in the Lok Sabha on 3rd August, 2009 and was referred to Hon'ble Parliamentary Committee on Finance for examination and report. The Hon'ble Committee consulted various Experts and stakeholders on the provisions of the Bill and received a large number of suggestions. The Committee also heard the Ministry of Corporate Affairs on a number of occasions.

1.3.3 After examination of such suggestions and consultation with various stakeholders, the Committee submitted its report to the Parliament on 31st August, 2010. Various recommendations made by Hon'ble Committee in its report are under examination in this Ministry. Keeping in view such recommendations and other inputs being received, this Ministry has initiated the exercise of revising the Companies Bill, 2009 in consultation with concerned stakeholders. After such examination, consultation and also after obtaining due approvals, the revised Bill would be introduced in the Parliament.

Revision of Forms prescribed under various rules of the Companies Act, 1956

1.4 On the basis of the suggestions received and in-house examination of Forms prescribed under Companies (Central Government's) General Rules & Forms 1956 in the Ministry, a review was undertaken to revise the existing forms which would bring further improvement and enhancement in service delivery under MCA-21 e-Governance Project. 4 forms namely Form 1, Form 32, Form DIN 1 & Form DIN 3 were undertaken for revision and implemented in the system for use by the stakeholders. The objectives of the revision of aforesaid Forms were to make the filing easier and more clarificatory to the users, to make ease of back office processing of e-forms for prompt response to the user and

to bring further improvement in the e-forms by changing/adding or deleting fields therein to elicit information in accordance with the provisions of the Companies Act, 1956.

Legal framework for Limited Liability Partnership (LLP)

1.5.1 The provisions of the newly enacted Limited Liability Partnership Act, 2008 have been notified for implementation with effect from 31-03-2009. The Limited Liability Partnership Rules, 2009 have been notified on 01st April 2009. The provisions relating to conversion of partnership firms, private company and unlisted public company into LLP came into effect from 31st May 2009. LLP is a new business vehicle in the body corporate form and therefore a separate legal entity which limits the liability of the partners to their agreed contribution. Any two or more individuals or bodies corporate may incorporate an LLP for carrying on a lawful business with a view to profit. LLP structure is not restricted to any specific trade, business, profession or service. LLP is a legal entity separate from its partners and has perpetual succession. Ministry of Corporate Affairs has setup a single central Registry at Delhi for registration of LLP and filing of further returns with Registrar LLP online on it's website namely, www.llp.gov.in on 1st April, 2009.

1.5.2 Through the notification no GSR 914(E) dated 15th November 2010, the Central Govt. has made amendment in Form 10 of LLP Rules, 2010 regarding "Intimation of Changes in Particulars by Designated Partners".

Convergence of Accounting Standards with International Financial Reporting Standards (IFRS)

1.6.1 Accounting Standards are policy documents relating to various aspects of measurement,

treatment, presentation and disclosure of accounting transactions and events. The purpose of Accounting Standards is to standardize diverse accounting policies with a view to eliminate incomparability of financial statements. The objective is to provide a set of standard accounting policies which are in conformity with generally accepted principles and policies.

1.6.2 Pursuant to the provisions of section 211(3C) of the Companies Act, 1956, the Companies (Accounting Standards) Rules, 2006 were notified in the Gazette of India dated 7th December 2006. Before this, Accounting Standards issued by the Institute of Chartered Accountants of India were in force in the nature of advisories. At present, 28 Accounting Standards have been notified. Every company registered under the Companies Act, 1956 is required to comply with these Standards.

1.6.3 International Financial Reporting Standards (IFRSs) are considered a “principles based” set of standards in which they establish broad rules as well as dictate specific treatments. There is also a Framework for the Preparation and Presentation of Financial Statements which describes some of the principles underlying IFRSs. The objective of financial statements is to provide information about the financial position, performance and changes in the financial position of an entity that is useful to a wide range of users in making economic decisions, and to provide the current financial status of the entity to its shareholders and public in general.

1.6.4 India has adopted policy of convergence with IFRSs keeping in view the requirements of change and transition necessary to be followed by Indian companies and regulatory bodies.

Therefore, the initiative for harmonization of Indian Accounting Standards with the IFRSs has been taken up with the intention of achieving convergence with IFRSs by 2011. India has decided to apply converged Indian Accounting Standards in phases for different categories of companies (depending on specified criteria) starting on 1st April, 2011.

1.6.5 The application of the converged Indian Accounting Standards for companies (other than insurance companies, banking companies and non-banking finance companies) would be in three phases i.e. on and from 1st April, 2011, 1st April, 2013 and 1st April, 2014. The insurance companies are required to follow the converged Indian Accounting Standards on and from 1st April, 2012. The banking companies are required to follow the converged Indian Accounting Standards in two phases on and from 1st April, 2013 and on and from 1st April, 2014. The non-banking finance companies are required to follow the converged Indian Accounting Standards in two phases on and from 1st April, 2013 and on and from 1st April, 2014.

1.6.6 NACAS has recommended 35 Indian Accounting Standards (IndASs) and the revised Schedule VI to the Ministry for further processing and notification. A Technical Committee has been constituted in the Ministry to examine them. It has finalized the revised Schedule VI and 33 Indian Accounting Standards with certain changes as decided by the Technical Committee. Two Indian Accounting Standards i.e. Indian Accounting Standard 101 “First time adoption of Indian Accounting Standard” and Indian Accounting Standard 106 “Exploration for and Evaluation of Mineral Resources” are in the process of being finalized.

1.7 The following Notifications/Circulars/Press Corporate Affairs during the period 01.04.2010 Notes have been issued by the Ministry of to 31.12.2010: -

A. NOTIFICATIONS

S. No.	Notification Number	Date	Subject
1	S.O. 913(E)	22.4.2010	Notification for nomination of Sh Amarjit Chopra, President ICAI in place of Sh Uttam Prakash Aggarwal, President ICAI.
2	GSR-475 (E)	7.6.2010	Authorization to the Officers in SFIO u/s 621(1) of the Companies Act, 1956 for the process of filing and conducting prosecution.
3	S.O.-1548(E)	25.06.2010	Delegation of power of Central Government u/s 637(1) of the Companies Act, 1956 to Director SFIO in respect of section 240, of those cases wherein the Central Government appoints officers of SFIO as inspectors to investigate into the affairs of a company u/s 235 & 237 of the Act.
4	S.O. 1679(E)	14.7.2010	Notification for extension of term of NACAS from 21st July, 2010 to 20th August, 2010.
5	GSR-601(E)	16.07.2010	Prohibition on appointment of Sole Selling Agents for sale of bulk drugs, drugs and formulations u/s 294 AA(1) of the Companies Act, 1956.
6	S.O.2392(E)	29.09.2010	Notification for extension of term of NACAS from 20th August, 2010 to 21st November, 2010.
7	GSR-848(E)	15.10.2010	Amendment in the Companies (Central Government's) General Rules and Forms, 1956, - Revision of Form No.1 and Form No. 32.
8	GSR-849(E)	15.10.2010	Amendment in the Companies (Director Identification Number) Rules, 2006 (Amendment) 2010- Revision of Form DIN 1 and Form DIN- 3.
9	GSR-866(E)	29.10.2010	Amendment to Companies Regulations, 1956 with regard to jurisdiction of the Regional Directors.
10	GSR-867(E)	29.10.2010	Authorizations to the officers in SFIO u/s 621 of the Companies Act, 1956 for the purpose of filing and conducting prosecution.
11	GSR-914(E)	15.11.2010	Amendment in Form 10 of LLP Rules,10.
12	S.O.-2926(E)	10.12.2010	Notification for extension of term of NACAS from 21st November, 2010 to 21st January,2011.

B. GENERAL CIRCULAR

1	1/2010	26.05.2010	Company Law Settlement Scheme, 2010.
2	2/2010	26.05.2010	Easy Exit Scheme, 2010.
3	3/2010	10.08.2010	Clarification on Easy Exit Scheme,2010
4	4/2010	22.11.2010	Change in additional fee to be levied for delay in filing forms.
5	5/2010	22.11.2010	Reopening/ revision of annual accounts after their adoption in the AGM
6	6/2010	3.12.2010	Easy Exit Scheme, 2010.

C. PRESS NOTES

1	04/2009	04.05.2010	Convergence of Indian Accounting Standards with International Financial Reporting Standards (IFRS).
2	05/2010	28.05.2010	Company Law Settlement Scheme, 2010.
3	06/2010	28.05.2010	Easy Exit Scheme, 2010.
4	07/2010	27.07.2010	MOU on convergence between India and Japan.
5	8A/2010	04.11.2010	Tax Implications of Converged Accounting Standards
6	08/2010	22.11.2010	Change in additional fee to be levied for delay in filing forms.

D. APPLICATIONS UNDER SECTION 637B(b)

Applications under section 637B(b) of the Companies Act, 1956 for extending validity of Form of Share Transfer Deed are received in the Office of the Registrar of Companies. As on 1.4.2010, 28 applications were pending. During the year 2010-11, 215 applications were received and 221 applications were disposed off leaving balance of 22 applications pending as on 31.12.2010.

E. PERMISSION TO GOVERNMENT COMPANIES UNDER SECTION 166

The Central Government has powers under section 166(1) and (2) of the Companies Act, 1956 to grant extension of time by three months to Government companies for holding Annual General Meeting (AGM) and for change of venue of AGM to a place other than where registered office of the company is situated. The number of applications for extension of time and change of venue received and disposed off during the year 2009-10 are given below:-

Section of the Companies Act, 1956	Nature of Application (Annual General Meeting)	Pending at the beginning	Received during the year	Total (col. 3+4)	Disposal during the year		Pending as on 31.3.2010
					Request accepted	Request rejected	
1	2	3	4	5	6	7	8
166(1)	Extension of time	0	195	195	194	1	0
166(2)	Change of venue	0	29	29	29	0	0

F. DEPARTMENTAL CIRCULAR

A Departmental Circular No 1/2010 was issued on 22.11.2010 for Regulation of private placements being made by companies.

Competition Commission of India (CCI)

1.8 The Competition Commission of India (CCI) was established under the Competition Act, 2002 for the administration, implementation and enforcement of the Act, and was duly constituted in March 2009. The following are the objectives of the Commission:

- (i) To prevent practices having adverse effect on competition
- (ii) To promote and sustain competition in markets
- (iii) To protect the interests of consumers, and
- (iv) To ensure freedom of trade

Competition Appellate Tribunal

1.9 The Competition Appellate Tribunal is vested with powers:-

- To hear and dispose of appeals against any direction issued or decision made or order passed by the Competition Commission of India established under the Competition Act, 2002.
- To adjudicate on claim for compensation that may arise from the findings of the Commission or the orders of the Appellate Tribunal in an appeal against any findings of the Commission and pass orders for the recovery of compensation under that Act.

MCA21 E-Governance Project

1.10.1 The Ministry of corporate Affairs Implemented MCA21 e-Governance project. It is

one of the Mission Mode Project of the Government of India under National e-Governance Plan , The Project envisages easy and secure online access to all registry related services provided by the MCA, including registration and filing of documents throughout the country for all the corporates and other stakeholders at any time and in a manner that best suits them. The programme is outcome based and focuses on improving the quality of services to various stakeholders concerned with the corporate sector in the country.

1.10.2 Implemented as a Mission Mode Project of the Government of India under National e-Governance Plan (NeGP), MCA21 eGovernance Project focuses on prompt and efficient delivery of services. The project is fully operational from all 20-registry locations. During the year 2009, E-stamping has been introduced in MCA21 portal. This has enabled the stakeholders to make payment of stamp duty through MCA21 portal itself. The revenue collected by way of stamp duty is remitted to RBI at the end of the week and the RBI remit the same to the respective State Government on the same day.

Indian Institute of Corporate Affairs

1.11.1 Indian Institute of Corporate Affairs (IICA) has been set up to be a holistic think-tank, capacity building, service delivery Institute to help corporate growth, reforms through synergized knowledge management, partnerships and problem solving in a one-stop-shop mode. The Institute would provide support to the Ministry in review/ revision of existing corporate laws, rule and regulations, as well as in framing of new ones, as per requirements of a dynamic economic environment. In addition, it would provide the much-needed training to the officers of Indian Corporate Law Service (ICLS) and other officials working for the Ministry, and support organizational reforms initiatives. IICA would

also help in continuous improvement of service delivery in diverse areas like MCA21, corporate governance, corporate social responsibility, investor education and protection, etc. This is the first-ever Plan Scheme of the Ministry and involves an outlay of Rs. 211.00 crore over the Eleventh Plan period.

Achievements during the year 2009 - 2010

1. The objective, as aforementioned, was to establish a state-of-the-art knowledge management, capacity building and service delivery centre for assisting the Ministry in providing a dynamic regulatory response to the changing business environment in line with the expectations of the corporate sector and other stakeholders.
2. The construction of the Campus has commenced in August, 2009.
3. An International Roundtable on Policy on Regulatory Issues in Insolvency was held in India on 27th and 28th of April 2009 on behalf of MCA
4. 6 workshops on various issues concerning the corporate were organised
5. Five Fora were organised on various issues concerning the corporate
6. IICA - GTZ Project on Corporate Social Responsibility was finalised.
7. Interaction on IICA-GTZ initiative was held on 24-11-2009
8. An interaction was organised by GTZ-IICA on 10-03-2010 of experts from Industry, NGO's and Chambers to get a Feedback on Draft Voluntary Guidelines on Corporate Social Responsibility.

Achievements during the year 2010 – 2011 (upto December 2010)

1. The Ministry is following up on day-today basis with NBCC to complete the construction of the campus by March 2011. With the physical structure nearing completion, tendering process for furnishing the newly built campus has been started.
2. Induction training for the first batch of the ICLS officers selected through the Civil Services Examination 2009, has commenced in December 2010.
3. Search-cum-selection Committee for the post of DG&CEO has been got approved from the Department of Personnel & Training. Recruitments Rules for this post have also been framed.
4. Advertisement inviting applications for the post of DG&CEO has been issued.
5. Action to create 55 posts for the IICA has also begun.
6. The seventh meeting of forum on Asian Insolvency Reforms, organised by the Ministry on 08 & 09 April 2010, was assisted by the IICA.
7. Second induction training programme for officers of CCI was organised by the IICA from 08-03-2010 to 16-03-2010.
8. Seven workshops/ seminars were organised on various issues concerning the corporate.
9. A number of training programmes were held for the serving ICLS officers on various issues like inspection, liquidation and winding up of companies.
10. Various interactions were held with representatives of Foreign Governments concerned with the corporate affairs.

Infrastructure Section

1.12 Infrastructure section is looking after the following items of work:

- (i) Purchase of land and buildings for the Ministry and its field office.
- (ii) Capital works for construction/renovation/maintenance of all buildings (old and new) for the Ministry and its field offices.
- (iii) Finalization of Agreements for hiring of buildings on rent at the Headquarters and field locations.

Investor Education and Protection Fund

1.13 The Ministry has undertaken various initiatives for increasing the investors' awareness and education in the year 2010-11, which are as follows:-

- 1) The website, namely, *www.iepf.gov.in*, which was launched by the Hon'ble Minister for Corporate Affairs during 2007-08, continues to provide a knowledge sharing platform in the area of financial literacy as a measure of investor awareness and education. The educational contents available in the website *www.iepf.gov.in* have been originally developed in English. In order to reach out to the large majority of people in the country, the Ministry got its contents translated into Hindi and 11 regional languages, viz. Tamil, Telgu, Kanada, Malayalam, Marathi, Gujarati, Bangla, Oriya, Assamese, Punjabi and Urdu. It is hoped that the availability of this website in these languages will help a much greater number of investors to understand their rights and responsibility while making investment decisions.
- 2) An "Investor Helpline" *www.investorhelpline.in* project, which had been launched under IEPF through Midas Touch Investors Association to provide a mechanism for redressal of grievances and to create investor awareness, has been rendering effective service to the investors.
- 3) Further, another website, namely *www.watchoutinvestors.com*, which is a national registry of economic defaulters and covers information on convictions by various regulatory bodies, has also been rendering effective service to not only investors and prospective investors but also to professionals such as Advocates, Chartered Accountants and Company Secretaries.
- 4) The Ministry organized India Investor Week from July 12-17, 2010 in order to bring a national focus on the subject of investor awareness. The theme of the India Investor Week 2010 was "Informed Investor – An Asset To Corporate India". The Ministry partnered with the professional institutes, trade and industry chambers, stock exchanges, SEBI, RBI, DPE etc. for organizing a large number of investor awareness programmes throughout the year in order to reach out to the investors. During India Investor Week, five national events were organized in five metros, namely, Kolkata, Mumbai, Hyderabad, Bangalore and Chennai. The Ministry's investor education website, *www.iepf.gov.in* was launched in Assamese, Bangla, Telgu, Kanada and Tamil by Hon'ble Minister of Corporate Affairs during IIW. Further, a book titled "Investors' Guide to the Capital Market" and a booklet titled "A Beginner's Guide to the Capital Market" were also released

by the Hon'ble Minister of Corporate Affairs. The booklet "A Beginner's Guide to the Capital Market" was also translated into various regional languages with the assistance of the participating organizations.

- 5) The Ministry also observed "Investor Day" in Bhubaneswar on 28th August, 2010 in partnership with the Department of Public Enterprises of the Government of Orissa. On this occasion, the Ministry's investor education website, *www.iepf.gov.in* was launched in Oriya along with the booklet "A Beginner's Guide to the Capital Market".
- 6) The initiatives of the Ministry for spreading investor awareness in association with all other Institutes and organizations are a step forward in creating a congenial climate for the growth of the retail informed investors and would eventually contribute towards the growth and stability of the Indian Capital Market.
- 7) The Ministry's initiative on investor awareness is progressing well. Over 3500 programmes have been organized in different parts of the country till November, 2010 by partner organizations. The financial support was given to only professional institutes, namely ICSI, ICAI and ICWAI.

Physical Performance during 2010-11

- a) ICSI, ICAI and ICWAI have been released an amount of Rs. 10 Lakh each for organizing 100 investor awareness programmes across the country by each institute during 2010- 11.
- b) The number of registered NGO's under IEPF have been increased to 106 during 2010-11.

- c) Till 15th December, 2010, Rs. 2,92,33,981/- have been utilized out of the allotted Budget of Rs. 5 Crores under IEPF for investor awareness programmes. The entire allocated amount would be utilized by the end of the financial year.
- d) Organised "India Corporate Week" from December 14 -21, 2010 with the theme "Sustainable Business". It was inaugurated by Hon'ble Prime Minister on 14th December, 2010 in Vigyan Bhawan, New Delhi. There was also a Panel discussion on the theme by renowned corporate leaders at Vigyan Bhawan itself. On this occasion, Hon'ble Prime Minister simultaneously launched the investors' education website in English, Hindi and 11 regional languages. He also released the Book titled "INDIA UNLIMITED-A Corporate Journey".

National Foundation for Corporate Governance

1.14.1 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.

1.14.2 The NFCG has a three-tier structure for its management, viz., the Governing Council under the Chairmanship of Minister for Corporate Affairs, the Board of Trustees and the Executive Directorate.

1.14.3 The NFCG has been sponsoring orientation programmes for Directors through the various Institutes of Excellence and has been organizing seminars and conferences to propagate the need for following good corporate governance practices.

1.14.4 Over the last few years, NFCG has undertaken various initiatives to create awareness about the importance of implementing good corporate governance practices both at the level of individual corporations and for the economy as a whole. Following are some of the initiatives undertaken by the NFCG during the current year.

1. National Seminar on Corporate Governance on- 20th February, 2010
2. National Seminar on Corporate Governance: The Way Forward on- 20th February, 2010
3. National Conference on Corporate Governance & the Role of Independent Directors on – 10th March, 2010.
4. Conference on CSR- From Awareness to leadership: making CSR an Actionale Business on – 20th March, 2010.
5. National Conference on inclusive & Responsible- The Next Face on India Inc. on- 24th March, 2010.
6. Seminar on Limited Liability Partnership on – 27th March, 2010.
7. National Seminar–Corporate Compliance Management and Due Dilligence on- 27th March, 2010.
8. Seminar on Limited Liability Partnership on – 28th March, 2010.
9. Developing Corporate Governance Norms for SMEs (completed and submitted in June, 2010).

The following activities are planned to be completed by March 2011 by NFCG:-

1. Research study on Corporate Governances Practices in SMEs.
2. Case studies on Corporate Governance.
3. Research Work on Corporate Governance.
4. Case study on areas relevant to the Corporate Governance.
5. Corporate Governance Interlocks in India & their implications for Good Corporate Governance.
6. Case studies on CSR.
7. Case studies on Improving Internal controls for better Governance.
8. Research study on Corporate Governance Practices in SLPE in AP.
9. Triple Bottom Line and Corporate Governance.
10. Corporate Governance in Central Public Sector Enterprises.
11. In depth Study of Corporate Governance and Financial Performance of selected companies.
12. Audit Committees and Board Committees in PEs
13. Research project on group Companies in India.
14. Case study on Governance in Family Run Businesses.

1.14.5 Ministry of Corporate Affairs has organized two days conferences of RDs, ROCs and OLs at Hotel Claridges, New Delhi during the period from 28 April to 29 April 2010 and subsequently another two days conference was held at Conference Hall, M/o Corporate Affairs,

Shastri Bhavan, New Delhi from 13 September to 14 September 2010. Hon'ble CAM participated in both the Conferences and assured that MCA shall endeavour to resolve problems of infrastructure of ROCs/RDs and improve working conditions of our field offices.

Training Programmes during 2010-11

1.14.6 During the year 2010-11 the following training programme were conducted through IICA:

1. Corporate Governance & Regulation under Companies Acts, 1956.
2. Compliance with Accounting Standard for Indian Companies.
3. Corporate frauds & Audit of Companies.
4. Capital & Corporate Laws.
5. Liquidation & winding up of Companies.
6. Merger/ Amalgamation/ Restructuring of Companies.
7. Inspections & Investigations.

Serious Fraud Investigation Office (SFIO)

1.15.1 Serious Fraud Investigation Office (SFIO) has been set up by the Government of India in the Ministry of Corporate Affairs by way of a resolution dated 2.7.2003 after it was approved by the Cabinet vide its note dated 9.1.2003. This office was set up after considering the recommendation of the Naresh Chandra Committee to investigate corporate frauds of serious and complex nature on the line of Serious Fraud Office, United Kingdom.

1.15.2 The SFIO is a multi-disciplinary Investigating Agency, wherein experts from

banking sector, capital market, company law, law, forensic audit, taxation, information technology etc. work together to unravel a corporate fraud. At present, SFIO is carrying out investigation under provisions of the Companies Act, 1956 from Sections 235 to 247. However, as approved by the Cabinet, a separate legislation would be enacted for SFIO in second phase to provide adequate powers and reach to this organization. For this purpose, Vepa Kamesam Committee set up by Ministry of Corporate Affairs to look into the issue related to SFIO and make suitable recommendation has already submitted the report in April 2009. The recommendations of the Committee are under examination in Ministry of Corporate Affairs.

1.15.3 SFIO is headed by a Director as Head of the Department. He is of the rank of Joint Secretary to the Government of India. The Director is assisted by Addl. Directors/ Jt. Directors, Deputy Directors and Sr. Assistant Directors /Assistant Directors, who form teams for investigation of a case. The Head Office of SFIO is at Delhi and there is one Branch Office in Mumbai. One more regional office covering the entire southern region is being set up at Hyderabad.

1.15.4 During the period from 1st April 2010 to 31st December 2010, six cases were ordered for investigation under section 235/237 of the Companies Act, 1956 by the Central Government under separate orders. So far, 79 cases have been referred to SFIO for investigation. Out of these, SFIO has submitted investigation reports in 52 cases till 31.12.2010, two cases have been either stayed or dismissed by Courts and the remaining 25 cases (as per Para 3.1 and 3.2 above) are under investigation. During the year (from 1.4.2010

to 31.12.2010) the following 03 investigation reports have been submitted to the Government.

1.15.5 Till 31.12.2010, 823 cases of prosecution have already been filed in the different Courts against the persons involved in fraudulent activities in the companies.

Ministry's Web Site

1.16.1 With the introduction of MCA21 e-Governance Project, the Ministry has launched a new portal www.mca.gov.in. The portal serves as a virtual window for authentic information pertaining to activities and program of the Ministry. Besides being an informative portal, it serves as virtual front office for availing all registry related MCA services. Some of the major contents of the website are as follows:

1. Information relating to the Ministry's officers and its field operations is given in the section titled 'About Us'.
2. Acts, Bills, Rules, Circulars, Notification, Guidelines etc. are detailed under the Section 'Acts, Bills & Rules'.
3. Under the Section 'Information', Concept paper, IEPF, Nidhi companies, Press release and details of Vanishing and defaulting companies are given as drop-down.
4. The Ministry's present and past Annual Report, Statement of Receipts & Disbursement, Statement of Scheme-wise expenditure are provided under the Section 'Reports & Statistics'.



