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**STANDING COMMITTEE ON FINANCE
(2014-15)**

SIXTEENTH LOK SABHA

MINISTRY OF CORPORATE AFFAIRS

[Action taken by the Government on the recommendations contained in Fifth Report of the Standing Committee on Finance on 'Demands for Grants (2014-15) of the Ministry of Corporate Affairs]

SEVENTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 2015, Sravana, 1937 (Saka)

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(2014-2015)**

(SIXTEENTH LOK SABHA)

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[Action taken by the Government on the recommendations contained in Fifth Report of the Standing Committee on Finance on 'Demands for Grants (2014-15) of the Ministry of Corporate Affairs]

Presented to Lok Sabha on 31 July, 2015

Laid in Rajya Sabha on 31 July, 2015



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 2015, Sravana, 1937 (Saka)

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'Demands for Grants (2014-15)

* Not appended in the cyclostyled copy

COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2014-15

Dr. Veerappa Moily - Chairman

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Venkatesh Babu T.G.
4. Shri Sudip Bandyopadhyay
5. Shri Nishikant Dubey
6. Shri P.C. Gaddigoudar
7. Dr. Gopalakrishnan C.
8. Shri Shyama Charan Gupta
9. Shri Prataprao Jadhav
10. Shri Rattan Lal Kataria
11. Shri Bhartruhari Mahtab
12. Shri Prem Das Rai
13. Shri Rayapati Sambasiva Rao
14. Prof. Saugata Roy
15. Shri Jyotiraditya M. Scindia
16. Shri Gajendra Singh Sekhawat
17. Shri Gopal Shetty
18. Shri Anil Shirole
19. Shri Shivkumar Udasi*
20. Dr. Kiritbhai Solanki
21. Dr. Kirit Somaiya

RAJYA SABHA

22. Shri Naresh Agrawal
23. Shri Naresh Gujral
24. Shri A. Navaneethakrishnan
25. Shri Satish Chandra Misra**
26. Dr. Mahendra Prasad
27. Shri K.N. Balagopal***
28. Shri C.M. Ramesh
29. Shri Ajay Sancheti
30. Shri Digvijaya Singh
31. Dr. Manmohan Singh

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Smt. Abha Singh Yaduvanshi | - | Joint Secretary |
| 2. | Shri P.C. Tripathy | - | Director |
| 3. | Shri Ramkumar Suryanarayanan | - | Additional Director |
| 4. | Shri Ujjwal Pant | - | Executive Assistant |

*Nominated w.e.f. 24.02.2015 vide Bulletin Part -II dated 24.02.2015 against the vacancy caused due to induction of Shri Jayant Sinha, MP to the Union Council of Ministers w.e.f. 09.11.2014.

**Nominated w.e.f. 08.01.2015 vide Bulletin Part -II dated 12.01.2015 against the vacancy caused by retirement of Shri Brajesh Pathak, MP from Rajya Sabha.

***Nominated w.e.f. 06.05.2015 vide Bulletin Part - II dated 07.05.2015 against the vacancy caused by retirement of Shri P. Rajeeve, MP from Rajya Sabha.

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorized by the Committee, present this Seventeenth Report on action taken by Government on the Observations / Recommendations contained in the Fifth Report of the Committee (Sixteenth Lok Sabha) on "Demands for Grants (2014-15)" of the Ministry of Corporate Affairs.

2. The Fifth Report was presented to Lok Sabha / laid on the table of Rajya Sabha on 16 December, 2014. The Action Taken Notes on the Recommendations were received from the Government *vide* their communication dated 26 February, 2015.

3. The Committee considered and adopted this Report at their sitting held on 16 July, 2015.

4. An analysis of the action taken by the Government on the recommendations contained in the Fifth Report of the Committee is given in the Appendix.

5. For facility of reference, the observations / recommendations of the Committee have been printed in bold in the body of the Report.

NEW DELHI
22 July, 2015
31 Ashadha, 1937 (Saka)

DR. M. VEERAPPA MOILY,
Chairperson,
Standing Committee on Finance.

