

Annual Report

2018-19



**COMPANIES
ACT 2013**



भारतीय दिवाला और शोधन अक्षमता बोर्ड
Insolvency and Bankruptcy Board of
India

MCA21

Ministry of Corporate Affairs
Government of India



सत्यमेव जयते

Government of India
Ministry of Corporate Affairs

ANNUAL REPORT

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Ministry of Corporate Affairs

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IMPORTANT ABBREVIATIONS

S. No.	Term	Full Form
1	AAIFR	Appellate Authority for Industrial and Financial Reconstruction
2	BIFR	Board for Industrial & Financial Reconstruction
3	BOOT	Build, Own, Operate and Transfer
4	BIAC	Bangladesh International Arbitration Centre
5	BIBF	Bahrain Institute of Banking and Finance
6	BMCPL	Bridge Mediation & Consulting Private Limited
7	CDM	Corporate Data Management
8	CCI	Competition Commission of India
9	CoI	Certificate of Incorporation
10	CPGRAMS	Centralized Public Grievance Redress and Monitoring System
11	CLB	Company Law Board
12	CPA	Certified Public Accountants
13	CP&S	Community Personal and Social Services
14	CRC	Central Registration Centre
15	CSC	Civil Service Commission
16	CSR	Corporate Social Responsibility
17	CSCS	Central Secretariat Clerical Service
18	CSOL	Central Secretariat Official Language
19	CSSS	Central Secretariat Stenographer Service
20	CVC	Central Vigilance Commission

S. No.	Term	Full Form
21	DGCoA	Director General of Corporate Affairs
22	DoPT	Department of Personnel and Training
23	FC	Foreign Companies
24	GPR	Government Process Re-engineering
25	IAPs	Investor Awareness Programmes
26	IBC	Insolvency and Bankruptcy Code
27	IBBI	Insolvency and Bankruptcy Board of India
28	ICAI	Institute of Chartered Accountants of India
29	ICAI	Institute of Cost Accountants of India
30	ICLS	Indian Corporate Law Service
31	ICN	International Competition Network
32	ICSI	Institute of Company Secretaries of India
33	IEPF	Investor Education and Protection Fund
34	IEPFA	Investors Education and Protection Fund Authority
35	ICPAK	Institute of Certified Public Accountants Kenya
36	IGMC	Investor Grievance Management Cell
37	LLP	Limited Liability Partnership
38	MCA	Ministry of Corporate Affairs
39	MRA	Mutual Recognition Agreement
40	M&Q	Mining and Quarrying
41	MoA	Memorandum of Association
42	MOU	Memorandum of Understanding
43	MSME	Micro, Small & Medium Enterprises

S. No.	Term	Full Form
44	NBAA	National Board of Accountants and Auditors
45	NCLAT	National Company Law Appellate Tribunal
46	NCLT	National Company Law Tribunal
47	NeGP	National e-Governance Plan
48	NFRA	National Financial Reporting Authority
49	NFRAA	National Financial Reporting Appellate Authority
50	OECD	Organisation for Economic Co-operation and Development
51	OLs	Official Liquidators
52	OLIC	Official Language Implementation Committee
53	ONGC	Oil & Natural Gas Corporation
54	OPC	One Person Company
55	PIs	Provisional Institutions
56	RBI	Reserve Bank of India
57	RCC	Registration and Closure of Companies
58	RE&R	Real Estate and Renting
59	RoCs	Registrar of Companies
60	RD	Regional Director
61	SEBI	Securities and Exchange Board of India
62	SFIO	Serious Fraud Investigation Office
63	SPICe	Simplified Proforma for Incorporating Company Electronically
64	SOCPA	Saudi Organisation for Certified Public Accountants
65	TS&C	Transport Storage and Communication

CHAPTER - I

OVERVIEW

1.1.1. The mandate of the Ministry of Corporate Affairs (MCA), inter alia, includes the administration of a wide range of statutes for the regulation of the corporate sector, as given below:

- (i) The Companies Act, 2013/The Companies Act, 1956.
- (ii) The Limited Liability Partnership Act, 2008.
- (iii) The Competition Act, 2002.
- (iv) The Insolvency & Bankruptcy Code, 2016.
- (v) The Chartered Accountants Act, 1949.
- (vi) The Cost and Works Accountants Act, 1959.
- (vii) The Company Secretaries Act, 1980.
- (viii) The Societies Registration Act, 1860 and Indian Partnership Act, 1932 (in centrally administered areas).
- (ix) The Companies (Donations to National Funds) Act, 1951.
- (iii) Formulation of Rules and regulations under various Statutes administered by the Ministry.
- (iv) Convergence of Indian Accounting Standards with International Financial Reporting Standards (IFRS).
- (v) Implementation of Competition Act through the Competition Commission of India (CCI).
- (vi) Implementation of e-Governance in MCA.
- (vii) Building systems for early detection of irregularities in corporate functioning.
- (viii) Conducting investor education and awareness programmes.
- (ix) Investigation of serious frauds through the Serious Fraud Investigation Office (SFIO).
- (x) Management of the cadre of the Indian Corporate Law Service (ICLS).
- (xi) Administrative support to attached organisations, namely, IICA, SFIO, CCI, NCLT, NCLAT and IBBI.

Functions

1.2.1. The main responsibilities of the Ministry 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) Notification of remaining sections of Companies Act, 2013 and Companies (Amendment Act, 2017).

Important Policy Developments

The Companies Act, 2013

1.3.1 The Companies Act, 2013, notified on 30th August, 2013, provides the corporate sector an opportunity for self-regulation, while mandating greater transparency and enhanced disclosures for improved

compliance. The Companies Act, 2013 has 470 sections. Till date, all the Sections of Companies Act, 2013 except one section viz. Section 465 have been notified. Part of section 2, clause 67(ix) and section 230 (sub-section (11) and (12)) are yet to be commenced.

Companies (Amendment) Act, 2017

1.3.2 Companies (Amendment) Bill, 2017 was assented by Honourable President of India on 3rd January, 2018 and got enacted as the Companies (Amendment) Act, 2017 [CAA-17]. The CAA-17 contains total 93 sections. Till date, out of a total of 93 sections of CAA-17, 92 sections have been brought into force along with relevant rules. Commencement of one section (section 81 - relating to Nidhis) and parts of section 23 and 80 of CAA-17 requires amendment in 3 sets of Rules and Forms notified under the Companies Act, 2013 which requires examination in the Ministry and is likely to take some more time. The Ministry proposes to notify section 81 of CAA-17 and part of section 23 of such Act along with relevant rules by 31st December, 2018.

1.3.3 Committee to review offences under the Companies Act, 2013 and Companies (Amendment) Ordinance, 2018

(A) The Committee constituted by MCA in July, 2018 to review the existing framework dealing with offences under the Companies Act, 2013 and related matters submitted its report to Honourable Corporate Affairs Minister on 27th August, 2018. The Committee has, inter alia, recommended that existing rigour of the law should continue for serious offences wherein

for lapses that are essentially technical or procedural in nature may be shifted to in-house adjudication process. Based on the recommendations of the Committee and to achieve objectives of promotion of Ease of Doing Business and better Corporate Compliance the Government decided to promulgate an Ordinance. Accordingly the Companies (Amendment) Ordinance, 2018 was promulgated on 2nd November, 2018. The main amendments are as under:-

- i. Shifting of jurisdiction of 16 types of corporate offences from the special courts to in-house adjudication, which is expected to reduce the case load of Special Courts by over 60% thereby enabling them to concentrate on serious corporate offences. With this amendment the scope of in-house adjudication has gone up from 18 Sections at present to 34 Sections of the Act.
- ii. The penalty for small companies and one person companies has been reduced to half of that applicable to normal companies.
- iii. Instituting a transparent and technology driven in-house adjudication mechanism on an online platform and publication of the orders on the website.
- iv. Strengthening in-house adjudication mechanism by necessitating a concomitant order for making good the default at the time of levying penalty, to achieve the ultimate aim of achieving better compliance.
- v. Declogging the NCLT by:

- a) enlarging the pecuniary jurisdiction of Regional Director by enhancing the limit up to Rs. 25 lakh as against earlier limit of Rs. 5 Lakh under Section 441 of the Act;
 - b) vesting in the Central Government the power to approve the alteration in the financial year of a company under section 2(41); and
 - c) vesting the Central Government with the power to approve cases of conversion of public companies into private companies.
- vi. Amendments related to corporate compliance and corporate governance include re-introduction of declaration of commencement of business provision to better tackle the menace of 'shell companies'; greater accountability with respect to filing documents related to creation, modification and satisfaction of charges; non-maintenance of registered office to trigger de-registration process; and holding of directorships beyond permissible limits to trigger disqualification of such directors.

(B) The Ministry proposes to introduce a Replacement Bill (viz. Companies (Amendment) Bill, 2018) to replace the Companies (Amendment) Ordinance, 2018 in the Winter Session (2018) of Parliament.

National Financial Reporting Authority

1.3.4 One of the key provisions in the Companies Act, 2013 is with regard to

establishing National Financial Reporting Authority (NFRA). The need for establishing NFRA has arisen on account of the need felt across various jurisdictions in the world, in the wake of accounting scams, to establish independent regulators, independent from those it regulates, for enforcement of auditing standards and ensuring the quality of audits to strengthen the independence of audit firms, quality of audits and therefore, enhance investor and public confidence in financial disclosures of companies. The Government has constituted this Authority and has prescribed NFRA (Manner of Appointment and other Terms and Conditions of Service of Chairperson and Members) Rules, 2018 and NFRA Rules, 2018. Shri R. Sridharan and Dr. Prasenjit Mukherjee, have been appointed as Chairperson and Full time Member respectively of NFRA on 1st October, 2018.

Dematerialization of securities of unlisted public companies

1.3.5 In order to bring about greater transparency in corporate structure and in view of advantages of dematerialization of securities, especially in terms of KYC and investor protection, the Government's focus on "Digital India" and the enabling provisions available under section 29(1)(b) of the CA-13, the Ministry has amended the relevant rules to apply the dematerialisation requirements to unlisted public companies, in addition to listed companies. Consultations were held in this regard with all stakeholders and rules were amended on 10th September, 2018 to mandate, w.e.f. 2nd October, 2018, issue and transfer of securities

by unlisted public companies in demat form only.

National Company Law Appellate Tribunal

1.4.1 The National Company Law Appellate Tribunal (NCLAT) was set up under Section 410 of the Companies Act, 2013 vide notification No. 1933(E) dated 1st June, 2016 to deal with the appeals arising out of the orders of the NCLT. NCLAT is the appellate tribunal for hearing appeals against the orders passed by NCLT under

Sections 61, 202 and 211 of the IBC, 2016. NCLAT is also the Appellate Tribunal to hear and dispose off appeals against any direction issued or decision made by the CCI as per amendment brought to Section 410 of the Companies Act, 2013 by Section 172 of the Finance Act, 2017, with effect from 26th May, 2017.

1.4.2 During the period from 1st December, 2017 to 31st October, 2018 NCLAT has disposed off 893 cases and has a pendency of 620 cases as on 31st October, 2018.



CHAPTER - II

ORGANISATIONAL STRUCTURE AND FUNCTIONS

Administrative Structure

2.1.1 The Ministry has a three-tier organisational structure with the Headquarters at New Delhi, seven offices of Regional Directors at Ahmedabad, Chennai, Hyderabad, Kolkata, Mumbai, New Delhi and Shillong; fifteen Registrars of Companies (RoCs), one Central Registration Centre (CRC) at Manesar, nine Registrars of Companies-cum-Official Liquidators and fourteen Official Liquidators (OLs). The Central Registration Centre (CRC) at Manesar (Gurugram) has been set up on 26th January, 2016. A brief description of the above offices/establishments is given in the following paragraphs.

Headquarters

2.2.1 The administrative structure at the Headquarters includes a Secretary, one Special Secretary/Additional Secretary, One Director General of Corporate Affairs (DGCoA), one Additional Secretary & Financial Adviser, four Joint Secretaries, one Economic Adviser, one Cost Adviser, two Directors of Inspection and Investigation, Deputy Director General and other officials having expertise in administrative, legal, accounting, economic and statistical matters. The senior functionaries of the Ministry are listed in **Annexure-I**.

Regional Directors

2.2.2 The Regional Directors (RDs) supervise the working of the offices of the RoCs and OLs located in their respective jurisdictions. The main function of RDs is to advise and guide RoCs and OLs on technical and administrative matters, to report to the Government particularly on the activities and operations of the companies, and to function as a link between the Central Government and the State Governments in their respective regions on matters relating to administration of Companies Act. The RDs have been delegated powers to directly take up work and dispose off certain businesses under the provisions of the Companies Act.

Central Registration Centre

2.2.3 MCA has taken initiative in Government Process Re-engineering (GPR) and setup the Central Registration Centre (CRC) for processing of "Name Availability" (INC-01) and "Incorporation" (INC-02/07/29) e-Forms. The GPR exercise is in pursuance of the Ministry's objective of providing greater "Ease of Doing Business" to corporates and is expected to result in speedier processing of incorporation related applications, uniformity in application of rules, and eradicating discretion. This process is being supplemented by intensive monitoring aimed at processing of said e-Forms within 1 to 2 working days.

Registrars of Companies

2.2.4 Registrars of Companies (RoCs) are appointed under Section 396 of the Act. RoCs, other than Registrar CRC, continue to have jurisdiction over all the companies including companies incorporated by the Registrar, CRC, for all other provisions of the Act and the rules made thereunder, which may be relevant after incorporation. MCA exercises administrative control over these offices through respective RDs.

Official Liquidators

2.2.5 Official Liquidators (OLs) are officers appointed by the Central Government under Section 359 of the Companies Act, 2013 (corresponding to Section 448 of the Companies Act, 1956) and are attached to various jurisdictional High Courts. The provisions of the section and other provisions of winding up under Companies Act, 2013 came into force w.e.f. 15th December, 2016. The respective Regional Directors exercise administrative control of OL offices on behalf of the Central Government. OLs function under the directions and supervision of the High Courts in the conduct of winding-up of affairs of the companies.

2.2.6 With the enactment and commencement of provisions of corporate insolvency under the Insolvency and Bankruptcy Code (IBC), 2016 and consequent amendment of certain provisions relating to winding up in the Companies Act, 2013 and notifications of rules for transfer to pending proceedings relating to winding up

from the High Courts to the National Company Law Tribunal (NCLT), the OLs w.e.f. 1st December, 2016 would no longer be entrusted with fresh matters. Such cases have to be dealt with for Insolvency Resolution under Section 7, 8 or 9 of the IBC, 2016 and in case of failure of insolvency resolution process, liquidation will be undertaken by insolvency professionals approved by NCLT.

2.2.7 The duties and powers of OLs 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 of, by the OL; instituting criminal complaints and malfeasance 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.

Organisational setup at Headquarters

2.3.1 The Headquarters of MCA is organized into various Divisions/ Sections/ Cells for administering and regulating various provisions of the Companies Act and other Acts administered by the Ministry.

Details of the administrative structure on matters relating to the Companies Act are described below. Matters relating to working and administration of Companies Act are discussed 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.

2.3.2 The provisions of the Companies Act are dealt with by various Divisions/ Sections/Cell under the supervision of DGC&A, concerned Joint Secretaries, Economic Adviser and Adviser (Cost). A brief description of main activities of these Sections is given below:

2.3.3 Company Law - I Section deals with legislative processes relating to the legal framework governing companies, Limited Liability Partnerships and notification of rules, regulations and circulars there under.

2.3.4 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 of the complaints relating to misuse and diversion of funds, and mismanagement of companies etc. under the provisions of the Companies Act.

2.3.5 Company Law - III Section deals with (a) Reduction of Share Capital, (b) Form and contents of balance sheets and profit and loss accounts, (c) Amalgamation/Scheme of arrangement etc. of Government Companies, (d) Reference received from RDs/RoCs regarding approval of names of companies

and matters incidental thereto (Section 8 of the Companies Act, 2013), and (e) Reference received from RDs/ RoCs for grant of license, revoking of such licenses, alteration of Memorandum and Articles of Association, grant of exemption and matters relating to such companies (Section 8 of the Companies Act, 2013)

2.3.6 Company Law - IV(Legal) Section the major functions of the legal section are:

- (a) Vetting of para-wise comments in which Union of India is Party.
- (b) Engagement of Government Counsel on the request received from various sections of the Ministry.
- (c) Monitoring of all the court cases in which Ministry is a party.
- (d) Examination of applications/ petitions made to the Central Government under section 399(4) of the Companies Act, 1956; and
- (e) Providing Legal advice to various Divisions of the Ministry as well as to other Ministries as and when sought.

2.3.7 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, issues relating to Capital Market, SEBI, Foreign Direct Investments, Money Laundering, Accounting standards/ Convergence with International Financial Reporting Standards (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 ensuring uniformity of practices by all field offices and change in the venue for holding the Annual General Body Meetings of Government Companies.

2.3.8 Company Law - VI Section deals with statutory applications relating to appointment of a managerial person in a company when such appointment is not in consonance with Part-I of Schedule V of the Companies Act, 2013. It also deals with payment of remuneration exceeding the limits prescribed under the Companies Act, 2013 to managerial personnel of listed companies and subsidiaries of a listed company under section 196, 197 read with Schedule V of the Companies Act, 2013 including waiver of recovery of remuneration paid in excess of the limits.

