



ANNUAL REPORT 2014-15



Government of India
Ministry of Corporate Affairs



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CHAPTER - I

OVERVIEW

1.1. The mandate of the Ministry, *inter alia*, includes the administration of a wide range of statutes for the regulation of the corporate sector including the following Acts:

- (i) The Companies Act, 2013 and those provisions of Companies Act, 1956 which are still in force
- (ii) The Competition Act, 2002
- (iii) The Limited Liability Partnership (LLP) Act, 2008
- (iv) The Chartered Accountants Act, 1949
- (v) The Cost and Works Accountants Act, 1959
- (vi) The Company Secretaries Act, 1980
- (vii) The Partnership Act, 1932
- (viii) The Societies Registration Act, 1860
- (ix) The Companies (Donations to National Funds) Act, 1951

FUNCTIONS

1.2. The main responsibilities of the Ministry of Corporate Affairs are as follows:

- (i) Administration of the notified provisions of Companies Act, 2013 and those provisions of Companies Act, 1956 that are still in force.
- (ii) Formulation of Rules and regulations under various Acts administered by the Ministry.

- (iii) Convergence of Indian Accounting Standards with IFRS.
- (iv) Implementation of Competition Act through the Competition Commission of India.
- (v) e-Governance in MCA.
- (vi) Building systems for early detection of irregularities in corporate functioning.
- (vii) Conducting investor education and awareness programmes.
- (viii) To undertake investigation of serious frauds through the Serious Fraud Investigation Office.
- (ix) Administration of the cadre of Indian Corporate Law Service.

1.3. Important Policy developments during 2014-15 (up to December 2014) are indicated below:

LEGISLATIVE AND POLICY DEVELOPMENTS

(a) Implementation of Companies Act, 2013:

1.3.1. The earlier Act, i.e. Companies Act, 1956 has now been replaced to a large extent by the Companies Act, 2013. The new Act is the result of a decade's consultations with stakeholders and other deliberations. Key

features of Companies Act, 2013 are given in **Annexure – I**. Till 31.12.2014, 283 provisions of a total of 470 provisions i.e. more than 60% of provisions of Companies Act have come into force. The Ministry has also notified 22 sets of rules, which were finalized after taking into consideration various suggestions/comments of the stakeholders. The rules so notified pertain to provisions already brought into effect and thus their effective implementation has been ensured.

1.3.2. Roughly half of the provisions of the new Act have not yet been brought into effect. This is due to the fact that notification of most of such provisions require establishment of National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT). The establishment of these bodies is held up on account of a writ petition which is now *sub judice* in the Supreme Court. Some of the provisions not so far been notified relate to matters like establishment of Investors Education and Protection Fund Authority, certain other institutions and special courts. Work in these area is under progress.

1.3.3. By 31.12.2014, a total number of 68 e-Forms have been notified under the new Act. The Ministry also conducted capacity building exercises in association with Institute of Company Secretaries of India (ICSI) and Indian Institute of Corporate Affairs (IICA) in order to impart training to its officials and staff on the working aspects of the Companies Act.

Companies (Amendment) Bill, 2014:

1.3.4. After taking into consideration the feedback from stakeholders with regard to the actual implementation of the provisions of the Companies Act, a number of steps were taken to provide greater clarity on various points. While most of these issues were resolved through amendment in Rules, issue of ‘removal of difficulties’ orders and clarificatory circulars, in a few cases amendment in the Act was considered expedient. Accordingly, Companies Amendment Bill, 2014 incorporating a few amendments was passed in Lok Sabha on 17.12.2014 and will now be considered in the Council of States.

1.3.5. The amendments, inter alia, include doing away with the minimum paid up share capital requirements for companies, making common seal of the company optional, enabling prescribing of a minimum threshold for reporting of frauds by auditors to Central Government, substitution of ordinary resolution for a special resolution in clearance of certain Related Party Transactions (RPTs) and liberalization of provisions for grant of bail except for the offences of fraud under the Companies Act.

International Financial Reporting Standards:

1.3.6. The road-map for implementation of Ind AS (the converged Indian Accounting Standards with International Financial Reporting System (IFRS) has been worked out. Ind AS will be applied by companies other

than banks, insurance companies and NBFC's voluntarily during the financial year 2015-16 and on mandatory basis for certain class of companies from financial year 2016-17. Thirty-nine Ind AS have been finalised after due consultation with Institute of Chartered Accountants of India (ICAI) and NACAS. The relevant Rules are due to be notified shortly. These measures will enable Indian companies to operate with greater ease at the International level as their 'financials' will be compatible with the standards and policies in many developed jurisdictions. This in turn will contribute to forward linkage of Indian corporates with the global systems.

MCA-21 e-GOVERNANCE PROJECT IN ITS SECOND PHASE

1.4.1. The 'MCA-21', an e-Governance project of the Ministry, entered its second cycle in January, 2013. This initiative has enabled the Ministry to achieve very high standards of service delivery, besides providing the Government with a comprehensive National Corporate Information Database. Simultaneously, this service affords an opportunity to professionals and even members of general public to have access to a variety of information concerning Indian companies, in many cases free of any service charges. This has brought in considerable transparency in the paradigm of corporate regulation and oversight in the country.

1.4.2. During 2014-15 (up to 31.12.2014), there were almost 49 lakh filings, with a single day peak filing of 1,39,896 on 30.10.2014.

Integration of MCA-21 and eBiz

1.4.3. In order to ease the doing business in India, the Finance Minister in his Budget Speech, 2014, had announced that by the end of this year, all Ministries of the Central Government will integrate their services with the eBiz platform, launched by the Department of Industrial Policy and Promotion (DIPP) in 2013. Taking the first step in this regard, the Ministry of Corporate Affairs has linked four of its services, i.e., (i) incorporation of company; (ii) name application; (iii) commencement of business; and (iv) Directors Identification Number (DIN) with the eBiz platform. The focus of eBiz e-governance project is to improve the business environment in the country by enabling fast and efficient access to Government-to-Business (G2B) services through an online portal.

COMMITTEES/COMMISSIONS

National Advisory Committee on Accounting Standards (NACAS)

1.5.1. Section 132 of the Companies Act, 2013 provides for constitution of National Financial Reporting Authority (NFRA) to make and monitor accounting and auditing standards. However, this Section of the Act is yet to be notified for commencement. Until this Section is notified, similar functions are to be carried out by the 'National Advisory Committee on Accounting Standards' (NACAS) under Section 210A of the Companies Act, 1956. Vide S.O. 2425(E) dated 18.09.2014, the Government has constituted the NACAS

under the Chairmanship of Shri Amarjit Chopra. The Chairperson and twelve other members of the Committee will hold office for a period of one year, or till the constitution of NFRA, whichever is earlier.

Expert Committee on Cost Records and Audit Rules:

1.5.2. Subsequent to notification of the Companies (Cost Records and Audit) Rules, 2014, the Institute of Cost Accountants of India (ICoAI) expressed concerns regarding applicability of certain provisions of the Rules, particularly those relating to coverage of sectors of the economy under Section 148. In order to address these concerns, the Ministry of Corporate Affairs constituted an Expert Committee on 19.07.2014, headed by Shri R. S. Sharma, former Chairman and Managing Director, Oil and Natural Gas Corporation Limited (ONGC), to look into the matter. The

Members of the Committee included Shri R.K. Jain, Additional Secretary, Ministry of Health & Family Welfare, Shri Chandra Wadhwa, former President, ICWAI. Smt. Aruna Sethi, Adviser (Cost), Ministry of Corporate Affairs was its convener. The Committee submitted its Report on 02.12.2014. Based on the recommendations of the Committee Companies (Cost Records and Audit) Rules 2014 were notified on 31.12.2014.

Committee for Reviewing of e-Forms

1.5.3. The Ministry of Corporate Affairs has constituted an Internal Committee to simplify the e-Forms, its filing process and requirement of attachments under the Companies Act, 2013. The Committee is required to suggest changes required for simplification and removal of difficulties faced by stakeholders in filing e-Forms.

CHAPTER - II

ORGANISATIONAL STRUCTURE AND FUNCTIONS

ADMINISTRATIVE STRUCTURE

2.1.1. The Ministry has a three tier organizational structure with, the Headquarters at New Delhi, seven offices of Regional Directors at Ahmedabad, Chennai, Guwahati (presently functioning at Shillong), Hyderabad, Kolkata, Mumbai, and NOIDA, fifteen Registrars of Companies, fourteen Official Liquidators and nine Registrar of Companies-cum-Official Liquidators in States and Union Territories. The Official Liquidators, function under the overall administrative control of the Ministry, and are attached to corresponding High Courts.

A. Headquarters

2.1.2. The administrative structure at the Headquarters includes a Secretary, one Special Secretary/Additional Secretary, four Joint Secretaries, one Joint Secretary & Financial Adviser, one Economic Adviser, one Cost Adviser, two Directors of Inspection & Investigation and other officials having expertise in administrative, legal, accounting, economic and statistical matters. The senior functionaries of the Ministry are listed in **Annexure-II**.

B. Regional Directors

2.1.3. The Regional Directors supervise the working of the offices of the Registrars of

Companies and Official Liquidators located in different locations in the country. They also maintain liaison between the respective State Governments and the Central Government on matters relating to the administration of the Companies Act/LLP Act.

C. Registrars of Companies and Official Liquidators

2.1.4. Registrars of Companies (ROCs) appointed under Section 609 of the Companies Act, 1956 (now Section 396 of Companies Act, 2013) are vested with the primary duty of registering companies in States and Union Territories and ensuring that such companies comply with statutory requirements under the Act. These offices function as a registry of records, relating to the companies registered with them. The records are available for inspection by the public on payment of the prescribed fee. The Central Government exercises administrative control over these offices through the respective Regional Directors.

2.1.5. Official Liquidators (OLs) are officers appointed by the Central Government under Section 448 of the Companies Act, 1956 and are attached to various jurisdictional High Courts. In Companies Act, 2013, the appointment of liquidators are dealt in the Section 275 but this provision is yet to be notified. Therefore, the provisions of

Companies Act, 1956 are still relevant for the purpose of liquidation. The respective Regional Directors supervise their functioning on behalf of the Central Government. Official Liquidators function under the directions and supervision of the High Courts in the conduct of winding-up of affairs of the companies.

2.1.6. The duties and powers of Official Liquidators mainly relates to the filing of claims against debtors for realization of debts due to the company; sale of movable and immovable assets of the company taken possession by the Official Liquidator; instituting criminal complaints and misfeasance proceedings against former Directors of the company for acts and omissions and breach of trust; invitation of claims from creditors; adjudication of claims and settlement of list of creditors; payment to creditors by way of dividend and settlement of list of contributories (i.e. a person liable to contribute towards the assets of the company in the event of its being wound-up) wherever necessary; and payment of return of capital where the company's assets exceeds its liability, and finally, dissolve the company under Section 481 of the Companies Act, 1956 (Section 302 of the Companies Act, 2013 but not yet notified).

DIVISIONS/ SECTIONS /CELLS AT HEADQUARTERS

2.2.1. The Headquarters of MCA is organized into various Divisions/ Sections/ Cells for administering/ regulating various aspects of the Companies Act, corporate policy etc.

Details of the administrative structure on matters relating to the Companies Act are indicated in Chapter III, while the matters relating to the Limited Liability Partnership Act and the Competition Act are dealt with in Chapters IV and V respectively.

2.2.2. The provisions of the Companies Act are dealt with by various sections under the supervision of concerned Joint Secretaries. A brief description of major activities of these Sections is given below:

2.2.3. Company Law – I Section deals with legislative proposals relating to the legal framework governing companies and Limited Liability Partnerships.

2.2.4. Company Law – II Section deals with examination of inspection reports, investigation reports and technical scrutiny reports received from field offices. After examination of these reports, prosecutions are ordered. In addition, this section deals with the examination and issue of directions of Special Audit Reports, complaints relating to misuse and diversion of funds, and mismanagement of companies etc. under the provisions of the Companies Act.

2.2.5. Company Law – III Section deals with raising of capital (further issue, conversion of loans and debentures) or reduction of Share Capital, payment of dividends, form and contents of Balance Sheets and Profit & Loss Accounts, Amalgamation and Merger of Government Companies, Accounts of Foreign companies, references received from RDs/

ROCs for approval of names of companies, alteration of Memorandum and Articles of Association etc.

2.2.6. Company Law - IV (Legal) Section

deals with default cases under various Sections of the Companies Act, 2013 and Companies Act, 1956 and rules made thereunder leading to prosecution. It also examines applications/petitions made to the Central Government seeking authorization for filing application for prevention / alleged acts of mismanagement and oppression under Section 399(4) of the Companies Act, 1956. The draft reply/affidavits to be filed by ROCs/RDs/OLs and other attached offices of the Ministry are vetted by this Section. Apart from the above, this Section tenders legal advice to other Sections of the Ministry as well as to other Ministries.

2.2.7. Company Law - V (Policy) Section

deals with policy matters for consideration of Cabinet, Cabinet Committees, and Committee of Secretaries. It also deals with declaration of institutions as Public Financial Institutions; issue relating to Capital Market, SEBI, Foreign Direct Investments, Anti Money Laundering, combating the financing of terrorism in India. Accounting standards/Convergence with IFRS. It issues clarification/simplification of various rules and procedures prescribed under the provisions of the Companies Act, 2013, Companies Act, 1956 and LLP Act, 2008. The Division is also responsible for launching various schemes to aid in the implementation of corporate laws, e-Governance forms, coordinating the framing of guidelines for

ensuing uniformity of practices by all field offices, and change in the venue for holding the Annual General Body Meetings of Government Companies.

2.2.8. Company Law - VI Section

deals with regulation of invitation and acceptance of deposits by the companies; approvals of declaration of dividend out of reserves; grants of Nidhi status to the companies as per the provisions of the Companies Act.

2.2.9. Company Law – VII Section

deals with statutory applications relating to appointment of managerial person in a company when such appointment is not in consonance with the provision of Companies Act, 2013; payment and remuneration of managerial person of listed companies and subsidiary of a listed company and when such limits exceed the limits mentioned in the provision of the Companies Act, 2013 and waiver from recovery of remuneration paid to such managerial personnel in excess of the limits of the Companies Act, 2013.

2.2.10. Cost Audit Branch

under Section 148 of the Companies Act, 2013, formulates & notifies rules in relation to (i) maintenance of Cost Accounting Records by certain class of companies and; (ii) the audit of Cost Records for certain class of companies. It also monitors the compliance of the rules under Section 148 and various other provisions of the Companies Act, 2013. It also conducts studies to analyse the Cost Audit Reports and informs the relevant Departments/Organisations/Regulatory bodies about the observations from such studies.

2.2.11. Investor Grievance Management Cell (IGMC) attends to the grievances of investors filed with the Registrars of Companies for their settlement; coordinates with RBI, Department of Economic Affairs, SEBI etc. for redressal of complaints received in MCA, but pertaining to their jurisdiction. Investors' complaints broadly relate to non-receipt of dividend, matured deposits and interest thereon, rights/bonus shares, annual report, share certificate, debenture certificate; non-redemption of debentures and interest thereon; non-refund of application money; non-registration of transfer of shares etc. In order to actively associate the field offices for redressal of investors' grievances, a Nodal officer has been designated at three different levels : (i) all offices of Regional Directors (RDs), (ii) all offices of Registrars of Companies (ROCs), and (iii) at Headquarters in the Ministry. The updated list of nodal officers of MCA is available in the MCA website under "Investor Services".

2.2.12. CSR Cell was constituted on 09.05.2014 and is entrusted with the responsibility of issuing clarifications regarding Corporate Social Responsibility (CSR) provisions, Schedule VII of the Companies Act, 2013 and Companies (CSR Policy) Rules; examining references from stakeholders seeking clarification related to CSR; coordinating with various agencies such as industry associations, professional institutes, International bodies and IICA on policy issues related to CSR; and to interact with other Ministries/Departments on CSR issues.

