



# ANNUAL REPORT 2013-14

भारत का राजपत्र  
The Gazette of India  
Companies Act, 2013



IICA, Manesar



CITIZENS'  
CHARTER

# MCA21



Government of India  
Ministry of Corporate Affairs



सत्यमेव जयते

# **ANNUAL REPORT**

## **2013-14**

**Government of India**  
**Ministry of Corporate Affairs**



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# CHAPTER - I

## OVERVIEW

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

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

**1.2.** Important Policy developments during 2013-14 are indicated below:

### LEGISLATIVE DEVELOPMENTS

#### (a) *Enactment of Companies Act, 2013:*

**1.2.1.** The Companies Bill, 2011, which sought to replace the Companies Act, 1956 was introduced in the Lok Sabha in

December, 2011. The Bill was considered and passed by the Lok Sabha on 18.12.2012 and by the Rajya Sabha on 08.08.2013. The Bill, upon receiving the Presidential assent on 29.08.2013 was notified as “The Companies Act, 2013” (to be referred hereafter as 'the Act') on 30.08.2013. Key features of the Act are indicated at **Annexure - I** of this report. By 31.03.2014, 282 sections of the Act and rules concerning the notified provisions thereunder have been notified.

#### (b) *Competition (Amendment) Bill 2012:*

**1.2.2.** The Competition (Amendment) Bill 2012 was introduced in the Lok Sabha on 07.12.2012 to further amend the Competition Act, 2002. The Parliamentary Standing Committee submitted its report on the Bill in February, 2014. The Bill has since lapsed due to the dissolution of the 15<sup>th</sup> Lok Sabha.

### OTHER POLICY DEVELOPMENTS

#### (a) *National Competition Policy:*

**1.3.1.** With a view to make the 'culture of Competition' an intrinsic part of governance at each tier of administration- Centre, State and local body, the Government is considering bringing out a National Competition Policy. During the year, the Ministry sought the opinion of State Governments on the policy. State Governments are broadly in agreement with

the proposed policy. The Ministry also invited comments and initiated consultations with various sections of society, such as, Industry, Law Firms, Researchers, Economists etc. and incorporated their responses suitably in the revised policy. The policy is expected to be considered by the Union Cabinet in the near future.

**(b) *Wal-Mart Inquiry Committee :***

**1.3.2.** The Hon'ble Shri Justice Mukul Mudgal Committee was set up by the Ministry of Corporate Affairs on 31.01.2013 to inquire into media reports on lobbying activities of Wal-Mart and contravention of Indian laws by Wal-Mart. The Committee, after considering responses from the public and holding meetings, submitted its report to the Ministry on 31.05.2013. The Report of the Committee has been laid in Parliament together with an Action Taken Report.

**(c) *Committee on Reforming the Regulatory Environment for Doing Business in India :***

**1.3.3.** The Ministry constituted a Committee on 'Reforming the Regulatory Environment for doing Business in India' under the Chairmanship of Shri M. Damaodaran, former Chairman, SEBI. The objective of the Committee was to assess procedural bottlenecks, jurisdictional overlaps and systemic inertia in 'Ease of Doing Business' and recommend measures to address them effectively. The Report submitted by the Committee has made a number of recommendations relating to legal reforms, regulatory architecture, boosting efficacy of regulatory process, enabling MSMEs, and

addressing State level issues in its Report submitted to the Ministry in September, 2013. The report was placed in the public domain through the website of the Ministry and shared with concerned Ministries and Departments for implementation of recommendations that fall under their respective jurisdictions.

**(d) *Committee on Data Dissemination Policy:***

**1.3.4.** Sharing of MCA company data with the public is an objective of the Ministry. With this view an internal committee, chaired by the Economic Adviser, submitted a report that has been approved by the Secretary. The committee has recommended dissemination of corporate sector data in a user-friendly and proactive manner, development of a dedicated MCA Data Portal, and constitution of an Advisory Group to advise on data dissemination formats. In the first stage of implementation, a new tab titled 'Statistics & Reports' has been added to the MCA homepage. A 'Monthly Information Bulletin' that provides some basic statistics of the Indian corporate sector is published every month (starting September, 2013), under this tab. Further, master data of companies and LLPs are provided under this tab.

**MCA-21 e-GOVERNANCE PROJECT IN ITS SECOND PHASE**

**1.4.1.** The 'MCA-21', an e-Governance Project, entered its second cycle in January, 2013. In the second phase Infosys is the new service provider. This initiative has enabled the Ministry to achieve very high standards of service delivery, besides providing the

Government with a comprehensive National Corporate Information Database. Simultaneously, this service affords an opportunity to professionals and members of general public to have access to a variety of information concerning Indian companies, in many cases free of any service charges. This

has brought in considerable transparency in the paradigm of corporate regulation and oversight in the country.

**1.4.2.** During 2013-14, there were almost 43 lakh filings, with a single day peak filing of 1,60,596 on 30.10.2013.





## CHAPTER - II

### ORGANISATIONAL STRUCTURE AND FUNCTIONS

#### ADMINISTRATIVE STRUCTURE

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

#### A. Headquarters

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

#### B. Regional Directors

**2.1.3.** The Regional Directors supervise the working of the offices of the Registrars of Companies and Official Liquidators located in different locations in the country. They

also maintain liaison between the respective State Governments and the Central Government on matters relating to the administration of the Companies Act/LLP Act.

#### C. Registrars of Companies and Official Liquidators

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

**2.1.5.** Official Liquidators are officers appointed by the Central Government under Section 448 of the Companies Act, 1956 (now Section 275 of Companies Act, 2013) and are attached to various jurisdictional High Courts. The respective Regional Directors supervise their functioning on behalf of the Central Government. Official Liquidators function under the directions and supervision of the High Courts in the conduct of winding-up of affairs of the companies.

**2.1.6.** The duties and powers of Official Liquidators as laid down in Section 457 of the Companies Act, 1956 are mainly relating to the filing of claims against debtors for realization of debts due to the company; sale of movable and immovable assets of the company taken possession by the Official Liquidator; instituting criminal complaints and misfeasance proceedings against former Directors of the company for acts and omissions and breach of trust; invitation of claims from creditors; adjudication of claims and settlement of list of creditors; payment to creditors by way of dividend and settlement of list of contributories 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.

#### **DIVISIONS/ SECTIONS /CELLS AT HEADQUARTERS**

**2.2.1.** The Headquarters of MCA is organized into various Divisions/ Sections/ Cells for administering/ regulating various aspects of the Companies Act, corporate policy etc. Details of the administrative structure on matters relating to the Companies Act are indicated in Chapter III, while the matters relating to the Limited Liability Partnership Act and the Competition Act are dealt with in Chapters IV and V respectively.

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

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

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

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

**2.2.6. Company Law – IV Section (also known as Legal Section)** deals with default cases under various Sections of the Companies Act, 1956 and rules made thereunder leading to prosecution. It also examines applications/ petitions made to the Central Government seeking authorization for filing application for prevention / alleged acts of mismanagement and oppression under Section 399 (4) of the Companies Act, 1956. The draft reply/affidavits to be filed by

RoCs/RDs/OLs and other attached offices of the Ministry are vetted by this Section. Apart from the above, this Section tenders legal advice to other Sections of the Ministry as well as to other Ministries.

**2.2.7. Company Law – V Section (also known as 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, Capital Market, and coordination with SEBI, Foreign Direct Investments, Anti Money Laundering and combating the financing of terrorism in India, Accounting standards/Convergence with IFRS, issuing clarification/simplification of various rules and procedures prescribed under the provisions of the Companies Act, 1956 and LLP Act, 2008, 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.

**2.2.8. Company Law - VI Section** deals with approvals for loans to Directors/inter-corporate loans/corporate guarantee/security, declaration of dividend out of reserves, grant of Nidhi status under Section 620A of the Companies Act, 1956, exemption from the provisions of Section 58A of companies covered under Section 58A(8) of the Companies Act, 1956, appointment of Sole Selling Agents and acquisition/ transfer of shares by and of dominant undertaking.

**2.2.9. Company Law – VII Section** deals with appointment of, and payment of remuneration to, Managing Directors/ Whole Time Directors/ Managers of listed companies and subsidiary of listed companies; payment of enhanced remuneration/waiver of recovery of remuneration paid in excess of the limits of the Companies Act, 1956 to managerial personnel; examination of eligibility/qualification of Directors for providing professional services to the company; application for increase in the number of Directors; and appointment of Government nominee Directors on Boards of Companies.

**2.2.10.** The Director of Inspection and Investigation (DII) and the Registrar of Companies (RoC) are empowered to inspect the books of accounts of a company, to direct special audit, to order investigation into the affairs of a company and to launch prosecution for violation of the Companies Act, 1956.

**2.2.11. Cost Audit Branch** under Section 209(1)(d) of the Companies Act, 1956, formulates and notifies Cost Accounting Records Rules (CARRs) for various industries/products; undertakes rationalization of existing CARRs; issues orders for conducting audit of cost records, in accordance to Cost Audit Report Rules, by a Cost Auditor appointed by the Board of Directors of the company with prior approval of the Ministry.

**2.2.12. Investor Grievance Management Cell** attends to the grievances of investors filed with the Registrars of Companies for their settlement; coordinates with RBI,

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

**2.2.13. International Cooperation Section** in the Ministry plays a key role in coordinating and organizing interactions with counterpart organizations of other countries, International Organizations such as Corporate Registers Forum (CRF), Accounting and Corporate Regulatory Authority (ACRA), US Business Leaders from American Chambers of Commerce, Global Reporting Initiative (GRI), International Association of Insolvency Regulators (IAIR), Organization for Economic Co-operation and Development (OECD), Federal Trade Commission, USA, Department of Justice, USA and State Administration for Industry & Commerce (SAIC) of Japan.

**2.2.14. Research & Analysis Division** is responsible for compilation, editing and publication of: (i) the Annual Report of the

Ministry, (ii) the Annual Report on the Working and Administration of the Companies Act, (iii) Monthly Newsletter on the activities of the Ministry, and (iv) the Monthly Information Bulletin containing statistical information and analysis of developments in the corporate sector. The Division renders economic advice on issues relating to Corporate Performance, Capital Market reforms, Disinvestment and Foreign Direct Investment at the macro level.

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

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

**2.2.17. Gender Budget Cell** was set up with the objective of facilitating the integration of gender analysis into Government budgeting. The GBC of MCA has initiated steps to build up an information/database system on gender representation in MCA, various branches of

the Ministry as well as field offices, and attached offices and professional institutes.

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

## **ATTACHED/SUBORDINATE OFFICES/ ORGANISATIONS**

### **Company Law Board**

**2.3.1.** The Company Law Board (CLB) functions as an independent, quasi-judicial body created under section 10E of the Companies Act, 1956, exercising equitable jurisdiction and became functional on 31.05.1991. The business of the Company Law Board is regulated by the Company Law Board Regulations, 1991 prescribing the procedure for filing applications/ petitions before it, and rules prescribing fees for submitting application/petitions as per the Company Law Board (Fees on Applications and Petitions) Rules, 1991.

### **Competition Commission of India**

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

### **Competition Appellate Tribunal**

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

### **Serious Fraud Investigation Office**

**2.3.4.** The Serious Fraud Investigation Office (SFIO) was set up through a Resolution dated 02.07.2003. It is a multi-disciplinary Investigating Agency, wherein experts from diverse sectors like Banking, capital markets regulation, corporate regulation, law, forensic audit, taxation, information technology etc. work together to unravel corporate frauds. Cases requiring investigation under the Companies Act consequent on preliminary inquiries or inspections, where there are indications of serious breach of law, are assigned to the SFIO. The ambit of investigation by the organization is not confined to the Companies Act but could cover other statutes including the Indian Penal Code. Under the Companies Act, 2013, SFIO has been given statutory status. It is headed by a Director, in the rank of Joint Secretary to the Government of India.

## PROFESSIONAL INSTITUTES

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

## INDIAN INSTITUTE OF CORPORATE AFFAIRS

2.5. The Ministry set up the Indian Institute of Corporate Affairs (IICA) to serve as a 'Holistic Think-Tank', and a 'Capacity Building, Service Delivery Institution' to help corporate growth, reforms through synergized knowledge management, partnerships and problem solving in a one-stop-shop mode. The institute fulfils the training needs of the officers of the Indian Corporate Law Service (ICLS), and other officials working for the Ministry. IICA also helps in the continuous improvement of service delivery mechanisms in diverse areas like MCA21, corporate governance, corporate social responsibility, investor education and protection, etc. IICA is headed by a Director General and Chief Executive Officer.

# CHAPTER - III

## THE COMPANIES ACT, 1956 AND ITS ADMINISTRATION

**3.1.1.** The Companies Act, 1956 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. Although a new Companies Act 2013 has been enacted and a little more than half of its provisions have been notified, a substantial portion of 1956 still remains on the statute book; and as many developments dealt with in the present report relate to the 1956 Act, it is proposed to deal with the older Act in this chapter in some detail.

**3.1.2.** The main objectives of the Companies Act, 1956 are as under:-

- (a) To enable the interests of shareholders be protected through articulation of shareholders democracy;
- (b) To safeguard the interests of other stakeholders, such as, creditors, financial institutions etc. through appropriate disclosures;
- (c) To provide a framework for regulation of processes of companies, including mergers/ amalgamation etc.; and
- (d) To enable the Government with adequate powers of enforcement of the law in public interest and as per procedure prescribed by law.