2.3.9 Cost Audit Branch performs the following functions under Section 148 of the Companies Act, 2013;

- (i) Framing policy for cost accounting records and cost audit,
- (ii) Formulates and notifies rules in relation to (a) maintenance of Cost Accounting Records by certain class of companies as may be prescribed; and (b) the audit of cost records of certain class of companies,
- (iii) Undertakes rationalization of Cost Records and Audit Rules, wherever necessary,

- (iv) Monitors compliance under section 148 and other related sections of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014,
- (v) Initiates penal/prosecution proceedings through RoCs against the defaulting companies and Cost Auditors,
- (vi) Reviews, examines and studies Cost Audit Reports and seeks further information or explanation from the companies as required,
- (vii) Informs the relevant departments/organisations/regulatory bodies about the observations from such study,
- (viii) Reviews the Cost Auditing Standards, as submitted by the Institute of Cost Accountants of India and recommending the same for approval by the Central Government.

2.3.10 Investor Grievance Management Cell (IGMC) earlier known as the Investor Protection Cell (IPC), is mandated to deal with investors' grievances. Its function is to take up the grievances of the investors with the concerned companies through the RoCs for their expeditious redressal. It also coordinates with various other organisations /departments like Reserve Bank of India, Department of Economic Affairs and Securities and Exchange Board of India (SEBI) etc. for redressal of investors' complaints of these agencies. Broadly, the complaints received in IGMC relate to the following issues:

- a. Non-receipt of annual report
- b. Non-receipt of dividend amount
- c. Non-refund of application money
- d. Non-payment of matured deposits and interest thereon
- e. Non-receipt of duplicate share certificates
- f. Non-registration of transfer of shares
- g. Non-issue of share certificates
- h. Non-receipt of debenture certificates
- i. Non-issue of rights/bonus shares
- j. Non-issue of interest on late payment
- k. Non-redemption of debentures and interest thereon
- l. Non-receipt of share certificates on conversion.

2.3.11 The investors/depositors can lodge their complaints with concerned RoCs online, through MCA21 portal, using the website of the Ministry (www.mca.gov.in). The system acknowledges the receipt of complaint online by generating a complaint number which can be used for follow up of the complaint in future. In order to actively associate with 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 RDs and RoCs as well as at the Headquarter of 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 Officers appointed by the Ministry.

The list of Nodal Officers is available on the Ministry's website under "Investor Services" head. A Standard Operating Procedure has been formulated by IGM Cell for adopting uniform procedure for handling and disposing off Investor's grievances.

2.3.12 Corporate Social Responsibility (CSR) Cell was constituted on 9th May, 2014 and is entrusted with the responsibility of;

- (i) Proposing amendments to CSR Rules and schedule VII of the Companies Act, 2013,
- (ii) Issuing clarifications to references from stakeholders regarding CSR provisions under section 135 of the Companies Act, 2013 Schedule VII of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
- (iii) Coordinating with Department of Public Enterprises (DPE) and other Administrative Ministries for implementation of CSR by CPSUs,
- (iv) Data analysis relating to CSR expenditure of Companies,
- (v) Regulation of CSR compliance,
- (vi) Participating in sensitization workshops organized by DPE, Apex chambers, IICA and RDs of the Ministry.

2.3.13 Research & Analysis Division (R&A) is responsible for;

- (i) Preparation of Annual Report on the Working and Administration of the Companies Act, 2013 as prescribed under Section 461 of the Companies Act, 2013 and laying it before each House of Parliament within one year

of the close of the year to which the report relates,

- (ii) Preparation of Annual Report of the Ministry and submitting it to the Standing Committee on Finance to enable it to consider the demand for grants of the Ministry,
- (iii) Providing economic inputs on issues relating to, inter alia, Corporate Performance, Capital Market Reforms, Disinvestment and Foreign Direct Investment at the macro level,
- (iv) Representing the Ministry in Inter Ministerial Group (IMG) for disinvestment of CPSUs formed by Department of Investment and Public Asset Management (DIPAM),
- (v) Managing research component "Funding Research and Studies, Workshops and Conferences etc." of the plan scheme of Corporate Data Management (CDM),
- (vi) Formulation of strategic plan and annual action plan.
- (vii) Serving as the interface between the Ministry and NITI Aayog.

2.3.14 Statistics Division is responsible for:

- (i) Sharing statistical information on the corporate sector with Central Ministries and Organisations such as Central Statistics Office (CSO), Reserve Bank of India (RBI), and others, as and when necessary;
- (ii) Generating reports for different Divisions of the Ministry;
- (iii) Examining and resolving issues relating to improvements of corporate statistics generated from the MCA-21 portal; and

- (iv) Implementing the Central Sector Scheme Corporate Data Management (CDM).

2.3.15 International Cooperation Section 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), approval of International MoUs etc.

2.3.16 RTI Monitoring Cell functions as a conduit between the applicant/appellant and the CPIO/ Appellate Authority apart from being a repository of all RTI related information. 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 its disposal within the prescribed time limits.

2.3.17 Gender Budget Cell (GBC) has been facilitating the integration of gender analysis into the Government budgeting. GBC of MCA has initiated steps to build up information/database system on the gender representation in MCA, including field offices, attached offices and professional institutes. GBC in MCA aims to help accelerate the growing awareness of the gender sensitivities of budgetary allocation while appreciating how corporate sector oriented policies impact issues of equity and empowerment of women.

2.3.18 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.

2.3.19 Vigilance Wing obtains factual information with regard to complaints received against the employees, conduct preliminary enquiry against the employees alleged for involvement in corruption. It also makes efforts to streamline the existing procedures so as to minimize the scope of corruption and to ensure probity among government servants. Towards this end, in accordance with the Central Vigilance Commission's guidelines, to rotate the incumbents of the 45 posts of the Ministry which were identified to be sensitive ones, every 2/3 years.

2.3.20 Administration-I 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 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 Indian Corporate Law Service (ICLS) posts along with other administrative work.

2.3.21 Administration-II deals with all establishment matters relating to officers of Indian Corporate Law Service (ICLS) (Gr. 'A') and other subordinate grades of ICLS, training and capacity building of ICLS officers & its feeder cadre, framing/ amendment of Recruitment/Service Rules of ICLS and its feeder cadre, recruitment of Gr 'A' & 'B' officers in ICLS and its subordinate grades, undertakes review of officers of ICLS & its subordinate grades for ensuring probity measures among government employees under FR 56(j) & identification of sensitive posts.

2.3.22 Administration-III deals with all policy issues related to SFIO and; establishment, personnel and financial matters relating to SFIO which require approval of Central Government.

2.3.23 Administration-IV deals with establishment, personnel and financial

matters relating to National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) which requires approval of Central Government.

2.3.24 Competition Section deals with matters relating to the enforcement of Competition Act; the 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.

2.3.25 Infrastructure Section is looking after the (a) purchase of land and buildings for the Ministry and its field offices, (b) capital works for construction/renovation/maintenance of all buildings (old and new) for the Ministry and its field offices; and (c) finalization of agreements for hiring of buildings on rent at the Headquarters and field locations.

Attached/Subordinate Office/ Organisations

National Company Law Tribunal

2.4.1 MCA has constituted National Company Law Tribunal (NCLT) under section 408 of the Companies Act, 2013 (18 of 2013) w.e.f. 1st June, 2016 and by virtue of section 466(1) of the Companies Act, 2013 the erstwhile Company Law Board constituted under the provisions of the Companies Act,

1956 stood dissolved, with effect from that date.

National Company Law Appellate Tribunal

2.4.2 MCA has constituted the National Company Law Appellate Tribunal (NCLAT) under Section 410 of the Companies Act, 2013 vide notification No. 1933(E) dated 1st June, 2016 for hearing the appeals against the orders of the National Company Law Tribunal. Earlier, the Competition Appellate Tribunal (COMPAT) was established on 14th October, 2003 under the Competition Act, 2002, with powers to entertain appeals against directions or decisions of CCI, and to adjudicate on claims for compensation that may arise from the findings of the Commission. COMPAT has ceased to exist effective 26th May, 2017. The appellate function under the Competition Act, 2002 is now conferred to the NCLAT.

Competition Commission of India

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

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

2.5.2 CCI has powers to regulate mergers or combinations, and to reverse mergers or combinations, if it is of the opinion that such mergers or combinations have, or is likely, to have an 'appreciable adverse effect' on competition in India.

Serious Fraud Investigation Office

2.6.1 Serious Fraud Investigation Office (SFIO) was set up through a Government resolution dated 2nd July, 2003 and has now been given statutory status. It is a multi-disciplinary investigating agency, wherein experts from diverse fields like banking, capital markets, corporate law, forensic audit, taxation, information technology work together to unravel corporate frauds. It is headed by a Director, in the rank of Joint Secretary to the Government of India. The Director is assisted by Additional Directors, Joint Directors, Deputy Directors, Senior Assistant Directors, Assistant Directors, Prosecutors and other secretarial staff. The Headquarter of SFIO is at New Delhi, with five Regional Offices at Mumbai, New Delhi, Chennai, Hyderabad and Kolkata. The new Recruitment Rules for SFIO are being notified, paving the way for creation of a permanent cadre over a period of time. List of notified designated Special Court for various States/UTs is at **Annexure-II**.

Indian Institute of Corporate Affairs

2.7.1 The Indian Institute of Corporate Affairs (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 partnerships between government, corporate entities and other stakeholders. The IICA is headed by a Director General and Chief Executive Officer. The scheme on IICA was approved by the Cabinet with a mandate that it would become self-sufficient by the end of financial year 2016-17. Since its establishment as a Society in September, 2008, the Institute has taken a number of steps to fulfil its mandate.

2.7.2 The Cabinet approved the continuation of the IICA Scheme for three financial years viz., 2017-18 to 2019-20 with government support of Rs.18.00 Crores. The Institute has drawn a broad-based plan on self-sustainability by the end of the financial year 2019-20. It is exploring all areas of revenue-driven activities over and above the capacity building and research activities already undertaken and ensure self-sustenance within the targeted timeline. IICA is meant to be one of the premier institutions of the country imparting knowledge/expertise to professionals from both government and corporate sector, especially on various aspects of Corporate Governance by utilizing the capacity of the Institute in full. The Institute has a target of achieving a gross revenue of Rs. 21.20 crores (2018-19) & Rs. 30.00 crores (2019-20).

2.7.3 During the year, IICA has contributed towards several noteworthy activities/programs. The Institute has been entrusted with the responsibility of organizing the National CSR Awards, conducting investor awareness programs and designing & rolling out of mass communication plan as part of the Investor Education and Protection Fund

(IEPF) Project, capacity building of MCA officials and so on. IICA is also providing the induction training to 2300 officers of India Post Payment Bank besides providing research support by instituting research chairs in the emerging area of payment banking. IICA is acting as an implementation partner for “Roadshow on Competition Law” jointly with Competition Commission of India (CCI) and Confederation of Indian Industry (CII) to advocate compliance with competition law as one of the business and legal enablers in the country. IICA has conducted International Training Programme on International Commercial Cross-Cultural Negotiation and mediation for 30+ associates, delegates from Bangladesh International Arbitration Centre (BIAC), along with Bridge Meditation & Consulting Private Limited (BMCPL). Other plausible initiative includes,

- a. ICT Training Programme for ICLS Officers.
- b. IFC World Bank Master Class on Building Better Boards.
- c. IICA-ONGC Programme on Fraud Prevention, Detection and Investigation.
- d. IICA Programme on Governance of CSR Initiatives.

Investor Education and Protection Fund

2.8.1 Investor Education and Protection Fund (IEPF) has been established under Section 125 of the Companies Act, 2013 with the objective of promoting investor education, awareness, protection and to

make refund of claim to the investors. The fund is maintained under the Consolidated Fund of India. As per section 124(6) of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF.

2.8.2 For administration of the fund, in accordance with the provisions of subsection (5) of section 125 of Companies Act, 2013, the Central Government has on 7th September, 2016, established IEPF Authority consisting of a Chairperson, seven members and a Chief Executive Officer. Secretary, Ministry of Corporate Affairs is the ex-officio Chairperson of the Authority.

Insolvency and Bankruptcy Code, 2016

2.8.3 The Insolvency and Bankruptcy Code, 2016 (Code) was published in the Official Gazette on 28th May, 2016 and Government of India (Allocation of Business) Rules, 1961 were amended and notified on 1st Aug, 2016 wherein Ministry of Corporate Affairs was entrusted with the responsibility to administer the Code. The Code was enacted with the objective to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to

establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.

2.8.4 Insolvency regime ecosystem in the form of Insolvency and Bankruptcy Board of India (IBBI), Insolvency Professionals (IPs), Insolvency Professional Agencies (IPAs) and Adjudicating Authority i.e. National Company Law Tribunal (NCLT) is in place. Provisions related to Insolvency Resolution and Liquidation for corporate persons as contained in the Code have been made effective along with relevant rules and regulations. Steps taken by the Ministry so far are as under:-

- (i) The Insolvency and Bankruptcy Board of India (IBBI) was constituted on 1st October, 2016. Chairperson also assumed charge of the Board on 1st October, 2016. Four ex-officio members & three whole time members have also joined the Board. IBBI maintains its website as www.ibbi.gov.in.
- (ii) Necessary rules and regulations for effective implementation of the code have been notified which mainly includes Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017 etc. besides regulations on governing IPs, IPAs and Information Utilities.
- (iii) Insolvency Professional Agencies (3 in number), Insolvency Professionals (2,166 as on 27th November, 2018), Insolvency Professional Entities (81 as on 27th November, 2018), Valuers (161 in number), Valuers organizations (8 in number) and one Information Utility have been registered by Insolvency and Bankruptcy Board of India. Details of the same are provided on www.ibbi.gov.in.
- (iv) Adjudicating Authority under IBC, 2016 i.e. National Company Law Tribunal (NCLT) exercises the jurisdiction, powers and authority of the Adjudicating Authority conferred by or under Part-II of the IBC, 2016. At present 13 benches of NCLT along with Principal Bench at New Delhi are functional. The Appellate Tribunal i.e. National Company Law Appellate Tribunal (NCLAT) is also functional.
- (v) As on 31st October, 2018, 856 corporates were undergoing corporate insolvency resolution process (CIRP). Of the 1279 corporates admitted into resolution process, 126 were closed on appeal or review, 57 have resulted in resolution, while 239 yielded liquidations.
- (vi) Ministry constituted Insolvency Law

Committee (ILC) in November, 2017 to review the functioning and implementation of the Code, identify the issues which may impact the efficiency of the Corporate Insolvency resolution and liquidation framework prescribed under the Code and to suggest suitable recommendations to address such issues so as to enhance the efficiency of the processes prescribed under the Code. The ILC submitted its report on 26th March, 2018, which is available on www.mca.gov.in & www.ibbi.gov.in.

- (vii) The Code has been amended twice to address the concerns of stakeholders. The first amendment was done in

December, 2017 and second amendment was done in August, 2018 on the recommendations of insolvency Law committee.

Professional Institutes

2.9.1 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.



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 and 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.

Simplification of Rules & Procedures.

3.2.1 During the period 1st December, 2017 to 31st October, 2018, the Ministry issued 78 Notifications and 10 General Circulars. (Annexure III & IV respectively)

Registration of Companies

3.3.1 As on 31st October, 2018, a total of

18,10,813 companies were registered in the country. Of them 11,16,362 companies were active (comprising of 10,49,558 private companies and 66,804 public companies). A majority of the active companies (about 73.64%) were operating in activities covered under four broad heads, namely 'Business Services' (31.94%), 'Manufacturing' (19.96%), 'Trading' (12.95%) and 'Construction' (8.79%). Business Services inter alia include hardware & software consulting, data processing, research & development, legal, accounting & auditing services, business & management consultancy, advertising, etc. Manufacturing inter alia includes manufacturing of food products, textiles, paper, metallic/non-metallic mineral products, chemical & petrochemicals, radio, television, transport equipment, etc.

3.3.2 The economic sector-wise distribution of active companies as on 31st October, 2018 along with their authorized capital is given in Table 3.1.