2.2.13. Research & Analysis Division is responsible for compilation, editing and publication of: (i) the Annual Report of the Ministry, (ii) the Annual Report on the Working and Administration of the Companies Act, and (iii) Monthly Newsletter on the activities of the Ministry. The Division provides economic input on issues relating to Corporate Performance, Capital Market reforms, Disinvestment and Foreign Direct Investment at the macro level.

2.2.14. Statistics Division looks after issues relating to improvements of corporate statistics generated from the MCA-21 Portal (including in XBRL mode); shares statistical information on the corporate sector with Central Ministries and Organizations such as Central Statistics Office (CSO), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and others, as and when necessary. The Statistics Division publishes the Monthly Information Bulletin containing statistical information and analysis of developments in the corporate sector.

2.2.15. International Cooperation Section in the Ministry plays a key role in coordinating and organizing interactions with counterpart organizations of other countries, International Organizations such as Corporate Registers Forum (CRF), Global Reporting Initiative (GRI), International Association of Insolvency Regulators (IAIR), Organization for Economic Co-operation and Development (OECD) etc.

2.2.16. RTI Monitoring Cell, apart from being a repository of all RTI related

information, also functions as a conduit between the applicant/ appellant and the CPIO/ Appellate Authority. The Cell is also responsible for implementing various Sections of the RTI Act, where an obligation has been cast on the Public Authority. The Cell also monitors the progress of all RTI applications and appeals to ensure their disposal within the prescribed time limits.

2.2.17. Gender Budget Cell (GBC) was set up with the objective of facilitating the integration of gender analysis into Government budgeting. The GBC of MCA has initiated steps to build up an information/database system on gender representation in MCA, various branches of the Ministry as well as field offices, and attached offices and professional institutes.

2.2.18. Official Language Section undertakes the implementation of the Official Language Act and Rules made there-under; translation of documents issued under section 3(3) of Official Language Act from English to Hindi and vice versa, and also work relating to the Parliamentary Committee on the Official Language. It is responsible for the conduct of the meetings of Official Language Implementation Committee, and for implementation of decisions taken by Hindi Advisory Committee. It administers the Hindi Teaching Scheme, as well as the conduct of Hindi Workshops. It also offers suggestions for the progressive use of Hindi in the Ministry.

2.2.19. Vigilance Wing obtains factual information in regards to complaints received

against the employees, conducts preliminary enquiry against the employees alleged for involvement in corruption. It also makes effort to streamline the existing procedures so as to minimize the scope of corruption.

2.2.20. Administration-I Section deals with Establishment matters relating to all Group A officers at the Headquarters filled under Central Staffing Scheme; all Group A officers of the en-cadred posts of Indian Economic Service (IES), Indian Statistical Service (ISS), Indian Cost and Accounts Service (ICAS) and Central Secretariat Official Language (CSOL); Officers of the Central Secretariat Service (CSS); Officers of the Central Secretariat Stenographer Service (CSSS); Officers of the Central Secretariat Clerical Service (CSCS); General Central Service Group 'B' and 'C' posts at Headquarters; Hindi en-cadred posts in Central Secretariat Official Language Service. It also deals with Creation of posts and establishment matters relating to the Office of the Minister of Corporate Affairs, Office of the Minister of State for Corporate Affairs and creation/continuation of posts in Headquarters other than ICLS posts along with other administrative work.

2.2.21. Administration-II Section deals with all establishment matters relating to officers of ICLS (Group A Service), establishment matters relating to the Officers of RDs, ROCs and OLs, training of ICLS officers. It also deals with other work relating to delegation of powers to RDs/ ROCs/ OLs, Issue of Gazette Notifications in pursuance to Section 448 of Companies Act, 1956 and Section 396 of

Companies Act, 2013 appointing officers as OLs, ROCs etc.

2.2.22 Administration-III Section deals with all policy issues related to Serious Fraud Investigation Office (SFIO) and; establishment, personnel and financial matters relating to SFIO which requires approval of Central Government.

2.2.23 Administration-IV Section deals with establishment, personnel and financial matters relating to Company Law Board (CLB), National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) which requires approval of Central Government.

2.2.24. Competition Section deals with matters relating to the enforcement of Competition Act; formation of Competition Policy; all Establishment, personnel and financial matters of Competition Commission of India and Competition Appellate Tribunal requiring approval of Central Government; appointment of Chairperson and Members in Competition Commission of India as well as in Competition Appellate Tribunal and the condition of service thereof.

ATTACHED/ SUBORDINATE OFFICES / ORGANISATIONS

Company Law Board

2.3.1. The Company Law Board (CLB) functions as an independent, quasi-judicial body created under section 10E of the Companies Act, 1956, exercising equitable jurisdiction and became functional on

31.05.1991. The business of the Company Law Board is regulated by the Company Law Board Regulations, 1991 prescribing the procedure for filing applications/ petitions before it, and rules prescribing fees for submitting application/petitions as per the Company Law Board (Fees on Applications and Petitions) Rules 1991.

Competition Commission of India

2.3.2. The Competition Commission of India (CCI) was established on 14.10.2003 under the Competition Act, 2002, with the objective of eliminating practices having an adverse effect on competition, promoting and sustaining competition, protecting the interest of consumers and ensuring freedom of trade in India.

Competition Appellate Tribunal

2.3.3. The Competition Appellate Tribunal (COMPAT) was established on 14.10.2003 under the Competition Act, 2002, with powers to entertain appeals against directions or decisions of CCI, and to adjudicate on claim for compensation that may arise from the findings of the Commission and itself.

Serious Fraud Investigation Office

2.3.4. Serious Fraud Investigation Office (SFIO) was set up through a resolution dated 2.7.2003. It is a multi-disciplinary investigating agency, wherein experts from diverse sectors like banking, capital markets regulation, corporate regulation, law, forensic

audit, taxation, information technology etc. work together to unravel corporate frauds. Cases requiring investigation under the Companies Act consequent upon preliminary inquiries or inspections, where there are indications of serious breach of law, are assigned to the SFIO. The ambit of investigation by the organization is not confined to the Companies Act but could cover other statutes including the Indian Penal Code. Under the Companies Act, 2013, SFIO has now been given statutory status. It is headed by a Director, in the rank of Joint Secretary to the Government of India.

INDIAN INSTITUTE OF CORPORATE AFFAIRS

2.4.1. The Institute (IICA) has been established as a ‘think tank’, action research, service delivery and capacity-building institute to serve as a one-stop-shop providing a platform for value-adding partnerships between government, corporate entities and other stakeholders. Since its establishment as a Society in September, 2008, the Institute has taken many steps to fulfil its mandate, viz. (i) Its five Schools and four Centers have become operational. (ii) Indian Corporate Law Service Academy has become functional and is imparting training to officers of the Indian Corporate Law Service since 2010. (iii) The Institute has emerged as an important Institute for conducting various courses, seminars, workshops etc. on issues of relevance to the corporate sector such as corporate social responsibility, corporate governance, role of company directors, independent directors, competition issues etc. The IICA is headed

by a Director General and Chief Executive Officer.

2.4.2 IICA has signed four Memorandums of Understanding (MOUs) with foreign institutions namely, George Washington University Law School, USA; German Agency for International Corporation; Institute of Directors, UK and International Finance Corporation, USA. The IICA has also signed 27 MOUs with reputed domestic institutions including the National Law School in India University, Bangalore, The Energy and Resources Institute, New Delhi, Tata Institute of Social Science, Mumbai, Indian Institute of Management, Raipur, Bombay Stock Exchange, etc. These MOUs are meant to furthering the aims and objectives of the IICA to achieve its role as a holistic think-tank, capacity building, service delivering and training Institute by deriving advantages of synergies from partner institutions.

PROFESSIONAL INSTITUTES

2.5. The Ministry administers laws regulating the Professions of Accountancy [The Chartered Accountants Act, 1949]; Costs Accountancy [The Cost and Works Accountants Act, 1959]; and Company Secretaries [The Company Secretaries Act, 1980], through three Professional Institutes, namely, Institute of Chartered Accountants of India, Institute of Cost Accountants of India and Institute of Company Secretaries of India set up under these Acts of Parliament. The functioning of these Institutes is dealt with in **Chapter V** of this Report.

CHAPTER – III

COMPANIES ACT AND ITS ADMINISTRATION

3.1.1. Companies Act regulates a wide range of activities, including incorporation, operationalization, governance, liquidation and winding up of companies. Regulation of corporate governance, obligations of companies towards their stakeholders, conditions governing issue of preferential shares, private placements and distribution of dividends, 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.

3.1.2. The year 2014-15 is the first year of implementation of most of the provisions of Companies Act, 2013, which was enacted on August 2013. As on 31.12.2014, 283 Sections of the Companies Act, 2013 have come into force out of a total of 470 Sections. The Ministry also notified 22 set of rules for the relevant Sections of the Companies Act. Other provisions of the Companies Act, 2013 could not be notified because of a *sub judice* case in Supreme Court relating to NCLT and NCLAT. Till then, the relevant provisions of Companies Act, 1956 continue to remain on the statute book.

3.1.3. The major activities undertaken by the Ministry in administering the Companies Act; i.e. the notified provisions of the Companies

Act, 2013 and the provisions of Companies Act, 1956 still in force are as under:

SIMPLIFICATION OF RULES & PROCEDURES

3.2. During 2014-15 (up to 31.12.2014), the Ministry issued 36 Notifications and 27 General Circulars. (Refer to the website of the Ministry of Corporate Affairs www.mca.gov.in, for the list of Notifications, General Circulars, Circulars and Master Circular).

REGISTRATION OF COMPANIES

Companies on the Registry:

3.3.1. As on 31.12.2014, a total of 14,47,128 companies were on the Registry. Of them 10,07,637 companies are active (comprising of 9,43,012 private companies and 64,625 public companies). A majority of the active companies (about 75%) were operating in activities covered under four broad heads, namely, ‘Business Services’ (26%), ‘Manufacturing’ (21%), ‘Trading’ (16%) and ‘Finance, Insurance and Real Estate’ (12%). Business Services, inter alia, include hardware and software consulting, data processing, research and development, legal, accounting and auditing services, business and management consultancy and advertising. Manufacturing, inter alia,

includes manufacturing of food products, textiles, paper, metallic/non-metallic mineral products, chemical and petrochemicals, radio, television, transport equipment.

3.3.2. The economic sector-wise distribution of active companies as on 31.12.2014 along with their authorized capital is given in **Table 3.1**. **Chart 3.1** provides sector-wise distribution of companies in further detail.

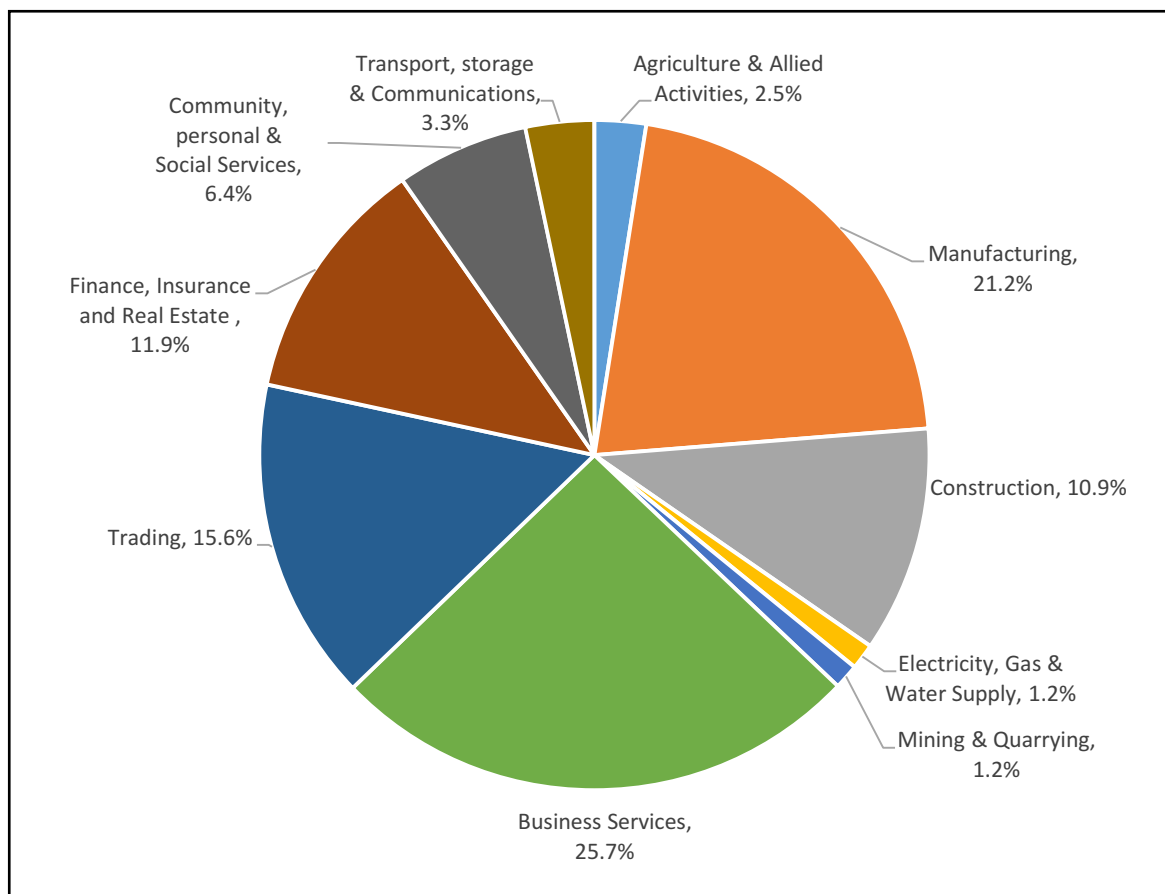
Table 3.1

Economic sector-wise composition of active companies as on 31.12.2014

(Authorized Capital in ₹ Crore)

Sl. No	Economic Activity	Private Limited		Public Limited		Total Limited	
		No. of Companies	Authorized Capital	No. of Companies	Authorized Capital	No. of Companies	Authorized Capital
I	Agriculture & Allied Activities	22,966	15,731	2,853	32,721	25,819	48,452
II	Industry	318,540	698,320	25,757	1,631,416	344,297	2,329,736
1	<i>Manufacturing</i>	<i>195,604</i>	<i>381,740</i>	<i>17,877</i>	<i>616,935</i>	<i>213,481</i>	<i>998,675</i>
2	<i>Construction</i>	<i>100,480</i>	<i>176,492</i>	<i>5,391</i>	<i>223,527</i>	<i>105,871</i>	<i>400,018</i>
3	<i>Electricity, Gas & Water Supply</i>	<i>11,422</i>	<i>111,736</i>	<i>1,747</i>	<i>733,892</i>	<i>13,169</i>	<i>845,629</i>
4	<i>Mining & Quarrying</i>	<i>11,034</i>	<i>28,352</i>	<i>742</i>	<i>57,062</i>	<i>11,776</i>	<i>85,414</i>
III	Service	579,559	686,973	33,893	1,062,369	613,452	1,749,342
1	<i>Business Services</i>	<i>236,946</i>	<i>241,795</i>	<i>9,942</i>	<i>379,007</i>	<i>246,888</i>	<i>620,802</i>
2	<i>Trading</i>	<i>143,488</i>	<i>133,028</i>	<i>6,276</i>	<i>103,692</i>	<i>149,764</i>	<i>236,720</i>
3	<i>Finance, Insurance and Real Estate</i>	<i>109,725</i>	<i>212,880</i>	<i>12,361</i>	<i>294,381</i>	<i>122,086</i>	<i>507,261</i>
4	<i>Community, personal & Social Services</i>	<i>58,888</i>	<i>55,743</i>	<i>3,853</i>	<i>115,987</i>	<i>62,741</i>	<i>171,731</i>
6	<i>Transport, storage & Communications</i>	<i>30,512</i>	<i>43,528</i>	<i>1,461</i>	<i>169,301</i>	<i>31,973</i>	<i>212,829</i>
IV	Others	21,947	31,973	2,122	164,559	24,069	196,533
Grand Total (I+II+III+IV)		943,012	1,432,997	64,625	2,891,066	1,007,637	4,324,063