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5. Details of Corporate under categories such as ‘Nidhi Companies’, ‘Section 25 Companies etc. are provided in a Drop Box under the section “Information & Reports”
 6. Information regarding Investors’ services is provided at two places – firstly, in the Drop Box under ‘Information & Reports’ under the heading ‘IEPF’ and secondly, on the top right hand corner of the website under corner of the website under the icon ‘IEPF’. This icon is a link to the website “www.iepf.gov.in”.
 7. As per DAR&PG’s guidelines, a link to Centralized grievance portal www.pgportal.gov.in is given on MCA home page under the heading “Public Grievances”.

1.16.2 The Ministry’s vision is given on the left side of the home page of the website.

1.16.3 A map of India, with locations of Registrar of Companies is given on the left side of the home page, below the vision. By pointing cursor at the desired location, one can immediately see details of ROC such as address, phone nos., fax and email id.

1.16.4 For accessing MCA21 portal, one has to go to the top right hand corner of the website. There by clicking on the icon ‘MCA21 services’, one goes into the MCA 21 portal, wherein one can select the services required such as Digital Signature, e-filing, DIN etc. The left side of MCA21 portal gives facility of downloading e-form, tracking transaction/payment status, accessing public documents, investor grievances, regulatory services etc.

1.16.5 Important links such as e-stamp, authorized banks, certified filing centers, facilitation centers,

software for e-filing etc. are given on the right side of the portal, below login & New User Registration.

1.16.6 Details of Affiliated offices are available as a drop down menu on homepage under the heading ‘Affiliated office’. The list includes Serious Fraud Investigation Organisation (SFIO), Competition Commission of India (CCI), Company Law Board (CLB), Office Liquidator (OL) and Cost Audit Branch (CAB).

1.16.7. The Ministry’s present and past Annual Reports, as well as Annual Report on working and administration of Companies Act, 1956 are available on home page under the heading ‘Information & Reports’ by clicking ‘Annual Reports’ in the drop down menu.

1.16.8 Other reports such as Statement of Receipts & Disbursement, Statements of scheme-wise expenditure are provided under ‘Information & Reports’ under the drop down menu item ‘other reports’.

1.16.9 Right to Information Act, 2005 is a very important act of the Government of India which empowers the citizens by allowing them access to information relating to working of the Government. In order to comply with this Act in letter and spirit, a special section ‘Right to Information’ has been provided on the homepage of the website. This website gives the details required for citizens such as name, address and contact nos. of Central Public Information Officer of the Ministry and also first Appellate Authority in the Ministry for the purpose of RTI Act. Landmark orders of the Ministry and Central Information Commission (CIC) under RTI Act, 2005 pertaining to the Ministry are available under this section.

1.16.10 Important links pertaining to Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), Institute of Cost and Works Accountants of India (ICWAI), Serious Fraud Investigation Organisation (SFIO), Competition Commission of India (CCI), Indian Institute of Corporate Affairs (IICA), National Foundation for Corporate Governance (NFCG), Watch out Investors, Investor Helpline etc. are given on the bottom of the homepage of the Website.

Citizen's Charter of the Ministry

1.17 The Citizen's Charter of the Ministry of Corporate Affairs has been reviewed during 2010-11 and the same is available on Ministry's website. The Ministry has taken into account the views of stake holders through chambers of commerce & industries, the accountancy and company secretarial professionals, investors, parliamentarians etc. The stakeholder views have been gathered during various formal and informal interactions in formulating the Charter.

CHAPTER II

Organisational Set Up and Functions

Organisational Set-up

2.1 The Ministry has a three tier organisational set-up for administration of the Companies Act, 1956 namely, the Secretariat at New Delhi, the Regional Directors at Mumbai, Kolkata, Chennai Noida (U.P.), North Western and North Eastern and 20 offices of Registrars of Companies (ROCs) in States and Union Territories. 19 offices of the Official Liquidators who are attached to various High Courts functioning in the country are also under the overall administrative control of the Ministry.

A. Headquarters

2.1.1 The set-up at the Headquarters includes one Secretary, one Additional Secretary, three Joint Secretaries, an Economic Adviser, one Cost Adviser, two Directors of Inspection and Investigation and other officials providing expertise on legal, accounting, economic and statistical matters. In Addition, an office of the Director General of Corporate Affairs (DGCA) is being set up as an intermediary level between Headquarters and six Regional Directors for administrative and legal/technical matters. The list of names and telephone numbers of the Minister's office and officials of the Ministry is given at Annexure-I.

B. Regional Directors

2.1.2 The six Regional Directors are in-charge of the respective regions, each region comprising a number of States and Union Territories. They supervise the working of the offices of

the Registrars of Companies and the Official Liquidators working in their regions. They also maintain liaison between the respective State Governments and the Central Government in matters relating to the administration of the Companies Act, 1956. Certain powers of the Central Government under the Companies Act have been delegated to the Regional Directors. They have also been declared as Heads of Department. There is an Inspection Unit attached to the office of every Regional Director for carrying out the inspection of the books of accounts of companies under Section 209A of the Companies Act.

C. Registrars of Companies

2.1.3 Registrars of Companies (ROCs) appointed under Section 609 of the Companies Act, 1956 covering various States and Union Territories are vested with the primary duty of registering companies floated in the respective States and the Union Territories and ensuring that such companies comply with statutory requirements under the Act. These offices function as registry of records, relating to the companies registered with them, which are available for inspection by members of the public on payment of the prescribed fee. The Central Government exercises administrative control over these offices through the respective Regional Directors.

D. Official Liquidators

2.1.4 The Official Liquidators are officers appointed by the Central Government under Section 448 of the Companies Act, 1956 and are

attached to various jurisdictional High Courts. The Official Liquidators are under the administrative charge of the respective Regional Directors, who supervise their functioning on behalf of the Central Government. In the conduct of winding-up of affairs of the companies, however, Official Liquidators act under the directions and supervision of the High Courts. At the same time, the Central Government have the responsibility under Section 463 of the Companies Act, 1956 of exercising overall control over the Official Liquidators to ensure that they faithfully perform their duties and duly observe all the requirements imposed on them under the Act or the Rules there-under.

2.1.5 The duties and powers of the Official Liquidator as laid down in section 457 of the Companies Act, 1956 are mainly of, filing of claims against the debtors for realization of the debts due to the company, sale of movable and immovable assets of the company taken possession by the Official Liquidator to institute criminal complaints and misfeasance proceedings against the former Directors of the company for their acts and omissions and breach of trust, invitation of claims from the creditors, adjudication of claims and settlement of list of creditors, payment to creditors by way of dividend and settlement of list of contributories wherever necessary, and payment of return of capital where the company's assets exceeded its liability and finally dissolve the company under section 481 of the Companies Act, 1956.

2.1.6 In addition to the offices mentioned above, the Ministry is also responsible, as a Nodal Ministry, for the functioning of a number of attached/ subordinate offices such as the Company Law Board, Competition Commission of India, Competition Appellate Tribunal, Serious Frauds

Investigation Office (SFIO). It is also engaged in addressing issues relating to the institutional structure consisting of the National Company Law Appellate Tribunal (NCLAT) and the National Company Law Tribunal (NCLT), envisaged to be set up in pursuance of the Companies (Second) Amendment Act, 2002.

2.1.7 The list of Regional Directors, Registrar of Companies and Official Liquidator along with their web addresses, is given at Annexure-II. The organisational chart of the Ministry is given in Annexure –III, and the major functionaries in Annexure IV.

Company Law Board

2.2 The Company Law Board has been functioning as an independent quasi judicial body w.e.f 31.5.1991 set up by the Central Government under section 10E of the Companies Act, 1956. The Company Law Board has framed “Company Law Board, Regulations 1991” prescribing the procedure for filing the applications/petitions before it. The Central Government has also prescribed the fees for making applications/petitions before the Company Law Board, under the “Company Law Board, (Fees on applications and Petitions) Rules 1991”.

Competition Commission of India

2.3.1 The Competition Commission of India (CCI) was established under the Competition Act, 2002 for the administration, implementation and enforcement of the Act, and was duly constituted in March 2009. The following are the objectives of the Commission.

- (i) To prevent practices having adverse effect on competition
- (ii) To promote and sustain competition in markets

-
- (iii) To protect the interests of consumers, and
 - (iv) To ensure freedom of trade

2.3.2 Consequent upon a challenge to certain provisions of the Act and the observations of the Hon'ble Supreme Court, the Act was amended by the Competition (Amendment) Act, 2007.

Competition Appellate Tribunal

2.3.3 The Competition Appellate Tribunal is chaired by Hon.Dr. Justice Arijit Pasayat, former Judge of the Supreme Court of India and the two members of the Tribunal are Shri Rahul Sarin, former Secretary to Government of India and Smt. Pravin Tripathi, former Deputy Comptroller and Accounts General (C & AG). The Competition Appellate Tribunal is vested with powers:-

- To hear and dispose of appeals filed against any direction issued or decision made or order passed by the Competition Commission of India established under the Competition Act, 2002.
- To adjudicate on claim for compensation that may arise from the findings of the Commission or the orders of the Appellate Tribunal in an appeal against any finding of the Commission and pass orders for the recovery of compensation under that Act.

Serious Fraud Investigation Office (SFIO)

2.4.1 The SFIO is a multi-disciplinary Investigating Agency, wherein experts from banking sector, capital market, company law, law, forensic audit, taxation, information technology etc. work together to unravel a corporate fraud. At present, SFIO is carrying out investigation under provisions of the Companies Act, 1956 from Sections 235 to 247. However, as approved

by the Cabinet, a separate legislation would be enacted for SFIO in second phase to provide adequate powers and reach to this organization. For this purpose, Vepa Kamesam Committee set up by Ministry of Corporate Affairs to look into the issue related to SFIO and make suitable recommendation has already submitted the report in April 2009. The recommendations of the Committee are under examination in Ministry of Corporate Affairs.

2.4.2 SFIO takes up investigation of corporate frauds characterized by (a) complexity, and having inter-departmental and multi-disciplinary ramifications, (b) substantial involvement of public interest to be judged by size, either in terms of monetary misappropriation, or in terms of persons affected; and (c) the possibility of investigations leading to, or contributing towards, a clear improvement in systems, laws or procedures.

2.4.3 SFIO is headed by a Director as Head of the Department. He is of the rank of Joint Secretary to the Government of India. The Director is assisted by Addl. Directors/ Jt. Directors, Deputy Directors and Sr. Assistant Directors /Assistant Directors, who form teams for investigation of a case. The Head Office of SFIO is at Delhi and there is one Branch Office in Mumbai. One more regional office covering the entire southern region is being set up at Hyderabad.

2.4.4 The SFIO has at present 18 sanctioned posts of Additional/Joint Director, 8 posts of Deputy Directors and 29 posts of Sr Assistant Directors, 5 posts of Sr Prosecutors, 30 posts of Assistant Directors and 5 posts of Prosecutors-II. Out of these posts, one post of Addl. /Jt. Director and 2 posts of Sr. Assistant Director/Assistant Directors are sanctioned for Mumbai Branch Office.

Whenever any case is referred by the Ministry for investigation u/s 235 or 237 of the Companies Act, teams of officers taken from various fields are formed headed by an Addl./ Jt. Director to investigate that particular case and submit the report to the Ministry. After submission of the report, prosecutions are sanctioned by the Ministry and thereafter as per the sanction accorded by the Ministry; prosecutions are filed by SFIO in the competent courts.

Infrastructure Section

2.5.1 Infrastructure Section has been playing a vital role towards providing better infrastructure to field offices of the Ministry by acquiring land, constructing buildings on the purchased land, purchasing built up office space and renovating and furnishing of these built up office space to give face lift. During the period from 01.04.2010 to 31.12.2010, this Section had achieved the following goals:

- (i) The office space purchased on lease hold basis from Allahabad Development Authority for the office of Official Liquidator, Allahabad has been renovated.
- (ii) The construction of Corporate Bhawan at Cuttack is at completion stage and the offices of ROC and OL, Cuttack are likely to function from the new place shortly.
- (iii) Construction of boundary wall of the Corporate Bhawan at Hyderabad is at completion stage. CPWD has been asked to get the Lay Out Plan of the main building revised as per space requirement of the offices to be located there. Construction work will start soon after the finalization of the building plan.

Cost Audit Branch

2.6 Cost Audit Branch under the Ministry of Corporate Affairs is manned by professionals drawn from the Indian Cost Accounts Service (ICAS) and primarily deals with sections 209 (1) (d) and 233B of the Companies Act, 1956. The Branch, under section 209 (1) (d) formulates & notifies Cost Accounting Records Rules (CARRs) for various industries/products. Such rules prescribe the manner in which cost records are to be maintained by specified class of companies. The Branch also undertakes rationalization of existing CARRs to reflect the changes in technology, manufacturing processes and accounting standards. Under section 233B, orders are issued to individual companies for conducting cost audit of cost records in accordance to Cost Audit Report Rules from a Cost Auditor appointed by the Board of Directors with the prior approval of the Ministry.

RTI Monitoring Cell

2.7.1 The RTI Monitoring Cell was set up in the Ministry of Corporate Affairs (MCA) with effect from 05.10.2005 to keep a record of all requests for information received from various persons and to monitor the progress in processing/ final disposal of such requests under the RTI Act, 2005 within the prescribed time limit.

2.7.2 In terms of the provisions of the RTI Act, 2005, CPIOs and Appellate Authorities have been designated by the Ministry for its headquarters and all its field / attached / subordinate offices.

2.7.3 As per the information furnished to the Central Information Commission (CIC) under Section 25(3) of the RTI Act, 2005 for the period 1.4.2009 to 31.3.2010 a total of 3983 applications and Rs.

44,435/- towards application registration fees and Rs. 39,226/- regarding additional fees & any other charges have been received by the Ministry and all its attached / subordinate offices under the RTI Act, 2005. Out of these applications, 192 appeals were accepted by this Ministry and all its attached / subordinate offices under the RTI Act.

2.7.4 Other functions of the Coordination Section pertaining to Monitoring Cell of the RTI include:-

- (a) Maintaining updated information in the website of MCA on all matters pertaining to RTI as required under the Act.
- (b) Providing regular and updated information/ reports to the CIC on the progress in implementation of the RTI Act by the MCA.
- (c) Wide circulation in MCA of all Office Orders / Circulars of the CIC as well as the Department of Personnel and Training in connection with matters relating to the RTI Act, 2005.
- (d) To ensure overall and effective monitoring of the implementation of the RTI Act related issues under the purview of MCA.

Gender Budget Cell

2.8 Ministry of Corporate Affairs (MCA) has set up a Gender Budget Cell (GBC) with the objective

of facilitating the integration of gender analysis into the Government budgeting. The GBC of MCA has initiated steps to build up information/ database system on the gender representation in MCA, various branches of the Ministry as well as field offices, and attached offices and professional institutes. The GBC in MCA aims to help accelerate the growing awareness of the gender sensitivities of budgetary allocation while appreciating how corporate sector oriented policies impact issues of equity and empowerment of women.

National Company Law Tribunal (NCLT)/National Company Law Appellate Tribunal (NCLAT)

2.9 The National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT) have not been constituted as yet since the Companies (Second) Amendment Act, 2002 relating to setting up of the NCLT/ NCLAT faced a legal challenge, and the matter was subjudice on account of a Special Leave Petition (SLP) filed by the Central Government in the Supreme Court, following a ruling by the Madras High Court in the matter. Constitutional Bench of Supreme Court of India has since delivered its verdict in the matter. The judgement of Hon'ble Supreme Court has been considered in this Ministry. Necessary action to amend the Companies Act, paying way for constitution of NCLT/NCLAT is being taken.

CHAPTER III

The Companies Act, 1956 and Its Administration

3.1 Companies play very vital role in any economy. In our country, the Companies Act, 1956 primarily regulates the range of activities from formation to liquidation and winding up of companies. The Act prescribes regulatory framework for various aspects including organisational, financial and managerial aspects of companies. The winding up matters, presently are largely within jurisdiction of High Courts. Regulation of the corporate governance, structure and obligations of companies towards their stakeholders, statutory disclosure obligations, powers of inspection, investigation and enforcement and company processes such as mergers/ amalgamations/ arrangements/ Reconstructions etc., constitute the main focus of the Act. In the functioning of corporate sector, alongwith freedom of operation of companies, protection of investors and shareholders are considered equally important. The Companies Act enables a statutory platform for essential Corporate Governance requirements essential for functioning of the companies with transparency and accountability, recognizing and protecting the interests of various stakeholders. The main objects of the Act are summarized as under:-

- (a) To enable the interests of the shareholders, to be protected through articulation of shareholders democracy;
- (b) To safeguard the interests of other stakeholders such as creditors, financial institutions etc through appropriate disclosures.;
- (c) To provide a framework for regulation of processes of companies including mergers/ amalgamation etc; and

- (d) To enable the Government with adequate powers of enforcement of the law in public interest and as per procedure prescribed by law so that the interests of all stakeholders may be protected from unscrupulous management.

Regulation of Companies

3.2.1 The Companies Act, 1956 besides providing for processes relating to incorporation, governance and liquidation/ winding up, empowers the Central Government to inspect the books of accounts of a company, to direct special audit, to order investigation into the affairs of a company and to launch prosecution for violation of the Companies Act, 1956. Books of accounts and other documents of the companies are inspected by the officers of the Directorate of Inspection and Investigation and the Registrar of Companies. These inspections are designed to find out whether the companies conduct their affairs in accordance with the provisions of the Companies Act, 1956 or whether the company is resorting to illegal/ fraudulent practices which may adversely affect any interest of shareholders, creditors, employees and others. Wherever inspection reports disclose any information that may be of interest to other Departments or agencies like the Ministry of Commerce & Industry, Central Board of Direct Taxes, Enforcement Directorate, State Government or Provident Fund Authorities, such information is passed on to them. If an inspection discloses a prima facie case of fraud or cheating, action is initiated under provisions of the Companies Act, 1956 for investigation under the Companies Act.

3.2.2 Sections 235 and 237 of the Companies Act empower the Central Government to order investigation into the affairs of a company under circumstances specified therein. The power to appoint inspectors, to conduct investigation and to act on report of investigation lies with the Central Government. The Company Law Board is also empowered to consider application of members for conducting investigation into the affairs of a company. The powers to order investigation arise in circumstances where the business of a company is being conducted with an intent to defraud its creditors, or for unlawful purposes, or in a manner oppressive to any of its members or that if the company was formed for any fraudulent or unlawful purposes.

3.2.3 The Companies (Amendment) Act, 1988, introduced a new Section 621A empowering the Company Law Board and the Regional Directors to compound offences of prosecution. The power to compound is not exercisable in relation to offences, which are punishable either with imprisonment only or with imprisonment and fine.

3.2.4 Public Limited or Private Limited company which is a subsidiary of the Public Limited company can appoint the Managerial personnel under section 269 (read with section 388) of the Companies Act, 1956 and remunerate them on its own without seeking any approval of the Central Government as prescribed under section 198 and 309 (read with Schedule XIII) of the Act. However, in certain conditions a company has to seek approval of the Central Government. These conditions are:-

1. In case there is loss/inadequacy of profits in the company and the proposed remuneration is in excess of the limit as prescribed under Schedule XIII on

the basis of the effective capital of the company.

2. In case where the company is a profit making company, the remuneration proposed to be paid is exceeding 5% of the net profit in case of one managerial personnel and 10% of the net profit in case of more than one managerial personnel.
3. In case where the company has defaulted in making payment of its debts (including public deposits) and interest thereon.
4. Where the company does not have any remuneration committee.
5. Where the appointee is a NRI .
6. In case of non-executive Directors the remuneration proposed to be paid is in excess of 1% of the Net profit of the company where there is any managerial personnel and 3% where there is no managerial personnel appointed by the company.
7. In case where the company has made any violation of the Act as specified in Part I of Schedule XIII of the Act and the proposed managerial personnel has been awarded any punishment or the authority concerned has imposed penalty for such violation.

Investor Grievance Management

3.3.1 Investor Grievance Management Cell (IGMC), earlier known as Investor Protection Cell (IPC), of the Ministry of Corporate Affairs, was set up in 1993 to deal with investors' grievances. Its function is to take up the grievances of investors through the jurisdictional Registrars of Companies. It also coordinates with the Reserve Bank of India, Department of Economic Affairs and SEBI for redressal of investors' complaints received in this Ministry but pertaining to these

agencies. Broadly, the complaints relate to the following issues.

1. Non- receipt of annual report
2. Non- receipt of dividend amount
3. Non- refund of application money
4. Non- payment of matured deposits and interest thereon
5. Non- receipt of duplicate shares
6. Non- registration of transfer of shares
7. Non- issue of share certificates
8. Non- receipt of debenture certificates
9. Non- issue of rights bonus shares
10. Non- issue of interest on late payment
11. Non- redemption of debentures and interest thereon
12. Non- receipt of share certificates on conversion.

3.3.2 The investor/depositors can lodge their complaints with concerned Registrar of Companies on-line through MCA 21 program using the website of the Ministry viz www.mca.gov.in. The system acknowledges the receipt of complaint online by generating a complaint number which can be used for future follow up of the complaint.

3.3.3 In order to actively associate the field offices in Investor grievances redressal function, a nodal team headed by a designated officer has been setup in all offices of Regional Directors and Registrars of Companies as well as at Headquarters in the Ministry. The investors may take up their grievances with the concerned Nodal Officers at the Regional Level. If any investor has any grievance which is yet to be redressed even after a lapse of reasonable time, the same may be brought to the notice of Nodal Officer at the Ministry level.

3.3.4 The Ministry has received 4132 complaints from the investors, during the period 1.4.2010 to 31.12.2010 whereas 1468 complaints were carried forward from previous year. Out of these, 4716 complaints were resolved and 884 were pending as on 31.12.2010 for resolution with Registrar of Companies. Further, IGMC received 90 complaints pertaining to other agencies and the same were forwarded to them for necessary action. Out of these, 28 complaints were forwarded to SEBI, 28 complaints to Ministry of Finance, 04 complaints to Hardship Committee of Company Law Board(CLB), 13 complaints to Official Liquidators, 10 complaints to Ministry of Labour, 2 complaints to Ministry of Civil Aviation and 5 complaints to IRDA.

3.3.5 A website namely www.investorhelpline.in has been sponsored and launched in September, 2006 under Investor Education and Protection Fund and created by Midas Touch Investor Association (NGO) to provide a mechanism for redressal of grievances of investors free of cost. It provides a facility to the investors to lodge their grievance on the website. It acts as an intermediary between investors and companies, stock exchanges, and other authorities. It also educates investors about their lawful rights under various acts and the procedure to get them enforced.

3.3.6 Besides, a Website www.watchoutinvestors.com has also been created by Prime Investors Protection Association and League, with the financial assistance from the Investor Education and Protection Fund, to help the investors protect themselves from unscrupulous promoters, companies and entities. The website is a national registry of economic defaulters and covers information on conviction by various regulatory bodies.

Vanishing Companies

3.4.1 The Capital Market Boom of early 1990s witnesses a large number of companies tapping the Capital Market through public issues. However, some companies which had raised funds by making public issue later vanished with the investors' money.

3.4.2 As a result of Finance Minister's Budget speech on 27.02.99, a joint mechanism called Coordination and Monitoring Committee(CMC), co-chaired by Secretary, Ministry of Corporate Affairs, (MCA) and chairman, SEBI, was setup to settle the policy issue regarding the delinquent companies/promoters and to monitor the progress in regard to action taken against Vanishing Companies under the provision of the companies Act, 1956 and under the relevant provision of India Penal Code (IPC) as well as under SEBI Act, 1992. CMC has representative of MCA, SEBI, RBI and Department of Economic Affairs (DEA) and is assisted by four Regional Task Forces, under the four Regional Directors of Ministry of Corporate Affairs (Northern Region, Southern Region, Western Region & Eastern Region) and includes representatives of Registrar of Companies (ROCs), Regional Stock Exchanges, RBI and Nodal Officer nominated by the concern State Government.

3.4.3 Of the 229 companies that came out with IPOS during 1992-98, earlier identified as Vanished. Now 87 companies remain as vanishing companies rest of the companies have either been traced and are now regular in filling statutory returns etc. or have gone in to liquidation after the CMC started functioning. The number of vanishing companies has reduced significantly and for the period of 1998-2001

only 08 companies have been identified as vanishing while the number of companies which vanished after this period is NIL. Hence, it may be appreciated that the instrument of setting up of the CMC and its functioning has been successful in effectively controlling the phenomenon of Vanishing Companies. Besides this, the implementation of an e-Governance project in which the identity of Directors is built in through the Director Identification Number (DIN) has also assisted in controlling the phenomenon of vanishing companies. The Ministry however is making all efforts to ensure that the complaints filed under the provision of the Companies Act, 1956 and under IPC against the vanishing companies and its promoters/directors are taken to their logical conclusion at different forums.