Table 3.1
Economic Activity-wise Active Companies as on 31st October, 2018

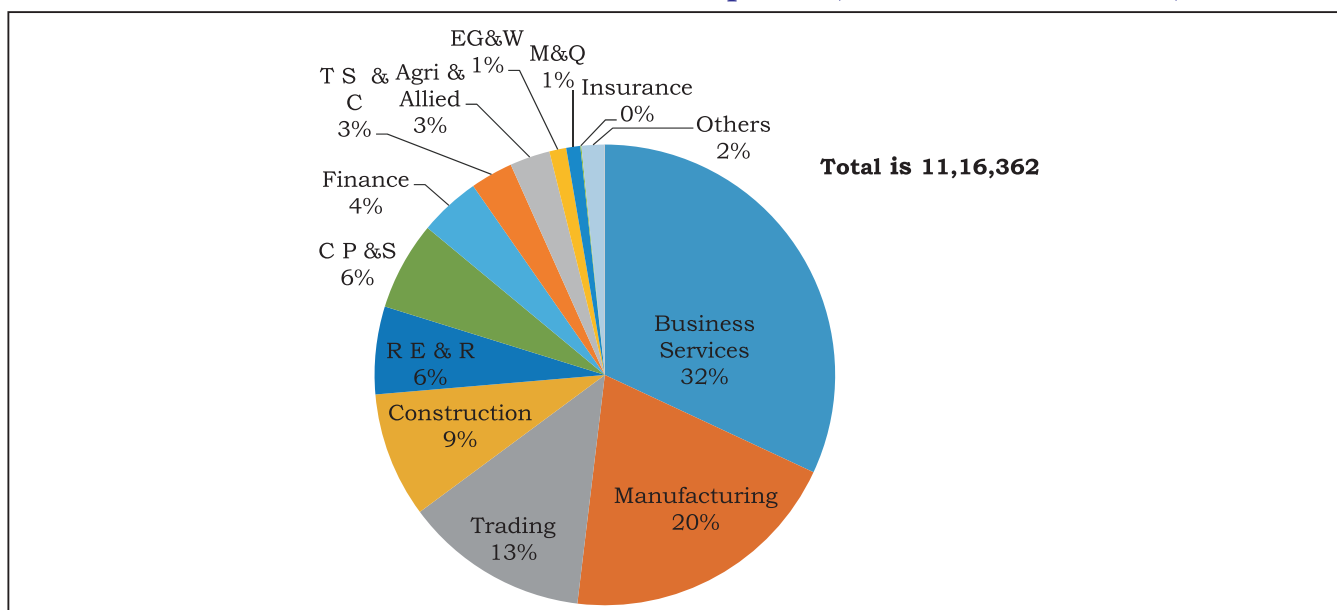
(Authorized capital in Crore)

Sl. No.	Economic Activity	Private		Public		Total	
		Number	Authorized Capital	Number	Authorized Capital	Number	Authorized Capital
I	Agriculture and Allied Activities	29,090	22,500.62	2,458	33,837.13	31,548	56,337.75

Sl. No.	Economic Activity	Private		Public		Total	
		Number	Authorized Capital	Number	Authorized Capital	Number	Authorized Capital
II	Industry	3,19,559	9,69,957.82	25,481	23,75,646.87	345,040	33,45,604.69
1	Manufacturing	2,04,175	5,29,305.11	18,602	9,16,476.22	2,22,777	14,45,781.33
2	Construction	93,696	2,22,513.83	4,426	2,42,326.93	98,122	4,64,840.76
3	Electricity, Gas & Water companies	11,465	1,75,675.95	1,727	11,55,690.65	13,192	13.31,366.61
4	Mining & Quarrying	10,223	42,462.94	726	61,153.06	10,949	1,03,616.00
III	Services	6,85,613	9,66,891.70	35,967.00	13,96,711.79	7,21,580	23,63,603.49
1	Business Services	3,46,263	3,82,351.61	10,355	4,18,841.44	3,56,618	8,01,193.05
2	Trading	1,38,390	1,98,489.00	6,172	1,06,988.98	1,44,562	3,05,477.98
3	Real Estate and Renting	65,711	87,032.95	3,008	34,835.26	68,719	1,21,868.21
4	Community, personal & Social Services	65,463	79,498.20	3,940	1,38,406.83	69,403	2,17,905.03
5	Finance	37,195	1,66,085.97	10,844	3,95,160.72	48,039	5,61,246.69
6	Transport, storage and Communications	31,886	50,839.54	1,483	2,51,648.57	33,369	3,02,488.10
7	Insurance	705	2,594.43	165	50,830.00	870	53,424.42
IV	Others	15,296	45,348.80	2,898	1,20,600.62	18,194	1,65,949.42
Total		10,49,558	20,04,698.94	66,804	39,26,796.41	11,16,362	59,31,495.35

Chart 3.1 Provides sector-wise distribution of active companies as on 31st October, 2018

Chart 3.1
Sector-wise distribution of active companies (as on 31st October, 2018)



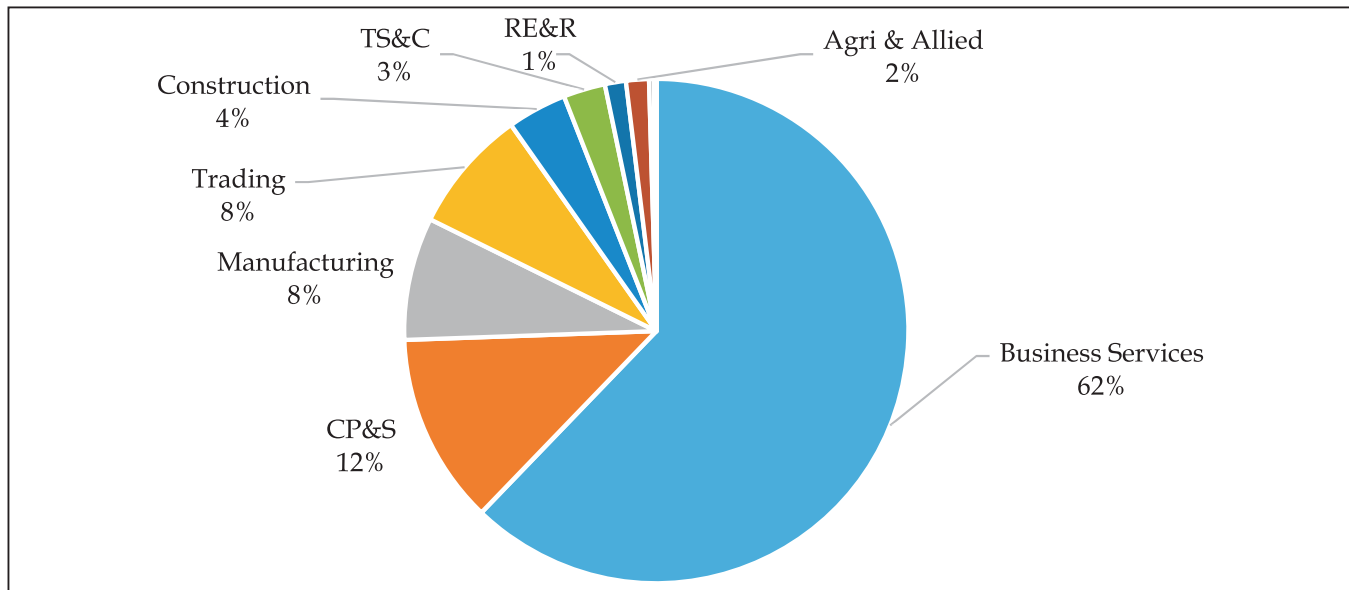
'EG&W' is Electricity, Gas & Water, 'TS&C' is Transport, Storage & Communications, 'CP&S' is Community, Personal & Social Services, 'RE&R' is Real Estate & Renting.

3.3.3 During the period from 1st January, 2018 to 31st October, 2018, a total of 99,568 companies were registered with collective authorized capital of Rs. 60,711.25 crore. Of these, 80 were Government companies with authorized capital of Rs. 23,134.8 crore and 99,488 were Non-Government companies with authorized capital of Rs. 37,576.45 crore.

One Person Company

3.3.4 The Companies Act, 2013 introduced the concept of One Person Company (OPC) in India. During the period from 1st January, 2018 to 31st October, 2018 a total of 5,199 One Person companies were registered with collective authorized capital of 142.49 crore. Chart 3.2 provides sector-wise distribution of OPCs registered during the period 1st January, 2018 to 31st October, 2018.

Chart 3.2
Sector-wise distribution of OPCs



'TS&C' is Transport, Storage & Communications, 'CP&S' is Community, Personal & Social Services, 'RE&R' is Real Estate & Renting.

Foreign Companies

3.3.5 As on 30th September, 2018, the total number of foreign companies registered in the country was 4,702 and of them 3,373 foreign companies were active. During the period from 1st January, 2018 to 30th September, 2018, a total of 77 foreign companies were registered under the Companies Act, 2013.

Appointment of managerial personnel and their remuneration

3.4.1 MCA deals with statutory applications relating to appointment and remuneration of a managerial person in a company when such appointment is not in consonance with Part- I of Schedule V of the Companies Act, 2013, under section 196, 197 Companies Act, 2013 including waiver of recovery of remuneration paid in excess of

the limits prescribed under the Companies Act, 2013 to such managerial personnel.

3.4.2 Under Section 196 and Section 197 read with Schedule (V) of the Companies Act, 2013, a total of 217 applications were received during 1st December, 2017 to 12th November, 2018 and 227 applications were pending as on 1st December 2017. Out of a total of 444 applications, 401 were disposed of during 1st December, 2017 to 12th November, 2018 and 43 applications were pending as on 13th November, 2018.

Merger of Government Companies

3.4.3 Under Section 396 of the Companies Act, 1956 regarding Merger of Government Companies, one application was pending as on 30th November, 2017. No application was received during the period 1st December, 2017 to 31st October, 2018, one application was disposed off during the period and no application was pending as on 1st November, 2018.

Amalgamation of Government Companies

3.4.4 Under Sections 230-232 of Companies Act, 2013, regarding amalgamation of Government Companies, only 7 applications were received during 1st December, 2017 to 31st October, 2018 and 8 applications were pending as on 30th November, 2017. 5 applications were disposed of during 1st December, 2017 to 31st October, 2018. As on 1st November, 2018, 10 applications were pending.

Liquidation of companies

3.4.5 As on 1st December, 2017, 5,185 companies were under liquidation; out of which 562 companies were under members' voluntary winding-up, 2 companies were under creditors' voluntary winding up and 4,621 companies under winding up by the court. During the period 1st December, 2017 to 31st October, 2018, 72 companies went into liquidation and 324 Companies were under winding up by the Court. Out of a total of 5,581 companies, 518 companies were finally dissolved during the period 1st December, 2017 to 31st October, 2018. 5,063 companies are still in liquidation process as on 31st October, 2018. Out of which 489 companies were under members' voluntary winding-up, 1 company was under creditors' voluntary winding up and 4,573 companies were under winding up by the court.

Change of venue of Annual General Meeting

3.4.6 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 under Section 96 of the Companies Act, 2013.

Condonation of delay

3.4.7 Under Section 460(b) of the Companies Act, 2013 (Condonation of delay in certain cases) wherein 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. A total of 1,112 applications were received during the period from 1st December, 2017 to 31st October, 2018 and 354 applications were pending as on 1st December, 2017. Out of total applications, 1,252 applications were disposed off and 214 applications were pending as on 31st October, 2018.

Scrutiny

3.5.1 Power to call for information, explanation or documents relating to a company is vested with the Registrar of Companies (RoCs) under Sub-Sections (1), (2) and (3) of the Section 206 of the Companies Act, 2013.

3.5.2 This Ministry has mandated filing of balance sheets as on 31st March, 2011 and onwards by a certain class of companies in Extensible Business Reporting Language (XBRL) mode.

3.5.3 The following factors are considered by the Registrars of Companies for undertaking scrutiny of balance sheets and other documents filed by the companies:

- (i) Alerts generated by MCA21 system on analysis of the balance Sheets filed by the companies in XBRL mode;
- (ii) Qualifications in the auditor's report;
- (iii) Companies raising funds through public issues and deposits;
- (iv) Complaints received against companies; and/or
- (v) References received from other

regulatory authorities such as SEBI, RBI, other Ministries/Departments of the Government of India and State Government.

3.5.4 During the period 1st December, 2017 to 14th November, 2018, 541 scrutiny reports were received in the Ministry.

Inspection

3.6.1 Section 206(5) of the Companies Act, 2013 empowers the Registrar of Companies or the Officers duly authorized by the Central Government, to undertake inspection of the books of accounts and other records of 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 77 inspection reports during the period 1st December, 2017 to 14th November, 2018.

Investigation

3.7.1 Power to order investigation in the affairs of company is vested with the Central Government under Section 210 of the Companies Act, 2013, if it is of the opinion, that it is necessary to do so:

- (a) based on a Report of RoC Inspector, under Section 208; or
- (b) based on a Special Resolution of a company that its own affairs need to be investigated; or
- (c) based on judicial orders; or
- (d) in the public interest.

3.7.2 The Central Government may appoint one or more persons as Inspectors for carrying out investigation under Section 210. The Central Government had vide a Resolution dated 12th July, 2003, set up a Serious Fraud Investigation Office (SFIO) to investigate into cases involving corporate frauds. The SFIO has been conferred statutory status by Section 211. The SFIO may be asked investigate under Section 210, in cases characterized by:

- (i) Complexity, and having inter-departmental and multi-disciplinary ramifications;
- (ii) Substantial involvement of public interest to be judged by size, either in terms of monetary misappropriation, or in terms of the persons affected; and
- (iii) Possibility of investigations leading to, or contributing towards a clear improvement in systems, laws or procedures.

3.7.3 The Central Government has ordered investigation into the affairs of 197 companies during the period 1st December, 2017 to 14th November, 2018 through SFIO and RDs Office (33 companies through SFIO and 164 companies through RDs). Out of the investigations ordered by the Central Government in the past years, investigations have been completed in the cases of 59 companies, (SFIO has completed 5 investigations and 54 investigations have been completed by RDs) during the year. The investigations in the case of 225 companies were under progress as on 14th November, 2018, (SFIO 70 cases and 155 cases by RDs).

Prosecution

3.8.1 Prosecutions are filed by RoCs against the companies for violations of provisions of Companies Act. As on 1st December, 2017, 46,547 prosecutions filed by various RoCs were pending with the courts. During the year 2018-19 (up to 31st October, 2018), 2,254 fresh prosecutions were filed. Out of 48,801 cases, 9,491 prosecutions were disposed off and 39,310 prosecutions were pending as on 31st October, 2018.

National Company Law Tribunal

3.9.1 In the first phase, the Central Government has constituted eleven Benches of NCLT- one Principal Bench at New Delhi and Ten Benches at New Delhi, Ahmedabad, Allahabad, Bengaluru, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata and Mumbai for faster resolution of corporate disputes and reducing the multiplicity of agencies thereby promoting 'ease of doing business' in the country. During the reporting period, three new Benches have been constituted by the Central Government as per the notifications S.O. 3145 (E) dated 28th June, 2018 at Jaipur w.e.f. 1st July, 2018 for jurisdiction of Rajasthan State; S.O. 3430 (E) dated 12th July, 2018 at Cuttack w.e.f. 15 July, 2018 for jurisdiction of Odisha and Chattisgarh and; S.O. 3683(E) dated 27th July, 2018 at Kochi w.e.f. 1st August, 2018 for jurisdiction of Kerala and Lakshadweep Union Territory. The NCLT Bench at Jaipur has been made operational w.e.f. 25th July, 2018. The Central Government vide Notification No. G.S.R. 632(E) dated 12th July, 2018 also amended the

notification of the Ministry of Corporate Affairs dated the 21st September, 2015 regarding fixation of pay of President and Members of NCLT. During the reporting period, two judicial members and three technical members have joined NCLT. As on date, there are nineteen judicial members and nine technical members making a total number of twenty eight Members including the President, NCLT. The list of the Benches is at **Annexure -V**.

3.9.2 The National Company Law Tribunal has its own [website www.nclt.gov.in](http://www.nclt.gov.in) where particulars of the organisation, functions, jurisdiction of the benches, cause list, orders passed by the benches etc. are available. Copies of all interim and final orders and judgments are uploaded on the said website from where the same can be viewed/downloaded by the stakeholders/professionals. The website is regularly updated for the convenience of the stakeholders.

3.9.3 The Central Government has approved project of NCLT/NCLAT in 2017 for software development for e-courts. The initial version of e-Filing was demonstrated in September, 2017. The first version of application development for E-Filing, online payment, case management system and listing has been completed. Cloud Hosting (Meghraj/DC) has also been done. For data digitization and migration, more than 500 files have already been digitized by February, 2018. Since 27th August, 2018 submission of digital files along with physical copies of petition/application has been made mandatory. Since 1st August,

2018, e-Cause list is also being generated along with manual cause list. SMS/Email to parties related to cases being listed are sent on everyday basis since first week of August, 2018. From 1st November, 2018, all petitions/applications received at filing counter are filed through e-filing module as well and metadata for the same is created in parallel. Display Boards at Principal/New Delhi Bench have been implemented. Display Boards are also functional at other Benches, viz. Kolkata, Allahabad, Ahmedabad, Chennai, Mumbai and Chandigarh.

3.9.4 For capacity building of Members, NCLT has organised Colloquiums since its inception. During the reporting period two colloquiums have been organized at New Delhi and Chandigarh for the Members of NCLT.

3.9.5 Pending recruitment of regular staff and finalization of Recruitment Rules, officials have been engaged on contractual/outsourced basis for smooth running of NCLT Benches. Officers are also engaged on deputation basis in NCLT Benches.

3.9.6 Anybody who approaches the National Company Law Tribunal in person or over the telephone is given all necessary guidance and information. Facilitation Centres and filing counters are in operation. A well-equipped library is available for the use of advocates and professionals. NCLT has also adopted Citizen's Charter with commitments to provide timely and quality service to the citizens and professionals.

3.9.7 Filing/ disposal details of cases in NCLT for the period 1st December, 2017 to 31st October, 2018 are as under in **Table 3.2:-**

Table 3.2
Filing/disposal of cases in NCLT

Cases	Opening balance as on 1 st December, 2017	Transferred from HC	Fresh Filing	Disposed	Pending as on 31 st October, 2018
Merger & Amalgation	1,613	18	2,711	2,653	1,689
IBC	1,988	30	6,994	2,909	6,103
Others	4,479	0	8,368	6,675	6,172
Total	8,080	48	18,073	12,237	13,964

National Company Law Appellate Tribunal

3.10.1 National Company Law Appellate Tribunal (NCLAT) is the Appellate Tribunal for hearing appeals against the orders passed by NCLT under Section 61, 202 and 211 of the Insolvency and Bankruptcy Code, 2016(IBC).

3.10.2 NCLAT is also the Appellate Tribunal to hear and dispose off appeals against any direction issued or decision made or order passed by the CCI - as per the amendment brought to Section 410 of the Companies Act, 2013 by Section 172 of the Finance Act, 2017 with effect from 26th May, 2017.

3.10.3 Hon'ble Justice S.J. Mukhopadhyaya, former Judge of the Hon'ble Supreme Court, is the present Chairperson of NCLAT. Hon'ble Justice (Retd.) A.I.S. Cheema, Former Judge, High Court of Bombay) and

Hon'ble Justice (Retd.) Bansi Lal Bhat, (Former Judge, High Court of Jammu & Kashmir) are the Judicial Members. Hon'ble Balvinder Singh, Former Deputy CAG is the Technical Member.