### **SIMPLIFICATION OF RULES & PROCEDURES**

**3.2.1.** During 2013-14, the Ministry issued eleven Notifications, and nineteen General Circulars (refer to the website of the Ministry of Corporate Affairs for the list of Notifications, General Circulars, Circulars and Master Circular).

#### **Revision of e-Forms**

**3.2.2.** MCA has notified amendments relating to e-forms for 23AB, 24AAA, 8, 10, 17, 21, 23, 23B, 23AC, 23ACA and 18 in the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2012, and DIN-1, DIN-4 to the Companies (Directors Identification Number) Amendment Rules 2012 and has amended Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules during the year 2012-13.

### **REVIEW OF REGISTRATION AND LIQUIDATION OF COMPANIES**

#### **Companies on the Registry:**

**3.3.1.** As on 31.03.2014, a total of 13,94,819 companies were on the Registry. Of them



9,52,433 companies are active (comprising of 8,88,430 private companies and 64,003 public companies). A majority of the companies at work (about 68%) were operating in activities covered under four broad heads, namely, 'Manufacturing' (22%), 'Business Services' (22%), 'Trading' (16%) and 'Construction' (11%). "Manufacturing", *inter alia*, includes manufacturing of food products, textiles, paper, metallic/non-metallic mineral products, chemical and petrochemicals, radio, television, transport equipment. "Business Services", *inter alia*, include hardware and software consulting,

data processing, research and development, legal, accounting and auditing services, business and management consultancy and advertising.

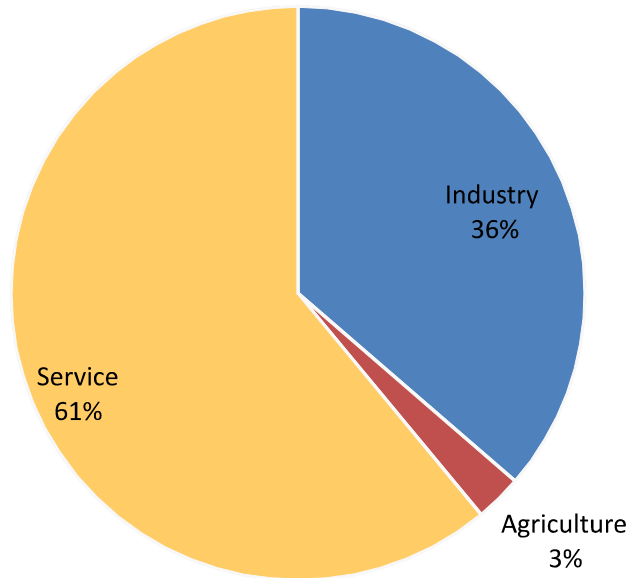
**3.3.2.** The economic activity wise distribution of active companies as on 31.03.2014 along with their authorized capital and paid up capital is given in **Table 3.1.** **Chart 3.1** presents the distribution of active companies by the three broad sectors: Agriculture, Industry and Services. **Chart 3.2** provides sector-wise distribution of companies in further detail.

**Table 3.1: Economic sector-wise composition of active companies -as on 31.03.2014**

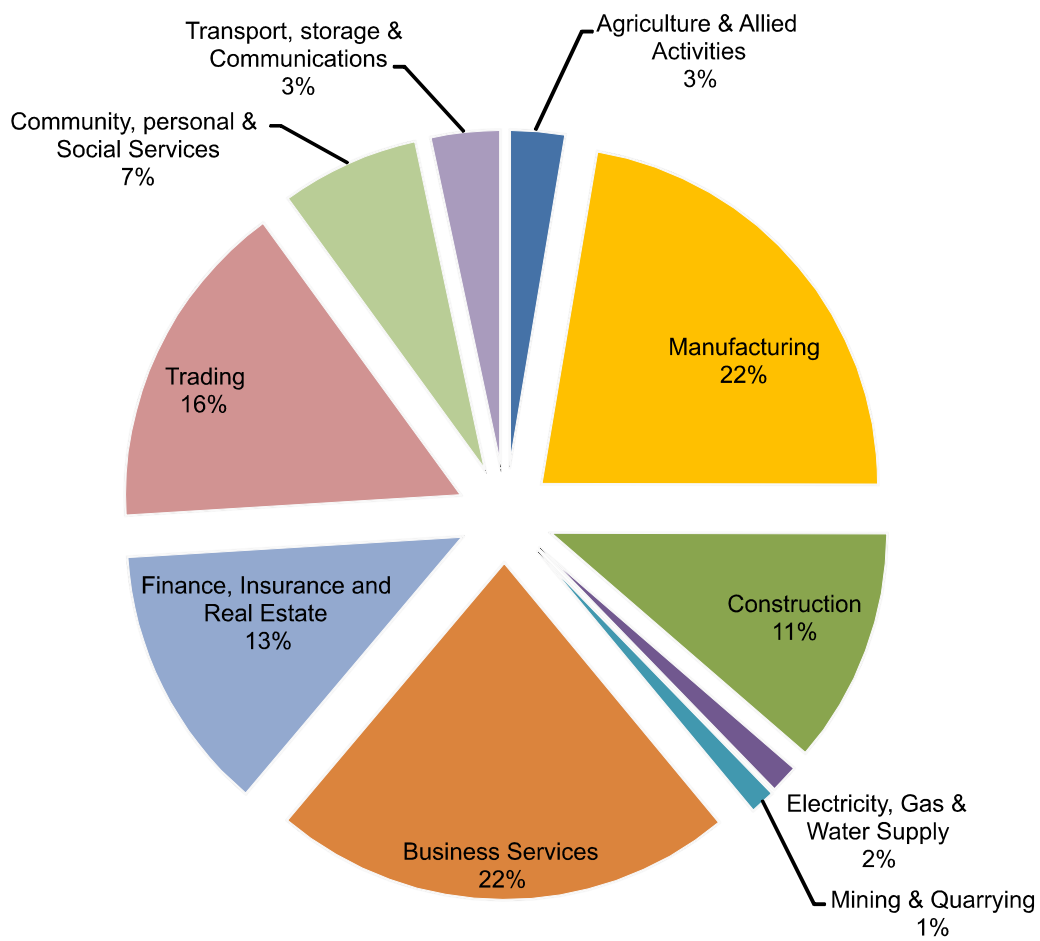
(Authorized Capital in Rs. Crore)

Sl.No	Economic Activity	Private		Public		Total	
		No. of Companies	Authorized Capital	No. of Companies	Authorized Capital	No. of Companies	Authorized Capital
I	Agriculture & Allied Activities	21,271	14,413	2,845	32,435	24,116	46,848
II	Industry	3,04,375	6,44,679	25,697	15,75,675	3,30,072	22,20,355
1	Manufacturing	1,85,432	3,44,311	17,897	6,11,668	2,03,329	9,55,978
2	Construction	97,388	1,71,329	5,336	1,94,475	1,02,724	3,65,804
3	Electricity, Gas & Water Supply	10,937	1,04,093	1,722	7,12,860	12,659	8,16,954
4	Mining & Quarrying	10,618	24,947	742	56,672	11,360	81,619
III	Service	5,24,194	5,55,367	30,567	8,30,178	5,54,761	13,85,546
1	Business Services	1,94,934	1,51,163	6,961	2,19,759	2,01,895	3,70,922
2	Trading	1,38,619	1,21,777	6,212	99,394	1,44,831	2,21,171
3	Finance, Insurance and Real Estate	1,04,820	1,92,085	12,113	2,69,673	1,16,933	4,61,758
4	Community, personal & Social Services	56,777	50,682	3,833	1,11,374	60,610	1,62,057
6	Transport, storage & Communications	29,044	39,660	1,448	1,29,979	30,492	1,69,639
IV	Unclassified	38,590	84,669	4,894	2,50,116	43,484	3,34,785
	<b>Total</b>	<b>8,88,430</b>	<b>12,99,129</b>	<b>64,003</b>	<b>26,88,405</b>	<b>9,52,433</b>	<b>39,87,534</b>

**Chart 3.1: Composition of active companies - Broad sector-wise**



**Chart 3.2: Composition of active companies - detailed sector-wise**



## **New Registration**

**3.3.3.** During the financial year 2013-14, a total of 98,437 companies were registered with collective authorized capital of Rs. 38,873.83 crore. Out of these, 63 were Government companies with authorized capital of Rs. 15,307.47 crore and 98,374 were Non-Government companies with authorized capital of Rs. 23,566.36 crore.

## **Foreign Companies**

**3.3.4.** As on 31.03.2014, a total number of 4,051 foreign companies were registered in the country as defined under Section 591 of the Companies Act, 1956 and of them 3,240 foreign companies were active. During the financial year 2013-14 a total of 216 foreign companies were registered.

## **Vanishing Companies**

**3.3.5.** Pursuant to the Budget Speech of the then Finance Minister on 27.2.1999, a Central Coordination and Monitoring Committee (CMC), co-chaired by Secretary, Ministry of Corporate Affairs and Chairman, Securities and Exchange Board of India (SEBI) was setup to look into issues relating to companies that had come out with public issue and disappeared. Companies, which fulfil the following three criteria are considered as vanishing: (i) not maintaining their registered offices; (ii) non-filing of statutory returns with the concerned Registrars of Companies (ROCs) and Stock Exchanges as per listing agreements for a period of two years; and (iii) non-correspondence between the Stock Exchange and the company for a long time. The CMC

was constituted with a view to monitor the progress of action taken against the vanishing Companies.

**3.3.6.** Out of the companies which came out with Initial Public Offerings (IPOs) during 1992-2005, 238 companies were identified as 'vanishing companies'. With the continuous efforts of the Ministry, 125 companies were traced, and another 32 vanishing companies are presently under liquidation, and as such, deleted from the list of vanishing companies. The total number of vanishing companies as on 31.03.2014 stood at 81.

## **STATUTORY APPLICATIONS TO THE CENTRAL GOVERNMENT UNDER THE COMPANIES ACT, 1956**

### **Invitation and Acceptance of Deposits**

**3.4.1.** Invitation and acceptance of deposits by Non-Banking Non-Financial companies is regulated by Section 58A of the Act and the Companies (Acceptance of Deposits) Rules, 1975. The Rules prescribe the limits up to which, the manner in which, and the conditions subject to which, deposits may be invited or accepted by these companies, either from the public or from their members.

**3.4.2.** These Rules require every company, at the time of inviting deposits, to publish an advertisement showing a summarized financial position of the company, for the preceding financial years. The rules lay down the conditions governing the acceptance of deposits relating to the following aspects:

- (a) Ceiling limits of deposits with reference to the company's net worth;

- (b) Maximum period of 36 months for which the deposits can be accepted,
- (c) Maximum rate of brokerage, which can be paid by the company to brokers through whom the deposits are collected,
- (d) Maintenance of liquid assets to the extent of 15% of deposits maturing during the year to be invested in specified securities, in order to safeguard the interests of depositors, and
- (e) Maximum rate of interest payable on deposits.

**3.4.3.** The Central Government has been empowered to exempt a class of companies from the restrictions imposed by the provisions of Section 58A, and to grant extension of time to comply with, or exempt them from complying with, the provisions. Exemptions can be granted only in consultation with the Reserve Bank of India. Non-Banking companies, fulfilling the conditions laid down in the Notification GSR No. 1075E dated 29.12.1989, have been allowed to accept deposits by issuing “Commercial Papers”.

**3.4.4.** Eleven applications under Section 58A(8) of the Act, seeking exemption/extension of time were pending as on 01.04.2012. During 2012-13, the Central Government received 4 applications. Out of these 15 applications, seven applications were disposed of during the year. In addition to the eight applications that were pending consideration as on 01.04.2013, seven

application was received during the year 2013-14. Out of the 15 applications, 12 applications were disposed of during the said period, and 3 applications were pending as on 31.03.2014.

### **Payment of Dividend out of Reserves**

**3.4.5.** If a company, for want of adequate profits in the corresponding year, proposes to declare dividend out of the accumulated profits of previous years, which had earlier been transferred to the Reserves, can do so only under the procedure prescribed by the Central Government. In case such a company does not comply with the procedure, the company has to obtain prior approval from the Central Government under Section 205A (3) of the Act.

**3.4.6.** The Central Government had two pending applications under Section 205A (3) of the Act as on 01.04.2012. During 2012-13, the Central Government received two applications. Out of these four applications, three were disposed of during 2012-13. In addition to the lone application that was pending consideration as on 01.04.2013, five more were received during the year 2013-14. Out of the six applications, two were disposed of during the said period, and four were under examination on 31.03.2014.

### **Change in the Rate of Depreciation**

**3.4.7.** Under Section 205(2)(c) of the Act, Companies can pay dividend out of the profits of the corresponding year or the previous years' profits only after providing for depreciation. If the depreciation involves writing off of 95% of the original cost, the

company has to obtain prior approval from the Central Government under Section 205(2)(c) of the Act. As on 01.04.2012, three applications were pending under Section 205(2)(c) of the Act. During 2012-13, six applications were received. Out of these nine applications, seven were disposed of during 2012-13. In addition to the two applications pending consideration as on 01.04.2013, three were received during 2013-14. All five applications are under consideration as on 31.03.2014.

#### **Amalgamation/ Merger/ Arrangement between Government Companies**

**3.4.8.** As on 01.04.2012, one application was pending under Sections 391-394 of the Act. During 2012-13, three applications were received. All four applications were under consideration as on 31.03.2013 and two more applications were received during 2013-14. Out of the six applications, four were disposed of during the said period, and the remaining two were under consideration as on 31.03.2014.