Chart 3.1
Composition of Active Companies: Economic Sector-wise



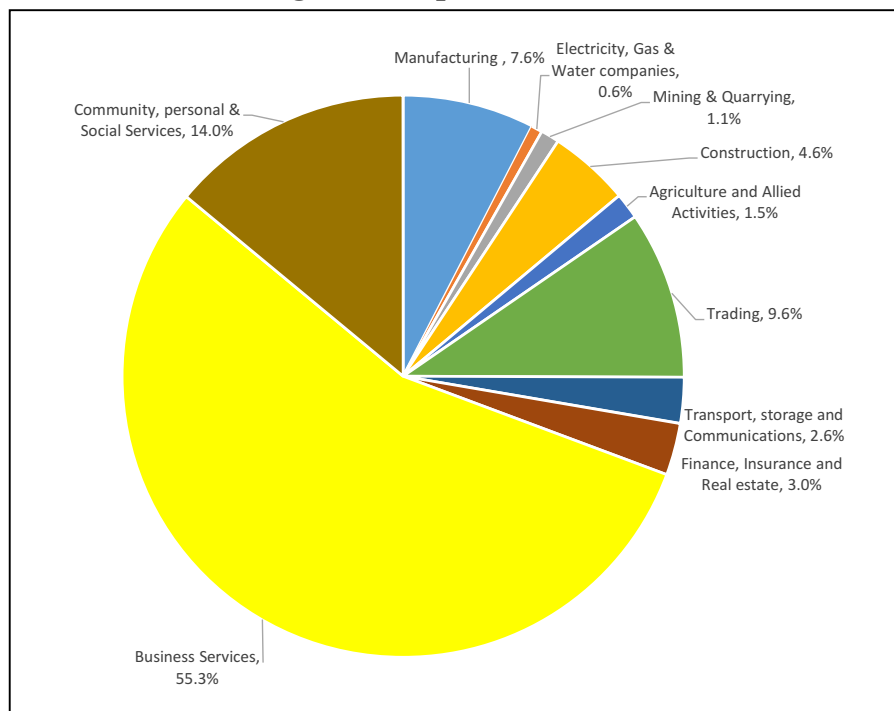
New Registration

3.3.3. During the financial year 2014-15 (up to 31.12.2014), a total of 44,324 companies were registered with collective authorized capital of ₹ 25,256.52 crore. Out of these, 49 were Government companies with authorized capital of ₹ 6,030.18 crore and 44,275 were Non-Government companies with authorized capital of ₹ 19,226.34 crore.

One Person Company

3.3.4. The Companies Act, 2013 introduced the concept of One Person Company (OPC) in India. During the financial year 2014-15 (up to 31.12.2014), a total of 1,403 One Person companies were registered with collective authorized capital of ₹ 31.13 crore. **Chart 3.2** provides sector-wise distribution of OPCs.

Chart 3.2
Economic activity-wise no. of One Person Companies (OPC)
registered up to 31.12.2014



Foreign Companies

3.3.5. As on 31.12.2014, a total number of 4,170 foreign companies were registered in the country and of them 3,306 foreign companies were active. During the financial year 2014-15 (up to 31.12.2014) a total of 119 foreign companies were registered under the Companies Act, 2013.

Vanishing Companies

3.3.6. A Central Coordination and Monitoring Committee (CMC), co-chaired by Secretary, Ministry of Corporate Affairs and Chairman Securities and Exchange Board of India (SEBI) was set up in 1999 to look into the issues relating to companies that had come out with public issues and disappeared.

The 29th meeting of the Coordination and Monitoring Committee (CMC) was held on 25th April, 2014.

3.3.7. Companies which have defaulted on each of the following three criteria are considered as “vanishing”:

- (i) Not maintaining their registered offices;
- (ii) Non-filing of statutory returns with the concerned Registrars of Companies (ROCs) and Stock Exchanges as per listing agreements for a continuous period of two years; and
- (iii) Non-correspondence between the Stock Exchange and the company for a long time. The CMC was constituted with a view to monitor the progress of action taken against vanishing companies.

3.3.8. Out of the companies which came out with Public issues during 1992-2005, 238 companies were identified as ‘vanishing companies’. Of these, 128 companies have since been traced out and another 32 such companies are presently under liquidation and as such deleted from the list of vanishing companies. The total number of vanishing companies as on 31.12.2014 stood at 78.

3.3.9. Field offices of MCA have filed complaints u/s 159/220 of the Companies Act, 1956 against companies for non-filing of Annual Returns and Balance-Sheets. Further, several cases of prosecution u/s 62/63/68 and section 628 of the Companies Act, 1956 for making false disclosure in the prospectus/ inducing the public to invest funds in the company on false and misleading promises have also been filed. Further FIRs have also been lodged with the police authorities against all the remaining vanishing companies, besides seeking assistance of police authorities and general public to ascertain the whereabouts of Promoters/ Directors of such companies.

STATUTORY APPLICATIONS TO THE CENTRAL GOVERNMENT

Formation of Companies with Charitable objects etc.

3.4.1. Under Section 8 of the Companies Act, 2013, which replaced Section 25 of the Companies Act, 1956 with effect from 01.04.2014, during 2014-15 (up to 31.12.2014), 639 applications were received, and 37 applications were pending disposal

from the previous year. Out of a total of 676 applications considered during the year, 623 were disposed of.

Alteration in the Memorandum and Articles of Association of the Charitable Companies

3.4.2. There were 71 applications pending as on 01.04.2014 regarding change in the Memorandum and Articles of Association of charitable companies. During 2014-15 (up to 31.12.2014), 763 applications were received. Out of a total of 834 applications, 780 were disposed of.

Change of Name of the Company

3.4.3. Under Section 13(2) of the Companies Act, 2013, which replaced Section 21 of Companies Act, 1956, during 2014-15 (up to 31.12.2014), 2,984 applications were received and 431 applications were pending disposal from the previous year. Out of a total of 3,415 application, 2,660 were disposed of.

Rectification of the name of the Company

3.4.4. Under Section 16 of the Companies Act, 2013, which replaced Section 22 of the Companies Act, 1956 on 01.04.2014, during 2014-15 (up to 31.12.2014) 42 applications were received and 100 applications were pending disposal from the previous year. Out of a total of 142 applications, 41 were disposed of.

Alteration in Articles through Special Resolution

3.4.5. Under Section 14 of the Companies Act, 2013, which replaced Section 31 of the Companies Act, 1956 with effect from 01.04.2014, regarding changing the articles of association, during 2014-15 (up to 31.12.2014), 1,681 applications were received and 185 applications were pending disposal from the previous year. Out of a total of 1,866 application, 1,706 were disposed of.

Appointment of Managerial Personnel and their Remuneration

3.4.6. In certain cases, as specified by the Section 196 and Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 (which replaced Sections 269, 309(5B), 309 and 310 of Companies Act, 1956), there are restrictions on the appointment and remuneration of managerial personnel and prior permission of the Central Government is required. The requirement of prior permission of Central Government in this regard under Section 259, 268 and 314(1B) of Companies Act, 1956 has been done away with after the enactment of Companies Act, 2013.

3.4.7. There were 529 pending applications under the above sections of the Companies Act, 1956 as on 31.03.2014. During the year 2014-15 (up to 31.12.2014), the Central Government received 472 applications under Section 196 and 197 of Companies Act, 2013. Out of these 1,001 applications, 659 were

disposed of during the said period, and 342 were pending as on 31.12.2014.

Appointment and Remuneration to Auditors

3.4.8. Under Sections 139 and 142 of the Companies Act, 2013, which replaced Section 224(3) and 224(7) of the Companies Act, 1956, during 2014-15 (up to 31.12.2014), 50 applications were received and 44 applications were pending disposal from the previous year. Out of a total of 94 applications, 32 were disposed of.

Further Issue of Share Capital

3.4.9. Under Sections 62 of the Companies Act, 2013, which replaced Section 81 of the Companies Act, 1956, during 2014-15 (up to 31.12.2014), no application was received and no application was pending disposal from the previous year.

Reduction of Share Capital

3.4.10. As on 01.04.2013, no application was pending under Section 101 of Companies Act, 1956. During 2014-15 (up to 31.12.2014), one application was received and is under consideration as on 31.12.2014.

Change of Venue of Annual General Meeting

3.4.11. Under Section 96 of the Companies Act, 2013 which replaced Section 166(2) of the Companies Act, 1956, the Central

Government has powers to grant approval for change of venue of Annual General Meeting to a place other than where registered office is situated. During 2014-15 (up to 31.12.2014) 17 applications were received and one application was pending disposal from the previous year. All the 18 applications were disposed of during this period.

Change in the Rate of Depreciation

3.4.12. Under Section 123 of the Companies Act, 2013 which replaced Section 205(2)(c) of the Companies Act, 1956, during 2014-15 (up to 31.12.2014), one application was received and five applications were pending disposal from the previous year. All the six applications were disposed of during this period.

Exemption from Disclosing the Quantitative Details in Profit & Loss Account:

3.4.13. Under Section 129(6) of the Companies Act, 2013 which replaced Section 211(4) of the Companies Act, 1956, during 2014-15 (up to 31.12.2014), two applications were received. Both the applications were disposed of during this period.

Amalgamation/ Merger/ Arrangement between Companies

3.4.14. As on 01.04.2013, two application were pending under Sections 391 - 394 of the Companies Act, 1956. During 2014-15 (up to 31.12.2014), three applications were received. Of a total of five applications

considered during this period, one application was disposed of. Corresponding section of the Companies Act, 2013 has not come into force.

Amalgamation of Government Companies

3.4.15. Section 396 of the Companies Act, 1956 gives power to Central Government to amalgamate Government companies in national interest. No application was pending as on 31.03.2014. During 2014-15 (up to 31.12.2014), no new applications was received. Corresponding section of the Companies Act, 2013 has not come into force.

Amalgamation of Private/ Public Companies

3.4.16. Under Section 394A of the Companies Act, 1956, there were 231 applications pending as on 01.04.2014. During 2014-15 (up to 31.12.2014), 813 applications were received. Out of a total of 1,044 applications, 906 were disposed of. Corresponding section of the Companies Act, 2013 has not come into force.

Liquidation of Companies

3.4.17. As on 01.04.2013, 4,983 companies were under liquidation; of which 616 companies under voluntary winding-up by members/creditors and 4,367 companies under winding up by the court. During 2013-14, 66 companies applied for voluntary winding-up by members and the High Court ordered winding up of 181 companies. Of these 5,230 companies, 416 were finally wound-up during

2013-14, of which 80 were voluntary winding up cases and 336 were wound-up through the court. Remaining 4,814 companies; 602 for voluntary winding-up and 4,212 for winding up by the court; were under liquidation as on 31.03.2014.

3.4.18. During 2014-15 (up to 31.12.2014), 42 companies applied for voluntary winding-up by members and the High Court ordered winding up of 334 companies. Of these 5,190 companies, 182 were finally wound-up during 2014-15 (up to 31.12.2014), of which 72 were voluntary winding up cases and 110 were wound-up through the court. Remaining 5,008 companies; 572 for voluntary winding-up and 4,436 for winding up by the court; were under liquidation as on 31.12.2014.

Company liquidation accounts

3.4.19. Under Section 555(7) (b) of the Companies Act, 1956, there were 640 applications pending as on 01.04.2014. During 2014-15 (up to 31.12.2014), 526 applications were received. Out of a total of 1,166 application, 550 were disposed of. Corresponding section of the Companies Act, 2013 has not come into force.

Condonation of delay

3.4.20. Under Section 460(b) of the Companies Act, 2013, which replaced Section Section 637B of the Companies Act, 1956, any document required to be filed with the Registrar under any provision of the Companies Act, 2013 is not filed

within the time specified therein, the Central Government may, for reasons to be recorded in writing, condone the delay. There were 36 pending applications under this provision as on 01.04.2014. During the year 2014-15 (up to 31.12.2014), 187 applications were received and 36 applications were pending disposal from the previous year. Out of a total of 223 applications, 194 applications have been disposed of.

INSPECTION AND INVESTIGATION

Scrutiny:

3.5.1. Section 206 of the Companies Act, 2013 empowers the Registrar to call for information/explanations on various grounds for scrutiny of the documents filed with the offices. During 2014-15 (up to 31.12.2014), 93 scrutiny reports were received from the RoCs.

Inspection

3.5.2. Section 206(5) of the Companies Act, 2013 empowers the Registrar of Companies or, the Officers, duly authorised by the Central Government, to undertake inspection of the books of accounts and other records of the companies in order to direct special audit, to order investigation into the affairs of a company and to launch prosecution for violations of the provisions of the Companies Act, 1956 or Companies Act, 2013. The Ministry received 20 inspection reports during 2014-15 (up to 31.12.2014).

Investigation:

3.5.3. Investigations into the affairs of the companies are ordered under Section 210 read with 212 of the Companies Act, 2013. Books of accounts and other documents of companies are investigated by the Serious Fraud Investigation Account (SFIO), to ascertain whether they are resorting to illegal/fraudulent practices that may adversely affect the interest of shareholders, creditors, employees and others. If an inspection discloses a *prima facie* case of fraud or cheating, action is initiated for investigation under the provisions of the Act.

3.5.4. The Ministry ordered investigation involving 31 companies during 2014-15 (up to 31.12.2014) and assigned them to SFIO. Of these, investigation of two companies have been quashed by the Delhi High Court. During this period, the Ministry received investigation reports involving 43 companies. Investigation of 83 companies are still in progress with SFIO.

Prosecution

3.5.5. Prosecutions are launched by RoCs against the companies for violations of provisions of Companies Act. There were 47,667 prosecutions under consideration by various RoCs as on 01.04.2014. During the year 2014-15 (up to 31.12.2014), 6,611 fresh prosecutions were launched. Out of 54,278 cases, 6,033 cases were disposed of and other 48,245 cases were still under consideration as on 31.12.2014.

ATTACHED/SUBORDINATE OFFICES

Company Law Board

3.6.1. The CLB has its Principal Bench at New Delhi, and four Regional Benches located at New Delhi, Mumbai, Kolkata and Chennai.

3.6.2 The territorial jurisdiction of the Regional Benches of the CLB are as follows :

S. No.	Bench	Jurisdiction
1.	Principal Bench, New Delhi	All States & Union Territories
2.	New Delhi Bench	States of Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and Union Territory of Chandigarh.
3.	Mumbai Bench	States of Goa, Gujarat, Madhya Pradesh, Maharashtra, Chhattisgarh and Union Territories of Dadra and Nagar Haveli and Damman and Diu.
4.	Chennai Bench	States of Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu and Union Territories of Puducherry and Lakshadweep.
5.	Kolkata Bench	States of Arunachal Pradesh, Assam, Bihar, Manipur, Meghalaya, Nagaland, Orissa, Sikkim, Tripura, West Bengal, Jharkhand, Mizoram and Union Territories of Andaman and Nicobar Islands.