3.10.4 There is also one post of Registrar in this Tribunal, which is of the rank of Joint Secretary to the Government of India. NCLAT is functional at Pt. Deen Dayal Antyodaya Bhawan, 3rd Floor, CGO Complex, Lodi Road, New Delhi-110003.

3.10.5 NCLAT has received total 1,249 cases under different categories (like Appeals under 53 B of the Competition Act, 2002, Compensation cases under section 53 N of the Competition Act, 2002, MRTP Cases, Cases filed under Section 421 of the Companies Act, 2013, cases filed under Section 61 of the Insolvency & Bankruptcy Code, 2016) during the period 1st December, 2017 to 31st October, 2018. As on 30th

November, 2017, 264 cases are pending. Out of the total cases 1,513 cases, 893 cases have been disposed off and 620 cases are pending as on 31st October, 2018.

Investigations and Prosecution by Serious Fraud Investigation Office (SFIO)

(A) Investigations

3.11.1 During the period from 1st December,

2017 to 12th November, 2018, SFIO has submitted 5 investigation reports to the Ministry involving 57 companies.

(B) Prosecutions

3.11.2 During the period from 1st December, 2016 to 30th November, 2017 and 1st December 2017 to 12th November, 2018 number of prosecutions filed in various designated courts are as under:-

Table 3.3
Number of Prosecutions filed in Different Designated Courts

Period	No of Prosecutions Filed			Total No of Prosecutions filed
	Company Law/IPC	ICAI/ICSI	CLB	
From 1 st December, 2016 to 30 th November, 2017	21	19	0	40
From 1 st December, 2017 to 12 th November, 2018	6	6	0	12

Cost Audit

3.12.1 During the period, Companies (Cost Records and Audit) Rules, 2014 were reviewed to harmonize cost records/cost statements (maintained as per Section 148(1) of Companies Act, 2013) with financial records/financial statements after issue of notification by MCA related to IndAS mandating certain class of companies to follow IndAS in a phased manner. Necessary Amendments were notified vide notification G.S.R. No.1498 (E) dated 7th December, 2017.

3.12.2 The Companies (Cost Records and Audit) Second Amendment Rules, 2017 were

notified vide notification G.S.R. No.1526 (E) dated 20th December, 2017 replacing "Central Excise Tariff Act Heading" with "Customs Tariff Act Heading" in Companies (Cost Records and Audit) Rules, 2014 due to repeal of "Central Excise Tariff Act", 1985 on account of implementation of Goods and Services Tax (GST) with effect from 1st July, 2017.

3.12.3 Companies (Filing of Documents and Forms in Extensible Business Reporting Language), Rules 2015 were amended vide notification G.S.R. No.1480(E) dated 4th December, 2017 for effecting changes in taxonomy for amendment dated 7th

December, 2017 and 20th December, 2017 in the Companies (cost records and audit) Rules, 2014.

Annual Report on Cost and Prices of 2016-17

3.12.4 The Annual Report on Cost and Prices of 2016-17 is being prepared by analyzing/examining cost audit reports filed by concerned companies under cost audit in MCA21 system vide e-form CRA-4 upto 31st December, 2017 for the financial year 2016-17. The Annual Report is in advanced stage of finalization.

3.12.5 The Ministry received 8,433 e-Forms relating to appointment of Cost Auditors (25, Form 23C and 8,388, Form CRA-2) during the year 2017-18. The number of such filings during the year 2018-19 till 15th November, 2018 was 7,441 e-forms (11-Form 23C; and 7,430-Form CRA-2). All such filing were disposed off in the corresponding year itself.

3.12.6 Also, the number of cost audit reports received during 2017-18 and 2018-19 till 15th November, 2018 stood at 7,310 (119-I-XBRL; and 7,191-CRA-4) and 4,798 (17,I-XBRL; and 4,781-CRA-4) respectively.

3.12.7 During the year 2017-18, the Ministry shared 350 Cost Audit Reports, as filled by the companies, with various user departments such as Tariff Commission, Department of Fertilizers, Director General of Anti-Dumping, Customs, Goods and Service Tax authorities etc. 220 Cost Audit Reports were shared during the year 2018-19 till 15th November, 2018.

International Financial Reporting Standards

3.13.1 A notification was issued on 28th March, 2018 whereby the Companies (Indian Accounting Standards) Rules, 2015 has been amended to bring into force Ind AS 115 Revenue Recognition Standard from Contracts with Customers and replace Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Further, the amendments to other standards; Ind AS 21, the Effects of Changes in Foreign Exchange Rates, Ind AS 112, Disclosure of Interests in Other Entities & Ind AS 28, Investments in Associates and Joint Ventures, Ind AS 40, Investment Property and Ind AS 12, Income Taxes were carried out as part of annual improvements made in the corresponding IFRS standards/ consequential changes due to Ind AS 115. The Ind AS 115 standard is expected to improve the revenue recognition aspects as per the various clauses stated in the said standard. Indian Companies are expected to benefit from convergence with the single globally applied and comparable standards on a key parameter in financial statement i.e. revenue recognition.

3.13.2 A notification was issued on 20th September, 2018 whereby the Companies (Indian Accounting Standards) Rules, 2015 has been amended to make changes in Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance by providing option to entity to present grants related to assets, either by; (i) setting up grant as deferred income or (ii) by deducting the grant in arriving at the carrying amount of the asset.

CHAPTER - IV

THE LIMITED LIABILITY PARTNERSHIP (LLP) ACT, 2008

4.1.1 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.

4.1.2 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. The statute-based governance structure of a limited liability company is an alternative that enables 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.

4.1.3 The Government has, therefore, permitted the LLP form of business organization in India with a view to create 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 9th January, 2009. It came into effect from 31st March, 2009. The enabling Rules were notified on 1st April, 2009 and the first LLP was registered on 2nd April, 2009.

4.1.4 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.

4.1.5 The functions of Registrar of LLPs are being exercised by the Registrar of Companies (RoCs), with effect from 11th June, 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 of 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 to have its existence irrespective of changes in partners.

4.1.6 LLPs are required to maintain Book of Accounts, Annual Financial Statement and Statement of Solvency which are 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 (NCLT).

4.1.7 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.

4.1.8 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.

4.1.9 In order to enhance and extend operational convenience to stakeholders and grouping of all registry related functions on a single platform, e-governance initiative for Limited Liability Partnership (LLP) was integrated with MCA21 from 11th June, 2012. With this integration, the filing and approval of LLP forms is being done through MCA21 portal, stakeholders are presently availing of all existing facilities of MCA21 for LLP form filing, including online payment, or use of internet banking of designated banks, in addition to credit card payment.

4.1.10 The following notifications were issued during the period 1st December, 2017 to 15th November, 2018:

- (i) Notification No. G.S.R. 557 (E) dated 12th June, 2018 was issued under sub-sections (1) and (2) of section 79 of the Limited Liability Partnership Act, 2008 to amend the Limited Liability Partnership Rules, 2009. These rules are called the Limited Liability Partnership (Amendment) Rules, 2018.
- (ii) Notification No. S.O. 896 (E) dated 18th September, 2018 was issued under sub-sections (1) and (2) of section 79 of the Limited Liability Partnership Act, 2008 to amend the Limited Liability Partnership Rules, 2009. These rules are called the Limited Liability Partnership (Second Amendment) Rules, 2018.

4.1.11 As on 30th September, 2018, the number of LLPs registered in the country was 1,31,774 and of them 1,18,818 LLPs were

active. During the period from 1st January, 2018 to 30th September, 2018, LLPs numbering 18,048 were incorporated.



CHAPTER - V

THE COMPETITION ACT, 2002 AND OTHER LEGISLATIONS

The Competition Act, 2002 & Establishment of the Commission

5.1.1 The Parliament enacted the Competition Act, 2002 with the objectives - (a) to prevent practices having adverse effect on competition; (b) to promote and sustain competition in markets; (c) to protect the interests of consumers; and (d) to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto. The Competition Act has four pillars, 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 sets 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 Commission was established in the year 2003 and got its enforcement and regulatory powers after the substantive

provisions of the Act relating to anti-trust enforcement and regulation of combinations came into force on 20th May, 2009 and 1st June, 2011 respectively.

5.1.3 The Competition Commission of India (CCI) was constituted in March, 2009 for the administration, implementation and enforcement of the Act. The Competition Act, 2002 provides for setting up of the Competition Commission of India (CCI) comprising chairperson and a minimum of two and maximum of six members. The Union Government in April, 2018 had decided that there would be three members in CCI. Thus, as per revised composition the Commission consist of one chairperson and three members. The Act also provides for establishment of an Appellate Tribunal 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 work of Competition Appellate Tribunal (COMPAT), in pursuance of the amendment of the Competition Act, 2002 by the Finance Act, 2017, has been merged with National Company Law Appellate Tribunal (NCLAT). As such, the former tribunal has ceased to exist and now all first appeals against the orders of the Commission lie before the National Company Law Appellate Tribunal (NCLAT).

5.1.4 The Composition of CCI on 30th November, 2018 is as under:

1. Shri Ashok Kumar Gupta - Chairperson
2. Shri Augustine Peter - Member
3. Shri U. C. Nahta - Member

Cases dealt with by the Commission

5.2.1 The position with regard to cases dealt with by the Competition Commission of India during the period from 1st December, 2017 to 30th November, 2018 are elaborated as under:

A. Enforcement Activities

5.2.2 The Commission has received forty seven (47) cases u/s 19 (1) (a) of the Competition Act, 2002 from various informants during the period 1st December, 2017 to till date in addition to nine (09) Reference cases received u/s 19 (1) (b). The Commission has also initiated four (04) *suo-motu* cases u/s 19 (1) of the Act during this period. The Commission ordered investigation by DG in twenty four (24) cases u/s 26 (1) of the Act. During the period, the Commission also decided fifty (50) cases at *prima facie stage* u/s 26 (2) of the Act, after considering all facts and evidences.

5.2.3 Cumulatively, between 20th May, 2009 to 30th November, 2018, nine hundred and ninety four (994) cases were received u/s 19 (1) of the Competition Act. The Commission has finally disposed of eight hundred and five (805) cases. A cumulative total of four hundred and eighteen (418) cases were referred to DG, CCI for investigation. DG, CCI submitted investigation reports in

respect of three hundred and eight (308) cases. The investigation is underway in the remaining cases.

5.2.4 During 1st December, 2017 to 30th November, 2018 the Commission imposed penalty in 39 cases under Sections 27, 48 and 43A of Competition Act imposing a gross penalty of Rs. 686.58 Crores.

B. Combination

5.2.5 The provisions relating to regulations of combinations (Mergers and Acquisitions) in the Competition Act, 2002 ('Act') were notified by the Government of India on 4th March, 2011 and effective from 1st June, 2011. For executing the mandate given under the Competition Act, the CCI notified "The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011" (hereinafter known as 'Combination Regulation') on 11th May, 2011. These regulations have been amended vide notification/(s) dated 23rd February, 2012, 4th April, 2013, 28th March, 2014, 1st July, 2015, 7th January, 2016 and 9th October, 2018.

5.2.6 During the period 1st December, 2017 to 30th November, 2018 the Commission received seventy nine (79) notices under sub-section (2) of Section 6 [including notices received under sub-section (1) of Section 20] [Form-I&II filings] of the Act. The Commission passed final orders in seventy (70) cases during this period.

5.2.7 Cumulatively, between 1st June, 2011 to 30th November, 2018, six hundred and twenty five (625) Combination Notices [including 10 notices under Section 6 (5)]

have been filed u/s 5 & 6 of the Competition Act in the Commission. Out of which, six hundred and twelve (612) [including 10 notices under Section 6 (5)] notices have been finally disposed off by the Commission.

5.2.8 During the year, the Commission reviewed combinations which impacted the consumers as well as the economy in traditional as well as new economic sectors such as Agriculture, Telecommunications, Chemicals and the new economy sectors such as E-commerce Platforms and Retail. In two Combination cases viz. Bayer/Monsanto and Linde/Praxair Inc., the Commission proposed divestitures in line with the global trend.

Other activities and events

5.3.1 Annual Day Celebration: Every year on 20th May, being the founding day, the Commission organizes a lecture by a prominent personality from the fields of Law, Finance, Economics and Politics. The occasion is graced by senior government functionaries, representatives from the corporate world, academicians and legal luminaries. The 9th Annual Day Lecture 2018 was delivered by Shri Rajiv Mehrishi, Comptroller and Auditor General of India.

5.3.2 Capacity Building Initiative: The CCI in collaboration with Indian Institute of Corporate Affairs (IICA) conducted a 12 day comprehensive residential induction training programme for direct recruit officers of the Commission in the month of June, 2018 and Total 17 officers participated in the same. The Commission has established the first CCI

Chair at IICA on 5th November, 2018 for a period of 5 years with a one-time endowment grant/corpus of Rs.5.00 crores along with annual grant of Rs.1.00 crore to meet salary and other expenses. A Memorandum of Understanding (MoU) was signed by chairperson, CCI and DG & CEO, IICA on 5th November, 2018. The aim of setting up of CCI Chair is to facilitate collaboration between CCI and IICA towards advancement of knowledge on the basis of reciprocity, best practices and mutual cooperation for building capacity in the field of Competition Law, Economics and Policy especially in the context of emerging market economies.

5.3.3 EU-India Competition Cooperation

Project: EU-India Competition Cooperation project has commenced during the current year. The project will be in operation for 5 years i.e. 2018 to 2022. The project will include three capacity building activities, namely, Annual Competition Week Programme, Summer School and Annual Secondment. Competition Summer School was held during 2nd to 13th July, 2018 at Brussels in which five officers of the Commission had participated. Annual Competition Week Programme is scheduled in New Delhi in December, 2018.

5.3.4 Comprehensive Amendments to the Competition Act, 2002:

Based on the experience gained and difficulties faced in enforcement of the Competition Act, 2002, the Commission has proposed comprehensive amendments to the Act to Ministry of Corporate Affairs. The aim of the proposed amendment is to make the Act clarificatory as well as to resolve practical

difficulties in implementing the law. This has resulted in constitution of Competition Law Review Committee by the Government, which is currently looking into review of the Act.

5.3.5 Think Tank on Digital Markets:

Recognizing the fast changing markets and policy in digital economy in India, the Commission has constituted a Think Tank on Digital Markets so as to get expert views in understanding markets, technologies and the policy-antitrust interface on continuous basis. The Think Tank has been constituted initially for a period of three years.

Conferences

5.3.6 (A) 2018 ICN Annual Conference:

The Commission hosted “2018 ICN Annual Conference” on March 21-23, 2018 at New Delhi. Around 500 professionals attended the Conference from 70 plus countries, which included heads of competition agencies, representatives and stakeholders consisting of the legal and economic professionals, international organizations and academia. Shri P. P. Chaudhary, Hon'ble Minister of State for Law and Justice & Corporate Affairs, inaugurated the Conference and Shri Manoj Sinha, Hon'ble Minister of State for Telecommunications (Independent Charge) and Minister of State for Railways gave the valedictory address. Being the host of the conference, CCI had undertaken a special report on Cartel Enforcement and Competition which was presented by the Chairperson, CCI during the conference. The project involved a study on cartel enforcement in India and takeaways for

young jurisdictions. The conference concluded with CCI handing over the baton to the Superintendent of Industry and Commerce, Columbia for hosting the next ICN Annual Conference in 2019.

5.3.7 (B) National Conference on Economics of Competition Law:

The Competition Commission of India has been organizing National Conference on Economics of Competition Law every year. The conference is an endeavour for creating a critical mass of home grown antitrust economists and to develop and sustain interest in the subject. The conference brings together scholars, practitioners, academicians and experts working in the area of economics of Competition Law and mentors future antitrust economists. The Commission organised third edition of National Conference on “Economics of Competition Law” on 5th April, 2018 at New Delhi. Six papers were presented during the conference, covering a wide range of issues concerning the economics of Competition Law. A special session on “Merger Control: A practitioner's perspective” was organized.

5.3.8 (C) Technical Workshop on “Competition Issues in Healthcare and Pharmaceutical Sector”:

Considering the importance of healthcare and pharmaceutical sector, the Commission organized a technical workshop on “Competition issues in healthcare and pharmaceutical sector” during 28th to 29th August, 2018. The representatives of all stakeholder groups of healthcare and pharmaceutical industry, healthcare service providers, civil society organization,

regulators and healthcare think tanks participated in the workshop and deliberated on the issues. The key issues that emerged in the workshop were summarized in the form of a policy note titled 'Making Markets Work for Affordable Healthcare'. The focus of the policy note was not to undermine or question legitimate public policy objectives but to determine the extent to which choice and competition can improve outcomes consistent with those objectives. The policy note has been shared with MCA, Ministry of Health and Family Welfare, Department of Pharmaceuticals and NITI Aayog.

5.3.9 (D) Participation in International Events: Important international events where CCI was represented are indicated below:

- (i) Chairperson, CCI participated in OECD Working Party, Competition Committee meetings and Global Forum on Competition held at Paris during 4th to 8th December, 2017.
- (ii) Shri Augustine Peter, Member participated in "66th Annual Antitrust Spring Meeting of American Bar Association" at Washington DC during 11th to 13th April, 2018.
- (iii) Shri U.C.Nahta, Member participated in OECD Working Party (WP) and Competition Committee Meetings held in Paris during 4th to 8th June, 2018.
- (iv) Secretary, CCI participated in 2018 China Competition Policy Forum during 31st July to 1st August, 2018 and attended a Roundtable on Innovation

in Merger Control. She also attended the 5th Lisbon Conference on Competition Law & Economics during 18th to 19th October, 2018.

