

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 4416  
ANSWERED ON FRIDAY, THE 8<sup>TH</sup> AUGUST, 2014  
[SHRAVANA 17, 1936 (SAKA)]**

**DELHI AND DISTRICT CRICKET ASSOCIATION**

**QUESTION**

**4416. SHRI KIRTI AZAD:**

**Will the Minister of CORPORATE AFFAIRS  
be pleased to state:**

- (a) whether the Government has ordered a probe/inspection of accounts of the Delhi and District Cricket Association (DDCA) under Section 209(A) of the Companies Act, 1956, if so, the main malfeasance/ manipulation of records/ maladministration/infractions/irregularities/ corrupt practices reported under the said probe/inspection along with the reaction of the Government thereto;**
- (b) whether the Government has directed the Registrar of Companies (RoC), Delhi to initiate legal action against the DDCA for non compliance of the various provisions of the Companies Act, 1956 highlighted in the said probe/inspection report, if so, the details thereof along with the action taken/being taken by the RoC, Delhi so far in this regard;**
- (c) whether the Ministry has requested the Ministry of Youth Affairs and Sports to enact a separate law to take over administrative and financial control of the management of various sports federations/ bodies and to address their specific requirements, if so, the details thereof along with the response of the Ministry of Youth Affairs and Sports thereto;**
- (d) whether the Government proposes to make Direct Voting compulsory in DDCA's elections in order to curb misuse of proxy system of Not-for-Profit Company as stipulated in Section 25 of the Companies Act, 1956, if so, the details thereof along with the time by which such proposal is likely to be implemented and if not, the reasons therefor; and**

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**(e) the other corrective steps taken/being taken by the Government to curb malfeasance, maladministration, manipulation of records, irregularities, corruption in DDCA and to punish the officials found involved in such activities?**

**ANSWER**

**THE MINISTER OF STATE  
IN THE MINISTRY OF CORPORATE AFFAIRS**

**(SMT. NIRMALA SITHARAMAN)**

**(a) & (b): The Inspection u/s 209A of the Companies Act, 1956 of the books of accounts & other records of DDCA revealed violations of Sec. 36, 150, 166/210, 209(1), 209(3)(b), 211 read with Sch. VI, 211(3A)/(3C) read with Accounting Standard - 5, 15, 18, 19, 22, 29, Sec. 217(3), 285, 299, 303, 309, and Section 314 of the Companies Act, 1956. Further, non-compliance of the provisions of Sec. 227 by the auditors has also been pointed out.**

**Ministry has given directions to Registrar of Companies, Delhi (ROC) to provide opportunity to file compounding applications u/s 621A of the Act failing which to proceed under that section. Further, ROC has also been directed to refer the matter relating to the Auditor to the Institute of Chartered Accountant of India.**

**For violation of Sec. 36, 166/210, 209(1), 211 read with Sch. VI, 211 (3A)/(3C) read with Accounting Standard - 15 & 18, 285, 217(3), 303(1) & 314 the company and three members of its executive committee have submitted applications u/s 621A of the Act for compounding of the offence.**

**In respect of the violations for which compounding applications have not been submitted till date, the Ministry has directed the Registrar of Companies, Delhi to provide 15 days time, failing which to launch prosecution.**

**(c) & (d): In terms of the provisions of Companies Act, it is not open to the Government to forbid use of proxies where Articles of Association of a company so provide. However, the issue of large number of proxies in this Company was brought to the notice of Ministry of Youth Affairs and Sports after the inspection report was received.**

**(e) This Ministry has referred the findings of the Inspection to Income Tax Department and the nominee directors of DDCA for appropriate action.**