3.6.3 CLB has a sanctioned strength of nine Members, including the Chairman and Vice-Chairmen. As on 31.12.2014, the Board comprises of the following Members :

1. Justice Shri D. R. Deshmukh, Chairman, CLB, New Delhi.
2. Shri Kanthi Narahari, Member (Judicial), CLB, Chennai Bench.
3. Shri B.S.V. Prakash Kumar, Member (Judicial), CLB New Delhi Bench.
4. Shri Dhan Raj, Member (Technical), CLB, Kolkata Bench.
5. Shri A.K. Tripathi, Member (Judicial), CLB, Mumbai Bench.

3.6.4. The total number of applications/cases considered under various sections of the Companies Act, 1956 by CLB during 2014-15 (up to 31.12.2014) was 11,877. CLB disposed of 7,670 applications/ cases during this period, leaving a pendency of 4,207 applications/cases pending as on 31.12.2014. During the period, filing fees received by the CLB was ₹ 59.0 lakhs and compounding fees realized during the same period was ₹ 7.58 Crore.

3.6.5. The Company Law Board (CLB) has been empowered to take cognizance of any case of non-repayment of deposits on maturity, and direct the company to repay such deposits under Section 58A (9) of Companies Act, 1956. Non-compliance of the orders of the CLB may lead to imprisonment up to three years, and a monetary penalty. Of 5,106 applications considered by CLB under this Section during 2014-15 (up to 31.12.2014), 4,975 applications were disposed of, and 131

applications were pending as on 31.12.2014.

3.6.6. Taking into consideration the hardships faced by small and needy depositors who have deposited amounts in fixed deposits with companies which have defaulted in refunding the same, the CLB has constituted Hardship Committees. Meetings of the Hardship Committee are held at CLB, New Delhi to consider applications for refund of deposit on hardship grounds in respect of eight companies. During 2013-14, a sum of ₹ 2,20,62,506/- was disbursed to 2,281 depositors. A sum of ₹ 2,94,25,696/-(approx) was disbursed to 4,628 depositors during the year 2014-15 (up to 31.12.2014).

Serious Fraud Investigation Office

3.7.1. During 2014-15 (upto 31.12.2014), the Ministry referred 31 cases to SFIO and SFIO has submitted investigation reports in 43 cases. 83 investigation cases are under consideration by SFIO as on 31.12.2014.

3.7.2. During 2014-15 (upto 31.12.2014), SFIO has filed 50 complaints before different designated Courts covering various charges. Now SFIO has initiated the process of filing a single complaint per case, wherever possible, by clubbing all the related charges for effective control and monitoring of cases.

3.7.3. The nature of corporate fraud itself has undergone substantial changes due to usage of new technology by the fraudsters and digitisation of information. In order to face this challenge, a Computer Forensics

and Data Mining Lab(CFDML) was set up in SFIO in 2013, which is equipped with state of art forensics tools for data cloning and data analysis. The use of these tools in the investigation of the so called chit fund cases during the current fiscal has shown very encouraging results, which would not have been possible without these tools and assistance of the technical manpower engaged in the Lab. With experience gained in the last twelve months, implementation of the second phase of the Lab is now under way.

Cost Audit

3.8.1. MCA received 9,089 applications during 2013-14 and 3,280 applications during the 2014-15 till 31st December, 2014 for appointment of Cost Auditors, all of which were disposed of in the corresponding year itself. The reduction in number of application

is on account of introduction of new rules.

3.8.2. MCA receives Compliance Reports for maintenance of cost accounting records and Cost Audit Reports. It received 11,029 compliance reports during 2013-14 and 7,405 reports during 2014-15 (up to 31.12.2014). Also, the number of cost audit reports received relating to 2013-14 and 2014-15 (up to 31.12.2014) stood at 5,342 and 5,210 respectively,.

3.8.3. MCA has shared 247 cost audit reports filed by the companies during 2013-14 with various user departments such as Tariff Commission, Department of Fertilizers, Directorate General (Audit) Excise, Customs and Service Tax, etc. The number of reports so shared in respect of the year 2014-15 (up to 31.12.2014) stood at 963.

CHAPTER – IV

THE LIMITED LIABILITY PARTNERSHIP (LLP) ACT, 2008

4.1. In India, about 95% of industrial units are small and medium enterprises (SMEs). As per the survey conducted by the Ministry of Micro, Small and Medium enterprises (MSME), over 90% of these SMEs are registered as Proprietorships, about 2% to 3% as Partnerships and less than 2% as Companies. The corporate form does not appear to be widely prevalent amongst SMEs. Analysis of the data collected by the Ministry of MSME suggests that high compliance cost under the Companies Act, 1956 deterred the SMEs from adopting the corporate form. But, the functioning of a proprietorship or a partnership firm is too opaque, making assessment of credit-worthiness by bankers difficult, and therefore, the SME sector is at a comparative disadvantage vis-à-vis corporate bodies in accessing loan/credit facilities from banks and other financial institutions.

4.2. In this background, a need was felt for a new corporate form that would provide an alternative to the traditional partnership with unlimited personal liability on the one hand, and the statute-based governance structure of the limited liability company on the other, in order to enable professional expertise and entrepreneurial initiative to combine, organize and operate in a flexible, innovative and efficient manner. Internationally, Limited Liability Partnerships (LLPs) are the preferred vehicle of business, particularly for the service industry or for activities involving

professionals, especially in countries like the United Kingdom, United States of America, Australia, Singapore etc.

4.3. The Government has therefore permitted the Limited Liability Partnership form of business organization in India with a view to creating a facilitating environment for entrepreneurs, service providers and professionals to meet the challenges of global competition. Parliament enacted the Limited Liability Partnership Act, 2008, which was notified on 09.01.2009, and came to effect on 31.03.2009. The enabling Rules were notified on 01.04.2009 and the first LLP was registered on 02.04.2009.

4.4. LLP is a form of business entity, which allows individual partners to be protected from the joint and several liabilities of partners in a partnership firm. The liability of partners incurred in the normal course of business does not extend to the personal assets of the partners. It is capable of entering into contracts and holding property in its own name. An LLP would be able to fulfil the compliance norms with much greater ease, coupled with limitation of liability. The corporate structure of LLP and the statutory disclosure requirements would enable higher access to credit in the market. The introduction of LLP form of business is expected to promote entrepreneurship, particularly in relation to the knowledge based industries, such as the

information technology and biotechnology sectors, and other service providers and professionals.

4.5. The functions of Registrar of LLPs are being exercised by the Registrar of Companies (ROCs), with effect from 11.06.2012. Natural persons and body corporates, Indian or foreign, can be partners in an LLP. At least two of them have to be “Designated Partners”, of which at least one should be a resident in India. A body corporate can also be a designated partner, and in such a case, an individual authorized by the body corporate will function as the designated partner. An LLP enjoys the status of a body corporate and shall have a separate legal entity, distinct from that of its members, and have a perpetual succession. The LLP can continue its existence irrespective of changes in partners.

4.6. LLPs are required to maintain Book of Accounts, Annual Financial Statement and Statement of Solvency to be filed with the Registrar every year. An LLP can be wound up, either voluntarily, or by an order of National Company Law Tribunal.

4.7. In order to infuse a culture of transparency, the documents/ information such as Incorporation document, Names of partners and Changes, if any, made therein, Statement of Account and Solvency and Annual Return are open for inspection by any person on payment of prescribed fee. The Central Government has powers to investigate the affairs of an LLP, if required, by appointing an Inspector.

4.8. A firm, private company or an unlisted public company is allowed to be converted into an LLP in accordance with the provisions of the Act. Provisions have also been made for corporate actions like mergers, amalgamations etc.

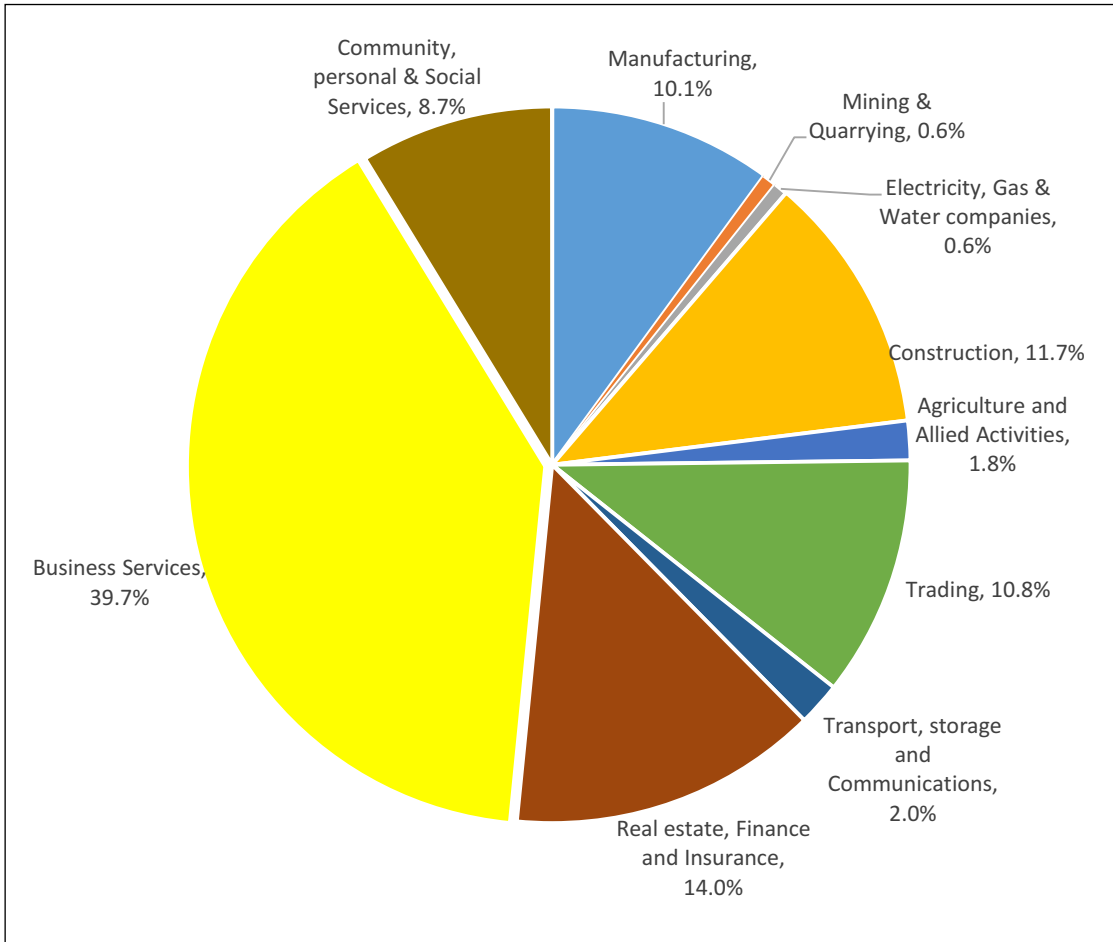
4.9. In order to enhance and extend operational convenience to stakeholders and grouping of all registry related functions on a single platform, Limited Liability Partnership (LLP), e-governance was integrated with MCA21 from 11.06.2012. With this integration, the filing and approval of LLP forms is being done through MCA 21 portal, and stakeholders are presently availing of all existing facilities of MCA 21 for LLP forms filing, including online payment, or use of internet banking from designated banks, in addition to credit card payment.

4.10. During the year, it was clarified by the Ministry that a trustee representing a trust in case of Real Estate Investment Trust (REIT) or Infrastructure Investment Trust (InvITs), is not barred to hold partnership in an LLP in its name without the addition of the statement that it is a trustee.

4.11. As on 31.12.2014, 30,845 Indian LLPs were registered of which 30,478 LLPs were active. In addition, there are two foreign LLPs registered as well.

4.12. Economic activity-wise classification of LLPs as on 31.12.2014 reveals that Service Sector accounts for over 75% LLPs. In **Chart 4.1**, a graphic description of the economic activity-wise distribution of all LLPs registered up to 31.12.2014 is given.

Chart 4.1
LLPs Registered by Economic Activity



4.13. The collective obligation of contribution less than or equal to ₹ 5 lakh contribution by partners of LLPs stood at ₹ 12,183 crores. About 82.46% active LLPs of LLPs have obligation of contribution of (25,131 in number) have obligation of above ₹ 1 crore each.

CHAPTER – V

THE COMPETITION ACT, 2002 AND OTHER LEGISLATIONS

I. THE COMPETITION ACT, 2002 enforcement of the Act.

5.1.1. The Competition Act essentially has four components, which reinforce one another:

- (I) 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;
- (II) Prohibits abusive behaviour of a dominant firm, who through its position of dominance may restrict markets and set unfair and discriminatory conditions;
- (III) Regulates combination(s) of large corporations in order to safeguard competitive markets; and
- (IV) Mandates competition advocacy.

5.1.2. The Competition Act, 2002 provides for setting of the Competition Commission of India (CCI) comprising of a Chairperson, and a minimum of two and maximum of six Members. The Act also provides for establishment of the Competition Appellate Tribunal (COMPAT) to hear and dispose of appeals against the orders of CCI, and adjudicate upon the claims of compensation that may arise from the findings of the Commission. The Competition Commission of India (CCI) was constituted in March 2009 for the administration, implementation and

5.1.3. The composition of CCI (as on 31.12.2014) is as under:

Shri Ashok Chawla - Chairperson

Shri S.L. Bunker - Member

Shri Sudhir Mital - Member

Shri Augustine Peter – Member

Shri U.C. Nahta - Member

ACTIVITIES OF THE COMMISSION

Enforcement Activities:

5.2.1. The Commission has received 80 cases u/s 19(1)(a) of the Competition Act, 2002 from various informants during the period 01.04.2014 to 31.12.2014 in addition to 07 reference cases u/s 19(1)(b). The Commission ordered investigation by DG in 28 cases under Section 26 (1) of the Act including 08 suo moto cases. During the period, the Commission also decided to close 53 cases u/s 26(2) of the Act, after considering all facts and evidences.

5.2.2. From 20.05.2009 to 31.12.2014, a total of 557 cases were received u/s 19(1) of the Competition Act. Out of these, 246 were referred to DG, CCI for investigation. Out of these 246 cases, DG, CCI submitted investigation reports in respect of 171 cases and the investigation report is yet to be received

from the DG, CCI in respect of the remaining cases. During this period Commission has finally disposed of 427 cases.

DIRECTOR GENERAL (INVESTIGATIONS), CCI

Investigation

5.3.1. The Office of Director General, CCI is mandated to assist the Commission in investigating into any contravention of the provisions of the Competition Act, 2002. There were 61 pending cases at the beginning of the year. During 2014-15 (up to 31.12.2014), 31 more applications were received. Out of 92 total cases, 24 cases were disposed of and remaining 68 are still under consideration.

5.3.2. During the period (from 01.04.2014 to 31.12.2014), CCI, acting on the basis of the Report of the DG, has passed orders imposing penalty u/s 27 of the Competition Act, 2002. Some important orders are as detailed below:

S. No.	Title of the case	Penalty imposed (₹ Crore)
1.	Faridabad Industries Association Vs. M/s Adani Gas Ltd.	25.67
2.	Shamsher Kataria Vs. Car Manufacturers	2,544.65
3.	HT Media Ltd. Vs. Super Cassettes Industries Ltd.	2.83

COMPETITION APPELLATE TRIBUNAL

5.4.1. The Competition Appellate Tribunal

(COMPAT) is a quasi-judicial body constituted under the provisions of the Competition Act, 2002, as amended by Competition (Amendment) Act, 2007. The present Chairperson of the Competition Appellate Tribunal is Hon'ble Justice Shri G.S. Singhvi, who is a former Judge of the Hon'ble Supreme Court of India. The two posts of Members of the Tribunal are presently lying vacant.