- (v) Officers of CCI participated in several conferences/workshops/seminar organized by OECD, ICN and other competition authorities.
- (vi) Officers of the Commission also attended secondment program with Competition Bureau Canada and US Fair Trade Commission.

Advocacy activities

5.4.1 In pursuance of the mandate under sub-section (3) Section 49 of the Competition Act, 2002, the Competition Commission of India (CCI) organizes Seminars and also interacts with experts, and participates in various Capacity Building Programmes organized by stakeholders on various economic related conceptual issues from time to time. In addition seven (07) Moot Court Competitions were organized in association with various National Law Universities (NLUs).

5.4.2 Roadshows on Competition Law: To provide a fresh impetus to advocacy efforts the Commission embarked upon a new initiative of roadshow to enhance its visibility and to reach out to wide cross section of stakeholders in an effective manner. Indian Institute of Corporate Affairs (IICA) has been selected as the implementation partner for organizing these roadshows. Two roadshows have been organized, one each at Mumbai and Delhi on 15th October, 2018 and 5th November, 2018

respectively. Mumbai Roadshow was inaugurated by Secretary, MCA and a conclave with CEOs of renowned corporates was organized to apprise them about importance of Competition Law and its nuances. Delhi Roadshow was organized in the form of 'National Conference on Public Procurement & Competition Law', which was inaugurated by Hon'ble Minister for Finance and Corporate Affairs. The conference was attended by senior policy makers from Central/State Government, PSUs, legal and finance professionals, lawyers, academicians and other stakeholders.

5.4.3 Competition Assessment Toolkit: To provide roadmap for comprehensive Competition Assessment of policies, legislations, rules, regulations etc., the Commission has brought out a 'Competition Assessment Toolkit'. This toolkit is very handy and useful to – (a) identify competition concerns in various legislations /policies in India; (b) promote a competition culture by way of non-enforcement mechanism; (c) sensitize policy makers towards competition issues; (d) encourage introspection at the level of policy formulation; and (e) serve as a tool for building capacities of various institutions for competition assessment.

5.4.4 Presence on Social Media: To reach out to wide spectrum of stakeholders and enhance its visibility, the Commission has started its Facebook and LinkedIn accounts on which regular posts are being uploaded with respect to recent orders and other activities of the Commission. The

Commission now has presence on all three important social media platforms i.e. Facebook, Twitter and LinkedIn.

5.4.5 New Initiatives: In conclusion, as detailed above, the Commission embarked upon the following new initiatives during the period from 1st December, 2017 to till date:

- (i) Comprehensive Amendments to the Competition Act, 2002
- (ii) EU-India Competition Cooperation Project
- (iii) Roadshows on Competition Law
- (iv) Think Tank on Digital Markets
- (v) Policy paper on competition issues in healthcare and pharmaceutical sector titled 'Making Markets Work for Affordable Healthcare'
- (vi) Institution of CCI Chair on Competition Law at India Institute of Corporate Affairs (IICA).
- (vii) Extension of Social Media presence

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 provisions of the Act.

5.5.2 The main objectives of the Institute of Chartered Accountants of India are;

- (i) to prescribe qualifications for membership, holding examination

and arranging practical training of candidates for enrolment;

- (ii) to maintain and publish Register of Members qualified to practice the profession;
- (iii) to carry on activities for development of the profession; and
- (iv) to regulate & maintain the status and standards of professional qualification of members. The Institute conducts examinations all over the country, provides 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 32 persons elected by the members of the Institute, and eight 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 the Cost and Works Accountants and for that purpose to establish the Institute of Cost and Works Accountants of India which was accordingly established in May, 1959, in terms of the provisions of the Act. The name of the Institute has subsequently been changed 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. 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

5.9.1 This 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 (Donations to National Funds) Act, 1951

5.10.1 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

MCA-21 E-Governance Project

6.1.1 MCA has been operating an end-to-end e-Governance project MCA21 for registry and company incorporation related services. The project is implemented in the offices of Registrar of Companies (RoCs), Regional Directorates (RDs), MCA Headquarters and O/o Official Liquidators (OL). The MCA21 system provides the stakeholders a convenient, easy to use and secure access & delivery point for all MCA services with improved speed and certainty of services sought. It has brought about transparency, quickness and efficiency in the functioning of the Ministry.

6.1.2 There is a need for providing effective services to stakeholders and Ministry has continuously made efforts to introduce best practices in the delivery of online services. Sustained efforts have resulted in recognition of MCA21 as a successful Mission Mode Project under the National e-Governance Plan (NeGP). The portal is regarded as an ideal model for transformation of traditional paper based systems into a paperless system through the use of cutting-edge Information Technology. Consequently, hardware and application up-gradation with updated technology has already been completed at all offices of ROC, RDs and at Headquarters, consequent to the enactment of the Companies Act 2013.

6.1.3 The World Bank released its latest Doing Business Report (DBR, 2019) on 31st October, 2018. India has recorded a jump of 23 positions from its rank of 100 in 2017 to be placed at the rank of 77 among 190 countries assessed by the World Bank. It has improved its rank in 6 out of 10 indicators constituting the doing business index. In 'Starting a business' indicator, India improved its rank from 156 in year 2017 to 137 in year 2018 by simplifying pre-registration and registration formalities (publication, notarization, inspection and other requirements), especially by fully integrating multiple application forms into a general incorporation form. Improvements were also made in cutting or simplifying post-registration procedures (tax registration, social security registration, licensing). MCA has been an integral part of this process of simplification of "Starting a Business".

Significant Project Updates

A. Introduction of "RUN-Reserve Unique Name" web service for name reservation.

6.2.1 The Ministry has introduced a web service named as "RUN-Reserve Unique Name" for making the "Name Reservation" process speedy, smooth, simple and reducing the number of procedures with effect from 26th January, 2018 for companies and from 2nd October, 2018 for LLPs.

B. Re-engineering the process of allotment of DIN

6.2.2 The process of allotment of DIN by allotting it, through the combined SPICE from only at the time of an individual's appointment as Director (in case he/she doesn't have a DIN) has been introduced.

C. Exemption of MCA fee for company incorporation

6.2.3 A government process of Re-engineering has been implemented where zero fee for incorporation of all companies with authorized capital upto Rs. 10 lakh or those companies with no share capital but have upto twenty members.

D. Deployment of e-forms due to IFSC & Exemption notifications, Amendment to Companies Act, CRL-1, implementation of CODS

6.2.4 16 e-form changes were deployed on account of IFSC notification related changes, exemption notification related changes, and amendment in Companies Act, along with deployment of CRL-01 (Information to the Registrar by company regarding the number of layers of subsidiaries) and CODS (Condonation of Delay Scheme, 2018) in the month of February-March, 2018.

E. eKYC Drive for directors of all companies

6.2.5 MCA has introduced a mandatory e-form viz. DIR-3 KYC for all DIN holders who have been allotted DIN on or before 31st March, 2018 and whose DIN is in approved status. This drive is aimed at verification of

individual DIN holders and weed out non-existent/dummy DIN holders and ultimately to clean up the Directors' e-Registry.

6.2.6 The KYC process is obtaining additional details such as AADHAAR, Passport, personal Mobile Number and personal E-mail ID. Further, for the stakeholder, who do not possess AADHAAR, an exception management is provided.

6.2.7 The DIR-3 KYC form was made available for filing purposes w.e.f. 14th July, 2018 till 31st August, 2018 without any fee. MCA has extended the last date by 15 days till 15th September, 2018. Further, considering the various representation from stakeholders, the fee prescribed earlier Rs.5000 for filing DIR KYC after 15th September, 2018 was reduced to Rs. 500 till 5th October, 2018. Thereafter, the stakeholders can file DIR KYC any time by paying a fee of Rs. 5000 to activate the deactivated DINs.

6.2.8 There are around 33 Lakh DINs in the registry and around 15.88 lakh DIN holders have filed DIR KYC as on 30th November, 2018.

F. Integrated form for LLP (FiLLiP) incorporation

6.2.9 Introduction of a new integrated form christened FiLLiP (Form for incorporation of Limited Liability Partnership) replacing the erstwhile Form- 2 (Incorporation document and subscriber's statement) combining therein 3 services i.e.,

- (i) Name reservation.

- (ii) Allotment of Designated Partner Identification Number (DPIN/DIN).
- (iii) Incorporation of the LLP.

This has been implemented in MCA21 system on 2nd October, 2018.

G. Setting up Central Registration Centre (CRC) for “Name Reservation” and “Incorporation” for LLPs

6.2.10 Central Registration Centre (CRC) for “Name Reservation” and “Incorporation” of Companies has been successfully implemented. As operation of CRC has been stabilized since past two years, Ministry has taken up similar GPR exercise for “Name

Reservation” and “Incorporation” for LLPs (Limited Liability Partnership) and brought them under the operation of CRC.

6.2.11 The GPR exercise is in pursuance of the Ministry's objective of providing greater “Ease of Doing Business” to all stakeholders and has resulted in speedier processing of incorporation related applications, uniformity in application of rules, and eradicating discretion. This has been operationalized on 2nd October 2018.

6.2.12 The following operational statistics of the MCA21 highlight the performance and the stability in the system, increased volume of filing and leading to greater service delivery and improved compliance:

Table 6.1
Filing Status for the period 1st December, 2017 to 30th November, 2018

Sl. No.	Point Description	Count
1	Total filings through system	62,45,181
2	Number of companies registered online	1,17,710
3	Total DIN issued	2,80,857
4	Company records viewed online	23,60,984
5	Number of balance sheets filed	10,08,949
6	Number of annual returns filed	8,83,477
7	Maximum number of documents filed on a day (15 th November, 2018)	1,22,436
8	Amount of E-stamp fee collected (in ₹)	199,13,77,103
9	Number of Nodal officers registered with DSC	100
10	Number of authorized bankers and professional registered with DSC	30,447
11	Number of registered users on the portal	12,96,767

6.2.13 There has been a significant improvement in the turnaround time for delivery of services under the MCA21 project, which is as under at **Table 6.2**:

Table 6.2
Efficiency in Service Delivery under MCA21 Service Metrics

Type of Service	Prior to MCA21	After introduction of MCA 21
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

Registration of Other Documents

6.3.1 The data pertaining to registration of other documents is at **Table 6.3** below:

Table 6.3
Registration of Other Documents

Type of Service	Prior to MCA21	After MCA21
Annual Return	60 days	Instantaneous
Balance -sheet	60 days	Instantaneous
Change in Directors	60 days	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	Online

Activities of Investor Education and Protection Fund Authority

6.4.1 The Authority has been entrusted with the responsibility to make refunds of unclaimed dividends, matured deposits, matured debentures etc. and to conduct investor awareness programs through print and electronic media.

6.4.2 Refund Activities: For the purpose of facilitating refund of claims in respect of shares, unclaimed dividends, debentures etc. The Central Government has on 5th September, 2016 notified Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. For effecting transfer of shares to the Authority,

two DEMAT Accounts, one for each of the depositories have been opened.

6.4.3 Credit into the Fund: During the current financial year, as on 31st October, 2018, Rs. 304.05 cores have been transferred to IEPF taking the total amount of transfer to Rs. 2,311.47 crores. Till 31st October, 2018, 1,477 companies have transferred Rs. 57.15 crores of shares to these DEMAT Accounts. During the current financial year till 31st October, 2018 an amount of Rs. 125.57 crores

have been received as dividend on the shares transferred to IEPF.

6.4.4 Refund of claims: For filing refund with the Authority the investors make an online application on the website of the Authority (www.iepf.gov.in). These refunds are settled after verification of the claims by the companies. The details of claims filed, verification report received, claim disposed and amount and shares refunded by the Authority are as under:-

Item	As on 31 st March, 2018 since inception	From 1 st April, 2018 to 31 st October, 2018	Total
Number of Claims filed	4,369	9,364	13,733
Number of Verification reports received	1,415	4,132	5,547
Number of claims disposed	641	408	1,049
Amount refunded (Rs.)	1,20,33,108	45,95,384	1,66,28,492
Number of Shares refunded	-	82,575	82,575

6.4.5 Process Re-engineering: At present the claim settlement process is physical and paper based due to which monitoring of claims settlement is difficult. To review the existing claim settlement processes, a committee of practicing company secretaries was constituted through the Institute of Company Secretaries of India (ICSI). The committee had reviewed the existing processes and have recommended that the entire process should be made online with e-verification of the claims by the companies, online PAN based verification of the claimant etc. The committee has also reviewed the existing rules and e-forms

being filed by the companies and claimants. For ease of claimants and companies, the committee had suggested modifications in forms and amendment in rules. Majority of the recommendations of the committee have been accepted and the implementation of the modifications in the MCA21 system is under process.

Investor Awareness Activities

6.5.1 Investor Awareness Programs (IAPs) through Professional Institutes: The IAPs are organized in rural areas by CSC e-Governance Services India Ltd. and in the

urban areas and small town through Professional Institutes. During the current financial year 35,000 IAPs are being organized through CSC e-governance and 1,000 IAPs through the Professional Institutes. During the period 1st April, 2018 till 31st October, 2018, CSC e-Governance and PI's have conducted 2,969 and 451 number of IAPs respectively.

6.5.2 Investor awareness programs through Indian Institute of Corporate affairs: New communication materials like multilingual modules on the investor awareness, production elements like TV commercials, radio jingles/ads, white board animations, blogs, vlogs, you tube videos are being developed by IICA. The Institute has conducted a nationwide survey for need assessment. The Institute will also organize some IAP's through resource persons engaged by it for the purpose. A proposal for establishment of a chair on investor education and protection at the institute is under consideration.

6.5.3 Airing of jingles on Radio, Scroll messages on TV, and Newspaper Advertisements: Multilingual Jingles have been developed by IEPF Authority for investor awareness, messages to companies for ensuring compliances, fraudsters, and for filing of claims with IEPF. These multilingual jingles are being aired across the country on private FM Radio channels, AIR FM and Vividh Bharti. Awareness messages through scroll messages on national and regional television, advertisements about the activities of Authority and investor awareness are released from time to time.

Posters on investor awareness are being developed for display at metro stations, post offices and other public places.

6.5.4 A steering committee has also been constituted under the Chairmanship of Secretary MCA, along with SEBI, RBI, DFS and Deptt. of Consumer Affairs to formulate and launch a nationwide campaign on the investor education and creating awareness against unauthorized and unscrupulous activities.

6.5.5 Development of serials: A TV serial with 7 to 13 episodes highlighting the methodology of financial frauds affecting investors that have taken place is being developed in association with National Foundation for Corporate Governance (NFCG).

IEPF Portal for real time monitoring and evaluation of Investor Awareness activity

6.6.1 A new portal namely www.iepfportal.in has been developed for increasing the outreach of IAPs and monitoring the programmes conducted by the professional institutes, CSC e-governance and other partner institutions. The portal provides access to the partner institutions like ICAI, ICSI, ICoAI & IICA and CSC e-Governance for uploading the details of past & future programmes. This portal serves as a database for the resource persons as well as provides for online monitoring of IAPs conducted by Partners and also act as repository for all the activities of the IEPF Authority etc.

6.6.2 This portal will act as a platform for citizen engagement and information dissemination and social audit for various programmes. A mechanism is being developed on IEPF Portal where Common Citizen may report a suspected fraudulent scheme.

Corporate Social Responsibility (CSR)

6.7.1 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 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 were notified on 27th February, 2014, and came into force from 1st April, 2014.

6.7.2 The Companies (Corporate Social Responsibility Policy) Rules 2014, and the Schedule VII of the Act have been amended from time to time to facilitate companies to implement the provisions of CSR under the legislation.

6.7.3 A General Circular vide No.06/2018 was issued on 28th May, 2018 clarifying that the company shall give preference to the local areas around it where it operates for spending the amount earmarked for Corporate Social Responsibility activities.

6.8.1 National Corporate Social Responsibility Awards (NCSRA) was instituted to incentivize the corporates to implement their CSR programmes/projects

in the right earnest and true spirit of the Law. As a part of operational strategy, a grand Jury has been constituted for National CSRAward. The Government has established NCSRA having upto 20 awards. The awards shall be given to companies in three categories and are accepted through nomination:

- (i) Corporate Awards for Excellence in CSR – Recognition to a company based on total eligible CSR spend (4 awards).
- (ii) Corporate Awards in CSR in Challenging Circumstances – Recognition to a company based on its CSR efforts in challenging circumstances, aspirational districts, difficult terrains/ disturbed areas and others (upto 5 awards). One award is earmarked for Micro, Small & Medium Enterprises (MSME) only.
- (iii) Corporate awards based on contribution to National Priority Schemes so as to motivate corporate to spend in these areas (upto 11 awards). Two awards are earmarked for MSME only.

6.8.2 National CSR portal which was launched on 19th January, 2018 by Hon'ble Corporate Affairs Minister is a significant step towards driving accountability and transparency for CSR disclosure by companies in India and is also maintained/ upgraded time to time.

6.8.3 Ministry has set up Internal Expert Committee to revisit schedule VII of Companies Act, 2013 and to revisit

guidelines for enforcement of CSR provisions and two sub-committees namely Legal sub-committee and Technical sub-committee were set up to assist the Internal Expert Committee. The legal sub-committee, the technical sub-committee and the Internal Expert committee on CSR submitted their reports on 24th April, 2018, 29th May, 2018 and 3rd July, 2018 respectively.