#### **Amalgamation of Government Companies**

**3.4.9.** Under Section 396 of the Act, three applications were pending as on 01.04.2012. During 2012-13, no new application was received and all the applications were disposed of. No new application was received during 2013-14.

#### **Reduction of Share Capital**

**3.4.10.** As on 01.04.2012, one application was pending under Section 101. During 2012-13, two more applications were

received. Out of these three cases, one was considered and approved. No new application was received during 2013-14. Two application that were under consideration as on 01.04.2013 were disposed of during 2013-14.

#### **Exemption from Disclosing Quantitative Details in Profit & Loss Account**

**3.4.11.** As on 01.04.2012, five applications were pending under Section 211(4) of the Act. During 2012-13, ten more applications were received. The Ministry had granted general exemption vide Notification No. S.O. 301 (E) dated 8.2.2011 to the companies. In view of this, approval of the Ministry was not necessary, provided the companies adhered to conditions laid down in the Notification. All fifteen applications were considered and disposed of and no application was pending as on 31.03.2013. Ten applications were received during 2013-14. All the ten applications were approved during the said period.

#### **Exemption from Annexing Balance Sheet of the Subsidiary Companies**

**3.4.12.** As on 01.04.2012, one application was pending under Section 212(8) of the Act. During 2012-13, eight applications were received. However, the Ministry had granted general exemption vide circular No. 8/2011 dated 8.2.2011 to the companies. In the light of this development, all nine applications were considered and disposed of. No approval of the Ministry is necessary provided the companies adhered to conditions laid down in the circular and no application was pending as on 31.03.2014.

## **Appointment of Sole Selling Agents**

**3.4.13.** The Central Government is empowered under Section 294AA(1) of the Act to declare that no “Sole Selling Agent” shall be appointed by a company to create a market for the sale of such goods for which the demand is substantially in excess of the production or supply. Such a restriction is in effect for a period of six years starting from 16.07.2010 only in respect of '*Bulk drugs, Drugs and Formulations*' vide notification G.S.R. 87(E) dated 15.07.2013.

**3.4.14.** Under sub-sections (2) & (3) of Section 294AA of the Act, in cases where the Sole Selling Agents or their relatives hold paid-up-capital of Rs. 5 lakhs, or 5 per cent of the paid-up-capital of the company, whichever is less, and where the company has a paid-up capital of Rs. 50 lakhs or more, approval of Central Government for appointment of Sole Selling Agents is necessary.

**3.4.15.** The Central Government had three applications pending under Sub-sections (2) & (3) of Section 294AA of the Act as on 01.04.2012. During 2012-13, the Central Government received seven applications. Out of these ten applications, four were disposed of during 2012-13. In addition to the six applications pending consideration as on 01.04.2013, ten were received during the year 2013-14. Out of the sixteen applications, four were disposed of during the said period, and 12 were pending as on 31.03.2014.

## **Loans to Directors, Giving Guarantee or Providing Security for Loan**

**3.4.16.** Prior approval of the Central Government under Section 295 of the Act is mandatory if a Public Limited Company or its subsidiary wishes to advance any loan to its Directors, their relatives or firms or private companies in which they are interested, or to give any guarantee or security to enable them to obtain a loan.

**3.4.17.** 101 applications were pending under Section 295 of the Act as on 01.04.2012. During 2012-13, the Central Government received 95 applications. Out of these 196 applications, 124 were disposed of during 2012-13. In addition to the 72 applications pending consideration as on 01.04.2013, 53 were received during the year 2013-14. All applications were disposed of, as on 31.03.2014, leaving no pendency.

## **Restriction on Acquisition of Shares**

**3.4.18.** Under Section 108-A of the Act, prior approval of the Central Government is required for acquisition/transfer of shares by or to, an individual, firm group constituent of a group, body corporate or bodies corporate under the same management in relation to dominant undertaking, provided there is any increase in dominance as a result of such an acquisition or transfer of shares.

**3.4.19.** The Central Government had no pending application under this Section as on 01.04.2012. No applications in this regard were received during 2012-13 and 2013-14.

## **Appointment of Managerial Personnel**

**3.4.20.** It is permissible for a Public Limited or Private Limited company, being a subsidiary of a Public Limited company, to appoint its managerial personnel and to remunerate them, except in the following cases, when it has to seek the approval of the Central Government for the terms of such appointment:

- 1) In case there is loss/inadequacy of profits in the company and the proposed remuneration is in excess of the limit prescribed under Schedule XIII;
- 2) In case of a profit making company, the remuneration proposed to be paid is exceeding 5% of the net profit in case of single managerial appointment, and 10% of the net profit in case of multiple appointments;
- 3) In case where the company has defaulted in making payment of its debts (including public deposits) and interest thereon;
- 4) Where the company does not have any Remuneration Committee;
- 5) Where the appointee is a NRI;
- 6) In case of non-executive Directors the remuneration proposed to be paid is in excess of 1% of the Net profit of the company where there is any managerial personnel and 3% where there is no managerial personnel appointed by the company; and

- 7) In case where the company has made any violation of the Act as specified in Part I of Schedule XIII of the Act and the proposed managerial personnel have been awarded any punishment or the authority concerned has imposed penalty for such violation.

**3.4.21.** Under Sections 259, 268, 269/Schedule XIII, 309(1B)/309(4)(5B), 310, 314(1B) of the Act, approval of the Central Government is required for the appointment of, and payment of remuneration to, Managing Directors, Whole Time Directors and Managers of Public Limited Companies and Private Limited Companies which are subsidiaries of Public Limited Companies.

**3.4.22.** There were 474 pending applications under Sections 259, 268, 269/Schedule XIII, 309(1B) / 309(4)/ 309(5B), 310 and 314(1B) of the Act as on 01.04.2012. During 2012-13, the Central Government received 955 applications. Out of these 1429 applications, 873 were disposed of during 2012-13. In addition to the 556 applications pending consideration as on 01.04.2013, 1039 were received during the year 2013-14. Out of the 1595 applications, 1066 were disposed of during the said period, and 529 were pending as on 31.03.2014.

## **Change of Venue of Annual General Meeting**

**3.4.23.** The Central Government has powers under Section 166(2) of the Act to grant approval for change of venue of Annual General Meeting to a place other than where registered office is situated. Fifteen

applications were received during 2013-14 and all of them were disposed of during the year.

### **Approval for Granting Contracts**

**3.4.24.** Section 297(1) of the Act makes it obligatory for companies having paid-up share capital of not less than Rs. one crore to seek prior approval of the Central Government in respect of any contract to be entered into (a) for sale, purchase or supply of goods, material or service or (b) for underwriting the subscription of any share or debentures of the company with a Director of the company or his relatives, with a firm in which such a Director or relative is a partner, with any other partner in such a firm or a private company of which a Director is a Member or Director. The powers of Central Government to accord approval under Section 297(1) of the Act have been delegated to Regional Directors with effect from 19.8.1993. This has been done with the twin purposes of decentralization and expeditious disposal.

**3.4.25.** The Regional Directors received 2022 applications during 2012-13 under Sections 297(1) of the Act while 523 applications were brought forward from the previous year. Out of these 2545 applications, 1881 applications were disposed of during 2012-13 and 664 applications were under consideration as on 31.03.2013. During 2013-14, the Central Government received 1729 applications. Out of these 2393 applications, 2043 applications were disposed of during 2013-14 and 350 applications were pending as on 31.03.2014.

## **INSPECTION AND INVESTIGATION**

**3.5.1.** The Act empowers the Central Government to inspect the books of accounts of a company, to direct special audit, to order investigation into the affairs of a company and to launch prosecution for violations of the provisions of the Act. Books of accounts and other documents of companies are inspected by the Registrar of Companies, to ascertain whether they are resorting to illegal/ fraudulent practices that may adversely affect the interest of shareholders, creditors, employees and others. If an inspection discloses a prima facie case of fraud or cheating, action is initiated for investigation under provisions of the Act.

**3.5.2.** The Ministry received 67 inspection reports and 23 investigation reports during 2013-14.

**3.5.3.** Further, 9231 fresh prosecutions, involving 5854 companies were launched, and pursued in various courts during 2013-14. During this period, 11014 prosecution cases were disposed of. A total of Rs. 90.17 lakhs were imposed as fines in these cases. As on 31.03.2014, the number of prosecutions under consideration stood at 47703.

## **ATTACHED/SUBORDINATE OFFICES**

### **Company Law Board**

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

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



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

**3.6.3.** CLB has a sanctioned strength of nine Members, including the Chairman and Vice-Chairmen. As on 31.03.2014, the Board comprises of the following Members :

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

**3.6.4.** The total number of applications/cases considered under various sections of the Act by CLB during 2013-14 was 14453. CLB disposed of 8632 applications/ cases during 2013-14, leaving a pendency of 5,821 applications/cases pending as on 31.03.2014. During the period, filing fees received by the CLB was Rs. 57.40 lakhs and compounding fees realized during the same period was Rs.10.17 Crore.

**3.6.5.** The CLB has been empowered to take cognizance of any case of non-repayment of deposits on maturity, and direct the company to repay such deposits under Section 58A (9). Non-compliance of the orders of the CLB may lead to imprisonment up to three years, and a monetary penalty. Of 7350 applications considered by CLB under this Section during 2013-14, 4993 applications were disposed of, and 2357 applications were pending as on 31.03.2014.

**3.6.6.** Taking into consideration the hardships faced by small and needy depositors who have deposited amounts in fixed deposits with companies which have defaulted in refunding the same, the CLB has constituted Hardship Committees. Meetings of the Hardship Committee are held at CLB, New Delhi to consider applications for refund of deposit on hardship grounds in respect of eight companies. During 2012-13, a sum of Rs. 1,17,11,923/- was disbursed to 911 depositors. A sum of Rs. 2,20,62,506/- was disbursed to 2281 depositors during the year 2013-14.

### **Serious Fraud Investigation Office**

**3.6.7.** During 2013-14, the Ministry referred eighty one cases to SFIO and received investigation reports in twenty one cases. eighty nine cases are under investigation by SFIO as on 31.03.2014.

**3.6.8.** During 2013-14, legal action was taken in 26 cases, taking the total number of proceedings as on 31.03.2014 to 1072. This includes 927 cases under the Company Law, 113 under Indian Penal Code, 28 cases before Institute of Chartered Accountants of India (ICAI) and 4 before Company Law Board (CLB).

**3.6.9.** A high powered Steering Committee was constituted in December, 2012 by the Ministry for preparing a comprehensive framework for developing a Fraud Prediction Model, since renamed as Early Warning System (EWS). The EWS is expected to determine attributes of corporate frauds

through predictive modeling. The model would look into various sector/industry which are prone to high risk. The Steering Committee submitted its report in March 2013. Based on the recommendations of the Steering Committee and approval of the Competent Authority, a Pilot Project was undertaken by SFIO with the assistance of Infosys, the vendor handling the MCA v2 project. An assessment report of the pilot study has since been submitted by SFIO to the Ministry.

**3.6.10.** A Memorandum of Understanding (MOU) to set up a state-of-the-art Computer Forensics Lab in SFIO to facilitate extraction and analysis of digital data was signed between SFIO and National Institute of Electronics and Information Technology (NIELIT) on 18.03.2013. As per the MOU, NIELIT would set up the lab in two phases on a turnkey basis. The Phase-I of the project has since been completed and the Lab is operational since November 2013.

**3.6.11.** A Memorandum of Understanding was signed on 10.02.2014 between SFIO and Indian Institute of Corporate Affairs (IICA) for:

- (i) Developing course content for imparting training to officials of SFIO in areas relevant for corporate fraud investigation, and
- (ii) Developing case studies from previous cases for training purpose and usage in training curriculum and understanding fraudulent behaviour and modus operandi.

## **Cost Audit**

**3.6.12.** As per Section 233(B), Cost Audit Branch (CAB) grants approval for appointment of cost auditors by the Board of Directors of a company. Cost Accounting Record Rules prescribe the manner in which cost records are to be maintained by companies.

**3.6.13.** MCA has started accepting applications for appointment of cost auditors through electronic mode since April, 2006. MCA received 8639 applications during 2012-13 and 9089 applications during 2013-14 for appointment of Cost Auditors, all of which were disposed of in the corresponding year itself.

**3.6.14.** The number of cost audit reports relating to 2012-13 and 2013-14 stood at 3941 and 5342 respectively, while the figures for Cost Compliance Reports in XBRL mode were 8654 and 11024 respectively.

**3.6.15.** MCA has shared 233 cost audit reports filed by the companies during 2012-13 with various user departments such as Anti-dumping Directorate of the Ministry of Commerce and Industry, Tariff Commission, National Pharmaceuticals Pricing Authority, Competition Commission of India, etc. The number of reports so shared in respect of the year 2013-14 stood at 247.

**3.6.16.** Exemption from cost audit orders is also granted, on year-to-year basis, in situations arising out of temporary closure of the company and/or its manufacturing facilities, negligible production/ activity, etc. Similarly, exemption from cost audit is considered in case of permanent closure or sale or merger/amalgamation of production activities. Of 12 such applications received during 2012-13, 10 were disposed of. One fresh application received during 2013-14 remains pending.

## **REDRESSAL OF INVESTORS' GRIEVANCES**

**3.7.1.** Of 4875 complaints considered by Ministry during 2012-13, 3895 complaints were resolved and 980 complaints were pending as on 31.03.2013. Further, 4970 complaints were received during 2013-14. Out of a total of 5950 complaints, 4400 complaints were resolved and 1550 complaints were pending as on 31.03.2014.