5.4.2. COMPAT adjudicates appeals against the orders of the Competition Commission of India and also adjudicates the claims of compensation that may arise from the findings of that Commission or of COMPAT. This Tribunal has received 328 Appeals so far against the decision of Competition Commission of India, out of which 222 appeals have been disposed of and 106 appeals are under adjudication with the Tribunal as on 31.12.2014.

5.4.3. After the dissolution of the erstwhile MRTP Commission, the Government of India vide Ordinance dated 14th October, 2009, vested the COMPAT with powers to hear and dispose of pending cases, being dealt with by the then MRTP Commission. About 1,825 pending cases were transferred to this Tribunal, out of which this Tribunal has disposed of 1,768 cases till 31.12.2014.

II. OTHER LEGISLATIONS

THE CHARTERED ACCOUNTANTS ACT, 1949

5.5.1. 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.

5.5.2. The main objectives of the Institute of Chartered Accountants of India (ICAI) are (i) to prescribe qualifications for membership, holding examination and arranging practical training of candidates for enrolment; (ii) maintenance and publication of Register of Members qualified to practice the profession; (iii) carrying on activities for development of the profession; and (iv) regulation & maintenance of the status and standards of professional qualification of members. The Institute conducts examinations all over the country, provides postal/oral coaching and arranges practical training, enabling students to qualify for the profession.

5.5.3. 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

5.6.1. 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 of India (ICWAI) which was accordingly established in May, 1959, in terms of the provisions of the Act. The name of the Institute has been changed through Cost and Works Accountants (Amendments) Act, 2011 as the Institute of Cost Accountants of India.

5.6.2. The duties of carrying out the provisions of the Act are vested with the Council of the Institute of Cost Accountants of India, which is constituted under Section 9 of the Act. The Council is composed of not more than 15 persons elected by the members of the Institute, and not more than 5 persons nominated by the Central Government.

THE COMPANY SECRETARIES ACT, 1980

5.7.1. The Company Secretaries Act was enacted in 1980 to regulate and develop the profession of 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.

5.7.2. 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 15 persons elected by the members of the Institute, and not more than 5 persons nominated by the Central Government.

SOCIETIES REGISTRATION ACT, 1860

5.8.1. 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 for diffusion of useful knowledge or for charitable purposes, register themselves by filing their Memorandum of Association (MoA) with Officers specified in the Act. The Societies Registration Act, 1860 remains in force throughout India until it is specifically amended or repealed by the concerned State Legislature. Many States have amended the same taking into consideration their specific needs, and the Act is applicable in the respective territorial jurisdiction of the States as amended. Those amendments also include registration of societies, in the respective States by the Registrar of Societies, or by any officer authorised by the State Government for the said purpose.

INDIAN PARTNERSHIP ACT, 1932

5.9. The Indian Partnership Act was enacted in 1932, with a view to define and amend the law relating to partnerships, apart from providing the nature of partnership relating to partners with one another, and with third parties. The Act also provides for registration of 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

5.10. 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.

CHAPTER – VI

TOWARDS INTERACTIVE AND RESPONSIVE ADMINISTRATION

6.1. The Ministry of Corporate Affairs has taken several steps for providing improved client oriented service. The MCA-21 e-Governance Project marked a new era of responsive, customer-oriented, transparent and efficient governance. The first phase of the project began as the first Mission Mode Project (MMP) of the National e-Governance Plan (NeGP) in 2006, with Tata Consultancy Services (TCS) as the service provider. The project completed its life-cycle on 16.01.2013. Infosys Ltd was selected as the service provider for the second phase (January, 2013 to July, 2021).

e-GOVERNANCE

6.2.1. ‘MCA-21’ aims at providing stakeholders easy and secure access to all MCA services with improved speed and certainty of services. The services bring about transparency, quickness and efficiency in the functioning of the ministerial activities.

6.2.2. Since its commencement in 2006, the project has achieved significant milestones such as e-enablement of all interactions of RoC, comprehensive usage of Digital Signature Certificate (DSC), complete automation of internal post processing (Technical Scrutiny, Inspection and others), automation of internal administration (HR / Payroll / Accounts), Straight Through Processing (STP) for taking filings into

registry directly, implementation of Role Check for Stakeholders, comprehensive View Public Document (VPD) facility, comprehensive online payment mechanism through credit cards, internet banking with NEFT facilities, e-Stamping across all States in India, XBRL (eXtensible Business Reporting Language) based filings since 2011, Comprehensive Online Investor Protection facilities, with regard to companies and LLPs.

6.2.3. The following new features were introduced in the MCA21 system during the financial year 2014-15.

- 1. *MCA Portal redesigned:*** The website (www.mca.gov.in) has been redesigned during the year to provide an enhanced user experience and information architecture. Key information is easily accessible from home page. The information is grouped under ‘About MCA’, ‘Acts & Rules’, ‘MCA Services’, ‘Statistics & Reports’, ‘Contacts’ and ‘Help & FAQs’ menus on the website.
- 2. *Implementation of the Companies Act, 2013:*** With a view to facilitate implementation of notified provisions of the Companies Act, 2013 the new e-forms along with detailed instruction kits to assist in filling the forms have been provided on the MCA-21 portal for easy reference to stakeholders.
- 3.** A separate section on Frequently Asked

Questions (FAQs) has been updated for guiding stakeholders to fill up the e-forms correctly. The document, mapping e-forms prescribed under the Companies Act, 2013 with e-forms prescribed under Companies Act, 1956, is also uploaded on the Ministry's website. Filing of the new e-forms has begun with effect from 28.04.2014.

4. ***RoC and OL for the State of Telangana:*** Ministry has established the office of the Registrar of Companies at Hyderabad having territorial jurisdiction in the whole State of Telangana for discharging the functions of the Registrar of Companies under the various provisions of the Companies Act and necessary provision has been made in MCA21 Application for the same.
5. ***Company Law Settlement Scheme, 2014 (CLSS-2014)*** had been launched, which concluded on 31.12.2014, to provides a one-time opportunity for defaulting companies to file their annual statutory documents, with granting immunity from prosecution and reduced fee. During 2014-15 (up to 31.12.2014), the total no. of filing under CLSS were 4,78,656.

6. ***Online payment of stamp duty and court fees*** for Certified Copies has enabled the respective ROCs to send the certified documents without awaiting for physical stamp papers and any formal application (with Court Fee Stamp) in this regard.
7. Companies (Appointment and Qualifications of Directors) Amendment Rules, 2014, were issued to simplify the e-Forms required to be filed for obtaining Director Identification Number (DIN).
8. The requirement of submitting the Permanent Account Number (PAN) for foreign nationals being the charge holder at the time of filing the charge document was relaxed.

Efficiency in Service Delivery under MCA21:

6.2.4. There has been a significant turnaround in time for delivery of services with the implementation of the project. This improvement is displayed in the Service-Metrics in the **Table 6.1**. The Achievements of MCA-21 in terms of the filing status is given in **Table 6.2**.

Table 6.1
Service Metrics before and after MCA-21

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	Instantaneous
Certified Copy	10 days	2 days
Annual Return	60 days	Instantaneous
Balance-sheet	60 days	Instantaneous
Change in Directors	60 days	Instantaneous
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

Table 6.2
Filing Status during 2014-15 (up to 31.12.2014)

S.No	Description	Number
1	Total filings through system	49,39,020
2	Maximum number of documents filed on a day (10/30/2014)	1,39,896
3	Number of companies registered online	41,386
4	Total DIN issued	1,50,797
5	Company records viewed online	9,58,624
6	Number of balance sheets filed	6,78,477
7	Number of annual returns filed	6,91,274
8	Amount of E-stamp fee collected	1,18,89,26,909
9	Number of authorised bankers and professional registered with DSC	6,397
10	Number of registered users on the portal	73,032

INVESTOR AWARENESS PROGRAMME:

6.3.1 Investor Awareness Programmes are being conducted in partnership with the three Professional Institutes i.e. the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the

Institute of Cost Accountants of India. The programmes aim to educate investors, including young investors, on various aspects of responsible investment. These programmes cover various cities and towns (including Tier II and Tier III towns) across the country.

6.3.2. Since 2012-13, Regional Directors

and field offices of the Ministry of Corporate Affairs have been involved in organizing the Investor Awareness Programmes in order to reach more number of people. The Regional Directors, in turn, collaborate with the Professional Institutes to organize these programmes. As against the original plan to organize 1000 programmes across the country, during 2014-15, about 1,400 investor awareness programmes have been organized till December, 2014. Further, since 2012-13, Ministry has also started organizing such programmes in rural areas through CSC e-Governance Services India Limited, an entity under Department of Electronics and Information Technology. Besides organizing IAPs, multi-lingual print media advertisement was also taken up for creating awareness and cautioning investors.

REDRESSAL OF INVESTORS' GRIEVANCES

6.4.1. The investors/depositors can lodge their complaints with concerned Registrar of Companies on-line through MCA 21 portal using the website of the Ministry. In order to actively associate the field offices for redressal of investors' grievances, a nodal team headed by a designated officer has been setup in all the offices of the Regional Directors (RDs) and Registrars of Companies (ROCs) as well as at Headquarters in the Ministry. The investors can directly take up their grievances with the concerned Nodal Officers at the ROC/ RD Level. If any investor has any grievance which has not been redressed even after a lapse of reasonable time, the same can be

brought to the notice of Nodal Officer at the Ministry level. The list of nodal officers of MCA is available in the MCA website under "Investor Services". The direct link for the same is: <http://www.mca.gov.in/MinistryV2/nodalofficers.html>.

6.4.2. The Ministry received 8470 complaints from the investors/depositors during the period from 01.04.2014 to 31.12.2014 and 1550 complaints were brought forward from the previous year. Out of a total of 10020 complaints, 5726 complaints were resolved and 4294 complaints were pending for redressal as on 31.12.2014 with Registrars of Companies.

6.4.3. Further, the Ministry received 36 off-line complaints pertaining to other agencies such as SEBI, Ministry of Finance, Department of Financial Services, Ministry of Labour & Employment, IRDA, DARPG, Department of Pension, Department of Public Enterprises, Chief Vigilance Commission and Department of Personnel and Training (DOPT). The same were forwarded to the respective agencies for necessary action.

INVESTOR EDUCATION AND PROTECTION FUND

6.5.1. The Investor Education and Protection Fund (IEPF) has been set-up under Section 205C of the Companies Act, 1956, with a view to supporting activities relating to investor education, awareness and protection. The following unclaimed amounts lying with companies for more than seven years are

credited to IEPF:-

- (a) Unpaid dividend accounts of the companies;
- (b) The application moneys received and due for refund;
- (c) Matured deposits;
- (d) The interest accrued in the amounts referred to above;
- (e) Matured debentures;
- (f) Grants and donations by the Central Govt., State Govt., companies or any other institutions;
- (g) Interest or other income received out of the investments made from the Fund.

6.5.2. The Ministry launched a sub-site on the main website www.mca.gov.in for companies to file details of unpaid and unclaimed amounts of investors lying with them. Till 31.03.2014, 2459 companies had uploaded their data, reporting that a total amount of Rs. 3454.29 Crore was lying with them as unclaimed. As on 31.12.2014, 3316 companies reported their data. This website has enabled investors, especially small investors and investors located in remote areas, to search and obtain information. The unclaimed amounts get transferred to the Investor Education and Protection Fund (IEPF), after the expiry of seven years and there is no provision of returning the money to investors under Companies Act, 1956.

6.5.3. Under the Companies Act, 2013, the Investor Education and Protection Fund Authority will be set up to administer the Fund.

CORPORATE SOCIAL RESPONSIBILITY(CSR)LEGISLATION

6.6.1. For the first time anywhere in the world, Corporate Social Responsibility (CSR) for companies has been mandated through legislation in India. Section 135 of the Companies Act, 2013 contains CSR provisions of the Act, and Schedule VII of the Act enumerates the activities that can be undertaken under CSR. Section 135, amended Schedule VII to the Companies Act 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 were notified on 27th February, 2014, and came into force from 01.04.2014. This is the first year of implementation of CSR by companies under the Act.

Activities covered under Schedule VII of the Act

- Eradicating hunger, poverty and malnutrition, promoting healthcare including contribution to “Swach Bharat Kosh”;
- Promoting education and employment enhancing vocational skills;
- Promoting gender equality, empowering women;
- Ensuring environmental sustainability including contribution to “Clean Ganga Fund”;
- Protection of national heritage, art and culture;
- Measures for the benefit of armed forces, war widows and their dependents;

- Promotion of sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government;
- Contribution to technology incubators;
- Rural development projects;
- Slum-area development;

6.6.2. The Ministry has issued a series of clarifications through a General Circulars dated 18th June, 2014 and 17th September, 2014 for effective implementation of CSR Policy Rules and to deal with certain matters not covered under the Act or Rules but which facilitate smooth implementation of their CSR Policies. The circular suggests liberal interpretation of Schedule VII so as to include a wide range of activities under CSR having implication for inclusive growth.

6.6.3. The Ministry of Corporate Affairs along with the Indian Institute of Corporate Affairs has been making efforts to mainstream the adoption of responsible governance practices including CSR by establishing the National Foundation for Corporate Social Responsibility (NFCSR) at the Indian Institute of Corporate Affairs. The role of NFCSR is to unite all stakeholders on CSR in making a significant impact towards goal of inclusive growth and development. It acts as a facilitator and an enabler in taking the CSR agenda forward by providing knowledge support and by creating a database of the implementing agencies.

NATIONAL FOUNDATION FOR CORPORATE GOVERNANCE

6.7.1. The National Foundation for Corporate Governance (NFCG) has been established as a Trust jointly by the Ministry of Corporate Affairs, Confederation of Indian Industry (CII), Institute of Company Secretaries of India (ICSI) and Institute of Chartered Accountants of India (ICAI). The founder partners have made financial contributions towards the corpus of NFCG. Activities of the Foundation are run using interest earnings from the corpus. In 2010, the Institute of Cost and Works Accountants of India (now Institute of Cost Accountants of India) and National Stock Exchange of India (NSE) were inducted as new members of the NFCG and have made financial contributions to the corpus.

6.7.2. The Governing Council of NFCG works at the apex level of policy making. It is chaired by the Minister for Corporate Affairs. The activities of the Foundation are steered by the Board of Trustees, chaired by the Secretary, Ministry of Corporate Affairs. The activities conducted under the aegis of NFCG include seminars, conferences, training and workshops, research activities, etc. on corporate governance practices. During 2014-15 (up to December, 2014), NFCG has conducted eighteen Seminar/ Conferences/ Workshops and completed eight Research Studies on the subject.

VIGILANCE

6.8. The Ministry furnishes monthly report

on vigilance activities to the CVC. During 2014-15 (up to 31.12.2014), 11 departmental disciplinary proceedings were ongoing at various stages. Vigilance Awareness Week was observed during 27.10.2014 to 01.11.2014 to create and promote awareness amongst officers and staff.

RASHTRA-BHASHA

6.9.1. The Ministry of Corporate Affairs continues to enhance its efforts for achieving targets set by the Department of Official Language and to promote the use of Hindi in official work.

6.9.2. Quarterly meetings of the Official Language Implementation Committee (OLIC), chaired by Joint Secretary (Admin.) of the Ministry, and implementation of Official Language Policy of the Government was monitored. Hindi workshops were organised on 02.06.2014, for the Officers/Employees to improve the working knowledge of Official Language.

6.9.3. Six subordinate/attached offices and eight Sections of the Ministry's headquarter were inspected by the officers under Inspection-cum-contact programme to review the progressive use of Hindi. Eight sections of the Headquarter were also inspected by the Hindi Section.

6.9.4. Hindi Pakhwada (fortnight) was celebrated in the Ministry from 12.09.2014 to 26.09.2014. During the fortnight, many competitions were organized separately for

Hindi speaking and non-Hindi speaking officers/employees. The Secretary, Corporate Affairs awarded prizes to the winners of various competitions at a function held on 17.10.2014. The field offices of the Ministry also organized similar activities in their respective offices.