6.8.4 High Level Committee -2018 has been constituted under the Chairmanship of Secretary, Ministry of Corporate Affairs to review the existing framework and guide and formulate the roadmap for coherent policy on CSR. The Committee shall submit its report within three month from the date of holding of its first meeting. The composition

and scope of High Level Committee has been issued vide Office Order no. 12/3/2018-CSR dated 28th September, 2018.

6.8.5 Ministry through National Foundation on CSR (NFCSR) at IICA has initiated a process for detailed study and survey of sample of 100 companies for CSR expenditure and its implementation under the provisions of CSR under the Companies Act, 2013 in tribal and backward areas.

6.8.6 The Amendment Bill, 2017 which received assent of the President on 3rd January, 2018 and have the following amendments w.r.t provision of CSR in Companies Act, 2013 has been notified vide Notification No. G.S.R. 895(E) dated 19th September, 2018;

Sl. No.	Section 135 of Companies Act, 2013	Amendments in Companies (Amendment) Act, 2017
1	sub-section (1) the words "any financial year"	Substituted by "the immediately preceding financial year"
2	sub-section (1)	This proviso shall be inserted. "Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors".
3	In sub-section (3) (a) for the words and figures "as specified in Schedule VII"	Substituted by "in areas or subject, specified in Schedule VII".
4	In sub-section (5), the explanation "average net profit" shall be calculated in accordance with the provisions of section 198.	Substituted by 'Explanation. - For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198'.

6.8.7 Accordingly, Companies (Corporate Social Responsibility Policy) Rules, 2014 has been amended.

6.8.8 The Ministry monitors the compliance of CSR provisions by companies through examination of mandatory disclosures made by them in their Board's Report under provisions of Section 135 r/w Section 134 (3) (o) of the Companies Act. For the financial year 2014-15, the concerned Registrar of Companies initiated action against non-complaint CSR eligible companies under the provisions of Section 206 of the Act for which Ministry sanctioned prosecutions in 284 cases of which 33 cases of compounding have been filed by companies pertaining to CSR non-compliance.

6.8.9 In order to maintain uniformity, transparent, smooth and faster approach in the enforcement of CSR provisions, Ministry established Centralized Scrutiny and Prosecution Mechanism(CSPM), an enhanced mechanism effective from April, 2018 for identification and scrutinization of

non-compliant companies for penal actions from FY 2015-16 onwards on pilot basis. Under this mechanism, the non-compliant companies are identified and scrutinized in a phased manner. To begin with Ministry has identified top 1,000 companies on pilot basis. Ministry has issued probe letters to 298 companies seeking information on the non-compliance of the Companies.

6.8.10 A committee for finalizing the Business Responsibility Reporting (BRR) format for listed and unlisted company's base on the BRR Framework of the updated National Voluntary Guidelines (NVGs) has been constituted under the chairmanship of Joint Secretary, MCA, CSR. The committee shall submit its report within six weeks from the date of its first meeting.

6.8.11 As per the data culled out from filings made by companies upto 30th June, 2018 in the MCA21 registry for the years 2015-16 and 2016-17, the expenditure made by such companies on CSR is given in the **Table 6.4** below:

Table 6.4
CSR Expenditure during 2015-16 and 2016-17

(₹ in Crore)

Sl. No.	Company Type	2015-16		2016-17	
		No. of companies reported for CSR	CSR Expenditure (in Rs. Crore)	No. of companies reported for CSR	CSR Expenditure (in Rs. Crore)
1	PSUs	438	4175	372	3242
2	Other Companies	21,060	10,190	19,561	10,222
Total		21,498	14,365	19,933	13,464

6.8.12 Table 6.5 provides information on CSR expenditure on various development sectors during 2015-16 and 2016-17:

Table 6.5
Number of Companies and CSR details for the Financial Year 2015-16 and 2016-17

Sl. No.	CSR Spent	PSU and NON PSU	2015-16	2016-17#
i.	Exactly as prescribed	NON PSU	388	569
		PSU	8	5
ii	Less than prescribed	NON PSU	6,659	5,812
		PSU	153	142
iii	More than Prescribed	NON PSU	3,589	3,820
		PSU	138	117
iv	Zero Spent	NON PSU	10,424	9,360
		PSU	139	108
Total			21,498	19,933

Note: 1. -# Numbers provided for FY 16-17 are provisional
2. This is a dynamic data and it keeps on changing as per the filings made
3. The above figures are based on CSR Data Portal.

6.8.13 State/UT-wise CSR expenditure during Financial Year 2015-16 and 2016-17 is given below in Table 6.6:

Table 6.6
State/UT-wise CSR expenditure during 2015-16 and 2016-17 (in ₹ crore)

Sl. No.	State/UT(s)	2015-16	2016-17
1	Andaman And Nicobar	0.55	0.83
2	Andhra Pradesh	1,241.98	729.95
3	Arunachal Pradesh	1.48	23.61
4	Assam	167.47	268.88
5	Bihar	108.67	94.40
6	Chandigarh	5.13	23.80
7	Chhattisgarh	237.95	77.88
8	Dadra And Nagar Haveli	12.03	5.13
9	Daman And Diu	2.13	2.63
10	Delhi	479.14	478.61
11	Goa	30.53	34.96

Sl. No.	State/UT(s)	2015-16	2016-17
12	Gujarat	559.15	779.86
13	Haryana	367.34	346.55
14	Himachal Pradesh	52.36	16.41
15	Jammu And Kashmir	103.03	41.04
16	Jharkhand	118.17	94.62
17	Karnataka	778.89	843.48
18	Kerala	143.88	117.51
19	Lakshadweep	0.30	-
20	Madhya Pradesh	183.27	282.04
21	Maharashtra	2,013.02	2,222.20
22	Manipur	6.28	11.72
23	Meghalaya	5.63	7.55
24	Mizoram	1.07	0.08
25	Nagaland	0.96	0.92
26	NEC/ Not Mentioned	-	6.72
27	Odisha	618.91	311.95
28	Puducherry	6.35	7.48
29	Punjab	69.05	67.18
30	Rajasthan	493.96	318.89
31	Sikkim	1.89	4.87
32	Tamil Nadu	615.71	470.51
33	Telangana	254.02	221.27
34	Tripura	1.47	1.25
35	Uttar Pradesh	417.13	312.72
36	Uttarakhand	72.42	94.65
37	West Bengal	411.71	274.71
38	PAN India*	4,783.26	4,867.45
	Grand Total	14,366.29	13,464.30

* Companies either did not specify the names of States or indicated more than one State where projects were undertaken. This is on the basis of disclosures made by the companies in their e-Form AOC-4.

6.8.14 Sector-wise CSR expenditure during Financial Year 2015-16 and 2016-17 is given below in Table 6.7:

Table 6.7
Sector-wise CSR expenditure during Financial Year 2015-16 and 2016-17
(in ₹ crore)

SI. No.	Sectors	2015 -16	2016 -17
1	Health/ Eradicating Hunger/ Poverty and malnutrition/ Safe drinking water / Sanitation	4,545.00	3,396.88
2	Education/ Differently Abled/ Livelihood	4,881.26	5,123.66
3	Rural development	1,427.14	1550.24
4	Environment, Animal Welfare, Conservation of Resources	905.62	1239.52
5	Swachh Bharat Kosh	324.73	165.09
6	Any Other Funds	326.89	412.4
7	Gender equality / Women empowerment / Old age homes / Reducing inequalities	337.45	434.78
8	Prime Minister's National Relief Fund	213.7	150.71
9	Encouraging Sports	137.58	172.56
10	Heritage Art and Culture	117.58	296.86
11	Slum Area Development	14.31	49.8
12	Clean Ganga Fund	32.65	24.23
13	Other Sectors (Technology Incubator And Benefits To Armed Forces, Admin Overheads and others**)	1,102.38	447.57
	Total Amount (in Rs. Crore)	14,366.29	13,464.30

** Not specified

Corporate Data Management (CDM)

6.9.1 Corporate Data Management (CDM) is a Central Sector Plan Scheme initiated by the Ministry in the Financial Year 2015-16. It envisages to create an in-house data mining and analytics facility with the objective of disseminating corporate sector data in a structured manner. It provides a forward

linkage to MCA21 data repository by fetching data in a transactional system into a data warehouse system. The objectives of CDM include: (a) disseminating shareable information, in unit-level format and tabular forms; (b) sharing of customized information for policy making and regulatory purposes of MCA as well as other government departments, regulatory bodies,

enforcement agencies; and (c) enhancing and institutionalizing Ministry's in-house capabilities for corporate Data Mining and Information Management to support decision making.

6.9.2 This project is contemplated to generate various statistical reports such as time series data, cross section data, panel data etc. on Indian Corporate Sector Performance Sector Performance. In addition, this project has been expanded to facilitate monitoring of compliance and regulation by the Ministry.

6.9.3 The annual statutory filings (in electronic mode) of companies since the year 2006-07 up to 30th June, 2018 have been loaded in the CDM warehouse database.

R&A Division

6.10.1 R&A Division is responsible for administrating the "Funding of Research and Studies, Workshops and Conferences, etc." component under the Corporate Data Management (CDM) scheme. The details of this component of CDM Scheme are available on the MCA's website (www.mca.gov.in). Some of the topics on which research proposal are invited are:-

- a) Performance of One Person Companies (OPC);
- b) Effectiveness of important provisions of Companies Act, 2013 such as companies incorporated under Section 8 of the Act (Section 25 of Companies Act, 1956) for Charitable Objects;

- c) Effectiveness of Investor protection and Investor Education;
- d) Performance of Corporates (across states, sector and size etc.);
- e) Effectiveness of Competition Law and practice;
- f) Corporate Debt structure and leveraging;
- g) Analysis of utilization of funds mobilized by Corporates through IPOs etc.;
- h) Ease of Doing Business: Sub-indices within the ease of doing business index which directly pertains to corporate sector i.e. (i) Starting a business, (ii) protecting minority investors and (iii) insolvency resolution;
- i) Issues relating to emergence of Producer Companies in India.

6.10.2 All such research proposals are considered by the Technical Committee under the Chairmanship of Economic Adviser which deliberates on them and recommends for approval accordingly. A total of 14 research proposals were considered during the year 2017 and 2018 for grant in aid under the CDM Plan Scheme.

6.10.3 Three research studies on various topics of interest to the Ministry have been completed during the period. They are, (i) Assessment of credit stress in the Indian Corporate Sector, (ii) Impact Assessment of CSR Disclosure on Corporate Governance Mechanisms (iii) Formative research on CSR Implementation under Section 135 of

Companies Act, 2013: Coverage and emerging issues.

6.10.4 A team of Young Professionals have also been engaged for internal research. Research papers on Non-Performing Assets (Twin Balance-sheet problem of Corporates and Banks), and Public Deposits have already been prepared. Few more research papers will be prepared with their help in R&A Division in future as an ongoing exercise to help provide research inputs to the Ministry for taking policy decisions and changes.

National Foundation for Corporate Governance

6.11.1 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), and Institute of Chartered Accountants of India (ICAI) and Institute of Company Secretaries of India (ICSI). The Institute of Cost and Works Accountants of India (now Institute of Cost Accountants of India), National Stock Exchange of India Limited (NSE) and Indian Institute of Corporate Affairs (IICA) have also been inducted as members of the NFCG.

6.11.2 The basic objective of the Foundation is to promote good corporate governance practices amongst the Indian Corporate Sector as the key to sustainable wealth creation. The Governing Council of NFCG works at the apex level for policy making which is chaired by the Minister of Corporate Affairs.

6.11.3 The activities conducted under the aegis of NFCG include seminars and conferences on subject related to corporate governance, research activities on corporate governance practices in Indian companies etc. NFCG also functions as a platform to harmonize various initiatives on corporate governance at the national level and remains in contact with similar organizations across the world.

6.11.4 During the period from 1st December, 2017 to 30th November, 2018, twenty one seminars/orientation programs and three research works on Corporate Governance and related subjects, have been organized/completed by NFCG or partner and accredited institutions under the aegis of NFCG.

Vigilance

6.12.1 Vigilance Wing obtains factual information with regard to various complaints received against the employees of the Ministry, conducts preliminary enquiry against the employees alleged for involvement in corruption. Deals with various disciplinary matters involving vigilance angle and administrative angle such as Suspension, Regular Departmental Action, Sanction for prosecution, court cases, etc. It also makes efforts to streamline the existing procedures so as to minimize the scope of corruption and to ensure probity among government servants. Towards this end, various instructions based on the result of complaints and case studies on disciplinary proceedings instituted/conducted against officers/officials of the

Ministry, as a matter of preventive vigilance so as to avoid repetition of similar misconduct by other employees of the Ministry, have been issued.

Rashtra-Bhasha

6.13.1 The Ministry has an Official Language Implementation Committee (OLIC), chaired by the Joint Secretary (General Administration), to monitor the implementation of the Official Language Policy of the Union Government and the progressive use of Hindi in the official work of the Ministry. During the year under report, quarterly meetings of the OLIC were held regularly in accordance with the guidelines issued by the Department of Official Language.

6.13.2 The Official language Section continues to review the position of the progressive use of Hindi in the Ministry and subordinate offices regularly through quarterly progress reports, inspections and translation of documents issued under section 3(3) of Official Language Act. Besides, officers of the Official language Section also participated in the meetings of the OLIC of the Attached and Subordinate offices, etc., and extended necessary guidance to them in the implementation of the Official Language Act and Rules.

6.13.3 With a view to create awareness regarding the use of Hindi in the official work of the Ministry, a Hindi Fortnight was held from the 1st - 15th September, 2018. On this occasion, the Hon'ble Minister of Corporate Affairs issued an appeal to all officers and staff of the Ministry to perform

their official work more in Official Language. During the Hindi Fortnight, various Hindi competitions, such as essay writing, noting and drafting, translation and vocabulary, poetry recitation, debate and dictation were organized, and a large number of employees participated in these competitions. Cash awards and certificates of appreciation were given to the winners of these competitions.

6.13.4 The First Sub-Committee of the Committee of Parliament on Official Language conducted Inspections in respect of two offices of the Ministry to review the position regarding the progressive use of Hindi during the year. The officers of this Ministry were also present in these Inspection meetings.

6.13.5 Employees proficient in Hindi were deputed to undergo training in Hindi workshops organized by the Official Language Section from time to time for further enhancement of Official Language.

Infrastructure Section

6.14.1 Infrastructure Section has been playing a vital role towards providing better infrastructure to field offices of the Ministry by acquiring land, constructing buildings on the purchased land, purchasing built up office space and renovating and furnishing of these built up office space to give face lift. During the period from 1st December, 2017 to 30th November, 2018, Infrastructure Section has carried out the following work:

- (a) Renovation of the premises of IBBI at 7th Floor of Mayur Bhawan, New Delhi through M/s NBCC Limited;

- (b) Renovation of the premises of B-1,B-3 and B-4 Wings of Pt. Deen Dayal Antyodaya Bhawan, CGO Complex, Lodi Road, New Delhi for NCLAT through M/s UTIITSL;
- (c) Renovation of the premises of NCLT Benches at Kochi, Cuttack and Jaipur,
- (d) Repair/renovation of Corporate Bhawan, Jaipur through M/s UTIITSL,
- (e) Started construction of Corporate Bhawan at Thaltej, Ahmedabad through M/s NBCC Limited;
- (f) Undertook renovation work at the accommodation hired at Vijayawada for setting up of RoC, Andhra Pradesh at Vijayawada,
- (g) Undertook renovation work at the accommodation hired at Dehradun for setting up of RoC at Uttarakhand,
- (h) Carried out renovation works at the office spaces hired at Coimbatore and Pune for the offices of RoC.
- (i) Approved the Layout Plan and

preliminary estimates in respect of Corporate Bhawan, Kolkata.

Citizen's/Client's Charter

6.15.1 The Ministry of Corporate Affairs, being a regulatory Ministry, has regular public interactions for performing its regulatory functions, which most often take form of rendering its services to various stakeholders. The Ministry has posted a detailed Citizen's/Client's Charter, accessible on its website. In this Charter, the Ministry has given a detailed list of services/transactions, processes involved, requisite documents and fees applicable in its Citizen's Charter. It has also set the standards of performance/time limits against each of the services/transactions. The same is at **Annexure-VI** of this Report.

6.15.2 In case anyone has a complaint regarding provision of services, he/she can: (a) inform the Ministry's Public Grievance Officers as given in **Table 6.8** and (b) register the grievance on the portal: <http://pgportal.gov.in/>

Table 6.8
Public Grievance Officers

SL No.	Nature of Grievances/ Complaints	Name and address of Public Grievance officer	Landline	E-mail	Mobile No.
1	Investor Grievance	Shri Alok Samant Rai, DGCoA, Kota House Annexe, 1, Sahjahan Road, New Delhi-110011.	Tel. 011-23381226	alok.samantarai@mca.gov.in	9958625118

SL No.	Nature of Grievances/ Complaints	Name and address of Public Grievance officer	Landline	E-mail	Mobile No.
2	Other Grievances/ Complaints	Shri A. AsholiChalai, Joint Secretary, Room No. 513 , B-Wing, ShastriBhawan, New Delhi	Tel 23389785 Fax 23074212	asholi.chalai@nic.in	9868140630
3	Grievances/ Complaints related to MCA21	Shri Ashish Kushwaha, Director Room No. 514, A-Wing, Shastri Bhawan, New Delhi	Tel. 23070954	ashish.kushwaha@mca.gov.in	9869062255

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

6.16.1 The representation of Scheduled Castes (SCs), Scheduled Tribes (STs) and

Other Backward Classes (OBCs) in the Ministry working in field offices and headquarters under the administrative control of Administration I and II Section is shown in **Table 6.9**.