**3.7.2.** The Ministry also received complaints pertaining to other agencies such as SEBI, Ministry of Finance etc., in the offline/physical mode, which were forwarded to them for further necessary action. The number of such complaints stood at 138 during 2012-13 and 48 during 2013-14.

# CHAPTER - IV

## THE LIMITED LIABILITY PARTNERSHIP (LLP) ACT, 2008

**4.1.** In India, about 95% of industrial units are micro, small and medium enterprises (MSMEs). As per the survey conducted by the Ministry of Micro, Small and Medium Enterprises (M/o MSME), over 90% of these MSMEs 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 MSMEs. Analysis of the data collected by the Ministry of MSME suggests that high compliance cost under the Companies Act, 1956 deterred the MSMEs 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 MSME sector is at a comparative disadvantage vis-à-vis corporate bodies in accessing loan/credit facilities from banks and other financial institutions.

**4.2.** In this background, a need was felt for a new corporate form that would provide an alternative to the traditional partnership with unlimited personal liability on the one hand, and the statute-based governance structure of the limited liability company on the other, in order to enable professional expertise and entrepreneurial initiative to combine,

organize and operate in a flexible, innovative and efficient manner. Internationally, Limited Liability Partnerships (LLPs) are the preferred vehicle of business, particularly for the service industry or for activities involving professionals, especially in countries like the United Kingdom, United States of America, Australia, Singapore etc.

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

**4.4.** LLP is a form of business entity, which allows individual partners to be protected from the joint and several liabilities of partners in a partnership firm. The liability of partners incurred in the normal course of business does not extend to the personal assets of the partners. It is capable of entering into contracts and holding property in its own

name. An LLP would be able to fulfil the compliance norms with much greater ease, coupled with limitation of liability. The corporate structure of LLP and the statutory disclosure requirements would enable higher access to credit in the market. The introduction of LLP form of business is expected to promote entrepreneurship, particularly in relation to the knowledge based industries, such as the information technology and biotechnology sectors, and other service providers and professionals.

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

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

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

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

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

**4.10.** As on 31.03.2014, 21,784 LLPs were registered of which 21,599 LLPs were active. Distribution of LLPs by type of registration, year-wise, since the inception of the LLP Act, up to 31.03.2014 is presented in **Table 4.1**.

Year	Converted from Firms to LLPs	Converted from Companies to LLPs	Incorporation of Fresh Entities as LLP	Total LLPs registered
(1)	(2)	(3)	(4)	(5)
2009-10	15	12	1028	1055
2010-11	248	34	2979	3261
2011-12	410	56	3853	4319
2012-13	392	64	4711	5167
2013-14	679	129	7174	7982
<b>Total</b>	<b>1744</b>	<b>295</b>	<b>19745</b>	<b>21784</b>

**4.11.** The collective obligation of contribution by partners of LLPs stood at Rs. 10,376.85 crores. Distribution of collective obligation of contribution of partners of

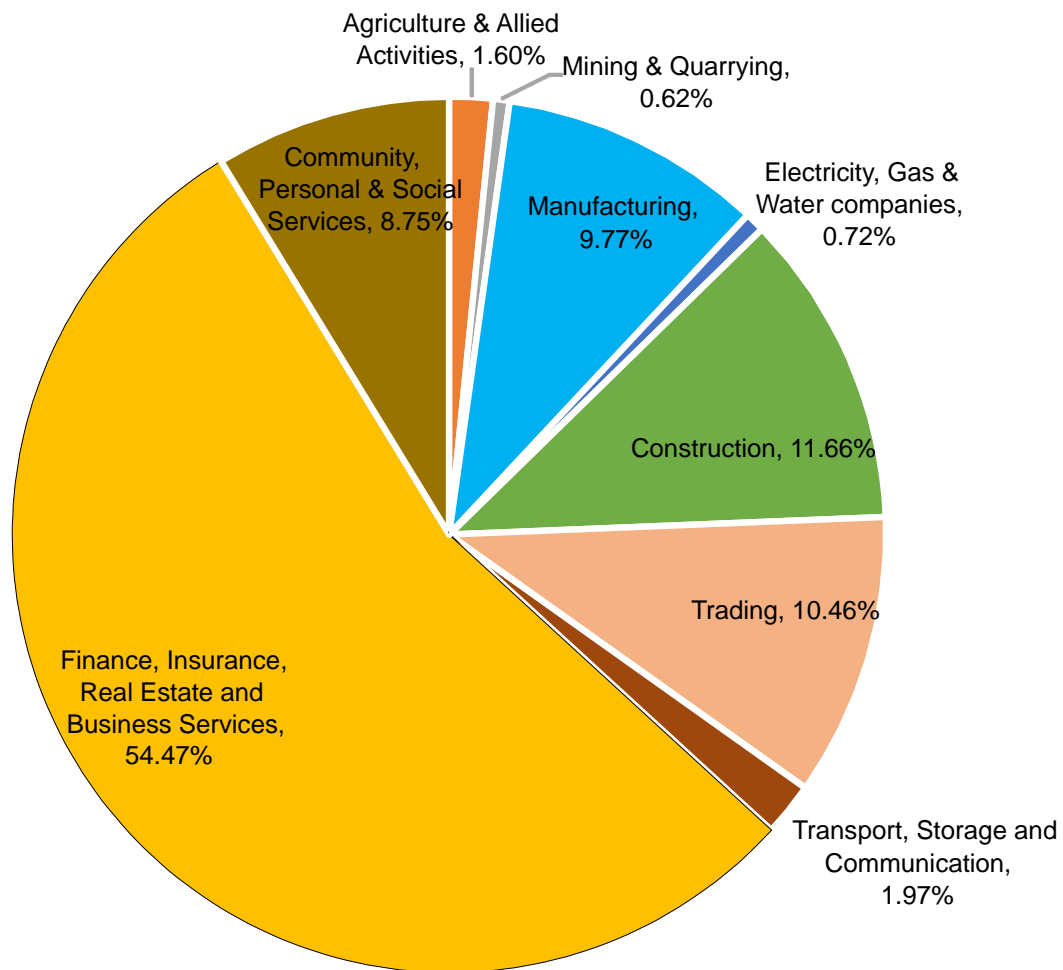
LLPs by type of registration, year-wise, since the inception of the LLP Act, up to 31.03.2014 is indicated in **Table 4.2.**

Year	Contribution by Members			
	In LLPs converted from firm	In LLPs converted from Companies	In Fresh entities	Total Contribution
(1)	(2)	(3)	(4)	(5)
2009-10	1.68	29.59	565.28	596.55
2010-11	188.00	20.872	2549.50	2758.37
2011-12	113.00	126.43	2810.30	3049.73
2012-13	195.00	58.30	1601.20	1854.50
2013-14	515.00	136.74	1468.70	2120.44

**4.12.** Economic activity-wise classification of LLPs as on 31.03.2014 reveals that Service Sector accounts for over 75% LLPs. In **Chart 4.1**, a graphic description of the

economic activity-wise distribution of all LLPs registered during 2009-14 (i.e., up to 31.03.2014) is given.

**Chart 4.1: LLPs Registered by Economic Activity, 2009-14**



**4.13.** State-wise classification of active LLPs as on 31.03.2014 reveals that eight States and one Union Territory, namely, Maharashtra, Delhi, Karnataka, Tamil Nadu, West Bengal, Gujarat, Kerala, Andhra Pradesh and Uttar Pradesh account for 90%

or more of the LLPs registered, in each category, during the period 2009-14. Distribution of LLPs by State and type of registration, since the inception of the LLP Act, up to 31.03.2014 is given in **Table 4.3**.

**Table 4.3.: Registration of LLPs, by Type of Registration and State/UT during 2009-10 to 2013-14**

State/ UT	Converted from Firms to LLPs	Converted from Companies to LLPs	Incorporation of Fresh Entities as LLP	Total LLPs registered
(1)	(2)	(3)	(4)	(5)
Andaman and Nicobar Islands	0	0	3	3
Andhra Pradesh	33	13	757	803
Arunachal Pradesh	0	0	0	0
Assam	7	0	65	72
Bihar	2	1	143	146
Chandigarh	13	1	70	84
Chhattisgarh	16	0	82	98
Dadar Nagar Haveli	0	0	6	6
Daman and Diu	1	0	2	3
Delhi	311	44	2338	2693
Goa	15	3	92	110
Gujarat	147	14	848	1009
Haryana	6	3	488	497
Himachal Pradesh	1	1	26	28
Jammu and Kashmir	0	0	26	26
Jharkhand	0	1	64	65
Karnataka	52	16	2379	2447
Kerala	4	4	841	849
Lakshadweep	0	0	0	0
Madhya Pradesh	8	4	173	185
Maharashtra	789	126	8046	8961
Manipur	0	0	13	13
Meghalaya	0	0	9	9
Mizoram	0	1	1	2
Nagaland	0	0	2	2
Orissa	1	2	116	119
Pondicherry	0	1	19	20
Punjab	8	2	112	122
Rajasthan	85	4	325	414
Sikkim	0	0	1	1
Tamil Nadu	71	20	1136	1227
Tripura	0	0	3	3
Uttar Pradesh	22	9	648	679
Uttarakhand	0	0	41	41
West Bengal	152	25	870	1047
<b>TOTAL</b>	<b>1744</b>	<b>295</b>	<b>19745</b>	<b>21784</b>





# CHAPTER - V

## THE COMPETITION ACT, 2002 AND OTHER LEGISLATIONS

### I. THE COMPETITION ACT, 2002

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

- (I) Prohibits anti-competitive agreements like cartels, which restrict freedom of trade and cause consumer harm by way of limiting production and distribution of goods and services and fixing prices higher than normal;
- (II) Prohibits abusive behaviour of a dominant firm, who through its position of dominance may restrict markets and set unfair and discriminatory conditions;
- (III) Regulates combination(s) of large corporations in order to safeguard competitive markets; and
- (IV) Mandates competition advocacy.

**5.1.2.** The Competition Act, 2002 provides for setting of the Competition Commission of India (CCI) comprising of a Chairperson, and a minimum of two and maximum of six Members. The Act also provides for establishment of the Competition Appellate Tribunal (COMPAT) to hear and dispose of appeals against the orders of CCI, and

adjudicate upon the claims of compensation that may arise from the findings of the Commission. The Competition Commission of India (CCI) was constituted in March 2009 for the administration, implementation and enforcement of the Act.

**5.1.3.** The composition of CCI (as on 31.03.2014) is as under:

Shri Ashok Chawla – Chairperson

Smt. Geeta Gauri – Member

Shri Anurag Goel – Member

Shri M.L. Tayal – Member

Shri S.L. Bunker – Member

### ACTIVITIES OF THE COMMISSION

**5.2.1.** The CCI has received a total of 462 cases, and initiated 16 cases suo-moto. In 61 cases, investigation report of DG, CCI are awaited. It has disposed of 358 cases, including 8 suo-moto cases, leaving a total of 43 cases pending on its Board.

**5.2.2.** CCI conducts various programmes for promoting competition awareness, competition advocacy, capacity building of its officers etc. During 2013-14, 90 such programmes were organized.

**5.2.3.** During 2013-14, CCI organized the 3<sup>rd</sup> BRICS International Competition Conference (ICC) in Hotel Ashok, New Delhi during November 20-22, 2013. The conference was attended by about 100 foreign delegates and 200 Indian Delegates. The 3<sup>rd</sup> BRICS International Competition Conference, 2013 was inaugurated by Dr. Manmohan Singh, the then Hon'ble Prime Minister, on 21.11.2013.

**5.2.4.** On the sidelines of the 3<sup>rd</sup> BRICS International Competition Conference, CCI and the Directorate General for Competition of the European Commission (DG, Competition) signed a Memorandum of Understanding (MoU) on Cooperation in the Field of Competition Laws, on 21.11.2013.

#### **D I R E C T O R   G E N E R A L (I N V E S T I G A T I O N S), C C I**

**5.3.** CCI has its own Investigation Wing headed by a Director General. The office of Director General inquiries into suspected cases of contravention of the Competition law and submits its Investigation Report. The Investigation Report forms a key input for the CCI to decide the matter. Of 91 cases considered during 2013-14, 30 investigation reports were submitted by DG, CCI. On the basis of the report, CCI ordered penalty on 10 cases amounting to Rs. 1996.76 crore.

#### **C O M P E T I T I O N   A P P E L L A T E T R I B U N A L**

**5.4.1.** The Competition Appellate Tribunal (COMPAT) is a quasi-judicial body constituted under the provisions of the Competition Act, 2002, as amended by Competition (Amendment) Act, 2007. The

present composition of the COMPAT is as under:

Shri Justice V.S. Sirpurkar, former Supreme Court Judge- Chairperson

Shri Rahul Sarin, former Secretary to Government of India-Member

Smt. Pravin Tripathi, former Deputy Comptroller and Auditor General- Member

**5.4.2.** COMPAT adjudicates appeals against the orders of the CCI and also adjudicates the claims of compensation that may arise from the findings of CCI or of COMPAT. COMPAT has received 240 Appeals so far against the decision of Competition Commission of India, out of which 174 appeals have been disposed of and 66 appeals are under adjudication with COMPAT as on 31.03.2014.