6.9.5. During the Year 2014-15 (up to 31.12.2014), the Committee of Parliament on Official Language inspected four subordinate/attached offices of the Ministry.

e-BOOK

6.10.1. An e-book of the Ministry of Corporate Affairs has been prepared at the instance of the Cabinet Secretariat and uploaded on the website of the ministry at the address:

http://www.mca.gov.in/MinistryV2/mca_ebook.html

6.10.2. The e-book provides a snapshot of the Ministry's activities and achievements in the recent years and highlights the services provided by the Ministry to the stakeholders.

CITIZEN'S/CLIENT'S CHARTER

6.11.1. The Ministry of Corporate Affairs, being a regulatory Ministry, has regular public interaction for performing its regulatory functions, which most often take form of rendering its services to the various stakeholders. The Ministry has issued a detailed Citizen's/Client's Charter, accessible on its website. In this Charter, the Ministry has given a detailed list, running into 21 pages, of services/ transactions, processes involved,

requisite documents and fees applicable in its Citizens' charter with the designation of the official concerned and relevant contact particulars in respect of each of the services. It has also set the standards of performance/ time limits against each of the services/ transactions in a list that runs into 7 pages.

6.11.2. The proforma, running into 14 pages, listing out the Performance Evaluation Criteria for the MCA vis-à-vis the services and standards has also been put on the public domain as part of the Citizens' charter. Besides a description of likely stakeholders and indicative expectations from clients/ citizens, the Charter also gives the details of officers/

authorities to be contacted for redressal of grievances. Some key components have been given wider publicity in the office premises of the Ministry by displaying boards. The same is enclosed at **Annexure-III** to this Report.

REPRESENTATION OF SCHEDULED CASTES (SCs), SCHEDULED TRIBES (STs), OTHER BACKWARD CLASSES (OBCs)

6.12. The representation of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs) in the Ministry, including field offices staff is shown in the **Table 6.3.**

Table 6.3
Representation of SCs, STs and OBCs in the Headquarter and Field Offices

Group	No. of Employees in Position			
	Total	SC	ST	OBC
(1)	(2)	(3)	(4)	(5)
'A'	263	39	24	38
'B'	431	69	28	53
'C'	512	112	54	70
Total	1206	220	106	161

RESULTS FRAMEWORK DOCUMENT

6.13.1. The High Power Committee (HPC) on Government Performance has reviewed the performance of the MCA and assigned a score of 92.9 for 2012-13. The provisional score for 2013-14 is 89.17. The Performance Evaluation Report for 2013-14 showing the provisional scores attained on the Results Framework Document (RFD) for 2012-13 is placed at **Annexure – IV.**

6.13.2. The Results Framework Documents for 2013-14 and 2014-15 are available at the website of the Ministry. The Results Framework Document for 2014-15 (Section 1 and Section 2) is placed at **Annexure – V.**

INNOVATION ACTION PLAN 2014-15

6.14.1. As part of its ongoing efforts to improve service delivery, the Ministry of Corporate Affairs has formulated an

‘Innovation Action Plan for 2014-15’. As per this plan, the Ministry has decided to set up an Ecosystem Innovation Centre (EIC) to initiate and encourage the process of innovation in internal work procedures and processes, under the Chairmanship of the Additional Secretary. The primary purpose of the Center is to encourage all stakeholders to suggest novel ideas and innovations so as to further simplify rules and procedures.

6.14.2. The ministry invites public feedback and suggestions through this feedback

and suggestions page. Through the cycle of continuous improvement, the Ministry wants to remain at the fore front of adopting innovative ideas for empowering businesses and protecting investors.

BUDGET OF MCA 2014-15 (up to 31.12.2014)

6.15. The details of the Revenue Receipts and Expenditure (Plan and Non Plan) of the Ministry are given below (**Table 6.4 and Table 6.5**).

**Table – 6.4
Revenue Receipts**

(₹ in Crore)

2010-11	2011-12	2012-13	2013-14	2014-15*
(1)	(2)	(3)	(4)	(5)
1494.69	1464.56	1468.85	1602.50	1655.81

* up to 31.12.2014

**Table – 6.5
Expenditure (Plan & Non Plan)**

(₹ in Crore)

Type of Expenditure	Actual Expenditure 2013-14	2014-15			Budget Estimates 2015-16
		Budget Estimates	Revised Estimates	Actual Expenditure (up to 31.12.2014)	
(1)	(2)	(3)	(4)	(5)	(6)
Non-Plan	208.83	231.51	228.92	163.19	247.88
Plan	20.38	24.00	23.00	16.39	24.00
Grand Total	229.21	255.51	251.92	179.58	271.88

AUDIT

6.16. The Ministry of Corporate Affairs has no audit objections/ paragraphs during the past five years, nor is any audit observation pending against it.

RIGHT TO INFORMATION

6.17.1. Ministry of Corporate Affairs is a Public Authority under the provision of the RTI Act, 2005. In order to comply with the provisions of the Right to Information Act, 2005, the Ministry has made arrangements under this landmark Act. In order to fulfil the obligation and provisions under section 4(1) (a) (b) of the Right to Information Act, 2005, subject matters dealt by various Divisions of the Ministry have been uploaded, in the format as devised by Central Information Commission (CIC) on the website of the Ministry (www.mca.gov.in). The information is being kept in the public domain.

6.17.2. The officers of the ministry have been

declared as Central Public Information Officers (CPIOs) and Appellate Authorities (AAs) as per their allotted work. Field offices under this ministry have been declared as Public Authorities under RTI ACT. Applications/ appeals under the RTI Act are also being received through Central Assistant Public Information Officers (CPIOs) nominated at sub-Divisional level or other Sub-District level by the Department of Posts.

6.17.3. Similarly arrangements to implement proactive disclosure have been made by other Public Authority under the ambit of Ministry of Corporate Affairs viz Company Law Board, Competition Commission of India, Serious Fraud investigation Office, Indian Institute of Corporate Affairs, Competition Appellate Tribunal, Institute of Chartered Accountant of India and Institute of Company Secretary of India.

6.17.4. The details of RTI request and appeals received as on 31.12.2014 in the Ministry of Corporate Affairs are given in **Table 6.6**.

Table 6.6

Details of RTI Requests and Appeals (Between 01.04.2014 and 31.12.2014)

1.	Total number of applications received	1545
2.	Transfer to other Public Authorities	794
3.	Decisions where applications for information rejected (i) No. of times various provisions were invoked	62
4.	No. of cases where disciplinary action was taken against any officer in respect of administration of this Act	NIL
5.	No. of cases where CIC imposed penalty	NIL

Annexure

KEY FEATURES OF THE COMPANIES ACT, 2013

Business Friendly Corporate Regulations/ Pro-Business Initiatives

- Provision of self-regulation with disclosures/transparency instead of 'Government approval based regime'.
- Automation of corporate records/meetings – statutory recognition to (i) maintenance of documents by companies in electronic form, (ii) 'video-conferencing' as a mode of conducting Board meetings etc.
- Faster mergers and acquisitions including short form of mergers and cross border mergers.
- Summary liquidation: For companies having net assets of ₹ 1 crore or less, Official Liquidators (OLs) are empowered with adjudicatory powers.
- Time bound approvals through National Company Law Tribunal (NCLT) (Yet to be notified).
- Concept of 'dormant companies' introduced (Companies not engaged in business for two consecutive years are declared as dormant).
- Concept of One Person Company (OPC) introduced.

Good Corporate Governance and Corporate Social Responsibility

- Concept of Independent Directors (IDs) included as a statutory requirement u/s 149(4).
- Provision for constitution of several Committees of the Board (Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee).
- Woman Director for prescribed class of companies.
- Mandatory provision for constitution of CSR Committee and formulation of CSR Policy, with mandatory disclosure, for prescribed class of companies.

Enhancing Accountability of Management

- The term 'Officer in Default' has been reviewed to make it more relevant.
- Terms 'Key Managerial Personnel' (KMP) and 'Promoter' defined to affix responsibility on key functionaries of the company.
- Duties of Directors defined, including to shareholders, employees, the community and environment.
- Cap on number of Directorships: 20 companies, of which 10 can be public companies.

Strengthened Enforcement

- The Central Government to have powers to order investigation, suo motu, in public interest.
- Statutory recognition of Serious Fraud Investigation Office (SFIO).
- Provision for creation of Special Courts (yet to be notified).
- Search and seizure of documents, during investigation, without an order from a Magistrate.
- Freezing of assets or disgorgement of illegal gains of company under investigation.

Audit Accountability

- Recognition of accounting and auditing standards.
- Stricter disqualification norms for auditors.
- Auditor not to perform specified non-audit services.
- Tenure or rotation of auditors prescribed.
- Internal audit for bigger companies.
- Substantial civil and criminal liability for an auditor in case of non-compliance.
- Tribunal empowered to direct a change of auditor in case of a fraud detected.
- Cost records and cost audit for prescribed class of companies.
- Secretarial audit for prescribed class of companies.
- National Financial Reporting Authority (NFRA) to be constituted.

Protection of Minority Shareholders

- Exit option provided, if there is dissent to change in Object clause, or during compromises etc.
- Valuation mandated during compromise, arrangements etc.
- Effect of merger on minority shareholding to be disclosed.
- Listed companies to have one Director representing small shareholders.

Investor Protection

- Stringent norms for acceptance of deposits from the public.
- Strengthened role of Investor Education and Protection Fund (IEPF)
- No time bar on claims of dividends from IEPF.
- Class Action Suits recognized.
- Enhanced powers to Tribunal for protection of minority rights.

Senior Functionaries of Ministry of Corporate Affairs

Shri Arun Jaitley Minister Sh. Naved Masood Secretary Ms. Anjuly Chib Duggal Special Secretary						
JS(AM)	DII(NS)	JS(SP)	JS(B)	JS(M)	Economic Adviser	Adviser Cost
Ajai Das Mehrotra Dir(AK) Alok Kumar Dir(FJ) Rajinder Jha DS(AK) Ashish Kushwaha DD(SS) Shyam Sunder DD(SS) Sanjay Gupta US(RKP) R K Pandey US(RK) Rakesh Kumar US(BPB) B P Bimal US(GVS) G.V. Subataiah	Dr. Navrang Saini DD(SS) Sanjay Sood DD(AK) Anita Klair AD(PS) Parvinder Singh AD(IHA) IH Ansari AD(HS) Himanshu Sekhar AD(AT) Anshu Tandon AD(SB) Sanjay Bose	Suresh Pal DS(BPP) B.P. Pant DS(JSA) JS Audhkhasi US(AHA) A H Aggrawal US(RH) Riazul Haque US(KK) Kshitish Kumar US(AP) Anil Parasher AD(OL) Rajiv Mathur	Amardeep Singh Bhatia DII(SBG) S.B. Gautam JD(MMJ) Manmohan Juneja JD(VS) Vinod Sharma DD(NKD) N. K. Dua AD(KS) Kama Sharma AD(SN) KMS Narayana AD(AB) Animesh Bose AD(LS) Lata Sisodia	Manoj Kumar Dir(NC) Navneet Chauhan Dir(RJ) Rajinder Jha DS(JSA) JS Audhkhasi DS(SK) Sushma Kataria DS(BPP) BP Pant US(RV) Ravi Vazirani US(LKT) L.K. Trivedi US(RV) Ravi Vazirani US(AP) Anil Parasher US(AHA) A H Aggrawal US(JBK) J. B. Kaushish DD (Insoiv. P. K. Duggal & CL.III)	Sibani Swain Dir(PS) Pankaj Srivastava JD(KLK) K.L. Kaushik DD(EN) E. Nagachandran AD(SR) Seema Raith AD(SS) Sudaveni Satyanarayana AD(VR) Vaibhav Rundwal AD(RNS) R.N.Soreithem	R. Asokan JD(KKM) K. K. Mahawar JD(MK) Manmohan Kaur AD(RP) Rakesh Pandey AD(AK) Arvind Kumar AD(SB) Saurabh Banisal Chief Vigilance Officer: Manoj Kumar, JS Web Master: Ashish Khushwa Deputy Secretary Welfare Officer: A.H. Aggrawal.
Integrated Finance & Accounts Wing				Budget		
JS&FA : Ms. Sujata Prasad CCA : Deepak Das D.S.(IFD) : Sushma Kataria US(IFD) : Riazul Haque				CCA : Deepak Das DS : B.P. Pant US(AHA) : A. H. Aggrawal		



Citizens' / Clients' Charter

Ministry of Corporate Affairs
Shastri Bhavan, New Delhi 110001

Our commitments to you

S. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
1.	Application for availability of names for new company	Maximum time to inform deficiencies in the application from the date of receipt of the application. Maximum time taken to communicate approval by the concerned Registrar of Companies (ROC) on receipt of approval	2 working days 1 working day
2.	Application for Incorporation of a Company.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to communicate approval and issue certificate of Incorporation by the concerned ROC on receipt of approval	2 working days 1 working day
3.	Application for registration of Joint Stock Companies under Part IX of Companies Act, 1956	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certificate of Registration by the concerned ROC on receipt of approval	1 working day 1 working day
4.	Application for registering a place of Business in India by a company incorporated outside India	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certificate by the concerned ROC on receipt of approval	1 working day 1 working day
5.	Application for change of name of the Company	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certificate by the concerned ROC on receipt of approval	3 working days 3 working days
6.	Application for change of Objects of the Company	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certificate by the concerned ROC on receipt of approval	3 working days 3 working days
7.	Application for conversion of Private Company to Public company	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certificate by the concerned ROC on receipt of approval	3 working days 3 working days
8.	Application for conversion of Public Company to Private Company	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certificate by the concerned ROC on receipt of approval	3 working days 3 working days
9.	Application for filing of a Prospectus before issue of IPO or FPO/ Statement in-lieu of prospectus (SLP)	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue acknowledgement by the concerned ROC from the date of receipt of the application.	2 working days 1 working day
10.	Application for registration of Charge Creation/ modification/ satisfaction	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certificate by the concerned ROC on receipt of approval	1 working day 1 working day
11.	Application for condonation of delay in filing of charge creation/ modification/ satisfaction.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue order granting condonation by the concerned Regional Directors (RD) on receipt of approval.	1 working day 1 working day
12.	Application for extension of time to hold AGM/Change of Financial Year.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to communicate approval by the concerned ROC on receipt of approval	3 working days 1 working day
13.	Application for processing of Scheme of Arrangement/reconstruction/amalgamation under Section 391 / 394 of the Act.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for filing of affidavit by Regional Directors' to Hon'ble High Court to the State concerned.	10 working days 15 working days
14.	Application for compounding Offences	Maximum time to inform deficiencies in the application from the date of receipt of the application	7 working days
15.	Application for compounding offences under Companies Act	Maximum time taken for forwarding Compounding application with ROC comments to the RD's/Company Law Board (CLB). Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue compounding order by imposing Compounding fee by the RD/CLB concerned.	15 working days 5 working days 55 working days
16.	Application for taking on Record of Court or CLB order.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for granting of license to the applicant on receipt of duly completed application form with required documents	2 working days 2 working days
17.	Application for issuance of certified copies of documents of a company	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certified copy of the document on receipt of duly completed application form with required documents	2 working days 3 working days
18.	Application for obtaining Director Identification Number (DIN)	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue approval letter granting DIN on receipt of duly completed application form with required documents.	1 working day 1 working day
19.	Application for conversion of company to LLP	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue certificate of conversion on receipt of duly completed application form with required documents.	3 working days 5 working days
20.	Application for shifting of registered office of the company from one State to another.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue order confirming the change of Registered Office of a Company on receipt of duly completed application form with required documents	7 working days 30 working days