Acceptance of Deposits

3.5.1 Section 58A of the Companies Act, 1956 which came into force on 1.2.1975, regulates the invitation and acceptance of deposits by non-banking non-financial companies. The Companies (Acceptance of Deposits) Rules, 1975 framed in pursuance of sub-section (1) of Section 58A of the aforementioned Act prescribes the limits up to which, the manner in which and the conditions subject to which deposits may be invited or accepted by these companies either from the public or from their members. These Rules, prescribe every company to advertise at the time of inviting deposits a summarized financial position of the company for the preceding financial years. The rules lay down the following conditions governing the acceptance of deposits:

- Ceiling limits of deposits with reference to the company's net worth.
- Maximum period of 36 months for which the deposits can be accepted.

- Maximum rate of brokerage, which can be paid by the company to brokers through whom the deposits are collected.
- Maintenance of liquid assets to the extent of 15% of deposits maturing during the year to be invested in specified securities in order to safeguard the interests of depositors.
- Maximum rate of interest payable on deposits.

3.5.2 Sub-Section (8) of Section 58A empowers the Central Government, if it considers necessary for avoiding any hardship or for any companies to comply with or exempt any company or class of companies from all or any of the provisions of Section 58A either generally or for a specified period subject to such conditions as may be specified, either prospectively or retrospectively from a date not earlier than the commencement of the Companies (Amendment) Act, 1974. In case exemption is to be granted for a class of companies, it is to be done after consultation with the Reserve Bank of India.

3.5.3 Sub-sections (9) & (10) of Section 58A empower the Company Law Board to take cognizance of any case of non-repayment of deposits on maturity and direct the company to make repayment of such deposits within such time and subject to such conditions, as may be specified in the order. Non-compliance of the orders of the Company Law Board would attract penalty by way of imprisonment, which may extend to three years and shall also be liable to a fine of not less than Rs. 500/- for every day till such non-compliance continues.

3.5.4 Under the proviso to sub-section (7) of Section 58A, the Government is empowered to exempt a class of companies from all or any of

the provisions of Section 58A. The Ministry has granted exemption vide Notification GSR No. 1075E dated 29.12.1989 from the provisions of sub-section (1) to (6) of Section 58A in respect of acceptance of deposits by issue of Commercial paper by companies which satisfy the eligibility criteria laid down by Reserve Bank of India in the Non-Banking Companies (Acceptance of Deposits through Commercial Paper) Directions 1989. The said Notification has come into force on and from 1.1.1990.

3.5.5 During the period with effect from 1.4.2010 to 31.12.2010, 01 applications for granting exemption/extension of time under Section 58A (8) of the Companies Act, 1956 were received in addition to 6(six) applications brought forward from the previous year. Out of the total 7 (seven) applications, 5(five) applications were disposed of during the said period, and 2(two) applications were pending for consideration as on 31.12.2010.

Other Provisions

3.6.1 In order to afford greater protection to shareholders, Section 205A has been incorporated in the Companies Act, whereby unpaid or unclaimed dividends are to be kept in a separate account for three years by the company concerned. Thereafter, if these dividends still remain unpaid or unclaimed, these are to be transferred to the account of the Central Government, which will make necessary payments to the shareholders concerned upon an application duly made by them.

3.6.2 Approval of the Central Government is required to be obtained under Section 294AA in regard to the sole selling agency agreements, which may be entered into by companies having

paid up capital of Rs. 50 lakh or more. This is to ensure that the cost of commodities sold to the consumers through these agreements is not inflated by avoidable additional expenditure on the part of the companies concerned.

3.6.3 Cost Accounting Records Rules are prescribed under Section 209(1)(d) of the Companies Act, for companies engaged in production, processing, manufacturing and mining activities. These are designed to bring cost consciousness among the companies to ensure the best use of resources by them with a view to reduce the cost of production and in turn to provide cheaper goods to the consumer.

3.6.4 The interest of the public in general in the matter of keeping deposits with the companies has also been taken care of in the Companies Act. Under section 58A of the Companies Act, 1956, the Ministry has framed the Companies (Acceptance of Deposits) Rules, 1975. Under these Rules, companies are required to advertise and publish their financial accounts for information and guidance of the public at the time of inviting deposits. If a company fails to repay any deposit or part thereof in accordance with the terms and conditions of such deposit, the Company Law Board may, if it is satisfied that it is necessary to do so to safeguard the interests of the company, the depositors, or in the public interest, direct the company to make repayment of such deposit or part thereof forthwith or within such time and subject to such conditions as may be specified in the order.

Company Law Board

3.7.1 The Company Law Board has been functioning as an independent quasi judicial body w.e.f 31.5.1991 set up by the Central Government under section 10E of the Companies Act, 1956.

The Company Law Board has framed “Company Law Board, Regulations 1991” prescribing the procedure for filing the applications/petitions before it. The Central Government has also prescribed the fees for making applications/petitions before the Company Law Board, under the “Company Law Board, (Fees on applications and Petitions) Rules 1991”.

3.7.2 The Board has its Principal Bench at New Delhi, but it may sit at any other place in India at its discretion or at the joint request of all the parties. It has Regional Benches at New Delhi, Kolkata, Mumbai and Chennai. From 1st April 2008 onwards the matters falling under section 247, 250, 269, 388B of the Companies Act, 1956 are being dealt with by the Principal Bench consisting of one or more Members. All other Sections of the Act i.e. 17, 18, 19, 58AA, 79/80A, 111/111A, 113/113A, 117, 117C, 118, 141, 144, 163, 167, 186, 196, 219, 235, 237(b), 284, 304, 397/398, 408, 409, 614 and 621A and section 45QA of the Reserve Bank of India Act, 1934 are dealt with by Regional Benches, namely New Delhi Bench, Kolkata Bench, Mumbai Bench and Chennai Bench consisting of one or more Members. In case the company fails to comply with the directions contained in the Orders so passed by the Company Law Board, application under section 634A of the Companies Act, 1956 for enforcing the orders is entertained.

3.7.3 During the period from 1st April 2010 to 31st December 2010, 13651 petitions/applications were considered under various sections of the Companies Act, 1956 by Company Law Board. Out of 13651 petitions/applications, 7313 Petitions/applications were disposed off under sections 17, 18, 19, 79/80A, 111/111A, 113/113A, 141, 144, 163, 167, 186, 196, 219, 235, 237(b), 284, 304, 397/398, etc. of the Companies Act, 1956, 1781 cases were compounded under section 621A of the Companies Act, 1956, 1704 applications were

disposed of u/s 58A (9) of the Companies Act, 1956 and 45 QA of the RBI Act, 1934.

3.7.4 As against the sanctioned strength of 09 Members (including Chairman and Vice-Chairman) the constitution of Company Law Board as on 31.12.2010, is as follow:-

1. Justice Shri D. R. Deshmukh, Chairman, Company Law Board, New Delhi.
2. Smt. Vimla Yadav, Member, Company Law Board, New Delhi.
3. Shri Kanthi Narhari, Member, Company Law Board, Mumbai.
4. Smt. Lizamma Augustine, Member, Company Law Board, Chennai.
5. Shri B.S.V. Prakash Kumar, Member, Company Law Board, Kolkata.
6. Shri R. Vasudevan, Member, Company Law Board, New Delhi is under suspension since 23.11.2009

3.7.5 Taking into consideration the hardships being faced by the small and needy depositors who have deposited the amount in fixed deposits with the companies which are not refunding the same as per the promise given by them at the time of taking the said amount in deposits, the Company Law Board has constituted 19 Hardship Committees.

3.7.6 Hardship Committee Meeting is held in CLB, New Delhi every month to consider

application for refund of deposit on hardship grounds in respect of 13 companies. During the period from 1.4.2010 to 31.12.2010 a sum of Rs. 91,63,915/- approx has been disbursed to 518 depositors. The cheques/ drafts for refunds are distributed by CLB on receiving the same from the companies in respect of the cases received by CLB. There are lots of improvements in terms of redressal of non-payment of deposits to the small and needy depositors.

3.7.7 Payment to fixed deposit holders of M/s. Pure Drinks (New Delhi) Ltd., is being made by Company Law Board in compliance with the order passed by Hon'ble High Court of Punjab & Haryana. During 1st April 2010 to 31st December 2010, 71 cheques have been issued to the depositors of Pure Drinks (New Delhi) Ltd. for an amount of Rs. 9,89,360/- lakhs.

3.7.8 During 01.04.2010 to 31.12.2010 filing fees received by the CLB is Rs. 41,43,460/- and compounding amount realized during the same period is Rs.2,34,47,400/-.

Company Petitions before Company Law Board

3.8 The details of petitions/applications received and disposed of by all the Regional Benches including the Principal Bench under various sections of the Companies Act, 1956 during the period from 01.04.2010 to 31.12.2010 are given in table 3.1

Table 3.1

Consolidated Statement of Petitions/Applications Received, Disposed of and Pending for the period 01.04.2010 to 31.12.2010

Sections of Companies Act, 1956	Opening Balance	Receipts	Total (col. 2+3)	Disposal	Pending (col. 4-5)
(1)	(2)	(3)	(4)	(5)	(6)
SEC.17	127	1058	1185	1014	171
SEC.18/19	10	44	54	44	10

SEC.45QA of RBI Act.	29	1	30	23	7
SEC.58A(9)	1943	221	2164	1681	483
SEC.58AA(1)	8	0	8	8	0
SEC.79/80A	4	1	5	2	3
SEC.113/113(3)	9	23	32	30	2
SEC. 117	0	0	0	0	0
SEC.117C	181	0	181	9	172
SEC.118	0	0	0	0	0
SEC.141	158	5001	5159	4940	219
SEC.144	0	0	0	0	0
SEC.163	8	26	34	10	24
SEC.167	12	6	18	13	5
SEC.169	0	1	1	0	1
SEC.186	7	3	10	3	7
SEC.196	3	2	5	2	3
SEC.219	2	1	3	3	0
SEC. 284	11	5	16	9	7
SEC.304	0	0	0	0	0
SEC.307	0	0	0	0	0
SEC.614	3	5	8	3	5
SEC.621A	809	1328	2137	1781	356
SEC.111	197	66	263	63	200
SEC.634A	2	5	7	0	7
SEC.235	3	3	6	0	6
SEC.237(b)	11	4	15	1	14
SEC.284(4)	5	0	5	1	4
SEC.397/398	919	292	1211	193	1018
SEC.408	4	0	4	0	4

SEC. 409	0	1	1	0	1
SEC.247/250	10	3	13	0	13
SEC.269	0	0	0	0	0
SEC.388B	3	0	3	0	3
Interlocutory Appls.	0	572	572	572	0
Miscellaneous Appls.	71	430	501	393	108
TOTAL	4549	9102	13651	10798	2853

Action under Section 397/398/408/402/406/388/237(b) of the Companies Act

3.9.1 Section 397/398 of the Companies Act, 1956 provides for filing of application before Company Law Board for relief in cases of oppression, mismanagement or apprehension of mismanagement of the affairs of the Company. Section 408 of the Act empowers the Central Government to appoint such number of persons on the Board of the company as directed by

Company Law Board on the reference/application made by the Government to safeguard the interest of the company or its shareholders or the general public. In addition, the Central Government can also file petitions under Section 402 read with Section 406 of the Act for disgorgement of assets against the Directors of the Company when they indulged in misappropriation/misfeasance.

3.9.2 As on 31.12.2010, there were eight (8) cases pending before Company Law Board/High Court.

Details of cases pending before Company Law Board/High Court (As on 31-12-2010)

Sl. No.	Company Law Board	Section	Remarks
1.	UOI Vs. Satyam Computers Services Limited	397/398/388B/406 & 408	Pending
2.	UOI Vs. Mytas Infra Ltd.	-do-	-do-
3.	UOI Vs. Maytas Property Ltd	-do-	-do-
4.	UOI Vs. SHCIL Services Ltd.	250	-do-

S. No.	HIGH COURT	Section	Remarks
1	Mukta Arts Ltd.	237(b)	Pending
2.	Eveready International Ltd.	397	-do-
3.	Vikas WSP Ltd.	397	-do-
4.	Satyam Computers Services Ltd.	Writ	-do-

Appointment of Managerial Personnel

3.10.1 The Ministry of Corporate Affairs deals with statutory applications relation to the appointment of and payment of remuneration of Managing Directors, Whole Time Directors and Managers of Public Limited Companies and Private Limited Companies which are subsidiaries of Public Limited Companies u/s 259, 268, 269, 198 / 309, 310 and 314 of the Companies Act, 1956 in accordance with the provisions of Schedule XIII to the said Act, as amended from time to time.

3.10.2 To bring greater transparency in processing of various statutory applications, the submission of application online through the Website of Ministry was operationalised since September, 2006. The Companies can also track the status of their application on the Website of the Ministry.

3.10.3 It has been observed that the applications received are generally deficient in several respects which makes the process time – consuming. The details of receipt of an disposal of statutory application for the period from 01/04/2010 to 31/12/2010 are given in table 3.2.

Table 3.2
Applications on Managerial Appointment received and disposed of by the Central Government during 01.04.2010 to 31.12.2010

Section of Companies Act 1956	Nature of application	Pending as on 1.4.2010	Received during the period 01.04.2010 to 31.12.2010	Total	Disposed of during the period 01.04.2010 to 31.12.2010	Pending as on 31.12.2010
(1)	(2)	(3)	(4)	(5)	(6)	(7)
259	Increase in number of directors	10	27	37	28	9
268.	Amendment of provisions in the Articles of Association relating to Managing Director or Whole time Director	19	6	25	3	22
269/ Schedule XIII 309 (1B), 309(4) (5B),310	Appointment/ Reappointment of Managing Directors of Whole time Directors/ Managers, Remuneration to Directors for rendering professional services, Remuneration to Directors other than Managing Director or whole time Director/ waiver of sums refundable to Directors and increase in remuneration of Directors	837	963	1800	1376	424

314(1B).	Appoi.tment/continuance of relative of a Director to hold any office or place of profit in company which carries total monthly remuneration of not less than Rs. 50,000 per month	312	271	583	378	205
	Total	1178	1267	2445	1785	660

Investigation

3.11.1 The Investigation cases of companies under section 235/237 of the Act are entrusted to the SFIO on the following grounds/criteria: -

- i) Where the size of the alleged fraud is estimated to be at least Rupees 50 crore or more, or;
- ii) Such companies which are listed or where the paid up capital of the company is more than Rupees five crores, and 20% or more capital is subscribed by the public; or
- iii) When the alleged fraud involves widespread public concern estimated to affect at least more than 5000 persons; or
- iv) Where investigation requires specialized skills and multi-disciplinary approach.

3.11.2 The Ministry has ordered/ referred Sixteen (16) cases to SFIO for investigation under Section 235/237(b)/247 of the Companies Act, 1956. The ministry has received three (3) investigation report during the period 01-04-2010 to 31-12-2010, Investigation reports in thirty two (32) companies are under progress.

Investigation reports under section 235 of the Companies Act, 1956 received during 1.4.2010 to 31.12.2010

1	M/s Nicco UCO Alliance Credit Limited	3.06.2010
2	M/s PSG Developers & Engineers Limited	18.11.2010
3	M/s Information Technologies (India) Limited	3.09.2010

Details of Investigation under section 235/237(b)/247 of the Companies Act, 1956 under progress (As on 31.12.2010)

S.No.	Name of Company	Date of order	Status
(1)	(2)	(3)	(4)
1	JVG Industries Limited	09/07/2007	Investigation under progress
2	JVG Steels Limited	-do-	Investigation under progress
3	JVG Farm Fresh Limited	-do-	Investigation under progress
4	JVG Housing Finance Limited	-do-	Investigation under progress
5	JVG Overseas Limited	-do-	Investigation under progress
6	JVG Finance Ltd	27/07/2007	Investigation under progress
7	JVG Leasing Limited	-do-	Investigation under progress
8	JVG Securities Ltd	-do-	Investigation under progress

S.No.	Name of Company	Date of order	Status
9	JVG Departmental Stores Ltd.	-do-	Investigation under progress
10	Systems America (India) Ltd	17/01/2008	Investigation under progress
11	KrishiExportCommercialCorporationLtd	25/02/2008	Investigation under progress
12	AVI Telecom Ltd.	05/05/2008	Investigation under progress
13	AVI Petroleum Ltd.	-do-	Investigation under progress
14	AVI Packaging (India) Ltd.	-do-	Investigation under progress
15	A & R Oil Mills Ltd.	-do-	Investigation under progress
16.	Rishi Spinners Ltd	-do-	Investigation under progress
17	Rishi Financial Services Ltd	-do-	Investigation under progress
18	Rishi Oil & Fats Ltd.	05/05/2008	Investigation under progress
19	AVI Shoes Ltd.	-do-	Investigation under progress
20	Zenet Software Ltd	15/05/2008	Investigation under progress
21	Sugandh Estates & Investments Pvt. Ltd.	16/05/2008	Investigation under progress
22	Amadhi Investments Ltd.	16/05/2008	Investigation under progress
23	Welvet Financial Advisors Pvt. Ltd.	16/05/2008	Investigation under progress
24	PSG Developers & Engineers Ltd.	16/05/2008	Investigation under progress
25	Nicco Uco Alliance Credit Limited	05/08/2008	Investigation under progress
26	Kuber Mutual Benefits Limited	09/09/2008	Investigation under progress
27	Elder Pharmaceuticals Limited	26/09/2008	Investigation under progress
28	Satyam Computer Services Limited	13-01-2009	Investigation under progress
29	Rajasthan Brewries Ltd.	29.11.2007	Investigation under progress
30	Indglonal Investment and Finance Ltd.	-do-	Investigation under progress
31	SKA Commercial Pvt.Ltd.	-do-	Investigation under progress
32	Texas Brewing Company Ltd.	-do-	Investigation under progress

3.11.3 SFIO takes up investigation of corporate frauds characterized by (a) complexity, and having inter-departmental and multi-disciplinary ramifications, (b) substantial involvement of public interest to be judged by size, either in terms of monetary misappropriation, or in terms of persons affected; and (c) the possibility of investigations leading to, or contributing towards, a clear improvement in systems, laws or procedures.

3.11.4 SFIO is headed by a Director as Head of the Department. He is of the rank of Joint Secretary to the Government of India. The Director is

assisted by Addl. Directors/ Jt. Directors, Deputy Directors and Sr. Assistant Directors /Assistant Directors, who form teams for investigation of a case. The Head Office of SFIO is at Delhi and there is one Branch Office in Mumbai. One more regional office covering the entire southern region is being set up at Hyderabad.

3.11.5 The SFIO has at present 18 sanctioned posts of Additional/Joint Director, 8 posts of Deputy Directors and 29 posts of Sr Assistant Directors, 5 posts of Sr Prosecutors, 30 posts of Assistant Directors and 5 posts of Prosecutors-II. Out of these posts, one post of Addl. /Jt. Director and 2

posts of Sr. Assistant Director/Assistant Directors are sanctioned for Mumbai Branch Office. Whenever any case is referred by the Ministry for investigation u/s 235 or 237 of the Companies Act, teams of officers taken from various fields are formed headed by an Addl./ Jt. Director to

investigate that particular case and submit the report to the Ministry. After submission of the report, prosecutions are sanctioned by the Ministry and thereafter as per the sanction accorded by the Ministry; prosecutions are filed by SFIO in the competent courts.

S.No.	Name of Company	Date of Order	Status
(1)	(2)	(3)	(4)
1	Global Trust Bank	28/05/2010	Under Progress
2	Subhiksha Trading Services Limited	23/07/2010	Investigation stayed by High Court, Chennai
3	Goldquest International Private Limited	28/07/2010	Under progress
4	Questnet Enterprises India Private Limited	28/07/2010	Under Progress
5	Jayant Vitamins Limited	11/08/2010	Under progress
6	City Limouzines(India] Limited	07/10/2010	Under Progress

3.11.6 Besides the six cases mentioned above, following 19 cases ordered for Investigation by Government during 2007-08 , 2008-09 and 2009-

10 are also at various stages of investigation. In all 25 cases are under investigation by SFIO as on 31.12.2010.

S.No.	Name of Company	Date of Order	Status
(1)	(2)	(3)	(4)
1	System America (India) Ltd	17.01.2008	Investigation under progress
2	AVI Telecome Ltd.	05.05.2008	Investigation under progress
3	AVI Petroleum Ltd.	-do-	Investigation under progress
4	AVI Packaging (India) Ltd.	-do-	Investigation under progress
5	A & R Oil Mills Ltd.	-do-	Investigation under progress
6	Rishi Spinners Ltd.	-do-	Investigation under progress
7	Rishi Financial Services Ltd.	-do-	Investigation under progress
8	Rishi Oil & Fats Ltd.	05.05.2008	Investigation under progress
9	AVI Shoe Ltd.	-do-	Investigation under progress
10	Zenet Software Ltd	15.05.2008	Investigation under progress
11	Sugandh Estates & Investments Pvt Ltd.	16.05.2008	Investigation under progress
12	Amadhi Investments Ltd.	16.05.2008	Investigation under progress
13	Welvet Financial Advisors Pvt. Ltd.	16.05.2008	Investigation under progress
14	Kuber Mutual Benefits Limited (in liquidation)	09.09.2009	Kept in abeyance as per intimation from OL, Allahabad

15	Megacity (Bangalore) Developers & Buildings Limited	17.04.2009	Investigation under progress
16	AVI Industries Limited (in liquidation)	13.05.2010	Investigation under progress
17	Sesa Goa Limited	23.10.2009	Investigation under progress
18	Sesa Industries Limited	23.05.2009	Investigation under progress
19	Austral Coke & Project Limited	20.01.2010	Investigation under progress

3.11.7 So far, 79 cases have been referred to SFIO for investigation. Out of these, SFIO has submitted investigation reports in 52 cases till 31.12.2010, two cases have been either stayed or dismissed by Courts and the remaining 25 cases (as per Para 3.1 and 3.2 above) are under investigation. During the year (from 1.4.2010 to 31.12.2010) the following 03 investigation reports have been submitted to the Government.

S. No.	Name of Company	Date of submission of Report
(1)	(2)	(3)
1	Nicco Uco Alliance Credit Limited	03/06/2010
2	Information Tech. of India Limited [earlier ordered on 14.10.2005] [fresh order dt.16.7.2009]	03/09/2010
3	PSG Developers & Engineers Limited	16/11/2010

3.11.8 The list of remaining 49 cases in which reports have been submitted in the past years is given below.

Sl. No.	Name of the Company	Date of Submission of Report
(1)	(2)	(3)
1.	Daewoo Motors India Ltd.	16-02-2004
2.	DSQ Software Ltd.	30-11-2005

3.	Design Auto Systems Ltd.	19-01-2005
4.	Bonanza Biotech Ltd.	20-01-2005
5.	Vatsa Corporation Ltd.	21-09-2004
6.	Triumph International Finance India Ltd.	18-09-2006
7.	N H Securities Ltd.	03-09-2006
8.	KNP Securities Pvt. Ltd.	21-09-2006
9.	VNP Securities Pvt. Ltd	20-09-2006
10.	Panther Fincap and Management Services Ltd.	25-09-2006
11.	Panther Investrade Ltd.	21-09-2006
12.	Panther Industrial Products Ltd.	29-06-2006
13.	Triumph Securities Pvt. Ltd.	15-09-2006
14.	Luminant Investrade Pvt. Ltd.	15-09-2006
15.	Classic Credit Ltd.	26-09-2006
16.	Saimangal Investrade Ltd.	15-09-2006
17.	Classic Shares and Stock Broking Services Ltd.	17-08-2006
18.	Goldfish Computers Pvt. Ltd.	27-06-2006
19.	Nakshatra Software Pvt. Ltd.	12-08-2006
20.	Chitrakoot Computer Pvt. Ltd.	12-08-2006

21.	Manmandir Estate Developers Pvt. Ltd.	22-06-2006
22.	Mardia Chemicals Ltd.	12-07-2005
23.	Adam Comsof Ltd.	06-10-2005
24.	Kolar Biotech Ltd.	07-10-2005
25.	Soundcraft Industries Ltd.	10-10-2005
26.	Usha India Ltd	10-02-2006
27.	Malvika Steel Ltd.	10-02-2006
28.	Koshika Telecom Ltd.	17-03-2006
29.	Shonkh Technologies Ltd.	26-11-2007
30.	Morepen Laboratories Ltd.	16-03-2007
31.	Shonk Technologies International Limited	02.05.2008
32.	Leafin India Limited	12.3.2009
33.	JVG Publications Limited	31.3.2009
34.	JVG Hotels Limited	31.3.2009
35.	JVG Techno India Limited	31.3.2009
36.	JVG Holdings Limited	31.3.2009
37.	SHCIL services Ltd	31.3.2009
38.	Satyam Computer Services Limited	13.4.2009
39.	JVG Steels Limited	30.6.2009
40.	JVG Industries Limited	3.7.2009
41.	JVG Housing Finance Limited	13.7.2009
42.	JVG Farm Fresh Limited	3.8.2009
43.	JVG Overseas Limited	3.8.2009
44.	JVG Securities Ltd	10.8.2009
45.	Elder Pharmaceuticals Limited	10.08.2009
46.	JVG Leasing Limited	28.8.2009
47.	Krishi Export Commercial Corporation Limited	28.08.2009

48.	JVG Departmental Stores Ltd.	6.11.2009
49.	JVG Finance Limited	15.02.2010

3.11.9 Till 31.12.2010, 823 cases of prosecution have already been filed in the different Courts against the persons involved in fraudulent activities in the following companies.