**5.4.3.** After the dissolution of the erstwhile MRTP Commission, the Government of India vide Ordinance dated 14<sup>th</sup> October, 2009, vested the COMPAT with powers to hear and dispose of pending cases, being dealt with by the then MRTP Commission. About 1825 pending cases were transferred to COMPAT, out of which 1751 cases have been disposed of till 31.03.2014.

## **II.   O T H E R   L E G I S L A T I O N S**

### **T H E   C H A R T E R E D   A C C O U N T A N T S A C T, 1 9 4 9**

**5.5.1.** The Chartered Accountants Act was enacted in 1949 to regulate the profession of Chartered Accountants and, for that purpose,

to establish an Institute. The Institute of Chartered Accountants of India (ICAI) was accordingly established in July, 1949, in terms of the provisions of the Act.

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

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

### **THE COST & WORKS ACCOUNTANTS ACT, 1959**

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

Act. The name of the Institute has been changed through Cost and Works Accountants (Amendments) Act, 2011 as the Institute of Cost Accountants of India.

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

### **THE COMPANY SECRETARIES ACT, 1980**

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

**5.7.2.** Under the Company Secretaries Act, 1980, the duties of carrying out the provisions of the Act are vested with the Council of the Institute of Company Secretaries of India, which is constituted under section 9 of the Act. The Council is composed of not less than 15 persons elected by the members of the Institute, and not more than 5 persons nominated by the Central Government.

### **THE 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.

**5.8.2.** An Expert Group constituted by the Ministry under the chairmanship of Shri K.N. Chaturvedi, former Law Secretary to study the legislative and regulatory architecture of the Societies Registration Act, 1860 has submitted its Interim Report to the Ministry on 05.07.2012, proposing a Bill on 'Multi-state Societies Registration'.

**5.8.3.** The objectives of the Bill are as under:-

- (i) to create an enabling framework towards the functioning of societies;
- (ii) to instill transparency in the functioning of societies and decision –making process thereto, both internally as well as towards third parties;

- (iii) to establish accountability for the actions of societies, which would also include a broad-based social audit of the society's activities;
- (iv) to promote self-regulation of societies by adopting regulator with light touch approach; and
- (v) to modernize the regulatory framework applicable to societies.

**5.8.4.** Comments, views and suggestions on the Report and the Bill (both of which were uploaded on the MCA website : [mca.gov.in](http://mca.gov.in)) from various Individuals/ Experts/ Institutions/ Organizations have been received and are under consideration of the Expert Group, which is expected to give its final report in due course.

#### **THE INDIAN PARTNERSHIP ACT, 1932**

**5.9.** The Indian Partnership Act was enacted in 1932, with a view to define and amend the law relating to partnerships, apart from providing the nature of partnership relating to partners with one another, and with third parties. The Act also provides for registration of firms with the Registrars appointed by the State Governments for the purpose. The Act makes separate provisions for registration of firms with the income tax officers concerned for the purpose of the Income Tax Act.

#### **THE COMPANIES (DONATION TO NATIONAL FUNDS) ACT, 1951**

**5.10.** The Companies (Donations to National Funds) Act was enacted in 1951. The Act enables any company, notwithstanding

anything contained in the Companies Act or any other law, and also notwithstanding the contents of the Memorandum and Articles of Association of any company, to make donations to any fund established for a charitable purpose as approved by the Central

Government. The Gandhi National Memorial Fund and the Sardar Vallabhbhai Patel National Memorial Fund have been approved by the Central Government, making them eligible to receive donations.



# CHAPTER - VI

## TOWARDS INTERACTIVE AND RESPONSIVE ADMINISTRATION

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

**6.2.** Other initiatives adopted towards promising responsive governance include setting up a Call Centre, called Corporate Seva Kendra (0124-4832500), an Information Facilitation Centre (011-23386110) and a state of the art web portal (<http://www.mca.gov.in>)

### **e-GOVERNANCE**

**6.3.1.** The Ministry implemented in March 2006 a holistic end-to-end e-Governance project named 'MCA-21' for registry related services provided to stakeholders in the offices of Registrar of Companies (ROCs), Regional Directorate (RDs) and at the Headquarter in Delhi. The project provided stakeholders easy and secure access to all MCA services and improved speed and certainty of services. The services brought

about transparency, quickness and efficiency in the functioning of the ministerial activities. After successfully completing a seven year period of the first cycle in January, 2013, the project has moved to its second cycle (January, 2013-July, 2021). The new cycle has a project outlay of Rs. 357.81 crore, including an outlay of Rs.54.42 crore for independent project management and certification, over an eight and a half year period. It also includes an outlay of Rs. 29.84 crore for continuous improvements and up-gradation of the electronic delivery of services provided by the Ministry of Corporate Affairs.

**6.3.2.** Since its commencement in 2006, the project has achieved significant milestones such as e-enablement of all interactions of RoC, comprehensive usage of Digital Signature Certificate (DSC), complete automation of internal post processing (Technical Scrutiny, EWS, Inspection and others), automation of internal administration (HR / Payroll / Accounts), Straight Through Processing (STP) for taking filings into registry directly, implementation of Role Check for Stakeholders, comprehensive View Public Document (VPD) facility, comprehensive online payment mechanism through credit cards, internet banking with NEFT facilities, e-Stamping across all States in India, XBRL based filings since 2011,



Comprehensive Online Investor Protection facilities, with regard to companies and LLPs.

**6.3.3.** Several system improvements and enhancements were taken up during 2013-14. This includes hardware up-gradation with updated technology at all offices of the ROCs, RDs and at the Headquarter.

**Achievements:**

**Increased Filings**

**6.3.4.** The year 2013-14 was exceptional in terms of the highest ever filings on the MCA-21 portal on a single day. On 30.10.2013, the filings stood at 1.6 Lac which was 83% higher than the previous year on any single day. **Table 6.1** below brings out the performance levels of the system, increased volume of filing and improved compliance:

<b>Sl. No</b>	<b>Description</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
1	Average Unique Visitors per day	—	30,582
2	Total filings through system	44,48,348	43,85,401
3	Maximum number of documents filed on a day (with date)	87,686 (21.11.2012)	1,60,596 (30.10.2013)
4	Number of companies registered online	94,494	94,081
5	Total DIN issued till date	2,41,003	2,45,402
6	Number of balance sheets filed	5,70,103	6,59,777
7	Number of annual returns filed	5,84,263	6,62,758
8	Amount of E-Stamp collected (in Rs. Crore)	151.3	177.1

**Preparation for implementation of Companies Act, 2013**

**6.3.5.** The Companies Act, 2013, has brought a sea-change in the requirements for approvals and disclosures. The implementation of the Companies Act, 2013 has necessitated major changes in the e-forms and applications. New e-forms were designed, to conform to the prescribed new rules under the Companies Act, 2013. The new e-forms were introduced in the system w.e.f. 28.04.2014.

**Integration of LLP with MCA 21 System:**

**6.3.6.** In order to enhance and extend the convenience to stakeholders, and grouping of all registry related functions on a single platform, the Limited Liability Partnership (LLP) e-governance System was integrated with MCA-21 from 11.06.2012. Through this integration, filings and approvals of 'LLP forms' are done through the MCA-21 website. Stakeholders avail of all existing facilities of MCA-21 in respect of LLP forms filing, including online payment, or use of internet banking from designated banks, in addition to credit card payment facilities.

**6.3.7.** In addition, the regulation of LLPs has been decentralized amongst the 20 Registrars of Companies across the country, enabling direct promotion of the new form of corporate entity. This function was earlier centralized under the Registrar of LLPs, New Delhi.

## **New Initiatives**

### ***Training***

**6.3.8.** In order to help thousands of new users to get familiarized with the MCA-21 system, an hour-long audio-visual training module is provided on the Ministry's website. This module provides complete guidance about the features of the MCA-21 application, with a step by step demonstration of critical transactions performed by users.

### ***Online Certified True Copy of documents***

**6.3.9.** Certified true copies of documents hitherto could be obtained only by physically visiting offices of ROCs and payment of court fee by paper-stamp. The Ministry has started an online facility, which enables the user to make online payment of MCA fee, e-stamp and court fee. The user would be supplied with the certified copy of the document through post at his address, within the time limits prescribed in the Citizen's/Client's Charter, and is not required to physically visit the office of Registrar.

### ***SMS services***

**6.3.10.** SMS services have commenced to increase communication levels with the

stakeholders, and keep them updated on filings made by them, to acknowledge filing of forms providing details of requests, and intimate them after completion of processing of requests.

### ***Registration of Electoral Trust***

**6.3.11.** Incorporation of Electoral Trust (non-profit making companies) was enabled in the system, which was not otherwise allowed. This facility records the receipt of voluntary contributions received from any one to political parties registered under Section 29A of the Representation of People Act, 1951.

### ***Delegation of powers from RDs to ROCs***

**6.3.12.** In order to facilitate speedy and effective processing of the forms by the ROC, powers under regulation 17(6) and LLP Rule 36 were delegated to ROCs. The process of approval was enabled in the system, resulting in expeditious disposals.

## **INVESTOR AWARENESS AND PROTECTION:**

**6.4.1.** A large number of Investor Awareness Programmes have been conducted during 2013-14, in partnership with the three Professional Institutes i.e. Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Institute of Cost Accountants in India to educate investors, including young investors, about various investments options. These programmes cover various cities and towns (including Tier II and Tier III towns) across the country. To extend the outreach of these programmes, it was felt that Regional

Directors and field offices should be actively involved. Accordingly, funds have been allocated to all seven Regional Directors, who collaborate with Professional Institutes in organizing these programmes. 1985 investor awareness programmes were organized during 2012-13, and 2900 programmes held during 2013-14.

**6.4.2.** The Ministry has tied up with BSNL for sending bulk cautionary short messages to its subscribers, and with Doordarshan to display crawler/ticker message on DD News, both in English and Hindi, regarding the dangers of investments/ deposit schemes promoted by ponzi companies.

**6.4.3.** The Ministry launched a sub-site on the main website [www.mca.gov.in](http://www.mca.gov.in) for companies to file details of unpaid and unclaimed amounts of investors lying with them. Till 31.03.2013, 1406 companies had uploaded their data, reporting that a total amount of Rs. 1,101.35 Crore was lying with them as unclaimed. As on 31.03.2014, 2459 companies reported an amount of Rs. 3454.29 Crore, as unclaimed. This website has enabled investors, especially small investors and investors located in remote areas, to search and obtain information. The unclaimed amounts get transferred to the Investor Education and Protection Fund (IEPF), after the expiry of seven years.

**6.4.4.** Investors/depositors have been empowered to lodge their complaints on-line through the MCA 21 system, using the website of the Ministry viz. [www.mca.gov.in](http://www.mca.gov.in) under "Investor Services". A system of Nodal Officers has been established at the Regional

Level, with a Nodal Officer designated in the Ministry. In order to make the investor grievance redressal mechanism more effective and responsive, the Ministry has restructured its complaint module in the MCA21 Portal.

## **INVESTOR EDUCATION AND PROTECTION FUND**

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

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

**6.5.2.** Under the Companies Act, 2013, the Investor Education and Protection Fund

Authority will be set up to administer the Fund.

## **NATIONAL FOUNDATION FOR CORPORATE GOVERNANCE**

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

**6.6.2.** The Governing Council of NFCG works at the apex level of policy making. It is chaired by the Minister for Corporate Affairs. The activities of the Foundation are steered by the Board of Trustees, chaired by the Secretary, Ministry of Corporate Affairs. The activities conducted under the aegis of NFCG include seminars, conferences, training and workshops, research activities, etc. on corporate governance practices.

## **INTERNATIONAL COOPERATION**

**6.7.1.** The Indian Institute of Corporate Affairs (IICA) and Institute of Directors (IOD), UK entered into an MoU to promote objectives of improving corporate governance in India. The MoU is aimed at leveraging the expertise of IOD in corporate governance and to offer courses, such as, courses for Chartered Director to benefit aspiring directors.

**6.7.2.** A Cooperation Agreement will shortly be signed between Indian Institute of Corporate Affairs (IICA) and International Finance Corporation (IFC) for strengthening corporate governance in identified companies in the country.

## **VIGILANCE**

**6.8.** The Vigilance Wing in the Ministry is headed by a Chief Vigilance Officer (CVO) of the rank of Additional Secretary, who is assisted by a Deputy Secretary, an Under Secretary, and other support staff. The Vigilance Wing handles the following activities:-

Complaints received from individuals and/or referred by other Organizations like CBI/CVC/PMO etc. are examined by obtaining a factual report from the concerned administrative Divisions/Organizations. Preliminary inquiry is also ordered, in certain cases, depending on the nature of allegations. If a *prima facie* case is made out, regular departmental action is initiated.

Review and streamlining of procedures, where there is a scope of corruption. The MCA-21 Project is a major initiative that has reduced the public interface and brought in transparency, thereby reducing possibilities of corruption.

During the year 2013-14, it was decided to display the following message in the Ministry:

“Do not pay bribes. If anybody of this office, asks for bribe or if you have any information on corruption in this office or if you are victim of corruption in this office, you can make complaint to the head of this department, or the Chief Vigilance Officer/the Superintendent of Police, Central Bureau of Investigation and the Secretary, Central Vigilance Commission”

“Don't harass the Honest, Don't spare the Dishonest”

“Come forward with specific and verifiable evidence against wrong doings to eradicate corruption”.

Furnishing of monthly report on vigilance activities to the CVC.