Citizens' / Clients' Charter

Ministry of Corporate Affairs
Shastri Bhavan, New Delhi 110001

Our commitments to you

S. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
21.	Application for opening of branch(s) by a Nidhi company	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for granting permission for opening of a Branch on receipt of duly completed application form with required documents	5 working days 15 working days
22.	Application for extension of time and grant of license under section 25 of the Companies Act.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for granting license to the applicant on receipt of duly completed application form with required documents	5 working days 25 working days
23.	Application for removal of Auditor under Section 224 of the Companies Act	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue order on receipt of duly completed application form with required documents.	7 working days 90 working days
24.	Application for issue of Directions under Section 22 of the Companies Act relating to name of the Company.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue order on receipt of duly completed application form with required documents	7 working days 45 working days
25.	Application for seeking approval for entering contract with parties related to Directors of the Companies (under Section 297 of the Act)	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken to issue order on receipt of duly completed application form with required documents	7 working days 45 working days
26.	Application for seeking exemption from disclosure in balance sheet or profit and loss account of company (under Section 211 of the Act).	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents	7 working days 45 working days
27.	Application for approval of Central Govt. for providing of depreciation under Section 205 (2c) of the Act.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents.	7 working days 60 working days
28.	Application for appointment of cost auditor	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents.	3 working days 30 working days
29.	Application for giving loans to the directors of the companies/ firms and providing security or guarantee in connection with the loan.	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents	7 working days 90 working days
30.	Application for obtaining prior consent for holding of any office or place of profit in the company by certain persons	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents.	7 working days 120 working days
31.	Application for declaration as Nidhi Company (Section 620)	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents.	7 working days 120 working days
32.	Application for declaration of dividend out of reserves (Section 205 A (3))	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents.	7 working days 90 working days
33.	Application for appointment of sole selling agents by the company	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents.	7 working days 90 working days
34.	Application for permission to increase number of directors of the company beyond 12 directors (Section 259)	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents.	3 working days 30 working days
35.	Application for appointment or reappointment and remuneration or increase in remuneration or waiver for excess or over payment to managing or whole-time director(s) or manager and commission or remuneration or expression of opinion to directors (Section 198/ 309)	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents.	7 working days 90 working days
36.	Application for amendment of provisions relating to managing, whole time or non rotational director (Section 309)	Maximum time to inform deficiencies in the application from the date of receipt of the application Maximum time taken for communicating approval on receipt of duly completed application form with required documents	7 working days 60 working days
37.	Investor Grievance Redressal	Maximum time taken to dispose off from the date of receipt of grievance	30 working days
38.	Other Grievances/ Complaints related to MCA-21	Maximum time taken to dispose off from the date of receipt of grievance.	15 working days

Detailed Citizens'/Clients' Charter of Ministry of Corporate Affairs may be accessed at our website: www.mca.gov.in

In case you find us lacking in meeting the promised standards of service, you should:-

(a) Inform our Public Grievance officers as under

Sr. No.	Nature of Grievances/Complaints	Name and Address of Public Grievance Officer	Telephone No Landline	E-mail	Mobile No.
1	Investor Grievance	Shri U C Nahta, Director of Investigation and Inspection	Tel : 23381226	uttam.nahta@mca.gov.in	8595387010
2	Other Grievances/ Complaints	Shri Suresh Pal, Joint Secretary	Tel: 23389785 Fax: 23074512	sureshpal@nic.in	9868907961
3	Grievances/Complaints Related to MCA21	Shri Anil Bhardwaj, Director	Tel: 23070954	anilad@mca@nic.in	9868218060

(b) Register your grievances on the portal : <http://mcaportal.gov.in/>

(c) Send an email to Performance Management Division, Cabinet Secretariat: CCC-grievance@nic.in

Performance Evaluation Report 2013-14

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value					Performance												
						Excellent	Very Good	Good	Fair	Poor	Achievement	Raw Score	Weighted Score										
1 On line delivery of all registry related services with speed, certainty and transparency, access to public information and effectively monitoring of statutory compliance by the companies.	18.00	Setting up of Corporate Seva Kendra	Establishment of a call centre to provide wide range of information to stakeholders and to answer their queries about corporate filings, information and statutory requirements.	Date	3.00	100%	90%	80%	70%	60%	02/05/2013	100.0	3.0										
						30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014													
						30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014													
						30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014													
						31/07/2013	31/08/2013	30/09/2013	31/10/2013	30/11/2013	16/07/2013	100.0	4.0										
2 Effective enforcement of 'Companies Act' and other Acts coming under the domain of MCA for better Corporate Regulation and Governance.	22.00	Improvement of user facilitation	On-line facility for providing certified copies of document	Date	4.00	100%	90%	80%	70%	60%	31/03/2014	60.0	2.4										
						30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014													
						30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014													
						30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014													
		Improving the back-office working environment	Replacement of old desktops and peripherals at RDs and ROCs offices.	Number	1.00	100%	90%	80%	70%	60%	30	18	21	24	27	30	27	24	21	18	30	100.0	1.0
						30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014											
		Processing of all inspection reports vis 209A of the Companies Acts received from 1.10.2012 to 31.12.2012 including issue of follow up instructions.	Issue of follow up letters for inspection report by 31.05.2013	%	2.00	100%	90%	80%	70%	60%	100	60	70	80	90	100	100	80	70	60	100	100.0	2.0
						30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014											

Performance Evaluation Report 2013-14

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value						Performance	
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score
		Processing of inspection reports u/s 209A of the Companies Act received from 1.1.2013 to 31.03.2013 and issue of follow up instructions.	Issue of follow up letters for inspection report by 31.07.2013	%	2.00	100	90	80	70	60	100	100.0	2.0
		Processing of all inspection reports u/s 209A of the Companies Act received from 1.4.2013 to 30.06.2013 and issue of follow up instructions.	Issue of follow up letters for inspection report by 31.10.2013	%	2.00	100	90	80	70	60	100	100.0	2.0
		Processing of all inspection reports u/s 209A of the Companies Act received from 1.7.2013 to 30.09.2013 and issue of follow up instructions.	Issue of follow up letters for inspection report by 31.01.2014	%	2.00	100	90	80	70	60	100	100.0	2.0
		Processing of all inspection reports u/s Companies Act received from 01.10.2013 to 31-12-2013 and issue of follow up instructions.	Issue of follow up letters for inspection report by 31.03.2014	%	2.00	100	90	80	70	60	100	100.0	2.0
		Processing of all technical scrutiny reports u/s 234 of the Companies Act received from 01.10.2012 to 31.12.2012.	Issue of instruction letters by 31.07.2013	%	2.00	100	90	80	70	60	100	100.0	2.0
		Processing of all technical scrutiny reports u/s 234 of the Companies Act received from 01.01.2013 to 30.06.2013.	Issue of instruction letters by 31.01.2014	%	2.00	100	90	80	70	60	93	93.0	1.86

Performance Evaluation Report 2013-14

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value					Performance			
						Excellent	Very Good	Good	Fair	Poor	Achievement	Raw Score	Weighted Score	
														100%
		Processing of all technical scrutiny reports u/s 234 of the Companies Act received from 01.07.2013 to 30.09.2013.	Issue of instruction letters by 31.03.2014	%	2.00	100	90	80	70	60	70	70.0	1.4	
		Processing of all investigation reports u/s 235/237 of the Companies Act received from 01.07.2012 to 31.12.2012	Issue of instruction letters by 31.07.2013	%	2.00	100	90	80	70	60	100	100.0	2.0	
		Processing of all investigation reports u/s 235/237 of the Companies Act received from 01.01.2013 to 30.06.2013	Issue of instruction letters by 31.01.2014	%	2.00	100	90	80	70	60	100	100.0	2.0	
		Processing of all investigation reports u/s 235/237 of the Companies Act received from 01.07.2013 to 31.12.2013	Issue of instruction letters by 31.03.2014	%	2.00	100	90	80	70	60	100	100.0	2.0	
3	6.00	Protection of Investor and Promotion of Investor Education and Awareness for growth of Corporate Sector in the country.	Analysis of data/ information uploaded by companies about unpaid/unclaimed amounts of the investors lying with the companies for upto seven years and to finalize a list of non compliant companies	Date	2.00	31/12/2013	31/01/2014	28/02/2014	31/03/2014		28/02/2014	80.0	1.6	
			Referring to relevant regulatory body within 30 days of identification	%	1.00	100	90	80	70	60	100	100.0	1.0	

Performance Evaluation Report 2013-14

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value						Performance	
						Excellent	Very Good	Good	Fair	Poor	Achievement	Raw Score	Weighted Score
						100%	90%	80%	70%	60%			
4 To provide simplified laws governing Corporate Sector and to facilitate effective compliances and enlightened regulatory regime.	16.00	Promotion of investor awareness through field offices by conducting investor awareness programmes	Conducting investor awareness programmes and launching a media campaign	Number	2.00	1000	900	800	700	600	1000	100.0	2.0
		Third party evaluation of Effectiveness of the investor Grievances Management Cell in Redressing Investor Grievances	Completion of Evaluation by third party	Date	1.00	31/12/2013	31/01/2014	28/02/2014	31/03/2014		30/11/2013	100.0	1.0
		Rules formulation/ implementation for the Companies Bill, 2012. (Subject to passing of the Bill in the Rajya Sabha)	First notification of rules as per the scheme of implementation of the new Companies Bill (within month after Presidential Assent)	Month	8.00	8	9	10	11	12	8	100.0	8.0
5 To develop capacity building and secure policy advisory support through IICA.	6.00	Simplification of LLP filings by review/revision of LLP forms.	First notification/Circular.	Date	4.00	31/12/2013	31/01/2014	28/02/2014	31/03/2014		27/12/2013	100.0	4.0
		Promotion of Limited Liability Partnership Act through workshops.	Workshops for promotion of LLPs in a year would be held in different ROCs/ regions.	Number	4.00	8	7	6	5	4	11	100.0	4.0
		Consultation and interaction with Corporate for brand building and need assessment.	Release of document containing knowledge and skill needs of corporate	Date	1.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014	30/11/2013	100.0	1.0
		Activation of National Foundation for Corporate Social Responsibility under guidance of Advisory Group and Steering Committee.	Release of Approach document on NFCSR	Date	1.00	30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014	13/08/2013	100.0	1.0

Performance Evaluation Report 2013-14

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value						Performance	
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score
		Content development for Schools of Competition Law and Corporate Governance and Public Policy through Content Development Committees	Finalized content of various modules	Date	1.00	30/09/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014	20/09/2013	100.0	1.0
						5	4	3	2	1	100.0	1.0	
						30/06/2013	31/07/2013	30/08/2013	30/09/2013	30/10/2013	10/06/2013	100.0	1.0
		Compilation of New Technical modules for Sr. Technical Assistants, Jr. Technical Assistants and Official Liquidators, Delhi. Training of Group A & Group B Officers	Holding of 5 revenue generating programmes.	Number	1.00	30/06/2013	31/07/2013	30/08/2013	30/09/2013	30/10/2013	10/06/2013	100.0	1.0
						5	4	3	2	1	100.0	1.0	
						30/06/2013	31/07/2013	30/08/2013	30/09/2013	30/10/2013	10/06/2013	100.0	1.0
6 To disseminate Corporate Sector Data/Official Statistics as per National Data Sharing and Accessibility Policy (NDSAP)	3.00	Finalisation of Ministry's Data Dissemination Policy	Issue of the MCA Data Dissemination Policy	Date	1.00	30/06/2013	31/07/2013	31/08/2013	30/09/2013	31/10/2013	31/10/2013	60.0	0.6
						100	90	80	70	60	100.0	1.0	
						30/06/2013	31/07/2013	31/08/2013	30/09/2013	31/10/2013	31/10/2013	60.0	0.6
		Operationalisation of Data Dissemination Portal/Facility as per the Ministry's Policy	Setting up of Portal/ Gateway as per NDSAP requirements	Date	1.00	31/08/2013	30/09/2013	31/10/2013	30/11/2013	31/12/2013	09/05/2013	100.0	1.0
						100	90	80	70	60	100.0	1.0	
						31/08/2013	30/09/2013	31/10/2013	30/11/2013	31/12/2013	09/05/2013	100.0	1.0
		Publication of basic Corporate Sector Statistical Reports w.r.t. categories, classification, time series, etc. on the Ministry's Data Dissemination Portal	Publishing reports on filings (types and number of companies), time series (number of companies, paid up capital, new companies) and	Date	1.00	30/09/2013	31/10/2013	30/11/2013	31/01/2014	28/02/2014	31/10/2013	90.0	0.9
						100	90	80	70	60	100.0	1.0	
						30/09/2013	31/10/2013	30/11/2013	31/01/2014	28/02/2014	31/10/2013	90.0	0.9

Performance Evaluation Report 2013-14

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value						Performance		
						Excellent	Very Good	Good	Fair	Poor	Achievement	Raw Score	Weighted Score	
						100%	90%	80%	70%	60%				
7 To Promote Competition.	5.00	Organising of International Conference on Competition – BRICS 2013	category-wise (State/ROC, activity, ownership)											
		Provide support for CCI/ICA for conducting competition Advocacy programme	Number of International Delegates.	Number	3.00	70	63	56	49	42	100	100.0	3.0	
8 Improving the functioning of Official Liquidators through application of e-Governance.	3.00	Bring in refinement in business process	Holding of Competition Advocacy Conferences and Seminars	Number	2.00	10	9	8	7	6	33	100.0	2.0	
			Development of financial accounting module for maintaining accounts of companies under liquidation	Date	1.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014	05/12/2013	98.39	0.98	
9 Developing and strengthening capabilities in SFIO.	6.00	Developing a fraud prediction model.	Creation of e-auction portal to enable e-auction of the properties of the companies under liquidation	Date	1.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014		N/A	N/A	
			Provision of network connectivity to OL offices for online access to companies' records and establishment functions	Date	1.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014	30/11/2013	100.0	1.0	
			To prepare a comprehensive framework for fraud prediction model	Date	1.00	30/06/2013	15/07/2013	31/07/2013	15/08/2013	31/08/2013	31/05/2013	100.0	1.0	
			Pilot testing of the model.	Date	1.00	30/09/2013	15/10/2013	31/10/2013	15/11/2013	30/11/2013	30/09/2013	100.0	1.0	
		Setting up of IT Infrastructure	Setting up of IT Infrastructure	Date	1.00	31/12/2013	15/01/2014	31/01/2014	15/02/2014	28/02/2014	30/09/2013	100.0	1.0	

Performance Evaluation Report 2013-14

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value					Performance	
						Excellent	Very Good	Good	Fair	Poor	Achievement	Raw Score
		Setting up of a Forensic Lab and Training of Officers	Setting up of Infrastructure	Date	1.00	100% 30/09/2013	90% 15/10/2013	80% 31/10/2013	70% 15/11/2013	60% 30/11/2013	100.0	1.0
			Training of Officers in Cyber Forensic	Date	1.00	31/10/2013	15/11/2013	30/11/2013	15/12/2013	31/12/2013	100.0	1.0
			Setting up of e-office	Date	1.00	30/06/2013	15/07/2013	31/07/2013	15/08/2013	31/08/2013	100.0	1.0
* Efficient Functioning of the RFD System	3.00	Timely submission of Draft RFD 2014-15 for Approval	On-time submission	Date	2.0	05/03/2014	06/03/2014	07/03/2014	08/03/2014	11/03/2014	100.0	2.0
		Timely submission of Results for 2012-13	On-time submission	Date	1.0	01/05/2013	02/05/2013	03/05/2013	06/05/2013	07/05/2013	N/A	N/A
* Transparency/Service delivery Ministry/Department	3.00	Independent Audit of implementation of Citizens'/Clients' Charter (CCC)	% of implementation	%	2.0	100	90	80	70	60	0.0	0.0
		Independent Audit of implementation of Public Grievance Redressal System	% of implementation	%	1.0	100	90	80	70	60	62.73	0.63
* Administrative Reforms	6.00	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	1.0	100	95	90	85	80	100.0	1.0
		Implement ISO 9001 as per the approved action plan	% of implementation	%	2.0	100	95	90	85	80	100.0	2.0
		Identify, design and Implement major innovations.	Timely submission of Action Plan for enabling innovation	Date	2.0	15/05/2014	16/05/2014	19/05/2014	20/05/2014	21/05/2014	90.0	1.8
		Identification of core and non-core activities of the Ministry/Department as per 2nd ARC	Timely submission	Date	1.0	24/03/2014	25/03/2014	26/03/2014	27/03/2014	28/03/2014	100.0	1.0

* Mandatory Objective(s)

Performance Evaluation Report 2013-14

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value					Performance		
						Excellent	Very Good	Good	Fair	Poor	Achievement	Raw Score	Weighted Score
						100%	90%	80%	70%	60%			
		recommendations											
* Improving Internal Efficiency/Responsiveness.	2.00	Update departmental strategy to align with 12th Plan priorities	Timely updation of the strategy	Date	2.0	10/09/2013	17/09/2013	24/09/2013	01/10/2013	08/10/2013	10/09/2013	100.0	2.0
* Ensuring compliance to the Financial Accountability Framework	1.00	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG .during the year.	%	0.25	100	90	80	70	60	100	100.0	0.25
		Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATRs submitted within due date (6 months) from date of presentation of Report to Parliament by PAC. during the year.	%	0.25	100	90	80	70	60	100	100.0	0.25
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2013.	Percentage of outstanding ATNs disposed off during the year.	%	0.25	100	90	80	70	60	100	100.0	0.25
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2013	Percentage of outstanding ATRs disposed off during the year.	%	0.25	100	90	80	70	60	100	100.0	0.25

* Mandatory Objective(s)

Total Composite Score : 89.17



Government of India

R F D

**(Results-Framework Document)
for**

**Ministry of Corporate Affairs
(2014-2015)**

Section 1: Vision, Mission, Objectives and Functions

Vision

Sustained corporate growth with enlightened regulation.