Sl. No	Name of the Company	No. of cases	
		Company Law	IPC
(1)	(2)	(3)	(4)
1.	M/s Daewoo Motors India Ltd.	21	2
2.	DSQ Software Ltd.	23	2
3.	M/s Design Auto Systems Ltd.	11	2
4.	M/s Bonanza Biotech Ltd.	16	1
5.	M/s Vatsa Corporations Ltd.	106	8
6.	M/s Triumph International Finance India Ltd.	10	2
7.	M/s N.H. Securities Ltd.	24	1
8.	M/s K.N.P. Securities Pvt. Ltd.	15	0
9.	M/s V.N.P. Securities Pvt. Ltd.	12	0
10.	M/s Panther Fincap and Management Services Ltd.	24	2
11.	M/s Panther Investrade Ltd.	14	1
12.	M/s Panther Industrial Products Ltd.	25	0
13.	M/s Triumph Securities Ltd.	22	1
14.	M/s Luminant Investments Pvt. Ltd.	11	0

15.	M/s Classic Credit Ltd.*	05*	01*
*Out of 18 prosecution cases 12 have been decided under CL for conviction. Remaining 6 cases - 5 under CL and 1 under IPC are going on.			
16.	M/s Saimangal Investrade Ltd.	18	1
17.	M/s Classic Shares and Stock Brokers Ltd.**	09**	--
** Out of 36 cases 27 have been decided under CL for conviction. Remaining 9 cases under CL are going on.			
18	M/s Goldfish Computers Pvt. Ltd.	22	1
19	M/s Nakshatra Software Pvt. Ltd.	17	2
20	M/s Chitrakoot Computers Pvt. Ltd.	16	2
21	M/s Manmandir Estate Developers Pvt. Ltd.	2	1
22	M/s Mardia Chemicals Ltd.	22	1
23	M/s Soundcraft Inds. Ltd.	35	9
24	M/s Adam Comsof Ltd.	21	4
25	M/s Kolar Biotech Ltd	24	4
26	M/s Usha India Ltd.	27	7
27	M/s Malvika Steels Ltd.	27	6
28	M/s Koshika Telecom Ltd.	41	3
29	Shonkh Technologies International Ltd.	9	-
30	Shonkh Technologies Limited	17	1
31	M/s Morepen Laboratories Ltd.	12	5

32	JVG Industries Limited	10	--
33	JVG Publication Limited	05	-
34	JVG Hotels Limited	08	--
35	JVG Steels Limited	05	--
36	JVG Techno India Limited	06	--
37	JVG Holdings Limited	03	--
38	JVG Farm Fresh Limited	06	--
39	JVG Overseas Limited	07	--
40	SHCIL Services Limited	09	--
41	Satyam computer services limited	07	--
Total		714	70

Types of Frauds Found

3.11.10 During the course of investigation by SFIO over the years, different types of frauds/ fraudulent activities have been unearthed. Some of the types of frauds are illustrated below:

(a) Project Financing: In one of the cases investigated by SFIO, it was noticed that an Indian company imported second hand plant and machinery from its parent company at a very high price. This over valued plant and machinery was used to obtain higher term loans from funding institutions. The loan amount thus obtained was transferred to parent company as payment liability against such plant and machinery. It was also noticed that the Indian company had received different invoices for majority of its machinery for submission to different Government agencies.

It was also observed in the above investigation that the company under investigation procured major parts of its raw material requirement at

highly over inflated price from its overseas parent company and thereby siphoned off the working capital funding as well.

(b) Frauds during operations: In one of the cases investigated by SFIO, it was noticed that an Indian company raised bills showing trading of diamonds among its various group companies in circular manner viz company “A” selling to “B”, then “B” selling to “C” and again “C” selling back to “A”. Thus, in this process, no goods were transferred and only sale and purchase bills were raised. These bills were discounted with banks and the company received huge amount of rupees as advance from banks against such bills. Initially the company complied in repayment of amount specified in the discounted bills after prescribed period. However, after sometimes, payment was stopped and main promoter of the company who was controlling all the affairs of the company fled the country and the company stopped functioning resulting into huge amount of bank funds becoming NPA.

In some cases investigated by SFIO, huge payments were shown to have been made to petty suppliers of steel items or to group companies during the period of construction of project by recording of supply of materials made by these entities. All these supplies were reflected in the books of account as work-in-progress, which was not verifiable, and during the course of investigation, these petty suppliers were found either nonexistent or not traceable. Group companies were also found to be either wound-up or non-operational with no director of those companies being traceable. Funds transferred to these entities showing supply of material were found to have been taken out in cash by rotating through certain accounts or showing payments for certain non-verifiable expenses.

(c) Falsification of Financial Statements: In some cases investigated by SFIO, it was found that, by following two accounting years, company was showing losses or very nominal profit in the Profit & Loss account filed to the Income tax department. However, huge profit was being shown in the Profit & Loss accounts filed with stock exchanges, ROC etc. The different amount of profits in the two sets of Profit & Loss Account for the same year was shown by resorting to valuation of stock at inflated value in the Profit & Loss Account that was filed with ROC, Stock exchanges following the accounting year other than financial year. In few cases, sales having heavy profit margin were recorded in those months, which were included in the accounting year followed for preparing the Profit & Loss Account filed with ROC and used for the purposes of investors or other stakeholders.

In one of the cases investigated by SFIO, it was observed that the company deferred capitalization of its fixed assets, despite starting the commercial production using the very same fixed assets, in order to achieve higher profitability and / or reducing the losses thereby, avoiding the clutches of BIFR and enjoying continued bank funding.

(d) Fraud Through Capital Market: In one case investigated by SFIO, it was found that a company adopted a dubious method of creating equity capital by mere circulation of cheques through the bank accounts of its associates companies without having any funds in those accounts. In fact, there was no actual flow of funds to the accounts of the company. Whatever money was shown to have come in, equivalent amount of cheques were issued in favor of the companies from whom the cheques were received mostly on the same day or in a span of couple of days. The mere debit and credit entries in the bank accounts were utilized for creating equity capital.

-
- (i) This company also adopted different accounting methods/systems for the purposes of Company Law and Income Tax law. Whenever returns of income were filed with Income Tax Authorities, accounts showed losses but the accounts filed with ROC always showed profit. These methods were adopted to project a misleading picture to the public while at the same time avoiding payment of tax to Income Tax department. The accounts filed with different authorities thus did not tally with each other.
 - (ii) Another method adopted for increasing the equity is to swap the same with some dummy/dormant company not having any significant business but used just for the creation of equity without bringing any money to the company in real terms. This type of cases have also been found.
 - (iii) In one case investigated by SFIO, it was found that nearly equity of Rs. 7000 crore was created by swapping equity shares of the company against preference shares of associate companies at exorbitant premium. These companies did not have backing of any assets or significant levels of performance, to justify such high premium.
 - (iv) In another case investigated by SFIO, two corporate entities created 10 crore equity shares each in their books by illegally allotting shares to each other in gross violation of provisions of the Companies Act and SEBI Act. One of the companies got these shares deceitfully dematerialized and sold these shares in the market without even obtaining the listing permission from the stock exchange. The same company also deceitfully allotted shares to the promoters and their controlled company in gross violation of provisions

of Companies Act. These shares were also deceitfully dematerialized and sold in the market.

- (v) Based on manipulated financial performance, promoters often resort to selling their share holding in the company at manipulated prices to make illegal gain from share market and later, repurchase the same at reduced price by reversing the process in the subsequent period and thus continue to maintain their control on the company. In most of the cases investigated by SFIO, a large quantity of shares sold by promoters or entities controlled by them are found to have been allotted to them on preferential basis by adopting the method of circulation of cheques or swapping as discussed in previous para.

Inspections

3.12.1 Section 209A of the Companies Act, 1956 empowers the Registrar of Companies or the Officers, duly authorized by the Central Government, to undertake inspection of the books of accounts and other records of companies. Several officers of the Ministry have been authorized under this section from time to time to undertake inspections.

3.12.2 Broadly, inspections are undertaken to serve one or more of the following objects:

- i) to verify compliance by companies of various provisions of the Companies Act, 1956;
- ii) to verify whether the company accounts represent a true and fair picture of the company's finances and whether the same have been disclosed in a manner consistent with Companies Act;

- iii) Whether the company's funds have been siphoned off, applied or diverted in a manner violative of the provisions of the Act and whether the company management has misused its fiduciary position for any personal advantage in violation of the Act;
- iv) whether there are acts of mis-management or oppression which adversely affect the interest of company stakeholders, or which may adversely prejudice such interests, which may merit the company to be wound up on just and equitable grounds under the Act.
- v) whether statutory auditors have carried out their duties properly while certifying true and fair view of the state of affair of the company.
- vi) to examine legal action under Companies Act if the company has made a default in filing its balance sheet and profit and loss account or annual return for any five consecutive financial years with the Registrar.

3.12.3 Inspection under Section 209A of the Companies Act, 1956, of the books of accounts of the company are generally ordered on the basis of:

- i) Complaints received in the Ministry or in its field offices about mismanagement in respect of maintenance of books of accounts as prescribed u/s 209 of the Act, delay in transfer of shares/debentures, delay in payment of dividend, non-payment of deposits or interest thereon etc.;
- ii) Violations/irregularities noticed on scrutiny of documents including Auditors remarks filed in the office of the Registrar of Companies;

- iii) Reference received from other Government Departments/ Agencies pointing out violations of the provisions of the Companies Act, 1956 or other irregularities.

Table 3.3

Number of inspections conducted during 2005-06 to 2010-11 (upto December, 2010):

Year	No. of Inspections
2005-06	253
2006- 07	220
2007- 08	189
2008- 09	207
2009-10	204
1.04.2010 – 31.12.2010	168

Follow up of the report of Joint Parliamentary Committee (JPC) on Stock Market Scam

3.13 The Government had set up a Joint Parliamentary Committee (JPC) to investigate the Stock Market Scam. JPC submitted its report in December 2002. The Ministry of Corporate Affairs was asked to furnish Action Taken Report on certain recommendations of the JPC concerning this Ministry. Status reports in respect of points concerning MCA are forwarded regularly to JPC Cell in the Department of Economic Affairs which is monitoring the follow up action on the JPC Report from time to time.

Prosecutions

3.14 During the period from 1.4.2010 to 31.12.2010, a total no. of 63,602 prosecutions including 60,661 prosecutions brought forward from the previous year were launched and pursued in various courts under the Company Act, 1956. During this period, 3,845 prosecutions were disposed off. As on 31.12.2010, the number of pending cases stood at 60,457.

Cost Audit

3.15.1 Cost Audit Branch under the Ministry of Corporate Affairs is manned by professionals drawn from the Indian Cost Accounts Service (ICAS) and primarily deals with sections 209 (1) (d) and 233B of the Companies Act, 1956. The Branch, under section 209 (1) (d) formulates & notifies Cost Accounting Records Rules (CARRs) for various industries/products. Such rules prescribe the manner in which cost records are to be maintained by specified class of companies. The Branch also undertakes rationalization of existing CARRs to reflect the changes in technology, manufacturing processes and accounting standards. Under section 233B, orders are issued to individual companies for conducting cost audit of cost records in accordance to Cost Audit Report Rules from a Cost Auditor appointed by the Board of Directors with the prior approval of the Ministry. Details of activities undertaken by this Branch during the financial year 2010-11 (April, 2010 to December, 2010) are given as under:

i) In exercise of the powers conferred by sub-section (1) of Section 642 read with clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, the Central Government notifies the Cost Accounting Records Rules (CARRs) from time to time with respect to various industries and products. All companies engaged in production, processing, manufacturing or mining activities, in respect of industries or products specified in the Cost Accounting Record Rules, as applicable, are required to keep at its registered office proper books of account relating to utilization of material

or labour or to other items of cost as prescribed under the said Rules. Every company covered under these Rules shall maintain cost accounting records from the financial year on or after the publication of these Rules. These rules do not apply to a company,

- a. wherein, the aggregate value of machinery and plant installed as on the last date of the preceding financial year, does not exceed the limit as specified for a small scale industrial undertaking under the provisions of Industries (Development and Regulation) Act, 1951 (65 of 1951); and
- b. the aggregate value of the turnover made by the company from sale or supply of all its products or activities during the preceding financial year does not exceed ten crores of rupees.

ii) The Cost Accounting Records Rules (CARRs) prescribe the manner in which cost records are to be maintained so as to have cost data base to be primarily utilized by the industries/companies themselves to improve upon their performance and face competitive environment and also by various Government agencies like, price-fixation authorities, regulatory bodies, WTO implementation & monitoring agencies, Competition Commission of India, revenue authorities, and other institutions for meeting their respective objectives. Cost Accounting Records Rules have so far been notified in respect of 44 industries.

Table 3.4
Industries in which Cost Accounting Records
Rules were notified under Section 209(1)(d) of
the Companies Act, 1956

S.No	Name of the Industry
1.	Aluminum
2.	Batteries other than dry cell batteries
3.	Bearings
4.	Bulk Drugs
5.	Cement
6.	Chemicals
7.	Cosmetic & Toiletries
8.	Cycle
9.	Dry Cell batteries
10.	Dyes
11.	Electric Cables and Conductors
12.	Electric Fans
13.	Electricity Industry
14.	Electric Lamps
15.	Electric Motors
16.	Electronic Product
17.	Engineering Industries
18.	Fertilizers
19.	Footwear
20.	Formulations
21.	Industrial Alcohol
22.	Industrial Gases
23.	Insecticides
24.	Jute goods
25.	Milk food
26.	Mining and metallurgy
27.	Motor vehicles
28.	Nylon
29.	Paper
30.	Petroleum Industry
31.	Plantation products
32.	Polyester

33.	Rayon
34.	Refrigerators
35.	Room Air conditioners
36.	Shaving Systems
37.	Soaps and Detergents
38.	Steel Plants
39.	Steel tubes & pipes
40.	Sugar
41.	Telecommunications
42.	Textiles
43.	Tyres and Tubes
44.	Vanaspati

- iii) Under sub-section (1) of section 233B of the Companies Act, 1956, cost audit orders are issued on eligible companies, from time-to-time, to get their cost records audited by a practicing Cost Accountant, in accordance to the Cost Audit Report Rules, 2001. Such orders are also issued on companies arising out of mergers, demergers, amalgamations, sale/transfer, change of name, etc. During the period April 2010 to December, 2010, 121 cost audit orders were issued.
- iv) Consequent upon the launch of MCA-21 Project under the e-Governance, companies under cost audit have started filing applications for appointment of cost auditors, through electronic mode from April, 2006. In compliance with Section 233B (2) of the Companies Act, 1956, 1567 applications were received through e-mode for approval of appointment of cost auditors during the period April 2010 to December, 2010. Online approval process resulted in reduction of processing time benefiting the Government as well as the applicant companies significantly.

The companies find it very useful as they can check the status of their applications and take the print outs of the approvals online without waiting for letter of approval from this office. Cost involving dispatch time, postage stamps and replies to queries from the companies has been saved.

- v) Similarly, companies/cost auditors have also started filing the cost audit reports through electronic mode from April, 2006. This has dispensed with the requirement of wide space in the form of record rooms for keeping hard and soft copies of the reports as were received earlier. It has also ensured proper safety of confidential information of concerned companies. The numbers of cost audit reports received during April 2010 to December, 2010 were 2572.
- vi) The exemption from cost audit orders is granted, on year-to-year basis, in situations arising out of temporary closure of the company and/or its manufacturing facilities, negligible production/activity, etc. Similarly, withdrawal of cost audit orders is considered in case of permanent closure or sale or merger/amalgamation of production activities for the product under reference. During the period, 16 such cases of exemption/withdrawal were received and processed.

3.15.2 During the period April 2010 to December, 2010, 205 cost audit reports filed by the companies were shared with various user departments such as, Anti-dumping Directorate of the Ministry of Commerce & Industries, Tariff Commission, National Pharmaceuticals Pricing Authority, Competition Commission of India, etc

3.15.3 MCA website relating to the Cost Audit Branch was duly updated during the period. Industries in which Cost Accounting Records Rules were notified under Section 209(1)(d) of the Companies Act, 1956.

Restriction on Acquisition of Shares-Section 108A

3.16.1 Under this section, prior approval of the Central Government is required to be obtained for acquisition/transfer of shares by or to, an individual, firm group constituent of a group, body corporate or bodies corporate under the same management in relation to dominant undertaking provided there is any increase in dominance as a result of such an acquisition or transfer of shares.

3.16.2 During the period from 1.4.2010 to 31.12.2010, 1 (one) application was received under this section and no application was pending as on 31.03.2010. No application was disposed off and 1 (one) application was pending as on 31.12.2010.

Payment of Dividends out of Reserve-Section 205A(3)

3.17.1 Section 205A (3) of the Companies Act, 1956 makes it obligatory for a company to seek prior approval of the Central Government where owing to inadequacy or absence of profits in any year, it proposes to declare dividend out of the accumulated profits earned in the previous years and transferred to the Reserves and where declaration of dividend is not in accordance with the Companies (Declaration of Dividend out of Reserves) Rules, 1975 framed under the said section.

3.17.2 During the period from 1.4.2010 to 31.12.2010, 2 (two) application was received under this Section, while no application was pending as on 31.03.2010. Out of the total 2 applications, 1(one) applications was disposed of and 1(one) application was pending for consideration as on 31.12.2010.

Payment of Dividend

3.18.1 As of 31.03.2010, 6 applications were made under section 205 (2) (c) by (i) ISMT Limited, (ii) NACIL , (iii) Air India Limited, (iv) New Tirupar Area Dev. Ltd, (v) Maharashtra State Corporation Generation Co. Ltd and (vi) GTL Infrastructure Ltd were pending. During the period from 1.4.2010 to 31.12.2010, 6 more applications/petitions were received from (i) BSES Yamuna Power Ltd, (ii) BSES Rajdhani Power Ltd., (iii) Vamshi Hydro Energies Pvt. Ltd., (iv) Reliance Infratel Ltd. (v) Delhi Airport Metro Express Pvt. Ltd. and (vi) Mumbai Metro One Pvt. Ltd.

3.18.2 Out of these 12 cases, 5 applications of (i) BSES Yamuna Power Ltd, (ii) BSES Rajdhani Power Ltd., (iii) Vamshi Hydro Energies Pvt. Ltd., (iv) Reliance Infratel Ltd, (v) GTL Infra. Ltd. were considered and disposed of. Remaining 7 applications were under consideration and were pending as on 31.12.2010

Accounts of Subsidiaries

3.19.1 As of 31.03.2010, 178 applications under section 212(8) of the Companies Act, 1956 were pending. During the period from 1.4.2010 to 31.12.2010, 381 applications were received for seeking exemption from attaching the balance sheet etc. of their subsidiaries with their balance sheets as required under Section 212(1) of the Act.

3.19.2 Out of these 559 cases, 548 applications were considered and disposed of. Remaining 11 applications were under consideration and were pending as on 31.12.2010.

Appointment of Sole Selling Agents: Section 294-AA

3.20.1 Sub-Section 294AA(1) of the Companies Act, 1956 requires that where the Central Government is of the opinion that the demand for goods of any category is substantially in excess of the production or supply of such goods and that the services of the Sole Selling Agents will not be necessary to create a market for such goods, the Central Government may, by notification in the Official Gazette, declare that Sole Selling Agent shall not be appointed by a company for the sale of such goods for such period as may be specified in the declaration. At present, the said prohibition on appointment of Sole Selling Agents exists only in respect of 'Bulk drugs, drugs and Formulations which has been extended for a period of three years w.e.f. 16.7.2010 vide Notification No. GSR 601(E) dated 16.7.2010.

3.20.2 Sub-sections (2) and (3) of Section 294-AA of the Companies Act, 1956 require the companies to obtain approval of Central Government for appointment of Sole Selling Agents Sub-section (2) applies to those companies, in which the Sole Selling Agents either by themselves or through their relatives, hold paid-up-capital of Rs. 5 lakhs or 5 per cent of the paid-up-capital of the company, whichever is less. Sub-section (3) applies to the companies whose paid-up capital is Rs. 50 lakhs or more.

3.20.3 During the period from 1.4.2010 to 31.12.2010, 2 (two) applications were received

under sub-sections (2) & (3) of Section 294AA of the above said Act while 3 (three) applications were brought forward from the previous year. Out of the total 5 (five) applications, 4(four) applications were disposed of and 1 (one) applications was pending of as on 31.12.2010.

Loans to Directors and Relatives

3.21.1 Section 295 of the Companies Act, 1956 requires all public companies or their subsidiaries to obtain the previous approval of the Central Government before making any loan to, or giving any guarantee or providing any security in connection with a loan made by any other person to, or to any other person by their directors, relatives of such directors, firms or private Companies in which such directors are interested and to other body corporate falling within the ambit of clauses (d) & (e) of sub-Section (1) of the said Section.

3.21.2 During the period from 1.4.2010 to 31.12.2010 the Central Government received 36 applications under this section and 33 applications were brought forward from the previous year. Out of these 69 applications, 53 applications were disposed of and 16 applications were pending as on 31.12.2010.

Amalgamation of Government Companies

3.22 During the period under report, 3 new cases were received. 6 case brought forward from the previous year were considered under Section 391-394 and 396 of the Companies Act, 1956. Out of these 9 cases, 2 cases were disposed of and 7 cases were pending as on 31.12.2010

Reduction of Share Capital

3.23 As of 31.03.2010, 2 applications/petitions were made under section 101 by (i) M/s.

Durgapur Chemicals Ltd, and (ii) M/s. National Projects Construction Ltd, were pending. During the period from 01.04.2010 to 31.12.2010, one more application was received from M/s. Britannia Engineering Limited. Out of these 3 cases, two applications/petitions of (i) M/s. Durgapur Chemicals Ltd, (ii) M/s. National Projects Construction Ltd were considered and disposed of. Remaining one application/petition was under consideration and was pending as on 31.12.2010.

Section 81(1) And (3): Further Issue Of Share Capital

3.24.1 As of 31.03.2010, no application was pending under section 81(1) & (3) of the Companies Act, 1956. During the period from 01.04.2010 to 31.12.2010, no application was received.

3.24.2 Following Applications under Sections 101, 391-394 of the Companies Act, 1956 were considered by the Central Government (Ministry of Corporate Affairs) in view of Government of India notification No. GSR 238 dated 02.02.1978 issued under Section 620 of the Companies Act, 1956.

Exemption from Disclosing the Quantitative Details

3.25.1 As of 31.03.2010, 56 applications under section 211(4) of the Companies Act, 1956 were pending. During the period from 1.4.2010 to 31.12.2010, 89 applications were received for seeking exemption from complying the requirements of para 3 and 4 of Part-II of Schedule-VI to the Companies Act, 1956.

3.25.2 Out of these 145 cases, 138 applications were considered and disposed of. Remaining 07

applications were under consideration and were pending as on 31.12.2010

Sections 391-394: For Amalgamation/ Merger/ Arrangement

3.26.1 As of 31.03.2010, 4 applications/petitions were made under section 391-394 by (i) M/s. M.P. State Industrial Development Ltd. and its Secured and Unsecured Creditors etc. (ii) Karnataka Small Industries Marketing Corp. Ltd with Karnataka State Small Industries Development Limited (iii) UTI Infrastructure and Services Limited with UTI Technology Services Ltd. (iv) Maharashtra Elektroselt Ltd with SAILI were pending. During the period from 01.04.2010 to 31.12.2010, 3 more applications were received (i) M/s. Nahan Foundry Ltd with HP State Ind. Dev. Corp. Ltd., (ii) HP State Ind. & Export Corp. Ltd. With HP State Ind. Dev. Corp. Ltd. and (iii) West Bengal Rural Energy Dev. Corp. Ltd. with West Bengal State Elec. Distribution co. Ltd.

3.26.2 Out of these 7 cases, 2 applications/petitions of (i) Karnataka Small Industries Marketing Corp. Ltd with Karnataka State Small Industries Development Limited (i) UTI Infrastructure and Services Limited with UTI Technology Services Ltd. were considered and disposed of Remaining 5 petitions/applications were under consideration and were pending as on 31.12.2010

Nidhi Companies – Section 620-A

3.27.1 Under this section the Central Government is empowered to declare by notification in the official gazette certain special type of Non-Banking Financial Companies as “Nidhi companies” or “Mutual Benefit Societies” as the case may be and direct that certain provisions of the Companies Act, 1956 shall not apply and/

or, as the case may be, shall apply with certain exceptions, modifications and adaptations to the said Nidhi companies. The Central Government vide its Notification GSR 522(E) dated 14.07.2009 declared 11 companies as Nidhi companies. With this, the total number of companies notified as Nidhi as on 31.12.2010 is now 368. The Central Government vide its notification GSR. 881(E) dated 03-11-2010 has made certain amendments in the notification of the Government of India, erstwhile Ministry of Law, Justice and Company Affairs (Department of Company Affairs) No GSR 555(E) dated 26-07-2001, and published in the Gazette of India, in Part II, Section 3, Sub-Section(1) dated the 26th July, 2001 pertaining to Nidhi Companies.