Consideration of requests for grant of permission envisaged under the Central Civil Services (Conduct) Rules, 1964, issue of vigilance clearance, processing of property returns and matters relating

to Annual performance Appraisal Reports of all officers except ICLS in the Ministry (Headquarters).

During 2013-14, 10 departmental disciplinary proceedings were ongoing at various stages.

Vigilance Awareness Week was observed during 28.10.2013 to 02.11.2013 to create and promote awareness amongst officers and staff.

## **RASHTRA-BHASHA**

**6.9.** The Ministry of Corporate Affairs continues to enhance its efforts for achieving targets set by the Department of Official Language and to promote the use of Hindi in official work. Some of the major activities undertaken during the year 2013-14 are as under:-

1. There were regular meetings of the Official Language Implementation Committee (OLIC), chaired by Joint Secretary (Admn.) of the Ministry, and implementation of Official Language Policy of the Government was reviewed.
2. Four Hindi workshops were organised during 2013-14 to impart the knowledge of Official Language Policy among officers/employees and to impart training to them to make official communications in Hindi.
3. Eleven subordinate/attached offices and eight Sections of the Ministry's headquarter were inspected by the

officers under Inspection-cum-contact programme to review the progressive use of Hindi.

4. Hindi *Pakhwada* (fortnight) was celebrated in the Ministry from 02.09.2013 to 16.09.2013. During the fortnight, many competitions were organized separately for Hindi speaking and non-Hindi speaking officers/employees. The Secretary, M/o Corporate Affairs awarded prizes to the winners of various competitions at a function held on 31.10.2013. The field offices of the Ministry also organized similar activities in their respective offices.
5. During the Year 2013-14, the Committee of Parliament on Official Language inspected four subordinate/attached offices of the Ministry.

## **PUBLICATIONS OF THE MINISTRY**

**6.10.** The Ministry has published the following Reports/Publications during 01.04.2013 to 31.03.2014:-

- (a) In pursuance of the provisions of Section 638 of the Act, the Annual Report on the Working and Administration of the Companies Act, 1956 is required to be laid before both Houses of Parliament. The 57th Annual Report as on 31.03.2013 was laid on the Tables of both Houses of Parliament in 2014.
- (b) The Fourth Annual Report of the Competition Commission of India

(CCI) for 2012-13 was laid on the Tables of both Houses of Parliament in 2013, under sub-section (2) and (3) of Section 53 of the Competition Act, 2002.

- (c) A Newsletter is brought out every month. It contains information on initiatives of the Ministry, policy announcements, notifications and circulars, conferences/ workshops/seminars conducted, international collaboration activities and other notable events during the month.
- (d) Monthly Information Bulletin on Corporate Sector, a statistical abstract on the number of new companies and LLPs registered during the month, authorized capital, economic activity-wise and state-wise distribution of companies and LLPs etc., is published monthly.

## **CITIZEN'S/CLIENT'S CHARTER**

**6.11.1.** The Ministry of Corporate Affairs, being a regulatory Ministry, has regular public interaction for performing its regulatory functions, which most often take form of rendering its services to the various stakeholders. The Ministry has issued a detailed Citizen's/Client's Charter, accessible on its website. In this Charter, the Ministry has given a detailed list, running into 21 pages, of services/ transactions, processes involved, requisite documents and fees applicable in its Citizens' charter with the designation of the official concerned and relevant contact particulars in respect of each

of the services. It has also set the standards of performance/ time limits against each of the services/ transactions in a list that runs into 7 pages.

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

components have been given wider publicity in the office premises of the Ministry by displaying boards. The same is enclosed at **Annexure-III** to this Report.

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

**6.12.** The representation of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs) in the Ministry, excluding field offices staff is shown in the **Table 6.2**.

**Table 6.2.**

**Statement showing the total number of Government servants and number of SCs, STs and OBCs amongst them (as on 31.03.2014)**

Group	Sanctioned Strength	In position			
		Total	SC	ST	OBC
(1)	(2)	(3)	(4)	(5)	(6)
'A'	54	45	5	-	2
'B'	105	75	17	3	4
'C'	146*	75	19	1	2
<b>Total</b>	<b>305</b>	<b>195</b>	<b>41</b>	<b>4</b>	<b>8</b>

\* including MTS

### **RESULTS FRAMEWORK DOCUMENT**

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

**6.13.2.** The Results Framework Documents

for 2012-13, 2013-14 and 2014-15 are available at the website of the Ministry. The Results Framework Document for 2013-14 (Section 1 and Section 2) is placed at **Annexure – V**.

### **BUDGET OF MCA 2013-14**

**6.14.** The details of the Revenue Receipts and Expenditure (Plan and Non Plan) of the Ministry are given below (**Table 6.3** and **Table 6.4**).

**Table - 6.3.**  
**Revenue Receipts**

(Rs. in Crore)

<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1235.83	1494.69	1465.28	1469.64	1603.31

**Table - 6.4.**  
**Expenditure (Plan & Non Plan)**

(Rs. in Crore)

	<b>Actual Expenditure 2012-13</b>	<b>2013-14</b>			<b>Budget Estimates 2014-15</b>
		<b>Budget Estimates</b>	<b>Revised Estimates</b>	<b>Actual Expenditure</b>	
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b>Non-Plan</b>					
Headquarters, MCA	96.10	120.28	114.14	112.82	119.20
Field Offices	59.42	64.95	63.08	61.4	64.88
Attached Offices	17.98	16.75	17.80	17.69	24.67
Non-Plan - Capital	8.03	19.30	17.34	16.93	22.50
<b>Plan</b>					
Revenue (IICA)	8.00	23.38	18.23	18.23	22.76
Capital (IICA)	16.43	10.62	2.77	2.15	1.24
<b>Grand Total</b>	<b>205.96</b>	<b>255.28</b>	<b>233.36</b>	<b>229.22</b>	<b>255.25</b>

## AUDIT

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

## RIGHT TO INFORMATION

**6.16.1.** Ministry of Corporate Affairs is a Public Authority under the provisions of the RTI Act, 2005 In order to comply with the provisions of the Right to Information Act,



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

**6.16.2.** The officers of the Ministry have been declared as Central Public Information Officers(CPIOs) and Appellate Authorities (AAs) as per their allotted work. Field offices under this ministry have also been declared as Public Authorities under the RTI Act. Applications/ appeals under the RTI Act are also being received through Central Assistant

Public Information Officers (CPIOs) nominated at sub-Divisional level or other Sub-District level by the Department of Posts.

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

**6.16.4.** The details of RTI request and appeals received as on 31st March 2014 in the Ministry of Corporate Affairs are given in **Table 6.5. :**

**Table 6.5. : Details of RTI Requests and Appeals**

1	Total number of applications received	1618
2	Transfer to other Public Authorities	608
3	Decisions where applications for information rejected (i) No. of times various provisions were invoked	45
4	No. of cases where disciplinary action was taken against any officer in respect of administration of this Act	NIL
5	No. of cases where CIC imposed penalty	NIL

## **MINISTRY'S USER-FRIENDLY WEBSITE**

**6.17.** The website is gateway to all MCA services, guidance, and other corporate affairs related information. The MCA website has recently undergone a complete

makeover. The website is user friendly and more attractive. It provides easy access to all the services provided by the MCA through the website. Navigation to other pages has been made far easier. Important updates and notices are highlighted/flushed up front upon opening the home page.



# **ANNEXURES**



## KEY FEATURES OF THE COMPANIES ACT, 2013

### ***Business Friendly Corporate Regulations/ Pro-Business Initiatives***

The salient features of the Act under this initiative are:

- Provision of self-regulation with disclosures/transparency instead of 'Government approval based regime'.
- E-Governance for Corporate records/meetings – statutory recognition to (i) maintenance of documents by companies in electronic form, (ii) 'video-conferencing' as a mode of conducting Board meetings etc.
- Faster mergers and acquisitions including short form of mergers and cross border mergers.
- Summary liquidation: For companies having net assets of Rs. One crore or less, Official Liquidators (OLs) have power to adjudicate.
- Time bound approvals through National Company Law Tribunal (NCLT).
- Concept of 'dormant companies' introduced (Companies not engaged in business for 2 consecutive years are declared as dormant)

- Concept of One Person Company' introduced.

### ***Good Corporate Governance and Corporate Social Responsibility***

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

### ***Enhancing Accountability of Management***

- Term 'Officer in Default' reviewed to make it more relevant.
- Terms 'Key Managerial Personnel' (KMP) and 'Promoter' defined to fix responsibility on key functionaries.
- Duties of Directors including towards shareholders, employees, community

and environment defined.

- Cap on number of Directorships: 20 companies out of which 10 can be public companies.

### ***Strengthened Enforcement***

- Central Government to have power to order investigation, *suo motu*, in public interest.
- Statutory recognition of Serious Fraud Investigation Office (SFIO).
- Creation of special courts.
- Search and seizure of documents, during investigation, without an order from Magistrate.
- Freezing of assets or Disgorgement of illegal gains of company under investigation.

### ***Audit Accountability***

- Recognition of accounting and auditing standards.
- Stricter disqualification norms for auditors.
- Auditor not to perform specified non-audit services.
- Tenure or rotation of auditors prescribed.
- Internal audit for bigger companies.
- Substantial civil and criminal liability for auditor in case of non-compliance.
- Tribunal empowered to direct change of

auditors in case of fraud.

- Cost records and cost audit for prescribed class of companies.
- Secretarial audit for prescribed class of companies.
- National Financial Reporting Authority (NFRA) to be constituted.

### ***Protection of Minority Shareholders***

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

### ***Investor Protection***

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

## Senior Functionaries of the Ministry of Corporate Affairs

<p style="text-align: center;"><b>Arun Jaitley</b> Minister <b>Nirmala Sitharaman</b> Minster of State <b>Naved Masood</b> Secretary <b>M.J. Joseph</b> Additional Secretary</p>								
<p><b>Additional Secretary</b> <b>M.J. Joseph</b> DS(BPP) BP Pant US(RK) Rakesh Kumar SO(Ad.III) A. Selva Kumar SO(Vig.) P.K. Prabhat</p> <p><b>JS(B)</b> <b>Amartdeep Singh Bhatia</b> Dir(AK) Alok Kumar Dir(AB) Anil Bhardwaj Dir(NC) Navneet Chauhan Dir(Ru) Rajinder Jha DD(MSP) Pachouri DD(SS) Shyam Sunder DD(SG) Sanjay Gupta US(RKP) R.K. Pandey US(RK) Rakesh Kumar US(BPB) B.P. Bimal US(GPS) G.P. Sarkar SO(IGM) Shalini Juneja SO(Ad.IV) Vinod Kumar SO(CL-II) H.N. Hedao SO(IC) M. Murali Mohan SO(E-Gov. Cell) K.C. Joshi</p>	<p><b>DI(UCN)</b> <b>UC Nahata</b> JD(LR) L.R. Meena JD(BKL) B.K.L. Srivastava DD(SS) Sanjay Sood DD(SY) Sanjay Yadav AD(PS) Parvinder Singh AD(IHA) I.H. Ansari AD(HS) Himanshu Sekhar AD(AM) Aparna Mudian</p>	<p><b>JS(SF)</b> <b>Suresh Pal</b> DS(BPP) B.P. Pant DS(JSA) J.S. Audhkhasi Consult.(OL) Savitri Yadav US(AHA) A.H. Aggrawal US(GPS) G.P. Sarkar US(AK) Anil Kumar US(KK) Kshitish Kumar US(AP) Anil Parasher AD(OL) Bindu Pillai SO(Ad.I) R.K. Dhar Consultant(Gen.) R. Rajaram SO(Infra) Surajit Saha SO(Parl.) Paritosh Bhatia SO(Coord.) Deen Dayal Singh SO &amp; DDO</p>	<p><b>JS(B)</b> <b>Amartdeep Singh Bhatia</b> DI(BNH) B.N. Harish DI(ROM) R.C. Meena JD(VS) Vinod Sharma DD(WKD) N.K. Dua AD(SF) Seema Rath AD(KS) Kamna Sharma AD(SM) K.M. Shankara Narayanan AD(AB) Animesh Bose SO(Legal) S. Padma Roy AD(LS) Lata Sisodia</p>	<p><b>JS(M)</b> <b>Manoj Kumar</b> Dir(NC) Navneet Chauhan Dir(AB) Anil Bhardwaj Dir(RJ) Rajinder Jha DS(USA) J.S. Audhkhasi DS(SK) Sushma Kataria DS(BM) Brij Mohan US(LKT) L.K. Trivedi US(RV) Ravi Vazirani US(AP) Anil Parasher US(AHA) A.H. Aggrawal US(JBK) J.B. Kaushish DD (Insolv. &amp; CL.III) P.K. Duggal SO(P) L. Thangaraj SO(CL-VII) Semiksha Lamba SO (IICA) Ashutosh Anand SO(Comp.) S.C. Chakraborty</p>	<p><b>JS(B)</b> <b>Amartdeep Singh Bhatia</b> DI(BNH) B.N. Harish DI(ROM) R.C. Meena JD(VS) Vinod Sharma DD(WKD) N.K. Dua AD(SF) Seema Rath AD(KS) Kamna Sharma AD(SM) K.M. Shankara Narayanan AD(AB) Animesh Bose SO(Legal) S. Padma Roy AD(LS) Lata Sisodia</p>	<p><b>Economic Adviser</b> <b>Sibani Swain</b> Dir(AK) Arun Kumar Dir(PS) Pankaj Srivastava JD(KLK) K.L. Kaushik DD(EN) E. Nagachandran AD(RS) Ram Swaroop Singh AD(SS) Sudaveni Satyanarayana AD(VR) Vaibhav Rundwal</p>	<p><b>Adviser (Cost)</b> <b>Aruna Sethi</b> Dir(VK) V.K. Aggarwal AD(BS) Bharti Sahai AD(RP) Rakesh Pandey AD(NG) Nipun Gupta AD(MK) Manoj Kumar</p> <p><b>Chief Vigilance Officer:</b> <b>M.J. Joseph</b> <b>Additional Secretary</b></p> <p><b>Web Master:</b> <b>Anil Bhardwaj, Director</b></p> <p><b>Welfare Officer:</b> <b>A.H. Aggrawal, US</b></p>	<p><b>Budget</b> CCA : Vineeta Barwa US : A.H. Aggrawal SO : Amitesh Roy</p>
<p><b>Integrated Finance &amp; Accounts Wing</b> JS&amp;FA : Sujata Prasad CCA : Vineeta Barwa DS(FD) : Sushma Kataria US(FD) : Anil Kumar SO(FD) : Annakunju Mathew</p>								