Table 6.9
Representation of SCs, STs and OBCs in the Headquarter and Field Offices
(As on November, 2018)

Group	In position	UR	SC	ST	OBC
A	234	116	42	23	53
B	427	216	91	43	77
C	312	137	82	28	65
TOTAL	973	469	215	94	195

Investor Grievance Management Cell

6.17.1 The Ministry received 7,334 grievance petitions from the investors/depositors on the CPGRAMS Portal during the period 1st December, 2017 to 12th November, 2018. As on 12th November, 2018 a total of 7,188 grievances were resolved with subordinate office.

6.17.2 Further, IGM Section received 720 off-line grievances out of which 417 grievances pertaining to other agencies & ministries were sent to respective offices such as SEBI, RBI, Ministry of Finance (Banking Division, Capital Market Division) Department of Revenue, Ministry of Labour & Employment, IRDA, Department of Public Enterprises etc. and remaining 303 grievances pertaining to MCA were sent to

different sections of MCA & its subordinate offices/the respective authorities for necessary action.

Right To Information

6.18.1 MCA is a Public Authority under the provisions of the Right to Information Act, 2005. In order to comply with the provisions of the Right to Information Act, 2005, the Ministry has made arrangements under this Act.

6.18.2 In order to fulfil the obligations and provisions under section 4(1)(b) of the Right to Information Act, 2005, updated information has been uploaded on the website (www.mca.gov.in) of the Ministry along with brief description of subject matters dealt by various Sections/ Divisions/Cells of the Ministry. This information is being kept in the public domain and is updated regularly. Designated officers of the Ministry have been nominated and have been declared as the Central Public Information Officers (CPIOs) and the Appellate Authorities (AAs) in addition to their allotted work. Field offices under this Ministry have also been declared

as Public Authorities under the Right to Information Act. Applications/appeals under right to information are also being received through Central Assistant Public Information Officers (CAPIOs) nominated at Sub-Divisional level or Sub-District level by the Department of Posts. Further, most of the Public Authorities of MCA have been aligned with the RTI-MIS Portal which facilitate the citizens to make applications and appeals online.

6.18.3 Similarly, arrangements to implement proactive disclosure have been made by other Public Authorities under the ambit of MCA, viz. National Company Law Tribunal, Competition Commission of India, Serious Fraud Investigation Office, Indian Institute of Corporate Affairs, National Company Law Appellate Tribunal, Institute of Chartered Accountants of India, Institute of Cost Accountants of India and Institute of Companies Secretaries of India.

6.18.4 The statistics in respect of applications and appeals received under the Right To Information in MCA (Hqrs.) from 1st December, 2017 to 31st October, 2018 are given below at **Table 6.10**:

Table 6.10
Details of RTI Requests and Appeals from 1st December, 2017 to 31st October, 2018)

1.	Total no. of applications received	1,973
2.	Transferred to other Public Authorities	929
3.	Decisions where requests for information were rejected	8
4.	Total no. of appeals received	131
5.	No. of cases where disciplinary action was taken against any officer in respect of administration of the Act	Nil
6.	No. of cases where CIC imposed penalty	Nil

Budget of the Ministry 2018-19 (up to 27th December, 2018)

6.19.1 The details of the Revenue Receipts and Expenditure (Capital and Revenue) of the Ministry are given below (Table 6.11 and Table 6.12).

Table 6.11
Revenue Receipts

(₹ in crore)

2014-15	2015-16	2016-17	2017-18	2018-19 (As on 27.12.2018)
2268.18	1871.33	1985.83	2350.01	1617.58

Table 6.12
Expenditure (Plan & Non-Plan)

(₹ in crore)

	Actual Expenditure 2017-18	Budget Estimate 2018-19	Revised Estimate 2018-19	Actual Expenditure 2017-18 (Upto 27.12.2018)
Revenue	505.63	567.66*	558.98	302.40
Capital	20.79	26.50	36.00	25.12
Total	526.42	594.16	594.98	327.52

* Includes 0.01 crore supplementary obtained through First batch of Supplementary Demands.

International Cooperation

6.20.1 The achievements/activities of International Cooperation Section during the period 1st December, 2017 to 1st November 2018 are as follows:-

i. Ex-post facto approval of the Memorandum of Understanding (MoU) signed in 2014 and approval for renewal of MoU between the Institute of Chartered Accountants of India (ICAI) and Saudi Organisation for Certified Public Accountants (SOCPA) in Saudi Arabia was

approved by the Cabinet on 4th July, 2018.

ii. MoU between the ICAI and National Board of Accountants and Auditors (NBAA), Tanzania was approved by the Cabinet on 18th July, 2018.

iii. Ex-post facto approval of the Mutual Recognition Agreement (MRA) signed in 2010 and approval for fresh MRA between the ICAI and the Institute of Certified Public Accountants (CPA Ireland) was approved by the Cabinet on 18th July, 2018.

- iv. MoU between the ICAI and Bahrain Institute of Banking and Finance (BIBF), Bahrain was approved by the Cabinet on 18th July, 2018.
- v. MoU between ICAI and Institute of Certified Public Accountants Kenya (ICPAK) was approved by the Cabinet on 26th September, 2018.
- vi. MoU between the ICAI and Certified Professional Accountants Afghanistan (CPA Afghanistan) was approved by the Cabinet on 24th October, 2018.

Competition Section

6.21.1 MCA vide Order No.COMP-07/10/2017-COMP-MCA dated 1st June, 2018 has constituted an Inter-Ministerial Committee for carrying out “Competition Assessment of existing policies” under the chairmanship of Shri. Ramesh Abhishek, Secretary, Department of Industrial Policy and Promotion with representation from seven other Ministries/ Organizations. The prime focus of the Committee is to conduct a review of select Acts/Rules/Policies/Regulations formulated in the recent past and some upcoming acts to look into issues of anti-competition aspects and to focus on any restrictions/provisions in laws that pose great threat to competition. The tenure of the Committee has been further extended for final discussion of the inputs received from several Departments/ Institutions/ Ministries etc.

6.21.2 In pursuance of its objective to ensure that Legislation is in sync with the needs of strong economic fundamentals, the Government constituted a Competition Law Review Committee vide its Order No.5/9/2017-CS dated 1st October, 2018. The prime agenda of the Committee is to review the Competition Act/ Rules/ Regulation in view of the changing business environment and bring necessary changes. The tenure of the Committee is three months i.e 31st January, 2019.

6.21.3 In order to cater to the needs of the shipping industry for optimally utilizing capacities of cargo-vessels and reduce operational cost, the Government exempted the Vessels Sharing Agreement of Liner shipping industry from the provisions of Section 3 of the Competition Act, for a period of three years w.e.f. 4th July, 2018.

National Financial Reporting Authority

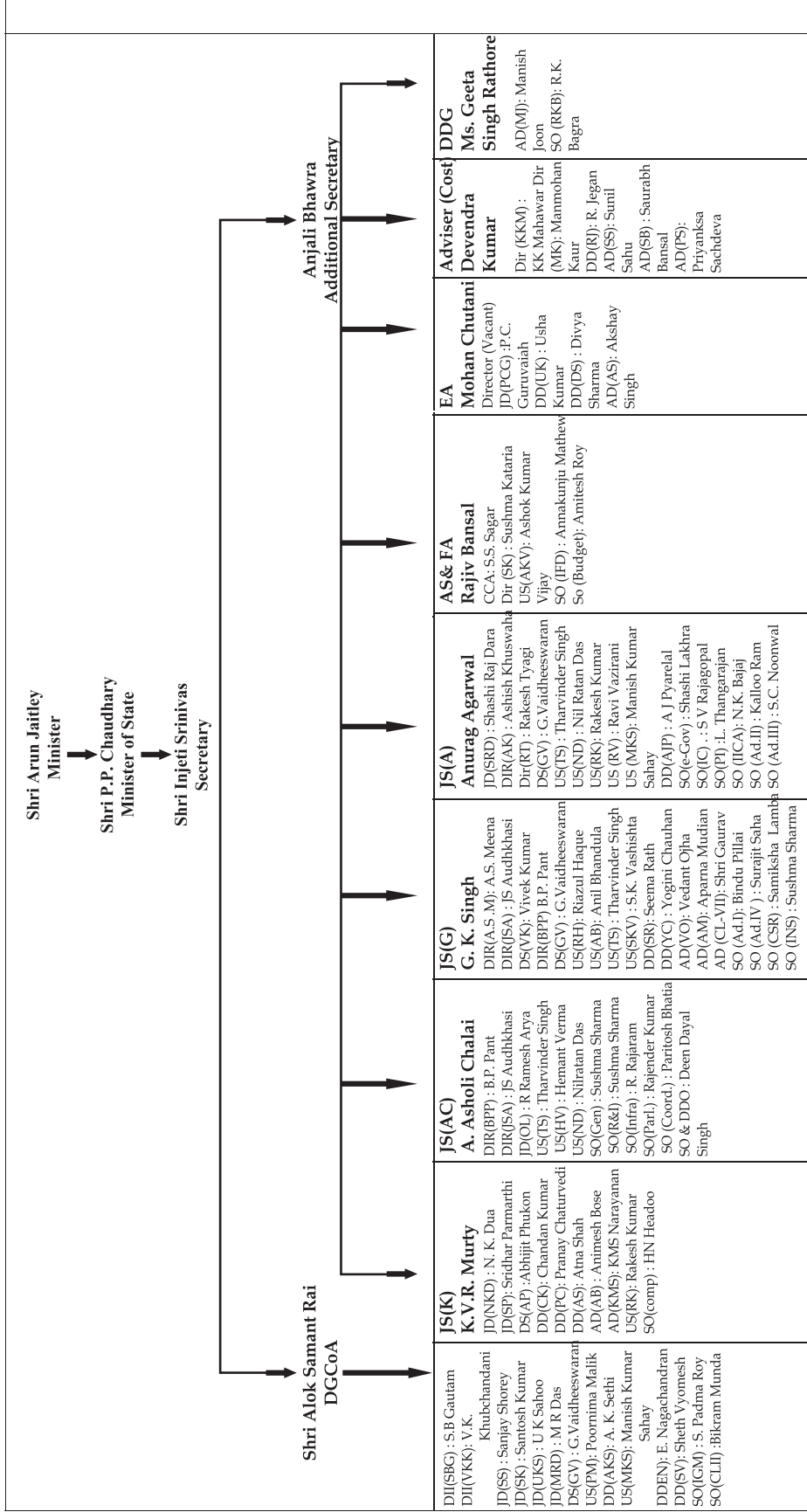
6.22.1 The Government vide notification no. 5099(E) had constituted National Financial Reporting Authority (NFRA) on 1st October, 2018. In pursuance to the approval of the Appointment Committee of Cabinet (ACC), the Government have appointed the Chairperson and one full-time Member in the Authority. Under sub-section 2 & 4 of Section 132 of the Companies Act, 2013, the Government vide notification G.S.R. No. 1111(E) dated 13th November, 2018 notified the National Financial Reporting Authority Rules, 2018.



ANNEXURES

(I TO VI)

Organisation Chart



Annexure-I

Chief Vigilance Officer: Gyaneshwar Kumar Singh
Web Master: Ashish Khushwaha, Director Welfare
Officer : Tharvinder Singh, US

**List of notified designated Special Courts
for various States/UTs**

Sl. No.	Existing Court	Jurisdiction as Special Court
(1)	(2)	(3)
1	Courts of Additional Special Judge, Anti- Corruption at Jammu and Srinagar	State of Jammu and Kashmir
2	Presiding Officers of Court No's. 37 and 58 of the City Civil and Sessions Court, Greater Mumbai	State of Maharashtra
3	Court of Principal District and Sessions Judge, Union territory of Dadra and Nagar Haveli at Silvassa.	Union Territories of Dadra and Nagar Haveli and Daman and Diu.
4	Court of District Judge-1 and Additional Sessions Judge, Panaji.	State of Goa
5	Court of Principal District and Sessions Judge, Ahmedabad (Rural), situated at Mirzapur, Ahmedabad.	State of Gujarat
6	9 th Additional Sessions Judge, Gwalior Madhya Pradesh.	State of Madhya Pradesh
7	Court of Additional District and Session Judge, Port Blair, Andaman and Nicobar Islands.	Union territory of Andaman and Nicobar Islands.
8	2 nd Special Court, Calcutta.	State of West Bengal
9	Court of Additional Sessions Judge-03 South West District, Dwarka	National Capital Territory of Delhi
10	Sessions Judge, Bilaspur	State of Chhattisgarh
11	Court of Special Judge, (Sati Niwaran) Jaipur	State of Rajasthan
12	Court of Sessions Judge and 2 nd Additional Sessions Judge, S.A.S. Nagar	State of Punjab

Sl. No.	Existing Court	Jurisdiction as Special Court
(1)	(2)	(3)
13	Court of Sessions Judge and 2 nd Additional Sessions Judge, Gurgaon	State of Haryana
14	Court of Sessions Judge and 2 nd Additional Sessions Judge, Chandigarh	Union Territory of Chandigarh
15	I Additional District and Sessions Court, Coimbatore	Districts of Coimbatore, Dharmapuri, Dindigul, Erode, Krishnagiri, Namakkal, Nilgiris, Salem and Tiruppur.
16	II Additional District and Sessions Court, Puducherry	Union Territory of Puducherry
17	Sessions Judge, Imphal East	State of Manipur
18	Court of District and Sessions Judge, Shillong.	State of Meghalaya
19	Special Court for trial of Economic Offences cum-VIII Additional Metropolitan Sessions Judge Court- cum-XXII Additional Chief Judge, City Civil Court, Hyderabad	State of Telangana
20	Court of IV Additional District Judge- cum-II Additional Metropolitan Sessions Judge, Visakhapatnam	State of Andhra Pradesh
21	Court of Additional District and Sessions Judge, Patna	State of Bihar
22	XV Additional Court, XVI Additional Court of City Civil Court, Chennai	State of Tamil Nadu except Districts of Coimbatore, Dharmapuri, Dindigul, Erode, Krishnagiri, Namakkal, Nilgiris, Salem and Tiruppur.
23	LIX Additional City Civil and Sessions Judge Bengaluru City	State of Karnataka.
24	Additional District and Sessions Court VII, Ernakulam	State of Kerala
25	District and Sessions Court, Kavaratti	District and Sessions Court, Kavaratti

Sl. No.	Existing Court	Jurisdiction as Special Court
(1)	(2)	(3)
26	District and Sessions Judge, Cuttack	State of Odisha
27	Additional District and Sessions Juge, No.1 Kamrup (M), Guwahati	State of Assam
28	9 th Court of Additional District and Sessions Judge, Kanpur Nagar.	State of Uttar Pradesh.
29	Court of District and Session Judge at Kohima	State of Nagaland
30	Court of District and Session Judge at Aizawl	State of Mizoram
31	West Session Division, Yupia	State of Arunachal Pradesh

Notifications
Notification (1st December, 2017 to 31st October, 2018)

Sl. No.	Notification Number	Date	Subject
1	S.O. No. 3804(E)	04.12.2017	Designation of Special Court for the State of Karnataka with the concurrence of the Chief Justice of the High Court of Karnataka, for providing speedy trial of offences punishable with imprisonment of two years or more under the Companies Act, 2013.
2	G.S.R. No. 1480(E)	04.12.2017	Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015
3	G.S.R. No. 1498(E)	07.12.2017	Companies (cost records and audit) Amendment Rules, 2017
4	G.S.R. No. 1526(E)	20.12.2017	Companies (cost records and audit) Second Amendment Rules, 2017
5	G.S.R. No. 48(E)	20.01.2018	Companies (Registration Offices and Fees) Rules, 2014.
6	G.S.R. No. 49(E)	20.01.2018	Companies (Incorporation) Rules, 2014
7	G.S.R. No.51(E)	22.01.2018	Companies (Appointment and Qualification of Directors) Rules, 2014
8	G.S.R. No.351(E)	23.01.2018	The provisions of section 1 and section 4 of the Companies (Amendment) Act, 2017 has been brought into force
9	S.O. No. 528(E)	05.02.2018	Designation of Special Courts for the State of Kerala, Odisha, Assam and Union Territory of Lakshadweep, for providing speedy trial of offences punishable with imprisonment of two years or more under the Companies Act, 2013.

Sl. No.	Notification Number	Date	Subject
10	S.O.No.529(E)	05.02.2018	A notification was issued whereby the Government companies meeting the specified criteria have been exempted from the provisions of AS 22/Ind AS 12 regarding recognition of deferred tax assets/deferred tax liability for 7 seven years w.e.f. 01.04.2017.
11	G.S.R.No. 155(E)	09.02.2018	Companies (Registered Valuers and Valuation) Rules, 2017
12	S.O. 630(E)	09.02.2018	43 sections of the Companies (Amendment) Act, 2017 has been brought into force
13	G.S.R. No. 173(E)	16.02.2018	Companies (Authorized to Register) Rules, 2014
14	G.S.R. No. 174(E)	16.02.2018	Companies (Audit and Auditors) Rules, 2014
15	G.S.R. No. 175(E)	16.02.2018	Companies (Management and Administration Rules, 2014
16	S.O.No.802(E)	23.02.2018	A notification was issued whereby the Government companies engaged in defence production have been exempted from application of relevant accounting standard on segment reporting.
17	G.S.R. No. 191(E)	27.02.2018	Companies (Accounts) Rules, 2014
18	S.O.No.1023(E)	08.03.2018	Section 210A of the Companies Act, 1956-nominees of ICAI, ICSI and RBI on NACAS
19	G.S.R. No. 213(E)	08.03.2018	Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015
20	S.O.No.1316(E)	21.03.2018	Commencement of the provisions of sub section (3) and (11) of Section 132 relating to creation of post of Chairman, Member and Secretary of NFRA.