3.27.2 During the period from 1.4.2010 to 31.12.2010 the Central Government received 9(Nine) applications under Section 620A of the Companies Act, 1956 and 4(four) applications were brought forward from the previous year. Out of these 13 applications, 4 (four) applications were disposed of and 9 applications were under process / examination of the Central Government as on 31.12.2010.

Accord of Approval for granting contracts under Section 297(I)

3.28.1 Section 297(1) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1974 which came into force with effect from 1st February, 1975, makes it obligatory for companies having paid-up share capital of not less than Rs. 1 crore to seek prior approval of the Central Government in respect of any contract to be entered into (a) for sale, purchase or supply of goods, material or service or supply of goods, material or service or (b) for underwriting the

subscription of any share or debentures of the company with a Director of the company or his relatives, a firm in which such a Director or relative is a partner, any other partner in such a firm or a private company of which a Director is a Member or Director. The powers of Central Government to accord approval under Section 297(1) of the Companies Act, 1956 have been delegated to Regional Directors with effect from 19.8.1993. This has been done with the twin purposes of decentralization and expeditious disposal.

3.28.2 During the period from 01.04.2010 to 31.12.2010, Regional Directors considered 1,761 applications including 459 applications brought

forward from the previous year. Out of these, 1,095 applications have been disposed of and the balance of 666 applications was pending with Regional Directors as on 31.12.2010.

Applications considered and disposed of by the Regional Directors and Registrars of Companies

3.29 The powers and functions of the Central Government in respect of some Sections of the Companies Act, 1956 have been delegated to the Registrars of Companies. Disposal of applications dealt with by the Registrars of Companies under the delegated powers is shown in the Table 3.5.

Table 3.5
Applications considered and disposed of by the Regional Directors and Registrars of Companies under various Sections of the Companies Act, 1956.

S.No	Subject	Pending as on 31.3.2010	Received during the period 01.04.2010 to 31.12.2010	Total (Col.3 +4)	Disposed during the period 01.04.2010 to 31.12.2010	Pending as on 31.12.2010
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Section 21 change of name.	588	7443	8031	7264	767
2.	Section 22 Rectification of name.	102	39	141	37	104
3.	Section 25 Grant of license	118	330	448	333	115
4.	Section 25(8) alteration in the Memorandum and Article of Association.	40	74	114	86	28
5.	Section 31 alteration in Articles through special resolution.	230	2115	2345	2239	106
6.	Section 43A(4)- Private company to become public company in certain cases.	00	00	00	00	00

7.	Section 224 (3) and 224 (7) appointment and remuneration to auditors	17	29	46	14	32
8.	Section 394-A amalgamation of companies (public/private companies by RD)	147	1026	1173	956	217
9.	Section 555 (7) (b) company liquidation accounts.	903	62	965	53	912
10.	Section 560 striking of name of the companies in the Register maintained by ROC.	23276	10536	33812	14227	19585

Liquidation of Companies (Applications received by Official Liquidators)

3.30 6757 companies were under liquidation as on 31.03.2010 and 261 new applications were received for liquidation from 01.04.2010 to 31.12.2010.

After taking into account 794 companies which were finally wound up, the total numbers of companies under liquidation as on 31.12.2010 were 6224. The break up of the companies in liquidation as per their mode of winding up as on 01.04.2010 to 31.12.2010 is given in Table 3.6 below:

Table 3.6
Distribution of the companies in liquidation by their mode of winding up during 1.4.2010 to 31.12.2010

S. No.	Subject	No. of cos under liquidation as on 31.03.2010	Received during the period 01.04.2010 to 31.12.2010	Total (Col. 3+4)	Disposed during the period 01.04.2010 to 31.12.2010	No. of Companies under liquidation as on 31.12.2010
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Members Voluntary winding up	1357	46	1403	177	1226
2.	Creditors Voluntary winding up	100	1	101	0	101
3.	Winding up by Court	5297	214	5511	615	4896
4.	Winding up subject to supervision of Court.	3	0	3	2	1
	Total	6757	261	7018	794	6224

CHAPTER - IV

The Competition Act, 2002 - Policy, Provisions and Performance

4.1.1 In early nineties, when Government of India undertook widespread economic reforms, Indian enterprises started facing the heat of competition from domestic players as well as from global giants, which called for level playing field and investor-friendly environment. It was felt that the existing Monopolistic and Restrictive Trade Practices Act, 1969 (“MRTP Act”) was not equipped adequately enough to tackle the competition aspect of the Indian economy. Hence, need arose for a new Act, shifting the focus from curbing monopolies to encouraging companies to invest and grow, thereby promoting competition while preventing any abuse of market power. Thus, a new competition law, Competition Act, 2002 was enacted in 2003. In 2007 and 2009, certain amendments were made in the Competition Act.

4.1.2 With effect from September 1, 2009, the Competition Act, 2002 superseded the MRTP Act, 1969 which had sought to regulate monopolistic, restrictive, and unfair trade practices, when the MRTP Act was repealed. Later, on October 14, 2009, the Monopolies & Restrictive Trade Practices Commission was also dissolved, and pending investigations and cases were transferred to the CCI and the Competition Appellate Tribunal (“COMPAT”), respectively. The Competition Act has essentially four components.

- It prohibits anti-competitive agreements like cartels, which restrict freedom of trade and cause consumer harm by way of limiting production and distribution of goods and services and fixing prices higher than normal;

- It prohibits abusive behaviour of a dominant firm, who through its position of dominance may restrict markets and set unfair and discriminatory conditions;
- It regulates mergers and acquisitions of large corporations in order to safeguard competitive markets
- Mandates competition advocacy

4.1.3 All the four components are interrelated and form an integrated whole. The first three essentially relate to enforcement, while the last one is related to the mandate for promoting competition enshrined in Section 49 of the Act.

4.1.4 The Competition Commission of India (CCI) was established under the Competition Act, 2002 for the administration, implementation and enforcement of the Act, and was duly constituted in March 2009.

4.1.5 The Government of India set up a Competition Appellate Tribunal (COMPAT) on 19th October, 2009, under the provisions of the Competition Act, 2002 to hear and dispose of appeals against any direction issued or decision made or order passed by the Competition Commission of India.

4.1.6 The provisions of the Competition Act 2002 are being implemented in phases. Sections 3 and 4 of the Act (relating to anticompetitive agreements and abuse of dominance) were effectively brought into force in May 2009, along with the enforcement powers of the CCI. Sections 5 and 6, which deal with Indian merger control regime,

requiring CCI pre-clearance with prescribed turnover/asset-based threshold limits have yet to come fully into effect.

4.1.7 However, the Competition Commission of India (CCI) has the power to regulate mergers or combinations and to reverse mergers or combinations if it is of the opinion that a merger or combination has or is likely to have an ‘Appreciable Adverse Effect’ (AAE) on competition in India. The Competition (Amendment) Act, 2007 has mandated pre-merger clearances from CCI to ascertain whether a ‘combination’ has an ‘AAE’ on competition within India. Combinations include mergers, amalgamations and acquisition of control, shares, voting rights or assets.

4.1.8 The Competition Act, 2002, (the Act) has set thresholds below which mergers are outside the jurisdiction of the Commission. The thresholds, given in the Act, for an enterprise having operations only in India are combined assets of Rs. 1000 crore or combined turnover of Rs. 3000 crore. For enterprises having operations in India and outside India, the thresholds are combined assets of US \$500 million, including at least Rs. 500 crore in India, or combined turnover of more than US \$1500 million, including at least Rs. 1500 crore in India. The thresholds for Groups having operations only in India are Rs. 4000 crore of assets or Rs. 12,000 crore of turnover. For Groups having operations in India and outside India, the thresholds are US \$ 2 billion, including at least Rs. 500 crore in India or turnover of US \$ 6 billion including at least Rs. 1500 crore in India.

4.1.9 The year 2010 saw enforcement provisions of the Act substantively coming in force. Certain

key issues, pertaining to the jurisdiction, powers, and obligations towards parties to the investigation etc. of CCI and COMPAT have also been settled by the Supreme Court of India and the Bombay High Court.

The Competition Commission of India

4.2.1 The following are the objectives of the Commission.

- a) To prevent practices having adverse effect on competition
- b) To promote and sustain competition in markets
- c) To protect the interests of consumers, and
- d) To ensure freedom of trade

4.2.2 The overarching aim of the Commission is to make markets work well for consumers using competition as the means. The Commission, in pursuance of its objectives, endeavours to do the following:

- Ensure fair and healthy competition in economic activities in the country for faster and inclusive growth and development of economy;
- Implement competition policies with an aim to effectuate the most efficient utilization of economic resources;
- Develop and nurture effective relations and interactions with sectoral regulators laws in tandem with the competition law;
- Effectively carry out competition advocacy and spread the information on benefits of competition among all stakeholders to establish and nurture competition culture in Indian economy.

Composition of the Commission

Sh. Anurag Goel - Member

Sh. M.L.Tayal - Member

4.2.3 The Commission consists of one Chairperson and six Members as per the Competition Act and has become functional with effect from 1st March, 2009. The details are as under:

Sh. Dhanendra Kumar - Chairperson

Sh. H.C. Gupta - Member

Sh. R. Prasad - Member

Sh. P.N. Parashar - Member

Smt. Geeta Gouri - Member

4.2.4 Various activities undertaken by the Commission during the period 1.4.2009 to 31.03.2010 and 1.4.2010 to 31.12.2010 are elaborated hereunder:

a) Enforcement Activities

The following tables give an analysis of the cases before the Commission during 2009-10 and 2010-11 (upto December, 2010).

Table 4.1:
Cases before the Commission during the year 2009-10

S. No.	Description	Information Received u/s 19	Cases Received from MRTPC on transfer	Suo moto cognizance	References received from central Govt.	References received from State Govt.	References received from Local Authorities	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(i)	Number of matters pending at the beginning of the year	Nil		Nil	Nil	Nil	Nil	Nil
(ii)	Number of matters received during the year	32	50	Nil	Nil	Nil	Nil	82
(iii)	Total number of matters	32	50	Nil	Nil	Nil	Nil	82
(iv)	Number of matters in which prima facie violations noticed	17	07	Nil	Nil	Nil	Nil	24
(v)	Number of matters in which no prima facie violations noticed	05	02	Nil	Nil	Nil	Nil	07
(vi)	Investigation reports received on prima facie matters ordered for investigation	06	Nil	Nil	Nil	Nil	Nil	06
(vii)	Inquiries conducted	Nil		Nil	Nil	Nil	Nil	Nil

Table 4.2:
Cases before the Commission during the year 2010-11 (upto December, 2010)

S. No.	Description	Information Received u/s 19	Cases Received from MRTPC on transfer	Suo moto cognizance	References received from central Govt.	References received from State Govt.	References received from Local Authorities	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(i)	Number of matters pending at the beginning of the year*	32	50	Nil	Nil	Nil	Nil	82
(ii)	Number of matters received during the year**	58	Nil	03	01	Nil	Nil	62
(iii)	Total number of matters	90	50	03	01	Nil	Nil	144
(iv)	Number of matters in which prima facie violations noticed	62	29	03	Nil	Nil	Nil	94
(v)	Number of matters in which no prima facie violations noticed	30	20	Nil	Nil	Nil	Nil	50
(vi)	Investigation reports received on prima facie matters ordered for investigation	40	23	Nil	Nil	Nil	Nil	63
(vii)	Inquiries conducted #	22	6	03	Nil	Nil	Nil	31

* Position before 1.4.2010 ** Position upto 31.12.2010 from 1.4.2010

Investigation Report from DG awaited

b) Framing of Regulations

As per Section 64 of the Competition Act, 2002, the following Regulations have been notified by the Commission and published in the Extraordinary Issue of the gazette of India, Part –III. Section 4:

	Regulations	Date of Issue
1.	The Competition Commission of India (Procedure for Engagement of Experts and Professionals) Regulations, 2009	15 th May, 2009
2.	The Competition Commission of India (Meeting for Transaction of Business) Regulations, 2009	21 st May, 2009
3.	The Competition Commission of India (General) Regulations, 2009	21 st May, 2009
4.	The Competition Commission of India (Lesser Penalty) Regulations, 2009.	13 th August, 2009
5.	The Competition Commission of India (General) Amendment Regulations, 2009.	20 th August, 2009
6.	The Competition Commission of India (Determination of Cost of Production) Regulations, 2009.	20 th August, 2009
7.	The Competition Commission of India (General) Amendment Regulations, 2010.	20 th October, 2010

c) Research Studies

As a part of capacity building and with the objective to gain insight into the structure of major sectors of the Indian economy, the Commission undertook various research projects/studies in the area of competition policy, economics and competition law since 2003-04. Till now, 18 studies have been completed and circulated amongst various Ministries/Departments and also put on the website of the Commission. The following Market studies were carried out during the year:

- Study on “Competition concerns in Concession Agreements in infrastructure Sectors” in association with Claurus Law Associates, New Delhi.
- Study on “Competition Law and Pharmaceutical Industry conducted in association with Centre for Trade and Development, New Delhi

Besides, studies were also carried out in-house on topics like Tyre Industry, Cement Industry, Steel Industry etc.

d) Competition Advocacy

With the objective to create awareness on competition issues, the Commission organizes interactive meetings, workshops and seminars etc. with different regulatory bodies, policy makers, trade organizations, consumer associations and public at large. During the year 2009-10, various programme were organized by the CCI under the auspices of the different High Courts for judiciary and for other Industry and Trade bodies, State and Central Government officials at different locations.

During the current year (till 31.12.2010), the following initiatives were taken by CCI under

the mandate given to it under Section 49 of the Competition Act, 2002 :

- i) National Conference on Competition Regime: Benefiting the Consumer” was held with Consumer Unity and Trust Society (CUTS) on 20th October 2010. About 100 participants from various consumer institutions from across the country had attended.
- ii) National Conference on Public Procurement: Achieving Best Value through Competition” was held on 8th December 2010 in association with Standing Conference of Public Enterprises (SCOPE), in which 90 top officials attended from Public Sector Undertakings and Central Government Departments/Ministries.
- iii) Members of the Commission also addressed various seminars/workshops held on competition issues for various stakeholders.
- iv) A competition advocacy booklet in Hindi language, which has detailed information on role of CCI and competition issues was released to create awareness about competition issues among the masses. Efforts are being made to translate advocacy booklets in other Indian vernaculars in order to attain a regional reach.

e) Internship

As part of its capacity building programme amongst the student community, Commission provides internship facility to them. 20 students (during 2009-10) and 20 students (uptil 31.12.2010) have undergone internship with the Commission on various competition related issues.

f) Capacity Building

- a) **Induction Programme:** During the year 2009-10, various induction and advance training programmes were conducted in house and through external agencies like DG Comp of European Union, DOJ/FTC of US etc. During the current year (till 31.12.2010) two induction training programmes were organised in-house which were attended by 44 officers.
- b) **Workshop & Training:** During 2009-10, a special workshop on Anti-trust, Cartels and Combination issues was organised in collaboration with European Union for the officers of the Commission.

During the current year, the following training/workshops were held :

- i) **A training on ‘The Process of Merger Review’:** A Practical Guide was conducted by DG Competition, European Union in which total of 20 officers attended the same.
- ii) **A training on Merger Investigation: Planning & Conducting** was conducted by U.S. Federal Trade Commission in which a total of 21 officers attended the same.
- iii) **A training on Abuse of Dominance Investigation: Planning & Conducting**, was conducted by U.S. Federal Trade Commission in which a total of 16 officers attended the same.
- iv) A training on Horizontal Restraints: Investigation: Planning & Conducting was conducted by U.S. Federal Trade Commission in which a total of 18 officers attended the same.
- v) Training on Principles, Problems & Lessons Learned was conducted

by American Bar Association and International Bar Association, in which a total of 29 officers attended the same.

- vi) A workshop was organized on “Addressing the challenges: An International perspective”, conducted by OECD in which a total of 40 officers attended the same.
- vii) A seminar was organized by CCI on Competition Enforcement which was attended by 49 officers.

g) Recruitment

During the year 2009-10, 14 professional staff and 23 support staff were appointed on ad-hoc deputation basis. Six professionals and five support staff were appointed on regular deputation basis in the Commission.

During the year 2010-11 (till 31.12.2010), 18 Officers in the professional category and 8 officers in the support category have been recruited. Recruitment process has again been initiated to fill up vacancies of 24 professional and 14 support staff through direct recruitment. In the Office of Director General, CCI, Director General and four other professionals and six support staff have been appointed on deputation basis.

Nine expert and professional in the field of Law, Eco and HR have also been engaged in the Commission in terms of the Regulations made under the Competition Act, 2002.

h) Funds allocated to the Commission

In terms of Section 51(1) of the Competition Act, 2002, ‘Competition Commission of India (Competition Fund) Account’ has been set up wherein all the Grants received from Govt. of

India, Fees and Interest is credited. Expenditure is being incurred out of this Fund with the approval of Fund Administering Committee (FAC), comprising two Members of the Commission. The accounts of the Commission for the year 2009-10 were prepared as per 'The Competition

Commission of India (Form of Annual Statement of Accounts) Rules, 2009 and laid on the floor of the two Houses of the Parliament.

The Budget and actual expenditure of CCI for the year 2009-10 and 2010-11 (upto 31.12.2010) are as under

Budget and actual expenditure of CCI

(Rs in crore)

Year	Budget Estimate	Revised Estimate	Grants released by the Ministry	Actual expenditure	Carry forward balance
(1)	(2)	(3)	(4)	(5)	(6)
2009-10	20.00	19.00	16.00	13.42	2.58
2010-11	44.03	34.38	27.34	23.19	

Competition Appellate Tribunal

4.3.1 The Competition Appellate Tribunal is chaired by Hon'ble Dr. Justice Arijit Pasayat, former Judge of Supreme Court, and the two members of the Tribunal are Shri Rahul Sarin, former Secretary to the Government of India and Smt. Pravin Tripathi, former Deputy Comptroller and Accounts General (C & AG).

4.3.2 The Competition Appellate Tribunal is vested with powers:-

- To hear and dispose of appeals against any direction issued or decision made or order passed by the Competition Commission of India established under the Competition Act, 2002.
- To adjudicate on claim for compensation that may arise from the findings of the Commission or the orders of the Appellate

Tribunal in an appeal against any findings of the Commission and pass orders for the recovery of compensation under that Act.

4.3.3 After the dissolution of the erstwhile MRTP Commission, the Government of India vide Ordinance dated 14th October, 2010 vested COMPAT with powers to hear and dispose of pending cases, being dealt with by the then MRTP Commission. About 1825 pending cases were transferred to this Tribunal, out of which this Tribunal has disposed of 736 cases till the end of December, 2010.

4.3.4 Since the establishment of this Tribunal, it has received 23 appeals (one appeal in 2009 and 22 appeals in 2010) against the decision of Competition Commission of India. Out of these appeals filed against that decision, four appeals have been disposed of by this Tribunal and remaining appeals are under adjudication.

CHAPTER – V

Allied Legislations

The Chartered Accountants Act, 1949

5.1.1 The Chartered Accountants Act was enacted in 1949 to regulate the profession of Chartered Accountants and, for that purpose, to establish an institute. The Institute of Chartered Accountants of India (ICAI) was accordingly established in July, 1949, in terms of the provisions of the Act.

5.1.2 The main objects of the Institute of Chartered Accountants of India are prescribing qualifications for membership holding examination and arranging practical training of candidates for enrolment, maintenance and publication of Register of Members qualified to practice the profession, carrying on activities for development of the profession and regulation and maintenance of status and standard of professional qualification of the Members. The Institute conducts examinations all over the country, provides postal/oral coaching and, arranges practical training, enabling students to qualify for the profession.

5.1.3 The affairs of the Institute are managed by its Council which also discharges the functions assigned to it under the Chartered Accountants Act. The Council is composed of not more than 24 persons elected by the members of the Institute and six persons nominated by the Central Government.

The Cost and Works Accountants Act, 1959

5.2.1 The Cost and Works Accountants Act was

enacted in 1959 to regulate the profession of Cost and Works Accountants and for that purpose to establish the Institute of Cost and Works Accountants. The Institute of Cost and Works Accountants of India (ICWAI) was accordingly established in May, 1959, in terms of the provisions of the Act.

5.2.2 Under Cost and Works Accountants Act, 1959, the duties of carrying out the provisions of the Act are vested with the Council of the Institute of Cost and Works Accountants of India which is constituted under Section 9 of the Act. The Council is composed of not more than 12 persons elected by the members of the Institute and not more than 4 persons nominated by the Central Government. Accordingly, the Central Government has nominated 4 persons on the Council of the Institute.

The Company Secretaries Act, 1980

5.3.1 The Company Secretaries Act was enacted in 1980 to regulate and develop the profession of the Company Secretaries and for that purpose to establish the Institute of Company Secretaries of India (ICSI). The Institute of Company Secretaries of India was established in January, 1981.

5.3.2 Under the Company Secretaries Act, 1980, the duties of carrying out the provisions of the Act are vested with the Council of the Institute of Company Secretaries of India, which is constituted under Section 9 of the Act.

The Council is composed of not less than 12 persons elected by the Members of the Institute and not more than 4 persons nominated by the Central Government. Accordingly, the Central Government has nominated 4 persons on the Council of the Institute.

Professional Services

5.4 The Professional Services are provided by the members of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost and Works Accountants of India (ICWAI) and the Institute of Company Secretaries of India (ICSI). To ensure that in this changing economic scenario, the professionals do their job with due diligence, and are able to exploit new opportunities becoming available, the Parliament passed the Chartered Accountants (Amendment) Act, 2006, the Cost and Works Accountants (Amendment) Act, 2006. In accordance with the provisions of the Company Secretaries (Amendment) Act, 1980, Company Secretaries (Amendment) Regulations, 2010 have been framed during the period 1.4.2010 to 31.12.2010. Further these Acts are proposed to be amended to incorporate provisions of Limited Liability Partnership Act, 2008 for allowing professionals of these three Institutes to form Limited Liability Partnership firms. Steps have been initiated for strengthening the disciplinary mechanism for regulating the members of these Institutes.

The Competition Act, 2002

5.5 In accordance with the provisions of the Competition Act, 2002, the Competition Commission of India was established on 14th October, 2003. While the process of the making the Competition Commission functional was being undertaken, the Competition Act met with

the legal challenges. The Supreme Court of India delivered its judgement on the writ petition filed in this regard in January, 2005. Keeping in view the judgement of the Supreme Court, the proposals for amendment to the Competition Act, 2002 were framed and moved which were finally approved by the Parliament in its Monsoon Session, 2007. The Competition Commission of India has been fully constituted as per the provisions of the Act with the appointments of the Chairperson and four Members. The amended Act provided for establishment of Competition Appellate Tribunal also. Accordingly, the Competition Appellate Tribunal was set up on 19th October, 2009. Parliament also passed the Competition (Amendment) Bill 2009 which was to replace the Competition (Amendment) Ordinance 2009 to further amend section 66 of the Competition Act, 2002. All the pending cases on which the Monopolies And Restrictive Trade Practices Commission (MRTPC) was to continue to exercise jurisdiction for two years after repeal of the MRTP Act will be adjudicated by Competition Appellate Tribunal in accordance with the provisions of the repealed MRTP ACT as if the Act had not been repealed.

Valuation Professionals Bill, 20**

5.6 Ministry of Corporate Affairs placed on its website on 8th June, 2007 a concept paper on the Council of Valuation Professionals of India Bill, 20** proposing provisions for the regulation of valuation professionals, for seeking suggestions and comments from the general public. The Comments received were referred to a Committee of professionals and on the basis of their recommendations, a draft Bill was prepared. The draft Bill was referred by the Ministry to an expert group to advise the Government on Statutory framework for regulation of valuation

professionals. The report of the Expert Group has been received and is under examination of the Ministry.

The Societies Registration Act, 1860

5.7 The Societies Registration Act, enacted in 1860, provides for the registration of Literary, Scientific and Charitable Societies, so as to improve the legal status of such societies. The Act required that societies established for promotion of literature, science or fine arts, or in the diffusion of useful knowledge or for charitable purpose, register themselves by filing their Memorandum of Association with Officers specified in the Act. Most of the States have enacted amendments to the Societies Registration Act. The amendments also include registration of societies in the respective states by the Registrar of Societies or by other officers appointed by the State Government for the purpose.