# Citizens' / Clients' Charter

## Ministry of Corporate Affairs

Shastri Bhavan, New Delhi 110001

### *Our commitments to you*

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





# Citizens' / Clients' Charter

## Ministry of Corporate Affairs

Shastri Bhavan, New Delhi 110001

### Our commitments to you

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

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

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

(a) Inform our Public Grievance officers as under

Sl. No.	Nature of Grievances/Complaints	Name and Address of Public Grievance Officer	Telephone No Landline	E-mail	Mobile No.
1	Investor Grievance	Shri U C Nahta, Director of Investigation and Inspection	Tel. 23381226	<a href="mailto:uttam.nahta@mca.gov.in">uttam.nahta@mca.gov.in</a>	8595387010
2	Other Grievances/ Complaints	Shri Suresh Pal, Joint Secretary	Tel. 23389785 Fax 23074212	<a href="mailto:sureshpal@nic.in">sureshpal@nic.in</a>	9868907961
3	Grievances/Complaints Related to MCA21	Shri Anil Bhardwaj, Director	Tel. 23070954	<a href="mailto:anil@mca.gov.in">anil@mca.gov.in</a>	9868218060

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

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

Performance Evaluation Report for Result Framework Document 2012-13																
Objective	Weight	Action	Success Indicator	Unit	Weight	Target Criteria Value						Performance				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score	As approved by HPC		
1. To provide simplified laws governing Corporate Sector and to facilitate effective compliances and enlightened regulatory regime.	20	Simplification of quasi-judicial approvals	Issue of Notification	Date	1	31/12/2012	31/01/2013					10/07/2012	100	1	10/7/2012	
		Decentralize the approvals to Regional Directors	Issue of Notification	Date	3	31/12/2012	31/01/2013						10/07/2012	100	3	10/7/2012
		To enable & facilitate simplified LLP filing by review/revision of LLP forms	Issue of Circular and notification.	Date	3	30/06/2012	31/07/2012						11/06/2012	100	3	11/6/2012
		Promotion of LLP Act through workshops	Workshops to be organized in different cities	Number	3	8	6	4	2				8	100	3	6
2. On line delivery of all registry related services with speed, certainty and transparency, access to public information and effectively monitoring of statutory compliance	21	Revision in the Bill,2011 reflecting the changes the Parliamentary Standing Committee may like to suggest	Submission of note to the Cabinet for revision in Companies Bill	Date	10	31/12/2012	31/03/2013					24/09/2012	100	10	24/09/2012	
		Integration of LLP e-Governance with MCA-21	Common portal for registry related services of Company & LLP	Date	2	01/09/2012	15/09/2012	1/10/2012	15/10/2012				11/06/2012	100	2	11/06/2012
		Integration with Name Database of trade mark Authority.	Facilitate online verification of Company name before applying for ROC approval	Date	1	01/08/2012	15/08/2012	01/09/2012	30/09/2012			11/06/2012	100	1	11/06/2012	

**Performance Evaluation Report for Result Framework Document 2012-13**

Objective	Weight	Action	Success Indicator	Target Criteria Value								Performance		
				Unit	Weight	Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score	As approved by HPC
by the companies.	2	Introduction of added facility under MCA21	Facility for opening Corporate Bank a/c will be made available to company through MCA-21 system	Date	01/08/2012	15/08/2012	01/09/2012	30/09/2012	11/06/2012	100	2	11/06/2012		
				Date	15/09/2012	30/09/2012	15/10/2012	31/10/2012	15/04/2012	100	2	15/04/2012		
				Date	15/09/2012	30/09/2012	15/10/2012	31/10/2012	09/07/2012	100	2	09/07/2012		
				Date	15/09/2012	30/09/2012	15/10/2012	31/10/2012	16/07/2012	100	2	16/07/2012		
Improvement in User Facilitation	1	Enhanced Stakeholders service through SMS	Identifying new operator	Date	30/11/2012	31/12/2012	31/01/2013	28/02/2013	14/08/2012	100	1	14/08/2012		
				Date	15/02/2013	28/02/2013	15/03/2013	31/03/2013	08/11/2012	N/A	N/A	08/11/2012		
Implementation of revised Schedule VI of Companies Act in XBRL	2	Date of implementation	Date of implementation	Date	31/10/2012	15/11/2012	30/11/2012	01/12/2012	29/09/2012	100	2	29/09/2012		
				Date	31/10/2012	15/11/2012	30/11/2012	01/12/2012	29/09/2012	100	2	29/09/2012		

**Performance Evaluation Report for Result Framework Document 2012-13**

Objective	Weight	Action	Success Indicator	Target Criteria Value								Performance				
				Unit	Weight	Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score	As approved by HPC		
		Inclusion of exempted classes(Power, Insurance, Banking Cos.) in XBRL	Date of implementation	Date	2	31/10/2012	15/11/2012	30/11/2012	01/12/2012			N/A	N/A			
		Exposure of MCA services to NSDG	Completing all actions within two months of NSDG being launched (number of days)	Number	1	60	75	90				40	100	1		40
3. To protect investors and promote investor education and awareness for creation of appropriate business environment that facilitates growth of corporate sector in the country.	8	Empowerment of investors by providing information relating to unpaid and unclaimed amounts to investors.	Uploading of information by companies.	%	2	90	85	80	75	70		90	100	2		67
		Roadmap arising out of discussion in India Corporate and Investors meet(2011-12)	Issue of Roadmap on Investor Related Issues, Corporate Governance and CSR	Date	2	31/10/2012	30/11/2012	31/12/2012	31/01/2013	28/02/2013		31/10/2012	100	2		31/10/2012
		To protect investor and to promote investor awareness through field offices under the jurisdiction of RDs	Conducting investor awareness programmes	Number	2	500	450	400	350	300		1985	100	2		500
		Organizing India Corporate and Investor Meet in big cities	meets	Number	2	5	4	3	2	1		1	60	1.2		1

### Performance Evaluation Report for Result Framework Document 2012-13

Objective	Weight	Action	Success Indicator	Target Criteria Value								Performance		
				Unit	Weight	Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score	As approved by HPC
4. To develop capacity building and secure policy advisory support through IICA	6	To design training modules for in-service Sr. officers/CLS officers, Probationers and Group B officers	Compilation of all training modules for the year	Date	3	30/06/2012	31/07/2012	31/08/2012	30/09/2012	31/10/2012	15/05/2012	100	3	15/05/2012
		Number of ICLS & Group B officers to be trained by IICA	officers to be trained	Number	3	150	120	100	80	60	195	100	3	100
5. Administration of Companies Act and other Acts under the purview of Ministry including effective enforcement to prevent corporate frauds	18	Usage of XBRL data for technical scrutiny of companies and detection of frauds through XBRL enabled Warning System(EWS)	Taking effective action	Date	3	15/02/2013	28/02/2013	15/03/2013	31/03/2013		30/04/2012	100	3	30/04/2012
		Processing of all technical scrutiny under section 234/inspection reports received upto 31.03.2012 and issue of follow-up instructions	Disposal of technical scrutiny/inspection reports	Date	3	31/08/2012	30/09/2012	31/10/2012	30/11/2012		31/08/2012	100	3	31/08/2012
		Processing of all technical scrutiny under section 234/inspection reports received upto 30.06.2012 and issue	Disposal of technical scrutiny/inspection reports	Date	3	30/11/2012	31/12/2012	31/01/2013	28/02/2013		30/11/2012	100	3	30/11/2012

**Performance Evaluation Report for Result Framework Document 2012-13**

Objective	Weight	Action	Success Indicator	Target Criteria Value								Performance						
				Unit	Weight	Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score	As approved by HPC				
		of follow-up instructions																
		Processing of all technical scrutiny under section 234/inspection reports under section 209A received upto 30.09.2012 and issue of follow-up instructions	Disposal of technical scrutiny/inspection reports	Date	2	31/01/2013	28/02/2013	15/03/2013	31/03/2013				31/01/2013	100	2			31/01/2013
		Processing of investigation under Section 235/237 reports received upto 31.03.2012 and issue follow-up instructions	Disposal of investigation reports	Date	3	30/09/2012	30/11/2012	31/12/2012	31/01/2013				28/09/2012	100	3			28/09/2012
		Processing of investigation under Section 235/237 reports received upto 30.06.2012 and issue follow-up instructions	Disposal of investigation reports	Date	2	31/12/2012	28/02/2013	15/03/2013	31/03/2013				30/11/2012	100	2			30/11/2012
		Update of inspection/ Investigation/ prosecution manual	Completion of updated manual	Date	2	31/12/2012	15/01/2013	15/02/2013	31/03/2013				31/12/2012	100	2			31/12/2012

**Performance Evaluation Report for Result Framework Document 2012-13**

Objective	Weight	Action	Success Indicator	Target Criteria Value								Performance			
				Unit	Weight	Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score	As approved by HPC	
6. To promote Competition	9	Cooperation between M/o Corporate affairs & CCI on the one hand and US, Deptt. of Justice and US, Federal Trade commission on Anti-Trust cooperation with respect to sharing of competition regimes between the two countries.	Signing of the MOU	Date	2	30/09/2012	31/10/2012	30/11/2012				27/09/2012	100	2	27/09/2012
				Date	5	30/09/2012	31/10/2012	30/11/2012				23/10/2012	92.58	4.63	23/10/2012
				Date	2	30/06/2012	31/07/2012	31/08/2012				20/04/2012	100	2	20/04/2012
7. Improving the functioning of official liquidators and application of e-governance to liquidation and winding up of companies.	3	To float request for Proposal (RFP) for appointment of implementing Agency	Floating of RFP	Date	1	30/09/2012	31/10/2012	30/11/2012				08/09/2012	100	1	08/09/2012
				Date	2	15/02/2013	28/02/2013	15/03/2013				30/09/2012	100	2	30/09/2012
8. Efficient functioning of the RFD System	3	Timely submission of Draft for approval	On-time submission	Date	2	05/03/2012	06/03/2012	07/03/2012	08/03/2012	09/03/2012		05/03/2012	100	2.00	05/03/2012
				Date	1	01/05/2012	03/05/2012	04/05/2012	05/05/2012	06/05/2012		01/05/2012	100	1.00	29/10/2012

## Performance Evaluation Report for Result Framework Document 2012-13

Objective	Weight	Action	Success Indicator	Target Criteria Value								Performance		
				Unit	Weight	Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Achievement	Raw Score	Weighted Score	As approved by HPC
9. Administrative Reforms	6	Implementing mitigating strategies for reducing potential risk of corruption	% of implementation	2	100	95	90	85	80	100	100	2	100	100
			Area of operation Covered	2	100	95	90	85	80	0	0	0	100	100
		Timely preparation of departmental Innovation Action Plan (IAP)	Date	2	01/05/2013	02/05/2013	03/05/2013	06/05/2013	07/05/2013	01/05/2013	100	2.00	01/05/2013	
10. Improving Internal Efficiency/ responsiveness/ service delivery of Ministry/Department	4	Implementation of Sevottam	Independent Audit of Implementation of Citizen's Charter.	2	100	90	80	70	60	N/A	N/A	N/A	100.00	
			Independent Audit of implementation of public grievance redressal system	2	100	90	80	70	60	42.81	0	0	100	
11. Ensuring compliance to the Financial Accountability Framework	2	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of report to Parliament by CAG during the year	0.5	100	90	80	70	60	100	0.5	100	100	



**Performance Evaluation Report for Result Framework Document 2012-13**

Objective	Weight	Action	Success Indicator	Target Criteria Value								Performance		
				Unit	Weight	Excellent	Very Good	Good	Fair	Poor	Achievement	Raw Score	Weighted Score	As approved by HPC
		Timely submission of ATRs to the PAC Sectt. on PAC Reports	Percentage of ATRs submitted within due date (6 months) from date of presentation of report to Parliament by PAC during the year	%	0.5	100	90	80	70	60	100	100	0.5	100
		Early disposal of pending ATNs on Audit paras of C&AG reports presented to Parliament before 31.03.2012	Percentage of outstanding ATNs disposed of during the year	%	0.5	100	90	80	70	60	100	100	0.5	100
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.03.2012.	Percentage of outstanding ATRs disposed of during the year.	%	0.5	100	90	80	70	60	100	100	0.5	100

**Total Composite Score: 90.83**  
**PMD Composite: 92.9**



**R F D**  
**(Results-Framework Document)**  
**for**

**Ministry of Corporate Affairs**  
**(2013-2014)**

## Section 1: Vision, Mission, Objectives and Functions

### Vision

To facilitate corporate growth with enlightened regulation.