Mission

Facilitate corporate growth, competition and ethics; strengthen investor protection; be sensitive and responsive to changes in business environment; review corporate laws and regulations ensuring their effective implementation;

Objectives

- 1 Provide simplified laws governing Corporate Sector and facilitate Corporate growth.
- 2 Strengthen e-Governance.
- 3 Effective implementation of the laws being administered by the Ministry of Corporate Affairs (MCA).
- 4 Protection of investor and promotion of investor education and awareness.
- 5 Capacity building and advisory support to the sector.
- 6 Promote competition.
- 7 Proactive dissemination of corporate sector statistics.
- 8 Develop and strengthen investigation capabilities in Serious Fraud Investigation Office (SFIO) and ensure effective follow-up action in cases of serious frauds.

Functions

- 1 Administration of the Companies Act, 2013 other Acts administered by the Ministry.
- 2 Dissemination of official statistics related to Corporate sector.
- 3 Roadmap for implementation of INDAS.
- 4 Formulation and notification of required Rules under the Sections of the Companies Act, 2013.
- 5 Implementation of Competition Act and to facilitate the working of Competition Commission of India.
- 6 Implementation of e-Governance Phase II in MCA.
- 7 Strengthening investigation capabilities of the Serious Fraud Investigation Office.
- 8 Undertake and increase effectiveness of investor awareness and education programmes.
- 9 Administration and management of the ICLS Cadre.

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
[1] Provide simplified laws governing Corporate Sector and facilitate Corporate growth.	13.00	[1.1] Implementation of a major part of the Companies Act, 2013.	[1.1.1] Notification of relevant rules within 4 months of notification of relevant section under the new Companies Act.	%	4.00	100	90	80	70	60
		[1.2] Review of Limited Liability Partnership (LLP) Act.	[1.2.1] Constitution of Review Committee.	Date	2.00	30/09/2014	31/10/2014	30/11/2014	31/12/2014	31/01/2015
		[1.3] Stakeholders training for promotion of Limited Liability Partnership(LLP).	[1.3.1] Number of participants	Number	1.00	120	105	90	75	60
		[1.4] Training of staff on new Companies Act.	[1.4.1] Number of Officers/staff trained.	Number	2.00	225	200	175	150	140
		[1.5] Ease of doing business index: Follow up action on Damodaran committee recommendations.	[1.5.1] Note to Cabinet Secretariat for decision on further action relating to modalities of implementation of recommendation of the Damodaran Committee	Date	2.00	30/09/2014	31/10/2014	30/11/2014	31/12/2014	31/01/2015
[2] Strengthen e-Governance.	20.00	[1.6] Road map for Convergence of Indian Accounting Standards with IFRS.	[1.6.1] Finalizing further action plan.	Date	2.00	30/09/2014	31/10/2014	30/11/2014	31/12/2014	31/01/2015
		[2.1] Developing Business Regulatory tools for use of ROCs.	[2.1.1] Availability of regulatory tool in Back Office (BO) portal.	Date	2.00	31/01/2015	15/02/2015	28/02/2015	15/03/2015	31/03/2015

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
[2.2] Providing MCA 21 Back Office (BO) connectivity for classroom training at Indian Institute of Corporate Affairs (IICA)	2.00	[2.2.1] Establishment of 2.00 MB Virtual Platform Network (VPN) link in classroom.	[2.2.1] Roll out of new dash board on front office portal.	Date	2.00	30/06/2014	31/07/2014	31/08/2014	30/09/2014	31/10/2014
						30/11/2014	31/12/2014	31/01/2015	28/02/2015	31/03/2015
						2.00	2.00	2.00	2.00	2.00
						2.00	2.00	2.00	2.00	2.00
						2.00	2.00	2.00	2.00	2.00
[2.3] Providing new dash board for stakeholder through new MCA system base on V 2.0 platform.	2.00	[2.3.1] Introduction of electronic forms for One Person Company (OPC).	[2.3.1] Hosting of e-forms for implementation of Corporate social responsibilities.	Number	2.00	7	6	5	4	3
						30/06/2014	31/07/2014	31/08/2014	30/09/2014	31/10/2014
						3.00	3.00	3.00	3.00	3.00
						3.00	3.00	3.00	3.00	3.00
						3.00	3.00	3.00	3.00	3.00
[2.4] Online implementation of New Company Act.	3.00	[2.4.3] Incorporating changes in electronic forms for incorporation of Companies.	[2.4.3] Changes in compliance related e-forms.	Number	3.00	7	6	5	4	3
						25	20	15	10	5
						3.00	3.00	3.00	3.00	3.00
						3.00	3.00	3.00	3.00	3.00
						3.00	3.00	3.00	3.00	3.00
[2.5] Improvement in company liquidation functions (e-governance of Official Liquidators)	2.00	[2.5.1] Implementation of e-auction module	[2.5.1] Development of electronic ledger and accounting.	Date	2.00	31/01/2015	15/02/2015	28/02/2015	15/03/2015	31/03/2015
						2.00	2.00	2.00	2.00	2.00
						2.00	2.00	2.00	2.00	2.00
						2.00	2.00	2.00	2.00	2.00
						2.00	2.00	2.00	2.00	2.00

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
[3] Effective implementation of the laws being administered by the Ministry of Corporate Affairs (MCA).	16.00	[3.1] Scrutiny of Financial statements for verification of information filed through the MCA 21	[3.1.1] Finalization of verification modules for financial statements.	Date	4.00	31/01/2015	15/02/2015	28/02/2015	15/03/2015	31/03/2015
		[3.2] Processing of investigation Reports	[3.2.1] Issue of instruction letters within 4 months from date of receiving of investigation report.	%	3.00	100	90	80	70	60
		[3.3] Processing of Inspection Report.	[3.3.1] Issue of instruction letters within 4 months from date of receiving of inspection report.	%	3.00	100	90	80	70	60
		[3.4] Processing of Technical Scrutiny.	[3.4.1] Issue of instruction letters within 4 months from date of receiving of technical scrutiny report.	%	3.00	100	90	80	70	60
		[3.5] Implementation of section 150 of Companies Act, 2013 regarding Independent Directors.	[3.5.1] Authorization to an Agency/Agencies for developing data bank for Independent Directors.	Date	3.00	30/09/2014	31/10/2014	30/11/2014	31/12/2014	31/01/2015
[4] Protection of investor and promotion of investor education and awareness.	10.00	[4.1] Promotion of investor awareness by conducting investor	[4.1.1] Conducting investor awareness	Number	2.00	1000	900	800	700	600

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value								
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%				
		awareness programmes	programmes through Professional Institutes.											
		[4.2] Promotion of investor awareness through various media channels. .	[4.2.1] Number of broadcast video clips and jingles, in addition to activities through various media channels across the country.	Number	2.00	1000	900	800	700	600				
			[4.2.2] Improvement of existing IEPF web-site to provide better user experience and more informations for investors.	Date	1.00	31/12/2014	31/01/2015	28/02/2015	15/03/2015	31/03/2015				
		[4.3] Ensuring compliance by companies uploading data of unpaid and unclaimed amounts pertaining to year ending on 31.03.2013, on IEPF web-site.	[4.3.1] Publishing names of non-compliant companies on MCA web-site after the reconfirmation of their non-compliance status.	%	1.00	100	90	80	70	60				
			[4.3.2] Issue of show-cause notice by concerned regulator within one month of publication of	%	1.00	100	90	80	70	60				

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
[5] Capacity building and advisory support to the sector.	8.00	[4.4] Analysis of data/information uploaded by the companies about unpaid/unclaimed/ amounts of the investors pertaining to the year ending on 31.03.2014.	names of non-compliant companies on MCA web-site.	Date	1.00	28/02/2015	10/03/2015	15/03/2015	20/03/2015	31/03/2015
		[4.5] Follow-up action on Third Party Evaluation of IGM.	[4.4.1] Identification of non-compliant companies	Number	2.00	9	8	7	6	5
		[5.1] Development of Full text of Modules for (i) Schools of Corporate Law (ii) Centre for Business Innovation.	[4.5.1] Implementation of 9 recommendations.	Number	1.00	10	9	8	7	6
		[5.2] Short term capacity building programmes in the areas of Corporate Governance, Competition Law, Finance, Corporate Law, Corporate Communication, Business Innovation.	[5.1.1] Finalisation of 10 Modules	Number	1.00	150	120	90	60	30
		[5.3] Operationalisation of the approach paper brought out by National Foundation for	[5.2.1] Number of persons trained.	Date	1.00	31/08/2014	30/09/2014	31/10/2014	30/11/2014	31/12/2014
		[5.3.1] Finalisation of Training Material								

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value							
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%			
		Corporate Social Responsibility (NFCSR).											
			[5.3.2] Conduct of short term capacity building programmes in the area of CSR.	Number	1.00	75	60	45	30	15			
		[5.4] International Cooperation in Corporate Governance..	[5.4.1] Signing of MOU with International Institutions i.e. IFC, Washington..	Date	1.00	31/10/2014	15/11/2014	30/11/2014	15/12/2014	31/12/2014			
			[5.4.2] Persons participated in Training/Workshops for Corporate Governance in collaboration with IOD(UK) and IFC, Washington..	Number	1.00	150	120	100	80	60			
		[5.5] Revitalizing the National Foundation for Corporate Governance	[5.5.1] Finalization of action plan for revitalization of NFCG	Date	2.00	31/10/2014	15/11/2014	30/11/2014	15/12/2014	31/12/2014			
[6] Promote competition.	5.00	[6.1] Holding of Competition Advocacy Conferences and Seminars.	[6.1.1] Persons participated	Number	3.00	150	120	90	75	60			
		[6.2] Notification and operationalization of National Competition Policy after approval of Cabinet.	[6.2.1] Preparation of an action plan for operationalization of policy.	Months	1.00	3	4	5	6	7			
			[6.2.2] Formation and notification of Advisory	Months	1.00	3	4	5	6	7			

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value								
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%				
			Committee for operationalization of Competition Policy by the target date after notification of National Competition Policy.											
[7] Proactive dissemination of corporate sector statistics.	5.00	[7.1] Web publication of aggregated Statistical Statements on the basis of company category, ownership, type, state of registration, economic activity, capital ranges etc. [7.2] Creation of On-line facility for Stakeholders to generate Statistical statement on Corporate Sector.	[7.1.1] Uploading of information. [7.2.1] Generation of Statistical statements by stakeholders through the interactive portal .	Date Date	3.00 2.00	31/08/2014 30/11/2014	30/09/2014 31/12/2014	31/10/2014 31/01/2015	30/11/2014 28/02/2015	31/12/2014 31/03/2015				
[8] Develop and strengthen investigation capabilities in Serious Fraud Investigation Office (SFIO) and ensure effective follow-up action in cases of serious frauds.	8.00	[8.1] Automation of Investigation Process. [8.2] Finalization of of Early Warning System.	[8.1.1] Deployment of tools [8.1.2] Number of Officers trained [8.2.1] Further refinement of Early Warning	Date Number Date	2.00 2.00 2.00	30/11/2014 35 30/06/2014	15/12/2014 30 15/07/2014	31/12/2014 25 31/07/2014	15/01/2015 20 15/08/2014	31/01/2015 15 31/08/2014				

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value								
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%				
			System.											
			[8.2.2] Completion of investigation of all cases referred by MCA to SFIO upto 31.03.2013.	%	1.00	100	90	80	70	60				
			[8.2.3] Filing of complaints before designated courts in respect of cases for which prosecution sanction has been accorded uptill 31.03.2013	%	1.00	100	90	80	70	60				
* Efficient Functioning of the RFD System	3.00	Timely submission of Draft RFD for 2015-2016 for Approval	On-time submission	Date	2.0	05/03/2015	06/03/2015	09/03/2015	10/03/2015	11/03/2015				
		Timely submission of Results for 2013-2014	On-time submission	Date	1.0	01/05/2014	02/05/2014	03/05/2014	06/05/2014	07/05/2014				
* Enhanced Transparency / Improved Service delivery of Ministry/Department	3.00	Rating from Independent Audit of implementation of Citizens' / Clients' Charter (CCC)	Degree of implementation of commitments in CCC	%	2.0	100	95	90	85	80				
		Independent Audit of implementation of Grievance Redress Management (GRM) system	Degree of success in implementing GRM	%	1.0	100	95	90	85	80				
* Reforming Administration	8.00	Update departmental strategy to align with revised priorities	Date	Date	2.0	01/11/2014	02/11/2014	03/11/2014	04/11/2014	05/11/2014				

* Mandatory Objective(s)

**Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets**

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
		Implement agreed milestones of approved Mitigating Strategies for Reduction of potential risk of corruption (MSC).	% of Implementation	%	1.0	100	90	80	70	60
		Implement agreed milestones for implementation of ISO 9001	% of implementation	%	2.0	100	95	90	85	80
		% of Responsibility Centres with RFD in RFMS	Responsibility Centres covered	%	1.0	100	95	90	85	80
		Implement agreed milestones of approved Innovation Action Plans (IAPs).	% of implementation	%	2.0	100	90	80	70	60
* Improve compliance with the Financial Accountability Framework	1.00	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year.	%	0.25	100	90	80	70	60
		Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATRs submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year.	%	0.25	100	90	80	70	60
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2014.	Percentage of outstanding ATNs disposed off during the year.	%	0.25	100	90	80	70	60
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2014.	Percentage of outstanding ATRs disposed off during the year.	%	0.25	100	90	80	70	60

* Mandatory Objective(s)



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