Indian Partnership Act, 1932

5.8 The Indian Partnership Act was enacted in 1932 with a view to define and amend the law

relating to partnership apart from providing the nature of partnership, relating to partners with one another and with third parties. The Act also provides for registration of the firms with the Registrars appointed by the State Governments for the purpose. The Act makes separate provisions for registration of firms with the income tax officers concerned for the purpose of the Income Tax Act.

The Companies (Donation to National Funds) Act, 1951

5.9 The Companies (Donations to National Funds) Act was enacted in 1951. The Act enables any company, notwithstanding anything contained in the Companies Act or any other law, and also notwithstanding the contents of the Memorandum and Articles of Association of any Company, to make donations to any fund established for a charitable purpose as approved by the Central Government. The Central Government has approved the Gandhi National Memorial Fund and the Sardar Vallabhbhai Patel National Memorial Fund as eligible to receive donations.

CHAPTER – VI

Statistical Review of Corporate Sector

Companies at Work

6.1 8,72,740 companies limited by shares were at work in the country as on 31.12.2010. These comprised 8,71,125 Non-Government companies and 1,615 Government companies. Out of 8,72,740 companies limited by shares at work, 81,926 companies were public limited and 7,90,814 were private limited companies. State-wise distribution of companies limited by shares at work as on 31st December, 2010 is given in Statement-I.

New Registration

6.2.1 64,990 companies limited by shares with authorised capital of Rs. 47,161.75 crore were registered under the Companies Act, 1956 during the period from 1st April, 2010 to 31st December, 2010. Out of these, 36 were Government companies with authorized capital of Rs. 23,697.22 crore and 64,954 were Non-Government companies with authorized capital of Rs. 23,464.53 crore.

6.2.2 The Government companies limited by shares which were registered during the period from 1st April, 2010 to 31st December, 2010 comprised 28 public limited companies and 8 private limited companies with authorized capital of Rs. 23,649.20 crore and Rs. 48.02 crore

respectively. The Non-Government companies limited by shares which were registered during the period from 1st April, 2010 to 31st December, 2010 comprised 2051 public limited companies and 62,903 private limited companies with authorized capital of Rs. 7,257.28 crore and Rs. 16,207.25 crore respectively.

Liquidation

6.3 During the period from 1st April, 2010 to 31st December, 2010, a total of 10,185 Non-Government companies limited by shares were reported to have gone into liquidation or to have been struck off under Section 560 (5) of the Companies Act, 1956.

Foreign Companies

6.4 3,050 foreign companies, as defined under Section 591 of the Companies Act, 1956 were in the country as on 31.03.2010. During the period from 1st April, 2010 to 31st December, 2010 another 146 foreign companies established their place of business in India and 30 foreign companies have ceased to have their principal place of business in India. Thus there were 3,166 foreign companies in India as on 31.12. 2010.

6.5 Statistical information given above is as generated under MCA21 system.

STATEMENT - I
Companies Limited by Shares at work as on 31st December, 2010
(State-wise Distribution)

Sl. No.	STATE / UT	Public	Private	Total
		No.	No.	No.
1	2	3	4	5
1	ANDHRA PRADESH	6,488	56,971	63,459
2	ASSAM	716	5,630	6,346
3	BIHAR	1,211	8,868	10,079
4	CHHATISGARH	379	3,901	4,280
5	GUJARAT	5,921	44,956	50,877
6	HARYANA	1,060	10,223	11,283
7	HIMACHAL PRADESH	318	2,474	2,792
8	J & K	246	2,295	2,541
9	JHARKHAND	310	4,377	4,687
10	KARNATAKA	3,089	42,669	45,758
11	KERALA	1,474	18,114	19,588
12	MADHYA PRADESH	1,429	12,966	14,395
13	MAHARASHTRA	15,895	1,67,159	1,83,054
14	MANIPUR	43	151	194
15	MEGHALAYA	131	545	676
16	MIZORAM	10	49	59
17	NAGALAND	24	234	258
18	ORISSA	930	8,135	9,065
19	PUNJAB	2,211	14,376	16,587
20	RAJASTHAN	1,801	25,706	27,507
21	TAMIL NADU	7,149	62,892	70,041
22	TRIPURA	29	157	186
23	UTTAR PRADESH	4,191	24,407	28,598
24	UTTARNCHAL	255	1,975	2,230
25	WEST BENGAL	8,939	97,019	105,958
26	A & N ISLANDS	4	144	148
27	ARUNACHAL PRADESH	26	282	308
28	CHANDIGARH	1,174	6,368	7,542
29	D & N HAVELI	62	227	289
30	DAMAN & DIU	50	169	219
31	DELHI	16,006	1,60,891	1,76,897
32	GOA	251	5,135	5,386
33	LAKSHDWEEP	0	11	11
34	PUDUCHERRY	104	1,338	1,442
	Total	81,926	7,90,814	8,72,740

CHAPTER - VII

Towards Interactive and Responsive Administration

7.1 In its pursuit towards a more responsive, transparent and dynamic environment in the Headquarters and in the field offices, the Ministry of Corporate Affairs has undertaken several innovative measures and mechanisms.

E-Governance

7.2.1 Implemented as a Mission Mode Project of the Government of India under National e-Governance Plan (NeGP), MCA21 eGovernance Project focuses on prompt and efficient delivery of services. The project is fully operational from all 20-registry locations. During the year 2009, E-stamping has been introduced in MCA21 portal. This has enabled the stakeholders to make payment of stamp duty on MCA21 portal itself. The revenue collected by way of stamp duty is remitted to RBI at the end of the week and the RBI remit the same to the respective State Government within a day time.

7.2.2 During the year following initiatives were taken to streamline the filing during the peak filing period.

1. The number of servers for FO (Front Office) and BL (Business Layer) were increased from 4 to 7 (7 for FO and 7 for BL).

2. To improve performance of the Gateway layer the payload part of the SOAP message was bypassed and only message part was passed through the Gateway during the peak filing period.
3. The system was configured to put a cap on the number of simultaneous users in case of sudden spurt in the incoming load.
4. During peak filing period VPD was blocked during peak hours in last 10 days of September, October and November, 2010.
5. A dashboard was deployed in Shastri Bhawan for continuous monitoring of the server infrastructure, line server, CPU usage, RAH usage, HTTP services, JVM processes and login connections. The dashboard data was analyzed continuously for early warnings regarding the performance deterioration and excessive user volumes to take corrective actions.
6. Upgrades were carried out on the database (DB2) and WAS (Web Application Server) to improve performance of the system.
7. Guidelines were issued to the stakeholders through media & performing financial institutions for staggered E-filing.

Following operational statistics bring out the stability in the system, increased volume of filings and improved compliance:

Filing Status as on December 31, 2010

Sl. No.	Particulars	Number
(1)	(2)	(3)
1	Average portal hits per day	101.46 Lakhs
2	Total filings through the system till 31.12.2010	119.57 Lakhs
3	Maximum number of documents filed on a day (29-10-2010)	70034

4	Number of companies registered online	307556
5	Total DIN issued till date	19.19 Lakhs
6	Company records viewed online	15.51 Lakhs
7	Number of Balance Sheets filed	20.22 Lakhs
8	Number of Annual Returns filed	20.24 Lakhs
9	Amount of E-stamp collected upto 31.12.2010	18884.78 Lakhs
10	Number of E-form revised during the year	All Hindi forms were revised and Form CLSS, 68, EES2011, CSR were introduced.

7.2.3 There has been a significant turn around in time for delivery of services with the implementation of the project which is brought out from the following table:

Efficiency in Service Delivery under MCA21

Service Metrics

Type of Service	Prior to MCA21	After MCA21
Name Approval	7 days	1-2 days
Company Incorporation	15 days	1-3 days
Change of Name	15 days	3 days
Charge creation/ modification	10 - 15 days	2 days
Certified Copy	10 days	2 days

Registration of Other Documents

Type of Service	Prior to MCA21	After MCA21
Annual Return	60 days	Instantaneous
Balance-sheet	60 days	Instantaneous
Change in Directors	60 days	1-3 days
Change in Regd. Office Address	60 days	1-3 days
Increase in Authorized Capital	60 days	1-3 days
Inspection of Public Documents	Physical appearance	On-line

International Cooperation

7.3.1 International Cooperation involving interaction with foreign government authorities/ organizations/ institutions which is essential, as the Indian business environment is getting increasingly integrated with the global business environment and enable the professionals as well as the Ministry to understand the developments taking place in the world and also to showcase the initiatives of the Ministry in the areas of corporate governance, corporate social responsibility and the development of the accounting profession, interactions were undertaken by the Ministry with International Organizations like George Washington University Law School, International Federation of Accountants (IFAC), Indian Medical Association (IMA), US India Business Council (USIBC) in USA, Global Reporting Initiatives (GRI), & Institute of Certified Management Accountants Sri Lanka (ICMASL) at Colombo, European Academy of Business in Society (EABIS), Federal Antimonopoly Service (FAS) of Russia, World Bank Institute at Belgium, Organisation for Economic Co-operation and Development (OECD), etc.

7.3.2 Shri R. Bandyopadhyay, Secretary, Ministry of Corporate Affairs visited USA in

connection with a programme organized by the George Washington University Law School, IFAC, IMA and USIBC in USA on 15-19 March, 2010.

7.3.3 Visit undertaken by Shri Salman Khurshid, Hon'ble Minister for Corporate Affairs and Shri R. Bandyopadhyay, Secretary, Ministry of Corporate Affairs alongwith other members of the delegation to Dubai from 02-05 April, 2010. Main purpose of the delegation's visit headed by Hon'ble Minister & Secretary, MCA was first hand interaction with the various stakeholders at Dubai, so as to promote brand Indian Chartered Accountant which has sizeable membership of its membership the Middle East region and Dubai, Abu Dhabi alone constitutes more than 3,500 of its strength.

7.3.4 Shri R. Bandyopadhyay, Secretary, Ministry of Corporate Affairs visited Netherlands and Germany from May 24-31, 2010. In order to bring out the requisite reforms, the visit to Netherlands and Germany in wake of the finalization of the bilateral arrangements for establishing a joint Working Group with Netherlands, the annual conference on the Global Reporting Initiatives (GRI), which is one of the most important global platform on CSR issues and the bilateral discussion for finalizing the arrangements for establishment of an Indo-German Task Force on CG/CSR. IICA is providing policy advisory support to the Ministry on CSR related issues. For strengthening the cooperation between the Ministry of Corporate Affairs of India and the Ministry of Economic Affairs of the Netherlands, both are considering to sign letter of Intent in the area of corporate governance and corporate social responsibility.

7.3.5 Shri Salman Khurshid, Hon'ble Minister, Ministry of Corporate Affairs visited Ireland from 22-26 June, 2010 to commemorate the 25th Anniversary of the Air India Kanishka Crash and also addressed the event organized by ICAI on the theme "Role of Accountancy Profession in Anchoring Economic Order" at London.

7.3.6 2nd Global Management Accounting Summit 2010 held at Colombo was also attended by Secretary, Ministry of Corporate Affairs and also interacted with senior functionaries in Sri Lanka on various aspects of Corporate Affairs including corporate Governance and the profession of audit and accountancy.

7.3.7 Shri R. Bandyopadhyay, Secretary, MCA with a delegation of the Officers from SEBI/RBI/ICAI/IRDA/CAG and Shri Jitesh Khosla, OSD, IICA visited Tokyo (Japan) from 26-28 July, 2010 and attended the Meeting of the First Joint Working Group of India-Japan Forum on convergence of International Financial Standards (IFRS).

7.3.8 Secretary, Ministry of Corporate Affairs leading the delegation comprising members of Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), The Institute of Cost and Works Accountants of India (ICWAI) visited St. Petersburg and Moscow (Russia) from 20-24 September, 2010. Attended the EABIS Annual Colloquium and interacted with the regulatory authorities and the professionals of Russia. An Agreement on Cooperation was also signed between ICWAI & Institute of Professional Accountants and Auditors of Russia. The scope of the present Agreement is establishment of long term cooperation aimed at achieving perfection in business accounting, management accounting and audit in both the countries.

7.3.9 Shri R. Bandyopadhyay, Secretary, MCA visited Paris (France) and Geneva (Switzerland) from 6-12 October, 2010. Participated in the 5th GRI Governmental Advisory Group Meeting, meeting with OECD at Paris (France) and the Conference on Corporate Governance in wake of the Financial Crisis – Linking Governance, Strategy and Sustainability: A Conference on the Role of the Accounting Profession” in Geneva (Switzerland).

7.3.10 A high level Indian government delegation (representatives from The Institute of Chartered Accountants of India, The Institute of Cost and Works Accountants of India and The Institute of Company Secretary of India from Ministry of Corporate Affairs headed by Shri R. Bandyopadhyay, Secretary, Corporate Affairs visited Canberra & Sydney (Australia) from 9th – 12th November, 2010 and had indepth interactions with Senior Federal Australian Government functionaries. Mrs. Sujata Singh, Indian High Commissioner at Australia also joined the interactions. The Indian delegation had extensive discussion with Secretary of the Australian Treasury, Government of Australia and the two sides exchanged their stance on economic policy and regulatory architecture at macro level and in particular the learning experience and possible mutual synergies in area of Governance, CSR, Investor Education, Technical Standards implementation in particular road map to IFRS and alike. The delegation also had indepth understanding on Accounting & Auditing Standards related issues with the Chairman of Australian, Financial Reporting Council. The interactions also focused on various aspects of Corporate Reporting, Standard

Business Reporting, Corporate Governance and Investor Protection. The visit assumes importance in wake of emerging trade scenario and both sides have agreed to leverage upon mutual synergies and regularly interact so as to jointly work on commonality of issues.

7.3.11 Shri R. Bandyopadhyay, Secretary, Corporate Affairs also participated in panel discussion on “Strengthening Responsible Business and Governance in Africa” in Brussels hosted by the World Bank Institute and the Govt. of Belgium from 16-18 November, 2010. It provided a useful platform to share experiences among countries, improve the investment climate, contribute to economic development and foster leadership by integrating business and good governance practices into corporate culture, strategies and policies

Investor Grievance Redressal Mechanism

7.4.1 A website namely www.investorhelpline.in has been sponsored and launched in September, 2006 under Investor Education and Protection Fund and created by Midas Touch Investor Association (NGO) to provide a mechanism for redressal of grievances of investors free of cost. It provides a facility to the investors to lodge their grievance on the website. It acts as an intermediary between investors and companies, stock exchanges, and other authorities. It also educates investors about their lawful rights under various acts and the procedure to get them enforced. Category wise Complaints and Resolution Status from 01.04.2010 to 31.12.2010 by Investor Helpline is shown in Table 7.1.

Table 7.1
Investor Helpline
Category wise Complaints and Resolution Status from 01-04-2010 to 31-12-2010

S. No.	Type of complaint	Nature of complaint	Grievances Received	Rejected, incomplete information	Valid Grievances	Beyond Helpline Mechanism	Balance valid grievances processed	Redressed
1	2	3	4	5	6	7	8	9
1.	Debenture or bond related grievances	Non-receipt of certificate, interest, redemption amount	91	20	71	10	61	28
2.	Fixed/ Public deposits, Collective Investment Schemes related grievances	Non-receipt of matured amounts, interest, returns, etc.	273	15	258	208	50	52
3.	Shareholders grievances	Non-receipt of dividend, share certificates, bonus, allotment advise, rights allotment, Annual Report, AGM notices, demat grievances, etc.	800	203	597	113	484	303
Total			1164	238	926	331	595	383

7.4.2 Besides, a Website www.watchoutinvestors.com has also been created by Prime Investors Protection Association and League, with the financial assistance from the Investor Education and Protection Fund, to help the investors protect

themselves from unscrupulous promoters, companies and entities. The website is a national registry of economic defaulters and covers information on conviction by various regulatory bodies.

Settlement of Grievances of Officers and Staff

7.5 Keeping in view the need for settlement of grievances of officers and staff, a Staff Council is in place in the Ministry, which is an elected body. The Staff Council is headed by the Joint Secretary incharge of Administration. It meets frequently and all the grievances and problems are discussed and solved in this fora itself. It has proved to be a very effective mechanism in creating a healthy atmosphere in the Ministry.

Vigilance

7.6 A separate Vigilance Section is working in the Ministry of Corporate Affairs in line with the policy of the Central Government to eliminate corruption at every level. Prompt action is taken whenever any credible complaint is received. Vigilance Awareness Week was observed in the MCA during October, 25 to November, 01, 2010. At the beginning of the year 2010-11, 7 vigilance cases were pending. One case has been disposed of, during the year and three cases have been initiated during the year. Out of 88 complaints. received through various sources including CVC/ CBI etc., 62 complaints were disposed of during the year.

Gender Issues

7.7 As regards gender issues, no discrimination is made on the basis of gender while allocating work. The work is allocated on the basis of designation.

Representation of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs)

7.8.1 As part of cadre review of ICLS, 60 posts at various levels have been created on 5.11.2008.

These include on post of HAG level and four posts of SAG level for which the approval was given by the Cabinet on 4.9.2008. the remaining posts are of the level JAG, STS and JTS for creation of which approval of DOPT and Department of Expenditure was obtained.

7.8.2 The Recruitment Rules in respect of ICLS have been revised in consultation with DOPT and UPSC. The revised ICLS rules have been notified vide GSR No. 772(E) dated 5.11.2008. The Recruitment of 13 ICLS probationers has been done through Civil Services Exam 2009. It is proposed to recruit 41 officers through Civil Services Exam 2010.

Table 7.2

Statement showing the total number of Government servants and number of SCs, STs and OBCs amongst them (As on 1.1.2010)

Group	Total No. of employees	No. of employees out of total employees		
		SCs	STs	OBCs
Group A	232	30	12	19
Group B	201	28	15	14
Group C	1005	150	63	84
Group D	307	84	31	30
Total	1745	292	121	147

Progressive use of Hindi

7.9 Ministry of Corporate Affairs is making all out efforts to achieve its targets set by the Department of Official Language to promote the use of Hindi

in the official work. Some of the major activities undertaken during the year are as under:-

- (i) The Hindi Advisory Committee of Ministry of Corporate Affairs has been reconstituted on 9th November, 2010.
- (ii) The First Sub-Committee of Parliamentary Committee on Official Language inspected the Ministry of Corporate Affairs including National Backward Classes Finance and Development Corporation and Centre for High Technology on 01.07.2010. Ministry of Corporate Affairs was also assigned the coordination work during this inspection programme. The Ministry successfully performed the responsibility.
- (iii) The First Sub-Committee of the Parliamentary Committee on Official Language also inspected ROC, Kochi on 30.06.2010 and ROC, Mumbai on 04.01.2011.
- (iv) The correspondence under section 3(3) of the Official Language Act, 1963 is being done bilingually.
- (v) As per rule 5 of the Official Language rule, 1976, all letters received in Hindi are replied to in Hindi only.
- (vi) A workshop was held on 29.11.2010 in the Ministry to impart training on quarterly monitoring the use of Hindi. 27 officials of the Ministry took part in the workshop.
- (vii) 4th issue of the half yearly Hindi magazine of the Ministry "Corporate Pravahini" was published.
- (viii) 5 field offices were inspected by the Ministry during April, 2010 to Jan, 2011.

- (ix) Hindi fortnight was celebrated in the Ministry from 14.09.2010 to 30.09.2010. During the fortnight, many competitions were organized like scene description, Quiz, Noting-Drafting, Poem recitation etc.

The Hon'ble Minister of Corporate Affairs awarded prizes to the winners of various competitions in a function on 15.10.2010. The field offices of the Ministry also organized similar activities in their respective offices.

Publications

7.10 The Ministry's has brought out the following publication during 1.4.2010 to 31.12.2010 which is given below :-

- (a) Annual Report on the Working and Administration of the Companies Act, 1956 is required to be laid before both Houses of Parliament in pursuance of the provisions of Section 638 of the Act. The 53rd Annual Report as on 31.3.2009 was laid on the Tables of both Houses of Parliament in 2010.
- (b) First Annual Report of the Competition Commission of India (CCI) for the year 2009-10 was laid on the Tables of both Houses of Parliament in 2010, under sub-section (2) and (3) of section 53 of the Competition Act, 2002.

Revenue Receipts & Expenditure

7.11 The details of the Revenue Receipts and Expenditure (Plan & Non Plan) of the Ministry of Corporate Affairs is given below (Table 7.3 and 7.4).

Table – 7.3
Revenue Receipts

(Rs. in Crore)

2007-08	2008-09	2009-10	2010-11
(1)	(2)	(3)	(4)
1304.17	1231.78	1235.05	1104.65

Table – 7.4
Expenditure (Plan & Non Plan)

(Rs. in Crore)

	Actual Expenditure 2009-10	2010-11			Budget Estimates 2011-12
		Budget Estimates 2010-11	Revised Estimates 2010-11	Actual Expenditure 2010-11 (up to Dec. 2010)	
(1)	(2)	(3)	(4)	(5)	(6)
Non-Plan	190.11	209.01	198.89	128.79	210.94
Plan	33.00	40.00	87.36	79.74	28.00
Total	223.11	249.01	286.25	211.51*	238.94

* Including authorizations of Rs.2.98 crores.

ANNEXURES

Annexure-I**Directory of the Ministry of Corporate Affairs**

Name	Designation	Office phone/ fax	Residential Telephone Number
OFFICE OF THE MINISTER OF CORPORATE AFFAIRS			
Shri Murli Deora	Corporate Affairs Minister (CAM)	23073804 23073805 23073806 (Fax)	24615316 24693941 24636969 (Fax)
Sh.	PS to Corporate Affairs Minister	-Do -	-
Sh. D.K. Rana	Addl. PS to Corporate Affairs Minister	-Do -	-
Sh. Murari Lal Sharma	Addl. PS to Corporate Affairs Minister	-	-
Sh. K.S. Sitaraman	Addl. PS to Corporate Affairs Minister	-	-
OFFICE OF THE MINISTER OF STATE FOR CORPORATE AFFAIRS			
Shri R.P.N. Singh	Minister of State for Corporate Affairs	23385823 23384082	24632653 (Res. Off.)
Sh. Asit Singh	PS to Minister of State for Corporate Affairs	-Do -	23075300 9868535600 (M)
Sh. Tirthankar Das	OSD to Minister of State for Corporate Affairs	-Do -	25099651 9868920252 (M)
Sh. S.R.Kadam	1 st PA to Minister of State for Corporate Affairs	23369052	9868226831(M)
SECRETARY			
Sh. D.K. Mittal	Secretary	23382324 23384017 23384257 (Fax)	
Sh. G.C. Pandey	Sr.PPS to Secretary	-Do-	24652211
Sh. S.P.S. Rawat	P.S. to Secretary	-Do-	24621782

ADDITIONAL SECRETARY			
Sh. Sudhir Mital	Additional Secretary	23381226 23389088 (Fax)	
Sh. Jagjit Singh	P.S. to Additional Secretary	-Do-	25117014
AS&FA			
Sh. Saurabh Chandra	AS&FA	23062756	-
Sh. L.D. Sharma	PS to AS&FA	-Do-	-
JOINT SECRETARIES			
Sh. A.K. Srivastava	Joint Secretary	23383180	24105445
<i>Sh. V.K. Soota</i>	PS to Joint Secretary(A)	-Do-	-
Smt. Renuka Kumar	Joint Secretary	23074056 23384380	24364256
<i>Sh. B.B Tuli</i>	PS to Joint Secretary(R)	-Do-	-
Dr. T.V. Somanathan	Joint Secretary	23383345	23015480
<i>Sh. S.C. Puri</i>	PA to JS(S)	-Do-	-
ECONOMIC ADVISER			
Dr. Joseph Abraham	Economic Adviser	23385010	26115803
<i>Sh. Sandeep Kr. Ambastha</i>	PA to EA	-Do-	-
DII (DIRECTOR OF INSPECTION & INVESTIGATION)			
Sh. Dhan Raj	DII	23389602	22183294
<i>Sh. H. Srivastav</i>	P.S. to DII (DR)	23389602	-
Sh. E. Selvaraj	Director	23384502	9711129925 (M)
<i>Sh. M. Mohan Das</i>	P.S. to DII (ES)	23384502	9871377209 (M)
DIRECTORS			
Sh. Jaikant Singh	Director	23389227	26890808
<i>Sh. Deepak Kumar</i>	PA to Dir. (JS)	-Do-	-
Mrs. Nirupama Kotru	Director	23384470	0120-4281447 26257232
<i>Mrs. Santosh</i>	PA to Dir.(NK)	-Do-	-
Alok Kumar	Director	23382386	-