Sl. No.	Notification Number	Date	Subject
21	G.S.R. No. 262(E)	21.03.2018	National Financial Reporting Authority (Manner of Appointment and other Terms and Conditions of Service of Chairperson and Members) Rules, 2018
22	G.S.R. No. 284(E)	23.03.2018	Companies (Incorporation) Rules, 2014
23	G.S.R. 310(E)	28.03.2018	Companies (Indian Accounting Standards) Rules, 2015
24	S.O. 1465(E)	02.04.2018	Amendment in the notification S.O. No. 529(E) dated the 05.02.2018.
25	G.S.R. 362(E)	10.04.2018	Amendment in Schedule I of the Companies Act, 2013
26	G.S.R. 363(E)	10.04.2018	Amendment in Companies (Share Capital and Debentures) Rules, 2014
27	S.O. 1592(E)	12.04.2018	In exercise of the powers conferred by clause (ii) of sub-section (11) of section 3 of the Companies Act, 2013
28	S.O. 1710(E)	23.04.2018	Designation of Special Court for the State of Uttar Pradesh
29	S.O. 1833(E)	07.05.2018	In exercise of the power conferred by Sub-Section 1 of the Companies (Amendment) Act, 2017-Commencement of the provisions of the said Act.
30	G.S.R. 429(E)	07.05.2018	Amendment in Companies (Meeting of Board and its Powers) Rules, 2014
31	G.S.R. 430(E)	07.05.2018	Amendment in Companies (Prospectus and Allotment of Securities) Rules, 2014
32	G.S.R. 431(E)	07.05.2018	Amendment in Companies (Appointment and Qualification of Directors) Rules, 2014
33	G.S.R. 432(E)	07.05.2018	Amendment in Companies (Audit and Auditors) Rules, 2014

Sl. No.	Notification Number	Date	Subject
34	G.S.R. 433(E)	07.05.2018	Amendment in Companies (Specification of Definitions Details) Rules, 2014
35	G.S.R. 434(E)	07.05.2018	Amendment in Companies (Share Capital and Debentures) Rules, 2014
36	G.S.R. 435(E)	07.05.2018	Amendment in Companies (Registration Offices and Fees) Rules, 2014
37	G.S.R. 461(E)	17.05.2018	Amendment in notification no. G.S.R. 432(E) dated the 07.05.2018
38	S.O. 2422(E)	13.06.2018	Provisions of the Companies (Amendment) Act, 2017 has been brought into force
39	S.O. 3020(E)	21.06.2018	Corrigendum by replacing "Section 22" with "clause (iii) of Section 21 and Section 22".
40	G.S.R. 557(E)	12.06.2018	Amendment in Limited Liability Rules, 2009.
41	G.S.R. 558(E)	13.06.2018	Amendment in Companies (Appointment and Qualification of Directors) Rules, 2014
42	G.S.R. 559(E)	13.06.2018	Amendment in Companies (Registered Valuers and Valuation) Rules, 2017
43	G.S.R. 560(E)	13.06.2018	Amendment in Companies (Management and Administration) Rules, 2014
44	G.S.R. 561(E)	13.06.2018	Companies (Significant Beneficial Owners) Rules, 2018
45	G.S.R. 569(E)	18.06.2018	Amendment in Companies (Accounting Standards) Rules, 2006
46	S.O. 3299(E)	05.07.2018	Commencement of Section 20 of the Companies (Amendment) Act, 2017
47	S.O. 3300(E)	05.07.2018	Section 15, 16, 75 and 76 of the Companies (Amendment) Act, 2017 has been brought into force
48	G.S.R.616(E)	05.07.2018	Amendment in Companies (Registration Offices and Fees) Rules, 2014

Sl. No.	Notification Number	Date	Subject
49	G.S.R.615(E)	05.07.2018	Amendment in Companies (Appointment and Qualification of Director) Rules, 2014
50	G.S.R.614(E)	05.07.2018	Amendment in Companies (Registration of Charges) Rules, 2014
51	G.S.R.613(E)	05.07.2018	Amendment in Companies (Authorised to Register) Rules, 2014
52	G.S.R.612(E)	05.07.2018	Amendment in Companies (Authorised to Register) Rules, 2014
53	G.S.R.708(E)	27.07.2018	Amendment in Companies (Incorporation) Rules, 2014
54	S.O.3684(E)	27.07.2018	Section 5 and 6 of the Companies (Amendment) Act, 2017 has been brought into force
55	S.O.725(E)	31.07.2018	Amendment in Companies (Accounts) Rules, 2014
56	S.O.3838(E)	31.07.2018	Section 36 of the Companies (Amendment) Act, 2017 has been brought into force
57	S.O.3921(E)	07.08.2018	Section 10 of the Companies (Amendment) Act, 2017 has been brought into force
58	G.S.R.752(E)	07.08.2018	Amendment in Companies (Prospectus and Allotment of Securities) Rules, 2014
59	G.S.R.797(E)	21.08.2018	Amendment in Companies (Registration Offices and Fees) Rules, 2014
60	G.S.R.798(E)	21.08.2018	Amendment in Companies (Appointment and Qualification of Director) Rules, 2014
61	S.O. 4285(E)	05.09.2018	Designation of Special Court for the State of Nagaland, Mizoram and Arunachal Pradesh.
62	G.S.R. 853 (E)	10.09.2018	Amendment in Companies (Prospectus and Allotment of Securities) Rules, 2014

Sl. No.	Notification Number	Date	Subject
63	S.O. 4823(E)	12.09.2018	Section 66 to 70 (both inclusive) of the Companies (Amendment) Act, 2017 has been brought into force
64	G.S.R. 875(E)	12.09.2018	Amendment in Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
65	S.O. 4822(E)	12.09.2018	Amendment in Schedule V of the Companies Act, 2013
66	S.O. 896(E)	18.09.2018	Amendment in Limited Liability Partnership Rules, 2009
67	S.O. 895(E)	19.09.2018	Section 37 of the Companies (Amendment) Act, 2017 has been brought into force
68	G.S.R.905(E)	20.09.2018	Amendment in Companies (Registration Offices and Fees) Rules, 2014
69	G.S.R.903(E)	20.09.2018	Amendment in Companies (Indian Accounting Standards) Rules, 2015
70	G.S.R.904(E)	20.09.2018	Amendment in Companies (Appointment and Qualification of Director) Rules, 2014
71	G.S.R.925(E)	25.09.2018	Amendment in Companies (Registered Valuers and Valuation) Rules, 2017
72	S.O. 5099(E)	01.10.2018	Constitution of National Financial Reporting Authority.
73	S.O. 5098(E)	01.10.2018	Sub-sections (1) and (12) of Section 132 of Companies Act, 2013 relates to constitution of National Financial Reporting Authority has been brought into force.
74	G.S.R. 1022(E)	11.10.2018	Amendment in Schedule II to the Companies Act, 2013
75	S.O. 5385(E)	24.10.2018	Sub-sections (2), (4), (5), (10), (13), (14) and (15) of Section 132 of Companies Act, 2013 relates to constitution of National Financial Reporting Authority has been brought into force.

Sl. No.	Notification Number	Date	Subject
76	S.O. 5457(E)	26.10.2018	Establishment of O/o The Registrar of Companies-at Vijayawada.
77	S.O. 5458(E)	26.10.2018	Establishment of O/o The Registrar of Companies-cum-Official Liquidator at Dehradun.
78	S.O. 5459(E)	26.10.2018	Amendment in Companies (Adjudication of Penalties) Rules, 2014.

General Circulars 1st December, 2017 to 31st October, 2018

Sl. No.	Circular Number	Date	Subject
1	15/2017	04.12.2017	Relaxation of additional fees and extension of last date of filing of Form CRA.4 under the Companies Act, 2013
2	16/2017	29.12.2017	Condonation of Delay Scheme 2018
3	01/2018	28.03.2018	Relaxation of additional fees and extension of last date of filing of AOC-4 XBRL E-Forms using Ind AS under the Companies Act, 2013
4	02/2018	28.03.2018	Condonation of Delay Scheme 2018
5	04/2018	27.04.2018	Relaxation of additional fees and extension of last date of filing of AOC-4 XBRL E-Forms using Ind AS under the Companies Act, 2013
6	05/2018	17.05.2018	Clarification-Condonation of Delay Scheme, 2018
7	07/2018	06.09.2018	Relaxation of additional fees and extension of last date of filing Form BEN-2.
8	08/2018	10.09.2018	Clarification in filing BEN-1 under CA 2013
9	09/2018	05.10.2018	Relaxation of additional fees and extension of last date of in filling of forms MGT-7(Annual Return) and AOC-4 Financial Statement Under the companies Act, 2013-State of Kerala-reg.
10	10/2018	30.10.2018	Relaxation of additional fees and extension of last date of in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013.

List of the Benches of National Company Law Tribunal

Sl. No	Title of Bench	Location	Territorial Jurisdiction of the Bench
1.	(a) NCLT, Principal Bench. (b) NCLT, New Delhi Bench	Block No. 3, Ground Floor, 6 th , 7 th & 8 th Floor, CGO Complex Lodhi Road, New Delhi-11000	(1) Union Territory of Delhi
2	NCLT Ahmedabad Bench	Anand House, Ground Floor, 1 st & 2 nd Floor, SG Highway, Thaltej, Ahmedabad-380054	(1) State of Gujarat (2) State of Madhya Pradesh (3) Union Territory of Dadra and Nagar Haveli (4) Union Territory of Daman and Diu
3	NCLT Allahabad Bench	9 th Floor, Sangam Place, Civil Lines Allahbad-211001	(1) State of Uttar Pradesh (2) State of Utrtrakhand
4	NCLT Bengaluru Bench	Corporate Bhawan, 12 th Floor, Raheja Towers, M.G., Road, Bengaluru-560001	(1) State of Karnataka
5	NCLT Chandigarh Bench	Ground Floor, Corporate Bhawan, Sector-27 B, Madhya Marg, Chandigarh-160019	(1) State of Himachal Pradesh (2) State of Jammu and Kashmir (3) State of Punjab (4) Union Territory of Chandigarh (5) State of Haryana
6	NCLT Chennai Bench	Corporate Bhawan (UTI Building), 3 rd Floor, No. 29 Rajaji Salai, Chennai-600001	(1) State of Tamil Nadu (3) Union Territory of Puducherry
7	NCLT Guwahati Bench	4 th Floor, Prithvi Planet Behind	(1) State of Arunchal Pradesh (2) State of Assam

Sl. No	Title of Bench	Location	Territorial Jurisdiction of the Bench
		Hanuman Mandir, G.S. Road, Guahati-781007	(3) State of Manipur (4) State of Mizoram (5) State of Meghalaya (6) State of Nagaland (7) State of Sikkim (8) State of Tripura
8	NCLT Hyderabad Bench	Corporate Bhawan, Bandlaguda Tattiannaram Village, Hayatnagar Mandal, Rangareddy District, Hyderabad-500068	(1) State of Andhra Pradesh (2) State of Telangana
9	NCLT Kolkata Bench	5, Esplanade Row (West), Town Hall Ground and 1 st Floor Kolkata-700001	(1) State of Bihar (2) State of Jharkhand (3) State of West Bengal (5) Union Territory of Andaman and Nicobar Island
10	NCLT Mumbai Bench	6 th Floor, Fountain Telecom Building No.1, Near Central Telegraph, M.G. Road, Mumbai-400001	(1) State of Maharashtra (3) State of Goa
11	NCLT ¹ Jaipur Bench	Corporate Bhawan, Residency Area, Civil Lines, Jaipur-302001	(1) State of Rajasthan
12	NCLT Cuttack Bench ²	Corporate Bhawan, CDA, Sector-1 Cuttack-753014	(1) State of Odisha (2) State of Chhattisgarh.
13	NCLT Kochi Bench ³	Kunnumpuram, Vazhakkala, Kochi, Kerala-682021	(1) State of Kerala (2) Union Territory of Lakshadweep

¹Vide notification No.S.O.3145(E) dated 28th June, 2018

²Vide notification No.O.3430(E) dated 12th July, 2018

³Vide notification No.S.O.3683(E) dated 27th July, 2018



**Citizens'/ Clients' Charter
Ministry of Corporate Affairs**

Sl. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
1.	Availability of names for new company	Maximum time to inform deficiencies in the application from the date of receipt of the application.	2 Working Days
		Maximum time taken to communicate approval by the concerned ROC on receipt of the application	2 Working Days
2.	Incorporation of a Company.	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken to communicate approval and issue of certificate of Incorporation by the concerned ROC on receipt of the application	2 Working Days
3.	Registration of unregistered Companies	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken to issue of certificate of Registration by the concerned ROC on receipt of approval	2 Working Days
4.	Registration of 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	2 Working Days
		Maximum time taken to issue of 1 Working Days certificate by the concerned ROC on receipt of approval	

Sl. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
5.	Change of name of the Company	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	3 Working Days
6.	Registration for change of Objects of the Company	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	2 Working Days
7.	Conversion of Private Company to Public company	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	3 Working Days
8.	Conversion of unlimited company into limited company	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	3 Working Days
9.	Registration of a Prospectus before issue of IPO or FPO	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken to issue acknowledgement by the concerned ROC from the date of receipt of the application.	1 Working Day

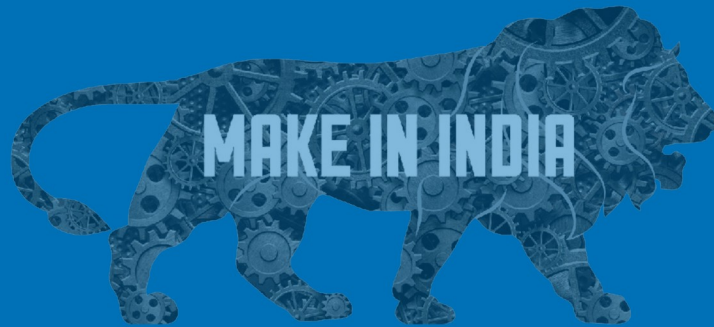
Sl. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
10	Registration of Charge Creation/ modification/ satisfaction	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	2 Working Days
11.	Condonation of delay in filing of charge creation/ modification/ satisfaction	Maximum time to inform deficiencies and take up queries and clarification on the application from the date of receipt of the application	20 Working Days
		Maximum time taken to issue of order granting condonation by the concerned Regional Director on receipt of approval	10 Working Days
12.	Application for extension of time to hold AGM.	Maximum time to inform deficiencies in the application from the date of receipt of the application	5 Working Days
		Maximum time taken to communicate approval by the concerned ROC on receipt of approval	2 Working Days
13.	Registration of Court or NCLT or RD order.	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken for granting of license to the applicant on receipt of duly completed application form with required documents	2 Working Days
14.	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	4 Working Days
		Maximum time taken to issue certified copy of the document on receipt of duly completed application form with required documents	3 Working Days

Sl. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
15.	Issuance of Director Identification Number (DIN)	Maximum time to inform deficiencies in the application from the date of receipt of the application	1 Working Day
		Maximum time taken to issue approval letter granting DIN on receipt of duly completed application form with required documents.	1 Working Day
16.	Change in DIN Particulars	Maximum time to inform deficiencies in the application from the date of receipt of the application	1 Working Day
		Maximum time taken to issue letter for changing DIN on receipt of duly completed application form with required documents.	1 Working Day
17.	Conversion of company to LLP	Maximum time to inform deficiencies in the application from the date of receipt of the application.	2 Working Days
		Maximum time taken to issue certificate of conversion on receipt of duly completed application form with required documents.	3 Working Days
18.	Shifting of registered office of the company from one State to another.	Maximum time to inform deficiencies and take up queries and clarification on the application from the date of receipt of the application	45 Working Days
		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	15 Working Days
19.	Shifting of registered office of the company from one RoC to another RoC within the State.	Maximum time to inform deficiencies in the application from the date of receipt of the application	45 Working Days

Sl. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
		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	15 Working Days
20.	Grant of license under Section 8 of the Companies Act, 2013.	Maximum time to inform deficiencies in the application from the date of receipt of the application	5 Working Days
		Maximum time taken for granting of license to the applicant on receipt of duly completed application form with required documents	2 Working Days
21.	Appointment or reappointment of managing or whole time director(s) or manager (Section 196)	Maximum time to inform deficiencies in the application from the date of receipt of the application	15 Working Days
		Maximum time taken for communicating approval on receipt of application completed in all respect.	30 Working Days
22.	Investor Grievance Redressal/CPGRAMS	Maximum time taken to dispose of from the date of receipt of grievance	30 Working Days
23.	Other Grievances/ Complaints related to MCA-21	Maximum time taken to dispose of from the date of receipt of grievance.	30 Working Days
24.	Application for seeking status of Company as dormant under Section 455	Maximum time to inform deficiencies from date of receipt of the form	3 Working Days
		Maximum time to communicate approval or intimation about the form having been taken on record	2 Working Days
25.	Application for seeking status of Company as active under Section 455	Maximum time to inform deficiencies from date of receipt of the form	3 Working Days

Sl. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
		Maximum time to communicate approval or intimation about the form having been taken on record	2 Working Days
26.	Registration of intimation about appointment of Receiver/Manager [Section 84(1)]	Maximum time to inform deficiencies from date of receipt of the form	3 Working Days
		Maximum time to communicate approval or intimation about the form having been taken on record	2 Working Days
27.	Condonation of delay u/s 460 of the Companies Act, 2013	Maximum time to inform deficiencies in the application from the date of receipt of the application	15 Working Days
		Maximum time taken to issue of approval by CG	30 Working Days





सत्यमेव जयते

Government of India
Ministry of Corporate Affairs