### Mission

To be responsive and sensitive to changes in the business environment and suitably formulate and modify corporate laws and regulations from time-to-time.

### Objectives

- 1 To provide simplified laws governing Corporate Sector and to facilitate effective compliances and enlightened regulatory regime.
- 2 On line delivery of all registry related services with speed, certainty and transparency, access to public information and effectively monitoring of statutory compliance by the companies.
- 3 Effective enforcement of 'Companies Act' and other Acts coming under the domain of MCA for better Corporate Regulation and Governance.
- 4 Protection of Investor and Promotion of Investor Education and Awareness for growth of Corporate Sector in the country.
- 5 To develop capacity building and secure policy advisory support through IICA.
- 6 To Promote Competition.
- 7 To disseminate Corporate Sector Data/Official Statistics as per National Data Sharing and Accessibility Policy (NDSAP)
- 8 Improving the functioning of Official Liquidators through application of e-Governance.
- 9 Developing and strengthening capabilities in SFIO.

### Functions

- 1 Administration of the Companies Act, 1956, other Acts and simplifying existing Act from time to time
- 2 Dissemination of official statistics related to the Corporate Sector
- 3 Rationalisation of Indian Accounting Standards
- 4 Formulation of Rules and regulations under various Acts administered by the Ministry.
- 5 Implementation of Competition Act and to facilitate the working of Competition Commission.
- 6 Implementation of e-Governance in MCA.
- 7 To develop an Early Warning System for detection of and to undertake investigation of serious frauds through the Serious Fraud Investigation Office
- 8 Undertaking investors' protection and investor awareness and education programmes.
- 9 Administration of the ICLS Cadre and training through IICA.

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target/ Criteria Value				
						Excellent 100%	Vary Good 90%	Good 80%	Fair 70%	Poor 60%
[1] To provide simplified laws governing Corporate Sector and to facilitate effective compliances and enlightened regulatory regime.	16.00	[1.1] Rules formulation/ implementation for the Companies Bill, 2012. (Subject to passing of the Bill in the Rajya Sabha)	[1.1.1] First notification of rules as per the scheme of implementation of the new Companies Bill (within month after Presidential Assent)	Month	8.00	8	9	10	11	12
		[1.2] Simplification of LLP filings by review/revision of LLP forms.	[1.2.1] First notification/Circular.	Date	4.00	31/12/2013	31/01/2014	28/02/2014	31/03/2014	--
		[1.3] Promotion of Limited Liability Partnership Act through workshops.	[1.3.1] Workshops for promotion of LLPs in a year would be held in different ROCs/ regions.	Number	4.00	8	7	6	5	4
[2] On line delivery of all registry related services with speed, certainty and transparency, access to public information and effectively monitoring of statutory compliance by the companies.	18.00	[2.1] Setting up of Corporate Seva Kendra	[2.1.1] Establishment of a call centre to provide wide range of information to stakeholders and to answer their queries about corporate filings, information and statutory requirements.	Date	3.00	30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014
		[2.2] Pre-paid card for accessing MCA21 services	[2.2.1] Enabling at least one pre-paid card for on-line payments on MCA21 portal.	Date	3.00	30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	
						100%	90%	80%	70%	
						31/07/2013	31/08/2013	30/09/2013	31/10/2013	30/11/2013
[3] Effective enforcement of 'Companies Act' and other Acts coming under the domain of MCA for better Corporate Regulation and Governance.	22.00	[2.3] Enhanced speed of communication for MCA offices	[2.3.1] Increase of band width to each ROC office to 4 MB speed for Mumbai and Delhi and 2 MB for all other ROCs.	Date	4.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014
		[2.4] Improvement of user facilitation	[2.4.1] On-line facility for providing certified copies of document	Date	4.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014
		[2.5] Bringing in refinement in business process	[2.5.1] Eliminating payments by physical challan and greater usage of e-payments	Date	3.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014
		[2.6] Improving the back-office working environment	[2.6.1] Replacement of old desktops and peripherals at RDs and ROCs offices.	Number	1.00	30	27	24	21	18
		[3.1] Processing of all inspection reports u/s 209A of the Companies Act received from 1.10.2012 to 31.12.2012 including issue of follow up instructions.	[3.1.1] Issue of follow up letters for inspection report by 31.05.2013	Percentage	2.00	100	90	80	70	60
		[3.2] Processing of inspection reports u/s 209A of the Companies Act received from 1.1.2013 to 31.03.2013 and issue of follow up instructions.	[3.2.1] Issue of follow up letters for inspection report by 31.07.2013	Percentage	2.00	100	90	80	70	60

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
		[3.3] Processing of all inspection reports u/s 209A of the Companies Act received from 1.4.2013 to 30.06.2013 and issue of follow up instructions.	[3.3.1] Issue of follow up letters for inspection report by 31.10.2013	Percentage	2.00	100	90	80	70	60
		[3.4] Processing of all inspection reports u/s 209A of the Companies Act received from 1.7.2013 to 30.09.2013 and issue of follow up instructions.	[3.4.1] Issue of follow up letters for inspection report by 31.01.2014	Percentage	2.00	100	90	80	70	60
		[3.5] Processing of all inspection reports u/s Companies Act received from 01.10.2013 to 31-12-2013 and issue of follow up instructions.	[3.5.1] Issue of follow up letters for inspection report by 31.03.2014	Percentage	2.00	100	90	80	70	60
		[3.6] Processing of all technical scrutiny reports u/s 234 of the Companies Act received from 01.10.2012 to 31.12.2012.	[3.6.1] Issue of instruction letters by 31.07.2013	Percentage	2.00	100	90	80	70	60
		[3.7] Processing of all technical scrutiny reports u/s 234 of the Companies Act received from 01.01.2013 to 30.06.2013.	[3.7.1] Issue of instruction letters by 31.01.2014	Percentage	2.00	100	90	80	70	60

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		[3.8] Processing of all technical scrutiny reports u/s 234 of the Companies Act received from 01.07.2013 to 30.09.2013.	[3.8.1] Issue of instruction letters by 31.03.2014	Percentage	2.00	100	90	80	70	60
		[3.9] Processing of all investigation reports u/s 235/237 of the Companies Act received from 01.07.2012 to 31.12.2012	[3.9.1] Issue of instruction letters by 31.07.2013	Percentage	2.00	100	90	80	70	60
		[3.10] Processing of all investigation reports u/s 235/237 of the Companies Act received from 01.01.2013 to 30.06.2013	[3.10.1] Issue of instruction letters by 31.01.2014	Percentage	2.00	100	90	80	70	60
		[3.11] Processing of all investigation reports u/s 235/237 of the Companies Act received from 01.07.2013 to 31.12.2013	[3.11.1] Issue of instruction letters by 31.03.2014	Percentage	2.00	100	90	80	70	60
[4] Protection of Investor and Promotion of Investor Education and Awareness for growth of Corporate Sector in the country.	6.00	[4.1] Analysis of data/information uploaded by companies about unpaid/unclaimed amounts of the investors lying with the companies for upto seven years and to finalize a list of non compliant companies	[4.1.1] Identification of non-compliant companies	Date	2.00	31/12/2013	31/01/2014	28/02/2014	31/03/2014	-
			[4.1.2] Referring to relevant	Percentage	1.00	100	90	80	70	60

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
[5] To develop capacity building and secure policy advisory support through IICA.	6.00	[4.2] Promotion of investor awareness through field offices by conducting investor awareness programmes  [4.3] Third party evaluation of Effectiveness of the investor Grievances Management Cell in Redressing Investor Grievances	regulatory body within 30 days of identification							
			[4.2.1] Conducting investor awareness programmes and launching a media campaign	Number	2.00	1000	900	800	700	600
			[4.3.1] Completion of Evaluation by third party	Date	1.00	31/12/2013	31/01/2014	28/02/2014	31/03/2014	--
			[5.1.1] Release of document containing knowledge and skill needs of corporate	Date	1.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014
			[5.2] Activation of National Foundation for Corporate Social Responsibility under guidance of Advisory Group and Steering Committee.	Date	1.00	30/09/2013	31/10/2013	30/11/2013	31/12/2013	31/01/2014
[5.3] Content development for Schools of Competition Law and Corporate Governance and Public Policy through Content Development Committees			[5.3.1] Finalized content of various modules	Date	1.00	30/09/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014



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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target/ Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
		[5.4] Completion of New Technical modules for Sr. Technical Assistants, Jr. Technical Assistants and Official Liquidators, Delhi. Training of Group A & Group B Officers	[5.3.2] Holding of 5 revenue generating programmes.	Number	1.00	5	4	3	2	1
			[5.4.1] Completion of modules.	Date	1.00	30/06/2013	31/07/2013	30/08/2013	30/09/2013	30/10/2013
			[5.4.2] Number of Group A & Group B Officers trained.	Number	1.00	100	90	80	70	60
			[6.1] Number of International Delegates.	Number	3.00	70	63	56	49	42
[6] To Promote Competition.	5.00	[6.1] Organising of International Conference on Competition – BRICS 2013	[6.2.1] Holding of Competition Advocacy Conferences and Seminars	Number	2.00	10	9	8	7	6
		[6.2] Provide support for CCI/ICA for conducting competition Advocacy programme	[7.1.1] Issue of the MCA Data Dissemination Policy	Date	1.00	30/06/2013	31/07/2013	31/08/2013	30/09/2013	31/10/2013
[7] To disseminate Corporate Sector Data/Official Statistics as per National Data Sharing and Accessibility Policy (NDSAP)	3.00	[7.1] Finalisation of Ministry's Data Dissemination Policy	[7.2.1] Setting up of Portal/ Gateway as per NDSAP requirements	Date	1.00	31/06/2013	30/09/2013	31/10/2013	31/12/2013	
		[7.2] Operationalisation of Data Dissemination Portal/Facility as per the Ministry's Policy								

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		[7.3] Publication of basic Corporate Sector Statistical Reports w.r.t. categories, classification, time series, etc. on the Ministry's Data Dissemination Portal	[7.3.1] Publishing reports on filings (types and number of companies), time series (number of companies, paid up capital, new companies) and category-wise (State/ROC, activity, ownership)	Date	1.00	30/09/2013	31/10/2013	30/11/2013	31/01/2014	28/02/2014
[8] Improving the functioning of Official Liquidators through application of e-Governance.	3.00	[8.1] Bringing in refinement in business process	[8.1.1] Development of financial accounting module for maintaining accounts of companies under liquidation	Date	1.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014
			[8.1.2] Creation of e-auction portal to enable e-auction of the properties of the companies under liquidation	Date	1.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014
			[8.1.3] Provision of network connectivity to OL offices for online access to companies' records and establishment functions	Date	1.00	30/11/2013	31/12/2013	31/01/2014	28/02/2014	31/03/2014

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
[9] Developing and strengthening capabilities in SFO.	6.00	[9.1] Developing a fraud prediction model.  [9.2] Setting up of a Forensic Lab and Training of Officers	[9.1.1] To prepare a comprehensive framework for fraud prediction model	Date	1.00	30/06/2013	15/07/2013	31/07/2013	15/08/2013	31/08/2013
			[9.1.2] Pilot testing of the model.	Date	1.00	30/09/2013	15/10/2013	31/10/2013	15/11/2013	30/11/2013
			[9.1.3] Setting up of IT Infrastructure	Date	1.00	31/12/2013	15/01/2014	31/01/2014	15/02/2014	28/02/2014
			[9.2.1] Setting up of Infrastructure	Date	1.00	30/09/2013	15/10/2013	31/10/2013	15/11/2013	30/11/2013
			[9.2.2] Training of Officers in Cyber Forensic	Date	1.00	31/10/2013	15/11/2013	30/11/2013	15/12/2013	31/12/2013
			[9.2.3] Setting up of e-office	Date	1.00	30/06/2013	15/07/2013	31/07/2013	15/08/2013	31/08/2013
* Efficient Functioning of the RFD System	3.00	Timely submission of Draft RFD 2014-15 for Approval  Timely submission of Results for 2012-13	On-time submission  On-time submission	Date  Date	2.0  1.0	05/03/2014  01/05/2013	06/03/2014  02/05/2013	07/03/2014  03/05/2013	08/03/2014  06/05/2013	11/03/2014  07/05/2013
* Improving Internal Efficiency/Responsiveness/ Transparency/Service delivery of Ministry/Department	6.00	Independent Audit of implementation of Citizens'/Clients' Charter (CCC)  Independent Audit of implementation of Grievance Redressal System  Update departmental strategy to align with 12th Plan priorities	% of implementation  % of implementation  Timely updation of the strategy	%  %  Date	2.0  2.0  2.0	100  100  10/09/2013	95  95  17/09/2013	90  90  24/09/2013	85  85  01/10/2013	80  90  08/10/2013

\* Mandatory Objective(s)

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
* Administrative Reforms	6.00	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	1.0	100	95	90	85	80
		Implement ISO 9001 as per the approved action plan	% of implementation	%	2.0	100	95	90	85	80
		Implement Innovation Action Plan (IAP)	% of milestones achieved	%	2.0	100	95	90	85	80
		Identification of core and non-core activities of the Ministry/Department as per 2nd ARC recommendations	Timely submission	Date	1.0	01/10/2013	15/10/2013	30/10/2013	10/11/2013	20/11/2013

\* Mandatory Objective(s)





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