<i>Ms. Manju</i>	PA	-Do-	-
Sh. Anil Kumar Bhardwaj	Director	23070954	-
<i>Ms. Namita</i>	PA to Dir.(AKB)	-Do-	-
DEPUTY SECRETARIES			
Sh. V.K.Kapoor	Deputy Secretary	23389263	24104947
<i>Smt. Durgesh Nandini</i>	PA to DS(VKK)	-Do-	-
Sh.K.K.Nath	Deputy Secretary	23389204	-
<i>Sh. Nand Kisore</i>	PPS to DS(KKN)	23389204	-
Sh. B.K.Malhotra	Deputy Secretary	23389403	25088170
<i>Sh. O.P. Sharma</i>	PA to DS (BKM)	-Do-	-
Sh. K.Gurumurthy	Deputy Secretary	23384502	9871377209 (M)
<i>Mrs. Sushma Sikri</i>	PA to DS(KG)	-Do-	-
JOINT DIRECTORS			
Sh. Naubat Singh	Joint Director	23385285	9811381515 (M)
Sh. R.K. Meena	Joint Director	23385285	-
Sh. Alok Samantrai	Joint Director	23073230	-
Sh. J.N.Tikku	Joint Director	23384657	01232255388
DEPUTY DIRECTORS			
Sh. B.K.L. Srivastava	Deputy Director(Legal)	23070728	-
Sh. Vinod Sharma	Deputy Director	23385382	-
Sh. Sanjay Shorey	Deputy Director	23389622	-
Smt. P. Sheela	Deputy Director	23386065	-
Sh. Shyam Sunder	Deputy Director	23384657	22416398
Sh. Saud Ahmad	Deputy Director	23073230	-
Sh. N.K. Dua	Deputy Director	23387263	-
Sh. R.K. Shah	Deputy Director	23387263	-
Sh. Sanjay Yadav	Deputy Director	23389745	-
UNDER SECRETARIES			
Sh. J.S Gupta	Under Secretary	23389782	25226814

Sh. R.C. Tully	Under Secretary	23073734	-
Sh. J.B.Kaushish	Under Secretary	23387939	0124-2333763
Sh. L.K.Trivedi	Under Secretary	23389782	-
Sh. Rajinder Singh	Under Secretary	23389298	-
Sh. B.P.Bimal	Under Secretary	23381243	-
Smt. Rita Dogra	Under Secretary	23386065	-
Sh. R.K.Pandey	Under Secretary	23383507	0120-2482544
Sh.G.V.Subbaiah	Under Secretary	23383507	0120-2534241
Sh G.P.Sarkar	Under Secretary	23381349	23364290
Shri Anil Kumar	Under Secretary	23381243	9350356209
Sh. Anil Parashar	Under Secretary	23381243	-
ASSISTANT DIRECTORS			
Sh. M.S. Pachouri	Asstt. Director	23387263	-
Sh. Puneet Kr. Duggal	Asstt. Director	23389745	-
Sh. Parvinder Singh	Asstt. Director	23385382	-
Sh. Alok Tandon	Asstt. Director	23385382	-
Ms. Monika Gupta	Asstt. Director(CL-V)	23387263	-
Ms. Seema Rath	Asstt. Director (CL-V)	23387263	-
Ms. Reeta Sood	Asstt. Director (Hindi)	23388512	-
Sh. Arvind Kumar Bunker	Asstt. Director	23389745	-
Sh. R.K.Bakshi	Asstt. Director	23073230	-
Sh. Iqbal Hussain Ansari	Asstt. Director	23073230	-
Sh. V.M .Prasanth	Asstt. Director	23384660	-
Sh. Manjit Singh	Asstt. Director (IEPF)	23384479	-
Research and Analysis Division			
Sh. S.N. Tobria	Director	23318973 (Tele/Fax)	23233052
Sh. Radhey Shyam	Director	23318972 (Tele/Fax)	-
E.Nagachandran	Dy. Director	23318971	-

Cost Audit Branch			
Sh. B.B. Goyal	Advisor (Cost)	23386003 23386284(Fax)	24100365
Smt. Pushpa Saini	PS	-	-
Sh. Tarun Dass	Deputy Director (Cost)	23386685	-
Ms. Bharti Sahai	Asstt. Director (Cost)	23386349	-
Serious Fraud Investigation Office (Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi)			
Sh. Anuj Kr. Bishnoi	Director	24365787	-
Sh. Rajesh Sharma	Addl. Director	24369243	-
Sh. N.K. Bhola	Addl. Director(CL)	24369592	-
Mrs. Sunita Kejriwal	Addl. Director(Taxes)	24369505	95120-2773364
Sh. J.K. Teotie	Addl. Director(FA)	24365471	-
Sh. Devi Sharan Singh	Addl. Director (CM)	24366026	-
Dr. Baljit Singh	Addl. Director	24369247	-
Sh. P.R. Lakra	Addl. Director	24369251	-
Dr. Jaganath Dass	Addl. Director	24369047	-
Serious Fraud Investigation Office, Mumbai (NTC House,4th Floor Ballard Estate, Mumbai)			
Sh. A.O. Mao	Addl. Director	022-22022240	022-22611465 022-615145 (Fax)
Competition Commission of India(CCI) (H.T.House, 18-20, K.G. Marg, New Delhi-110001)			
Sh. Dhanendra Kumar	Chairman	23704647 23704649/ 23704605(Fax)	-
Sh. H.C. Gupta	Hon'ble Member	23704630 23704631(Fax)	-

Sh. R. Prasad	Hon'ble Member	23704633 23704632(Fax)	-
Dr. Geeta Gouri	Hon'ble Member	23704634 23704635(Fax)	-
Sh. P.N. Parashar	Hon'ble Member	23704638 23704639(Fax)	-
Sh. Anurag Goel	Hon'ble Member	23704641 23704642(Fax)	-
Sh. M.L. Tayal	Hon'ble Member	23704643 23704644	-
Sh. S.L. Bunker	Secretary	23704651 23704652(Fax)	-

**Ministry of Corporate Affairs
Competition Appellate Tribunal (CAT)
(Kota House Annexe,1, Shahjahan Road, New Delhi-110011)**

Dr. Justice Shri Arjit Pasayat	Hon'ble Chairman	23385974 23701060 24105684(Fax)	24105683
Sh. Rahul Sarin	Hon'ble Member	23385301 23388928(Fax) 23701061	26844173
Smt. Pravin Tripathi	Hon'ble Member	23385311 23386471 (Fax) 23701063	29531510
Sh. Ashok Menon	Registrar	23385977 23701065	23073704

**Company Law Board (Principal Bench)
(Paryavaran Bhawan, B-Block,CGO Complex, Lodhi Road, New Delhi)**

Justice Dilip Raosaheb Deshmukh	Hon'ble Chairman	24363667	-
Smt. Vimla Yadav	Hon'ble Member	24366124	23384121
Mrs. Vidya Shastri	PA	24363667	-
Sh. P.K.Malhotra	Secretary (CLB)	-	-

Smt. Nimmi Dhar	Under Secretary	24363667	-
Sh. Saud Ahmed	Bench Officer	24366125	-
Sh. Ramesh Chander	Section Officer	24363797	28539674
Sh. Rajpal Singh	Bench Officer	24366123	-
Ms. Richa Kukreja	Bench Officer	24366123	-
Company Law Board(Chennai Bench) 2nd Floor, NTC House,15,N.M.Marg, Ballard Estate, Mumbai-400038			
Sh. Kanthi Narhari	Member, CLB	22619636	-
Smt. S.A.Patil	Sr. PS	22619636	-
Mr. C.V.Sanjeevan	Bench Officer	22611456	-
Company Law Board(Southern Region Bench) Shastri Bhawan, Block-8, Haddows Road, Chennai-600006			
Sh.	Vice Chairman		-
Ms. Lizama Augustine	Member	25262791	-
Mrs. Mukuntan	Private Secretary		-
Sh. Vasanth Kumar Ail	Bench Officer		-
Sh. C.S. Govindrajan	Bench Officer		-
Company Law Board(Eastern Region Bench) 9, Old Post Office Street, 6th Floor, Kolkata-700001			
Sh. B.S.V.Prakash Kumar	Member	22486330	-
Sh. Tapas kumar Mandal	PS	-	--
Sh. S.V. Rajgopal	Bench Officer	-	-
Ministry of Corporate Affairs Limited Liability Partnership(LLP) (3rd Floor, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi-110003)			
Sh. Santosh Kumar	LLP Registrar	24362189	-
Sh. B. Srikumar	Asstt. Registrar	-	-
Ministry of Corporate Affairs Principal Accounts Officer, 3rd Floor, Lok Nayak Bhawan, Khan Market, New Delhi			
Sh. Vilas R. Ghodeswar	Chief Controller of Accounts	24698646 24693229(Fax)	24652479
Sh. B.M. Punni	Principal Accounts Officer	24610148	42156411

Office of Pay & Accounts Officer (Paryavaran Bhawan, B-Block,CGO Complex, Lodhi Road, New Delhi)			
Sh. Sant Ram Yadav	Pay & Accounts Officer	24360660 24361569(Fax)	9810244741(M)
Office of Pay & Accounts Officer, Kolkata 4th Floor,15, R.N.Mukherjee Road, Kolkata-700001			
Sh. U.S.Chakraborty	PAO	033-22425076 033-2425076 (Fax)	9051867951 (M)
Sh. Bikas Das	Asstt. Accounts Officer		9433030489 (M)
Office of Pay & Accounts Officer, Mumbai (Exchange Building, Southern Wing, S.S.RamgulumMarg, Ballard Estate, Mumbai-400001)			
Smt. Sheela Krishnan	Pay & Accounts Officer	022-22670862 022-22656362	022-24102567
Office of Pay & Accounts Officer, Chennai (5th Floor, Shastri Bhawan,26,Haddows Road, Chennai-600006)			
Sh. C. Sanjeevi Ramnan	Pay & Accounts Officer	044-28270399 28235949(Fax)	044-22474138
Institute of Company Secretaries of India (ICSI House, 22, Institutional Area, Lodhi Road, New Delhi-110003)			
Sh. N.K. Jain	Secretary	24368031 24617321	95120-4263965
Institute of Chartered Accountants of India (Indraprastha Estate, New Delhi-110002)			
Sh. T.Karthikeyan	Secretary	23310195 23721334	
Institute of Cost and Works Accountants of India (Institutional Area, Lodhi Road Complex, New Delhi)			
Sh. A.P. Kar	Director	24622156 24631538	
Sh. S.C. Gupta	Deputy Director	24631532 24697148 24522158(Fax)	24641602

Annexure - II**Names and Addresses of Regional Directors, Registrars of Companies and Official Liquidators****REGIONAL DIRECTORS**

Regional Director(Eastern Region) (Nizam Place,2nd MSO Building, 3rd Floor, 234/4, Acharya J.C. Bose Road, Kolkata-700020) Telegraphic Address: Compyladir			
Dr. Navrang Saini	Regional Director	033-2287-0383(Dir) 033-2287-3156 033-2287-3404 033-2287-0958 (Fax)	
Sh. P. Sridhar	Joint Director	033-2287-3156 033-2287-3404	9836388388 (M)
Sh. A.K. Mahapatra	Deputy Director	-	-
Sh. M.R. Das	Deputy Director	-	-
Sh. Tarun Kumar Mukerjee	Asstt. Director	-	-
Sh. A.K. Sahoo	Asstt. Director	-	-
Regional Director(Northern Region) (A-14, Sector-I, PDIL Bhawan, Noida,UP) Telegraphic Address: Compyladir			
Sh. B.K.Bansal	Regional Director	0120-2445342 0120-2445343	-
Sh. R.C.Meena	Joint Director (Inspection)	-	-
Sh. V.K. Khubchandani	Joint Director	-	-
Sh. B.C. Meena	Joint Director	-	-
Sh. Dinesh Chand	Joint Director	-	-
Sh. K.C. Meena	Asstt. Director	-	-
Sh. Bhullan Singh	Deputy Director (Inspection)	-	-
Sh. M.R. Gupta	Asstt. Director		

Regional Director(Southern Region) (Shastri Bhawan, Block-I,5th Floor, ‘A’ Wing,26,Haddows Road, Chennai-600006) Telegraphic Address: Compyladir			
Sh. K. Pandian	Regional Director	044-28271737 (Dir) 28276381 28276682 28276685 28276652 28272676, 28176654 044-28280436(Fax)	
Sh. N.S.Ponnunambi	Joint Director	044-28276654 24420058	-
	Joint Director	-	-
Sh. L.P. Kolla	Deputy Director	-	-
Sh. Ramakrishnan	Deputy Director	-	-
Smt. S. Meenakshi	Asstt. Director	-	-
Sh. V.G. Sathiyamoorthy	Asstt. Director	-	-
Regional Director (Western Region) (100, Everest Building, Ground Floor, Netaji Subhash Marg, Marine Drive, Mumbai-400002) Telegraphic Address: Compyladir			
Sh. S.M. Ameerul Millath	Regional Director	022-22872347 (Dir) 022-22817259 022-22812389(Fax)	-
Sh. M.A. Kuvadiah	Joint Director	022-22872347 022-22812389(Fax)	26120229
Sh. M.R. Bhat	Joint Director	022-22811493 022-22813760 022-22812389(Fax)	-
Sh. P. Rajagopalan	Joint Director	022-22811493 022-22813760 022-22812389(Fax)	-

Sh. J.K. Jolly	Joint Director	022-22811493 022-22813760 022-22812389(Fax)	-
Sh. M. Chandanmuthu	Joint Director	-	-
Sh. S.N. Misra	Deputy Director	-	-
Sh. Chandrasekharan	Deputy Director	-	-
Sh. P.A. Saple	Deputy Director	-	-
Miss U.P. Parmar	Asstt. Director		9757107342
Regional Director (North Western Region) (ROC Bhavan, Opp Rural Park, Naranpura , Ahmedabad)			
Sh. U.C.Nahta	Regional Director	079-27437597	
Regional Director (North Eastern Region) (Nizam Palace, II MSO Building, 3rd Floor, 234/4 A.J.C.Bose Road Kolkata-700020)			
Sh. B. L. Sinha	Regional Director	033-22870383 033-22870958 Fax	

REGISTRARS OF COMPANIES

Registrar of Companies, West Bengal (“Nizam Place”, 2nd MSO Building, 2nd Floor, 234/4,Acharya J.C. Bose Road, Kolkata-700020)			
Sh. Debashis Bandopadhyay	ROC	033-2280-0409 033-2287-3404 033-2287-3156 033-2287-7390 033-2290-3795 (Fax)	66/3, College Road, Howrah-711103 033-26687291
Registrar of Companies, Delhi and Haryana (IFCI Towar, 4th Floor, Nehru Place, New Delhi-110019)			
Sh. Man Mohan Juneja	ROC	26235703 26235704 26235705 26235702(Fax)	330, FF, Pocket-E, Mayur Vihar, Phase-II, Delhi-110091
Sh. A.K.Behl	AROC	-do-	House No-490, Sector- 19, Faridabad-121002

Registrar of Companies, UP & Uttaranchal (10/499-B, Allengaj, Khalasi Lines, Kanpur-208002)			
Sh. M.P. Shah	ROC	0512-2550688 0512-2540383 0512-2540423(Fax)	37/17, Mall Road, Gillis Bazar, Christ Church College Campus, Kanpur-208001 0512-2314481
Sh. Sanjay Bose	AROC		Flat No.102, Murlidham-4, 31A, C-Block, Shyam Nagar, Kanpur, 0512-2550688
Registrar of Companies, Bihar & Jharkhand (Mourya Lok Complex,4th Floor, A-Wing, Dak Bunglow Road, Patna-800001)			
Sh. O.P. Sharma	ROC	0612-2222172 (Telefax) 0612-2233990 0612-2233990(Fax)	Flat No. A-71, Amravati Apartments, Behind Officers Flats, Bailey Road, Patna-800001. 0612-2520210
Registrar of Companies, Eastern states (Shillong-793001)			
Sh. Gulab Chand Yadav	ROC	0364-2223665(Dir) 2504093, 2222519 0364-2211091(Fax)	Guinnie House, Jail Road, Shillong-793001 0364-2227235
Sh. Dip Narayan Chowdhury	AROC		C/o A.R. Das, Jail Road, Shillong-793001.
Registrar of Companies, Tamil Nadu & Coimbatore (Stock Exchange Building, 2nd Floor, 683, Trichy Road, Singanallur, Coimbatore-641005)			
Dr. M. Manuneethi Cholan	ROC	0422-2318170 0422-2319640 0422-2318089(Fax)	27,May Flower Park Apartments, Doctor's Garden, Avinashi Road, Coimbatore-641018
Sh. P.C. Nandakumar	AROC		Room No.204, Ani Arcade, 7 th Street, Gandhipuram, Coimbatore-641001

Registrar of Companies, Karnataka (Kendriya Sadan, E-Wing, 2nd Floor, Koramangala, Bangalore-560034)			
Sh. B.N. Harish	ROC	080-5537449 080-2563104 080-25633105 (Dir) 080-25538531(Fax)	Block No. 38, Qtr. No.567, CPWD Quarters, H.S.R. Layout, Bangalore 080-25720174
Sh. T.S. D. Prasada Rao	DROC		S-201, Sai Golden Nest, Vignananagar, Main Road, New Thippasandra-Post, Bangalore-560075
Smt. K. Geetha Mahalaxmi	AROC		No.445, Q.290, Block-26, CPWD Qtr, Koramangala, Bangalore-560034
Sh. S. Siva Kumar	AROC		Room No.7, Udupi Residency, No. 4, 20 th Main, (Maruthi Nagar Main Road), B.T.M.First Stage, Bangalore-560029
Registrar of Companies, Andhra Pradesh (3-5-398, Kendriya Sadan, 2nd Floor, Sultan Bazar, Koli, Hyderabad-500095)			
Sh. M.V. Chakranarayana	ROC	040-24656114 040-24606972 040-24652807 (Fax)	Plot No.47, 16/11/16/ N/47, 2 nd Floor, Prashanath Nagar, Malakpet, Hyderabad- 500036 040-24520485
Sh. S.M. Saindane	DROC	-do-	Plot No.152, Sreepuram Colony, Malakpet, Hyderabad-500036
Sh. Shashi Raj Dara	DROC	-do-	House No.6-3-320, New Bhoiguda, Secunderabad-500036

Sh. Satyajit Roul	AROC	-do-	
Sh. Pola Raghunath	AROC	-do-	C/o Balaswamy, Plot No.54, Prashanth Nagar, Malakpet, (Beside Malakpet RTA Office) Hyderabad-500035
Smt. V. Santoshi Jagirdar	AROC	-do-	2-1-516/A, Flat No.201, Vistara Apartments, Nallakunta, Hyderabad-500044
Registrar of Companies, Kerala & Lakshadweep (1st Floor, Company law Bhawan, BMC Road, Thrikkakara P O, Kochi-682021)			
Sh. K.G. Joseph Jackson	DROC	0484-2423749, 0484-2421489 0 4 8 4 - 2 4 2 2 3 2 7 (Fax)	III-243-E, Kolady, Coppervillas, Pulikkilam Road, Chembumukku, Kochi-682030
Sh. V.E. Josekutty	ROC	-do-	Vazhayail House, Mavelipuram, Kakkanand P.O. Kochi-682030 0484-2426533
Registrar of Companies, Puducherry (No.35, Elango Nagar, 1st Floor, III Cross, Puducherry-605011)			
Sh. V. Swamidason	ROC	0413-2240129 2244277 0413-2240129 (Fax)	No. 11, 2 nd Floor, P.R. Complex, Kosakadai Street, Puducherry-605011 2222349
Registrar of Companies, Maharashtra (100 Everest, Marine Drive, Mumbai-400002)			
Sh. Henry Richard	AROC	022-22812639 22812627 22812645 22883389 022-22811977(Fax)	H-42, CPWD Bldg, Nepean Sea Road, Mumbai-400006 022-23631007.

Sh. K.S. Reddy	Dy. ROC	022-22812627 022-22811977(Fax)	197/2220, Sector-6, CGS Colony, Kane Nagar, Antop Hill, Mumbai-400037.
Sh. M. Kannan	Dy. ROC	-do-	Bldg.No.5, No.134, Sagar CHS, Near Raheja Hospital, Mahim(W), Mumbai.
Sh. V. Elangovan	Dy. ROC	-do-	134, Sagar Apartment Mahim(W), Mumbai.
Sh. S.P. Chuga	Dy. ROC	-do-	12/1/13 Bhawani Nagar, Marol Macoji Road, Marol, Andheri(E) Mumbai-59.
Mrs. A.B. Athawale	Dy.ROC	-do-	Plot No. 342, Yamuna Sadan, Datta Nagar, Near Shastri hall, Dombivli (E) 0251-2434642.
Mrs. Elsy Pappachan	AROC	-do-	G-3/403, Shinel, Moraj Residency, Palm Beach Road, Sector- 16, Sanpada, Navi Mumbai-400705.
Mrs. P. Balakrishnan	AROC	-do-	I/C/103, Bhavini Enclave, D.P. Road, Mulund (E), Mumbai-400081. 9869133388
Miss V.N. Khandare	AROC	-do-	Room No. 405, I Block, Hyderabad Estate, Mumbai-400003

Sh. R.S. Meena	AROC	-do-	Sector I/106/978, CGS Colony, Antop Hill, Mumbai-400003
Registrar of Companies, Orissa (Chalchitra Bhawan, 2nd Floor, Buxi Bazar, Cuttack-753001)			
Sh. Bibekanandra Mohanty	ROC	0671-2306958 0671-2306952 2606958 0671-2305361(Fax)	H/O Sh. S.K.Hrahma Bijupatnaik Square, Tulisipur, Cuttak-753008 0671-2300349
Registrar of Companies, Gujarat (ROC Bhawan, OPP. Rupal Park, Naranpura, Ahmedabad)			
Sh. R.K.Dalmia,	DROC	079-27438531 079-27438371 (Fax)	E-43, Amaltas Apartments Satelite, Ahmedabad.
Sh. R.D.Gupta	DROC	-do-	Rupal Park Society B/H, Ankur Bus Stand, Naranpura, Ahmedabad.
Sh. Kamal Harjani	AROC	-do-	4, Tulsi Bunglow, Nr. Vande Matram, Society, Opp. Sukan Lotas, Bunglow Gota, Ahmedabad.
Sh. V.S.Hajare	AROC	-do-	B-76, Angita Coop. Hsg. Society, Nr. Pragti Nagar, Garden behind Anand Emporium, Narangpura, Ahmedabad.

Registrar of Companies, Rajasthan (“Corporate Bhawan”, 2nd Floor, G-6/7, Jannalal Bajaj Nagar Marg, Residency Area, Civil Lines, Jaipur)			
Sh. S.P.Kumar	ROC	0141-2222464 (Telefax) 2222466(Dir)	47/192, Rajat Path Mansarovar, Jaipur- 302020 2786814
Registrar of Companies, MP & Chattisgarh (Post Box No.2, A-Block, Sanjay Complex,3rd Floor, Jyendra Ganj, Gwalior-474009)			
Sh. S.K.Agarwal	ROC	0751-2321907(Dir) 2430012 0751-2631853(Fax)	Bungalow No.29, Race Course Road, Gwalior-474002(MP) 0751-2232197
Sh.Mukesh Kumar	AROC	0751-2430012(D) 0751-2631853(Fax)	B-10, Vivek Vihar, Gwalior(MP).
Registrar of Companies, Pune (PMT Commercial Building, 3rd Floor, Deccan Gymkhana, Pune-411004)			
Sh. V.P.Katkar	ROC	020-25530042(Dir) 020-25530042 (Fax) 020-25521376	Block No.8, Qrs. No.2, Chitragupt Complex, Opp: Poona College, Bhawani Peth, Pune-411048 020-26442721
Registrar of Companies, Goa, Daman & Diu (Company Law Bhawan, EDC Complex, Plot No.21, Patto, Panaji, Goa-403001)			
Sh. Sanjay Kumar Gupta	ROC	0832-2438617 0832-2438618 0832-2438617(Fax)	D-4F, Govt Quarters Elthino, Panaji, Goa-403001 0832-2432901
Registrar of Companies, Punjab, H.P. & Chandigarh Corporate Bhawan, Plot No.4B, Sector-27B, Chandigarh)			
Dr. Raj Singh	ROC	0181-2223843 2453192 2452126 2223843 (Dir&Fax)	Kothi No. 800, Urban Estate Phase-1, Jalandhar 0181-2481625

Registrar of Companies, J&K			
Sh. M. K. Bagri	ROC & OL (Jammu Office) (405 to 408, Bahu Plaza, 4 th Floor, South Block, Rail Head Complex, Jammu-180012)	0191-2470306(Dir) 2472504 0191-2470306(Fax)	H.No. 73, Sector-7, Trikota Nagar, Jammu- 180012 0191-2473604
	ROC & OL (Srinagar Office) SDA Office Complex, Ground Floor, Bemina Bye-Pass, Srinagar -190018	0194-2494995 0194-2494995 (Fax)	

OFFICIAL LIQUIDATORS

Official Liquidator(attached to High Court of Orissa) (Chalchitra Bhawan, 2nd Floor, Buxi Bazar, Cuttack-753001)			
Sh. Uttam Kumar Sahu	OL	0671-2303982 0671-23044959 (Telefax)	Plot No. D-356, Sector-6, Market Nagar, CDA, Cuttak-753014. 0671-2366641
Official Liquidator(attached to High Court of West Bengal) (9, Old Post Office Street, 5th Floor, Kolkata-700001)			
Sh. K. Ananda Rao	OL	033-22486501 22486067 22435073 22420708 033-22482483(Fax)	400B/2F, Netaji Subhas Chandra Bose Road, Flat No.3, Kolkata-700047. 9874264647 (M)
Official Liquidator(attached to High Court of Bihar) (Maurya Lok Complex, Block-A, 4th Floor, Dak Bunglow Road, Patna-800001)			
Sh. Arvind Shukla	OL	0612-2221002	White House, 802/A, Budha Marg, Patna-1. 0612-2201172

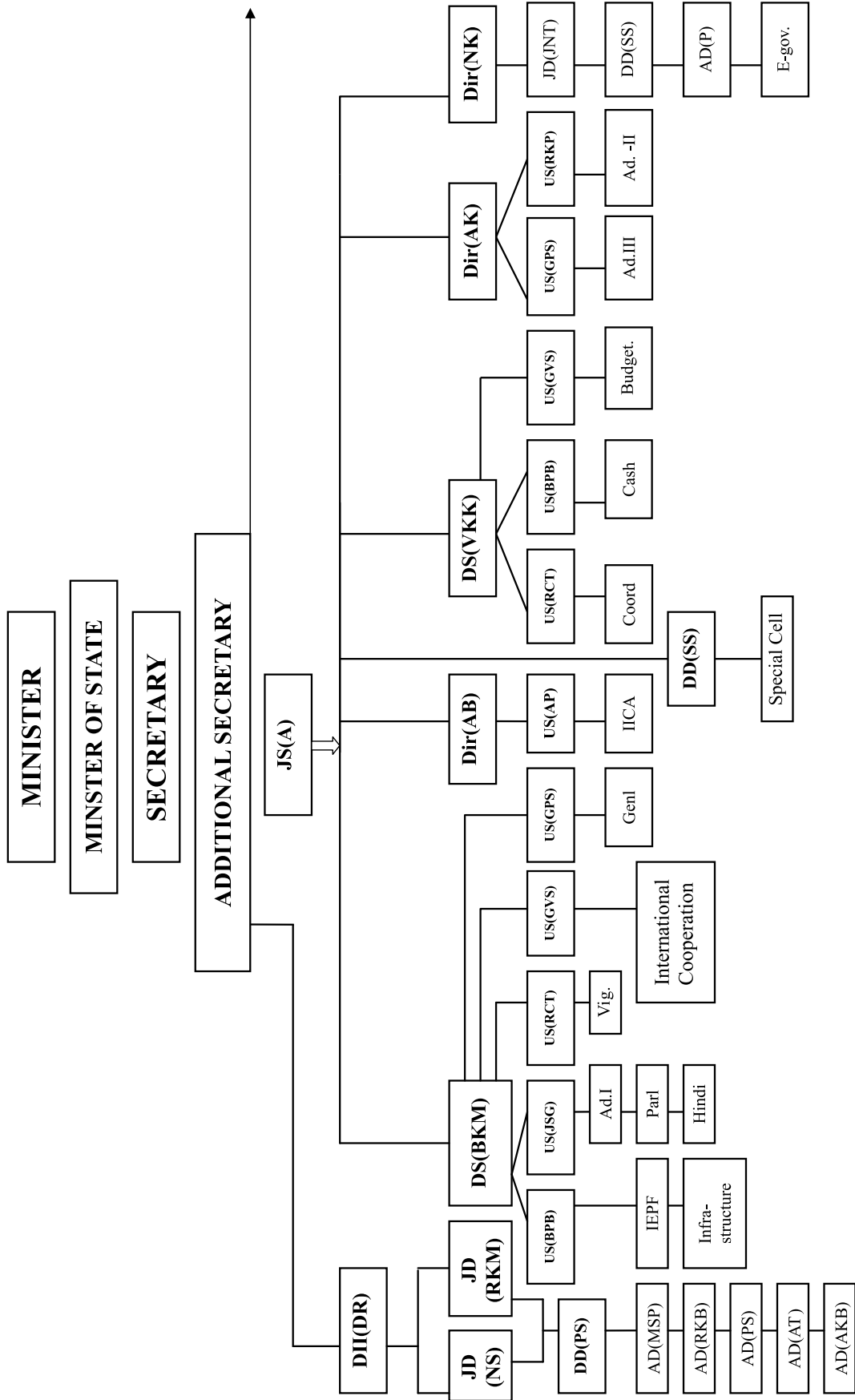
Official Liquidator(attached to High Court of Jharkhand) (H.No.239, Road No.4, Magstrte Colony, Doranda, Ranchi, Jharkhand-834002)			
Sh. Benudhar Misra	OL	0651-2482811	Flat No. 104, Midland West Apartment, Anantpur, Ranchi-834002
Official Liquidator(attached to High Court of Guwahati) Registrar of Companies, N.E. Region Morello Building, Ground Floor, Shillong-793001			
Sh. D.N.Chowdhury	OL	0364-2223665(D) 0364-2504093 0364-2222519 0364-2211091(Fax)	C/o A.R.Das, Jail Road, Shillong-793001, Meghalaya
Official Liquidator, Agartala (Judicial Commission, Tripura, Agartala High Court Building, Tripura-799001)			
Sh. B.P. Saxena	Deputy Registrar	0381-2223180	
Official Liquidator(attached to High Court of Andhra Pradesh) (5-4-400, 2nd Floor, East Wing, Gagan Vihar, Nampally, Hyderabad-500095)			
Sh. D. Vijay Bhaskar	OL	040-24736883(Dir) 24656780 24746360 040-24610514(Fax)	5-7-1/31, Hariharapuram Colony, Vanasthalipuram, Hyderabad-500070 040-24242922
Sh. Bavisetty Sridhar,	AOL	040-24616360	30-643/2, Plot No. 81, Safilguda, Secundrabad-500056.
Official Liquidator(attached to High Court of Madras) (“Corporate Bhawan”, 2nd Floor, No.29, Rajaji Salai, Chennai-600001)			
Sh. B.A.M.P.Rathnasami	OL	044-25271150 25271151 044-255271152 (Fax)	43/8, CPWD Quarters, Basant Nagar, Chennai-600090
Sh. M. Jayakumar	DOL	044-25271148	No.8, 80 th Street, Ashok Nagar, Chennai-600083.

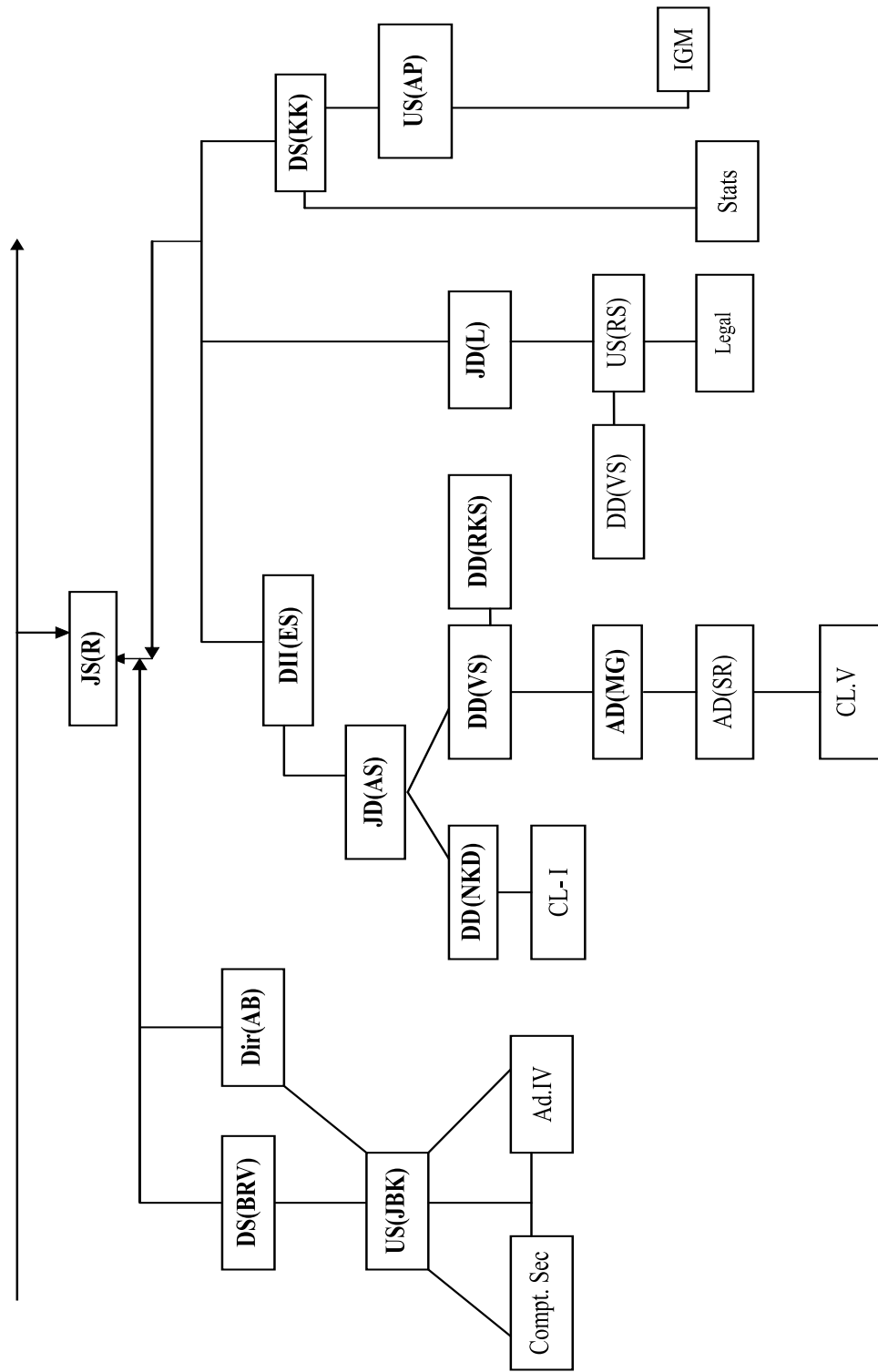
Official Liquidator(attached to High Court of Madras) (Company Law Bhawan, 3rd Floor, B.M.C. Road, Thrikkakara, P.O. Kochi-682021)			
Sh. N. Krishnamurthy	OL	0484-2422889 0484-2423172 (Fax)	D-2, Type-IV, Block-II.G.P.R.A.CPWD Quarters, Kannumpuram, Ernakulam, Kakkanad, Cochin Distt-682017. 0484-2421649.
Official Liquidator(attached to High Court of Karnataka) (Kendriya Sadan, D&F Wing, 4th Floor, Koramangala, Bangalore-5600034)			
Sh. S. Ramakantha	OL	080-25521918 25537742 080-25527991 (Fax)	
Official Liquidator(attached to High Court of Mumbai) (Bank of India Bldg., 5th Floor, M.G. Road, Mumbai-400023)			
Sh. P.Rama Rao	OL	022-22692307(Fax) 022-22675008 022-22670024 022-2267185 (Dir)	H-8, Hyderabad Estate, Nepean Sea Road, Mumbai-400036 022-64518332
Official Liquidator(attached to High Court of Gujarat) (Jivabhai Chamber, Behind Post Office, Ashram Road, Navrangpura, Ahmedabad-380009) Chamber No.132, “A” Wing, Advocate’s Facilities Building, High Court of Gujarat, S.G. Highway, Sola, Ahmedabad-380060			
Sh. A.K.Chaturvedi	OL	Jivabhai Chamber 079-26581912(Dir) 079-26581903 079-26587837 (Fax) High Court Bldg Office: 079-27660527 (Tele/Fax) 079-27662323(O)	M-101, Indraprasth Towar, Nr. Himalaya Mall, Drive in Road, Memnagar, Ahmedabad-380052 079-29099681 9638416111 (M)

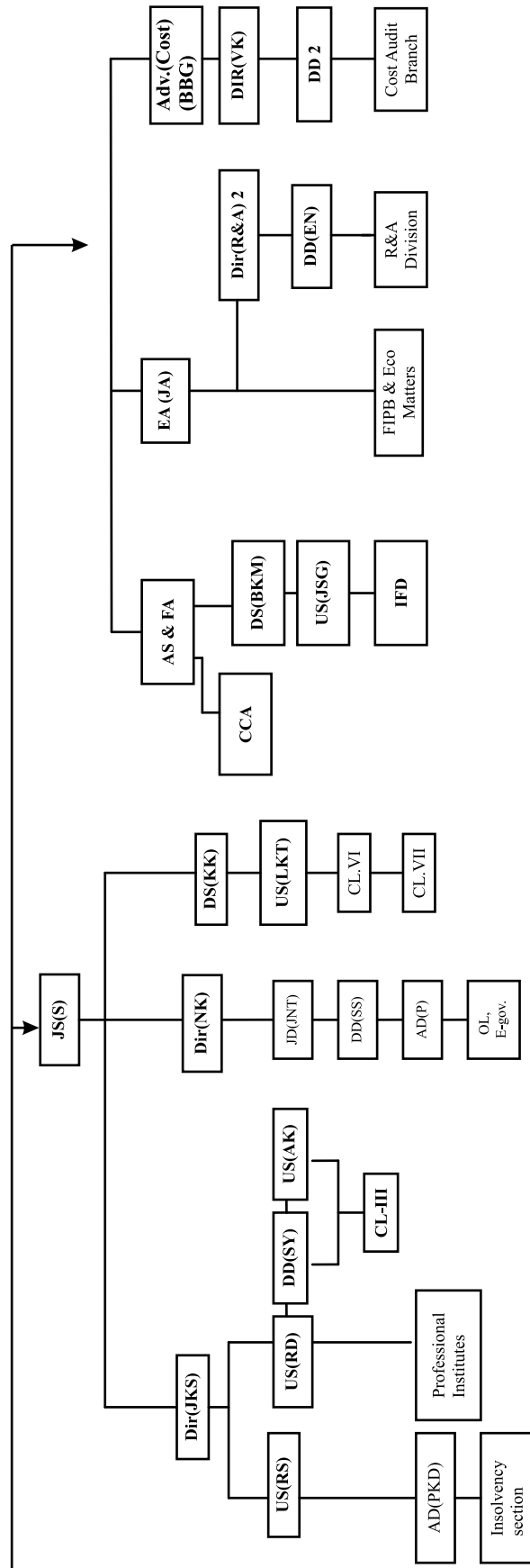
Sh. M.K.Sahu	AOL	079-26586987	C-103, Saundrya Nihar-II, Opp. Kanti Park Society, B/H, Gyan Jyot High School, Ghatlodia, Ahmedabad-380061
Sh. P.P.Rawat	AOL	079-26581931	A-202, Kedar Tower, Opp. Rajasthan Hospital, Shahibaug, Ahmedabad-380004.
Official Liquidator(attached to High Court of M.P & Chhattisgarh) (1st Floor, Old CIA Bldg., Opp. GPO, Residency Area, Indore-452001)			
Sh. P. K. Batta	OL	0731-2710051(D) 0731-2710568(Fax)	Flat No.6 Type V, CPWD Compound, A.B. Road, Indore 0731-2493038
Official Liquidator(attached to High Court of Mumbai at Nagpur) (2nd Floor, East Wing, New Secretariat Building, Civil Lines, Nagpur-440001)			
Sh. R.K.Tiwari	OL	0712-2527512 0712-2522934(Fax)	
Official Liquidator(attached to High Court of Punjab, Haryana & H.P) (SCO No.9, 2nd Floor, Sector-26, Chandigarh-160019)			
Sh. D.P.Ojha	OL	0172-2790074(D) 0172-2790074(Fax) 0172-2790084 0172-2790378	
Official Liquidator(attached to High Court of Rajasthan) (“Corporate Bhawan”,1st Floor, G-6/7, Gamna Lal Bajaj Nagar Marg, Residency Area, Civil Lines, Jaipur-302015)			
Sh. R.C.Mishra	OL	0141-22204171 22207422 0141-2220422(Fax)	Plot No.C/168-A, Khadi Colony, Bajaj Nagar, Jaipur-302015
Official Liquidator(attached to High Court of UP & Uttaranchal) (33, Tashkant Marg, Civil Lines, Allahabad-211002)			
Sh. H.R.Patole	OL	0532-2624943 0532-2624943 (Fax)	5-B/7, Calvin Road, Civil Lines, Allahabad

Official Liquidator(attached to High Court of Delhi) (33,A2, W2, Curzon Road Barracks, K.G. Marg, New Delhi)			
Sh. S.B.Gautam	OL	011-23388405	49, Shriniketan Apptt. Vasundhara Enclave, New Delhi.
Sh. Raisuddin	Dy. OL	--do--	5157, Phatak Hakim, Mehmod Khan, Ballimaran, Delhi-110006.
Official Liquidator(attached to High Court of J & K) (405, Bahu Plaza, 4th Floor, South Block, Rail Head Complex, Jammu-180012)			
Sh. M.K.Bagri	OL	0191-2470306 0191-2472504 0191-2470306 (Fax)	
Official Liquidator(attached to High Court of Mumbai) (“Corporate Bhawan”, Plot No.21, EDC Complex, Patto, Panji, Goa-403001)			
Sh. Sanjay Kr. Gupta	OL	0832-2438618 0832-2438617(Fax)	D-4F, Govt. Quarters Elthino, Panaji, Goa-403001 0832-2432901

ORGANISATIONAL CHART OF THE MINISTRY OF CORPORATE AFFAIRS







<p>Murli Deora Minister RPN Singh Minister of State D.K.Mittal Secretary Sudhir Mittal Addl. Secretary</p>		<p>JS(RK) Renuka Kumar</p> <p>Dir(JKS) Dir(NK) DS(KK) JD(JNT) DD(SY) US(RS) US(RD) US(LKT) AD(PKD) SO (Insolvency) SO(PI) SO(CLV) SO(CL.VII)</p> <p>Jai Kant Singh Nirupama Kotru K.K.Nath JN Tikku Sanjay Yadav Rajinder Singh Rita Dogra L.K. Trivedi Puneet Kumar Duggal Lalit Grover R.L. Arora Kailash Chandra</p>		<p>JS(S) T.V. Somanathan</p> <p>Dir(JKS) Dir(NK) DS(KK) JD(JNT) DD(SY) US(RS) US(RD) US(LKT) AD(PKD) SO (Insolvency) SO(PI) SO(CLV) SO(CL.VII)</p> <p>Jai Kant Singh Nirupama Kotru K.K.Nath JN Tikku Sanjay Yadav Rajinder Singh Rita Dogra L.K. Trivedi Puneet Kumar Duggal Lalit Grover R.L. Arora Kailash Chandra</p>		<p>EA (JA) Dr. Joseph Abraham</p> <p>Dir(SNT) Dir(RS) DD(EN)</p> <p>S.N.Tobria Radhey Shyam E. Nagachandran</p>		<p>Advisor(Cost) B.B. Goyal</p> <p>Dir(VK) DD(V) DD(D)</p> <p>V.K. Aggarwal G. Venkatesh Tarun Das</p> <p>Chief Vigilance Officer : A. K. Srivastava Joint Secretary Web Master: Nirupama Kotru Director S.O. Protocol Vinod Kumar Welfare Officer: L.K. Trivedi</p>	
<p>Murli Deora Minister RPN Singh Minister of State D.K.Mittal Secretary Sudhir Mittal Addl. Secretary</p>		<p>JS(RK) Renuka Kumar</p> <p>DII(ES) DS(BRV) JD(AS) DD(L) DD(RKS) US(JBK) DD(NKD) DD(VS) AD(MG) AD(SR) SO(CL-III) SO(Comp) SO(Legal) SO(IGM)</p> <p>E Selvraj B.R. Vij A. Samanta Rai BKL Srivastava Raj Kumar Sah J. B. Kaushish N. K. Dua Vinod Sharma Monika Gupta Seema Rath Maha Singh Vinod Kumar Sarla Aggarwal Shalini Juneja</p>		<p>JS(AKS) A.K. Srivastava</p> <p>Dir(NK) Dir(AB) Dir(AK) DS(VK) DS(BKM) DD(SS) US(GVS) US(JSG) US(RCT) US(BPB) US((GPS) AD (IEPF) SO(Infra) SO(Ad-I) SO(Ad-II) SO(Ad-III) SO(Ad IV). S.O.(Gen.) SO(Cash) SO(Budget) SO(Vig.) SO(Coord) SO(Parl) SO (CL -II) SO(Int. Coop) AD(Hindi) Jr. Analyst</p> <p>Nirupama Kotru Anil Bhardwaj Alok Kumar V. K. Kapoor B.K. Malhotra Sanjay Shorey GV Subbiah J.S. Gupta R C Tully B.P. Bimal G.P.Sarkar Manjeet Singh Kshitish Kumar Ashutosh Anand Sandeep Jain Ram Bachan Surinder kumar Kamlesh Makkar Manbar Singh S.L. Meghwal P.K. Prabhat Veena Batra S. K. Kaushik R.K. Dhar Rita Sood S.Sridharan</p>		<p>Integrated Finance & Accounts Wing AS&FA : Saurabh Chandra CCA : V.R. Ghodeswar DS (IFD) : B.K. Malhotra US (IFD) : JS Gupta SO (IFD) : Kanti Prasad</p>			
<p>Addl. Secretary Sudhir Mital</p> <p>DII(DR) JD(NS) JD(RKM) DD(PS) AD(MSP) AD(RKB) AD(PS) AD(AT) AD(AKB)</p> <p>Dhanraj Naubat Singh R.K. Meena P. Sheela M. S. Pachouri RK Bakshi Parminder Singh Alok Tandon AK Bunker</p>		<p>JS(AKS) A.K. Srivastava</p> <p>Dir(NK) Dir(AB) Dir(AK) DS(VK) DS(BKM) DD(SS) US(GVS) US(JSG) US(RCT) US(BPB) US((GPS) AD (IEPF) SO(Infra) SO(Ad-I) SO(Ad-II) SO(Ad-III) SO(Ad IV). S.O.(Gen.) SO(Cash) SO(Budget) SO(Vig.) SO(Coord) SO(Parl) SO (CL -II) SO(Int. Coop) AD(Hindi) Jr. Analyst</p> <p>Nirupama Kotru Anil Bhardwaj Alok Kumar V. K. Kapoor B.K. Malhotra Sanjay Shorey GV Subbiah J.S. Gupta R C Tully B.P. Bimal G.P.Sarkar Manjeet Singh Kshitish Kumar Ashutosh Anand Sandeep Jain Ram Bachan Surinder kumar Kamlesh Makkar Manbar Singh S.L. Meghwal P.K. Prabhat Veena Batra S. K. Kaushik R.K. Dhar Rita Sood S.Sridharan</p>		<p>EA (JA) Dr. Joseph Abraham</p> <p>Dir(SNT) Dir(RS) DD(EN)</p> <p>S.N.Tobria Radhey Shyam E. Nagachandran</p>		<p>Advisor(Cost) B.B. Goyal</p> <p>Dir(VK) DD(V) DD(D)</p> <p>V.K. Aggarwal G. Venkatesh Tarun Das</p> <p>Chief Vigilance Officer : A. K. Srivastava Joint Secretary Web Master: Nirupama Kotru Director S.O. Protocol Vinod Kumar Welfare Officer: L.K. Trivedi</p>			

Audit Observations and Action Taken Report

Year	Para No.	Audit Paras	Action Taken Report
2004-05	3.1.1 to 3.1.3	An appraisal of the system of levy and collection of fees by ROCs for the year 2004-05	Final reply sent to the Department of Expenditure.
2005-06	3.1	Retention of Public Funds outside Government Accounts (Failure of the Official Liquidators, Delhi, Kolkata, Mumbai Bangalore, Allahabad and Jaipur to credit to the Govt. Accounts fees realized from the Liquidated Companies, resulted in keeping Rs. 6.13 crore of Govt. money outside Govt. account for 1 month to 5 years and consequential loss of interest of Rs. 66.53 lakh) for the year 2005-06.	Final reply sent to the Department of Expenditure.
2006-07	6.10	Rush of Expenditure in respect of Grant No.16 of M/o Corporate Affairs during the month of March/Last Quarter of 2006-07	Final reply sent to the Department of Expenditure.
	7.16	Unrealistic budgetary assumption in respect of Grant of M/o Corporate Affairs during the month of March/Last Quarter of 2006-07.	Final reply sent to the Department of Expenditure.
	50,51,52,58, 59 & 60	Action Taken on the recommendation contained in the 80 th Report of Public Accounts Committee (P.A.C.) (14 th Lok Sabha Sectt.) on "Excess Over Voted Grants and charged Appropriation (2006-07)"	Final reply sent to the Lok Sabha Sectt.
2007-08		No audit para	
2008-09		No audit para	

N.B. No audit para is pending in the Ministry as on date.