CHAPTER – I

REPORT

This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations/observations contained in their 5th Report (Sixteenth Lok Sabha) on Demands for Grants (2014-15) of the Ministry of Corporate Affairs which was presented to Lok Sabha / Laid in Rajya Sabha on 16 December, 2014.

2. The Action Taken Notes have been received from the Government in respect of all the 10 recommendations contained in the Report. These have been analyzed and categorized as follows:

- (i) Recommendations/Observations that have been accepted by the Government:

Recommendation Nos. 37,38,42,43,44,45 and 46

(Total 07)
(Chapter- II)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:

Recommendation No. NIL

(Total NIL)
(Chapter- III)

- (iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee:

Recommendation Nos. 40 and 41

(Total 02)
(Chapter -IV)

- (iv) Recommendations/Observations in respect of which final replies by the Government are still awaited:

Recommendation No. 39

(Total - 01)
(Chapter- V)

3. The Committee desire that the replies to the observations/recommendations contained in Chapter-I may be furnished to them expeditiously.

4. The Committee will now deal with the action taken by the Government on some of their recommendations.

A. Serious Fraud Investigation Office (SFIO)

Recommendation (Para No. 40)

5. The Committee had observed that SFIO is a multidisciplinary organization working under the Ministry of Corporate Affairs with a mandate to probe serious financial frauds. The Committee noted that though SFIO had been given a statutory status under the new Company law regime, the Ministry had failed to equip SFIO with requisite manpower. The Committee were constrained to note that even after ten years of existence, SFIO was still in the process of conducting pilot studies, be it for Early Warning System/Fraud Prediction Module or for setting up of cutting edge forensic lab. The Early Warning System had also not generated any investigation so far. The Committee were of the view that it was high time the Ministry came out of their tokenism towards such an important office whose capacity to efficiently unravel modern day corporate frauds remains to be adequately built up. In this regard, the Committee found that the allocation of funds made thus far to SFIO had not been translated into fruitful outcomes by way of investigation and prosecution of cases. As the SFIO could take up cases only on reference by the Ministry, the onus lied on the Ministry to keep the SFIO adequately engaged and equipped to investigate cases expeditiously and deliver outcomes with promptitude. If there were delays in finalizing cases, resulting in time-bar during prosecution, the Ministry should hold the concerned officers accountable for the same and fix responsibility thereof.

6. In their action taken reply the Ministry of Corporate Affairs have submitted as follows:-

"The Ministry has been making continuous efforts to overcome the shortage of manpower in SFIO. Some of the initiatives taken by the Ministry/ SFIO are as under:-

a) Induction of experts on contract basis in specialized areas like Cyber Forensic and Data Analysis has already been started through an empanelled agency under NIC to man the Forensic Lab in SFIO. One Consultant is currently working in the Forensic Lab of SFIO on contract basis.

- b) To enable faster appointment of Consultants/Experts, it has been proposed to create an approved panel of Chartered Accountants, similar to the practice followed in other departments like Income Tax, CBI etc.
- c) Six Consultants (Law) have been appointed on contract basis to overcome the difficulties faced due to shortage of Law Officers in SFIO.
- d) Draft Recruitment Rules for various posts have been framed on which approval from DOPT has already been obtained the approved draft RRs are being sent to UPSC for its approval along with a request for one time relaxation for filling up the vacant posts based on the new draft RRs.
- e) The draft Recruitment Rules for some of the posts provide for exercising an option to the deputationists for permanent absorption. The Rules also provide for direct recruitment only when efforts to fill up the posts by deputation/absorption have not been successful. It is expected that a permanent Cadre of SFIO will be in place in due course.
- f) A proposal for enhancing Investigation Allowance to SFIO Officers on par with CBI and other Enforcement Agencies has been submitted to 7th Pay Commission. If this allowance is approved, it would help to obtain deputationists from other agencies to work in SFIO.
- g) Advertisements are regularly issued and Heads of various organizations contacted to spare the services of officers on deputation to SFIO.
- h) The terms of deputation offered in SFIO are not as attractive as are offered by other premier Investigation Agencies like CBI, IB, Enforcement Directorate, NIA and SEBI. As a result, there is no motivation for officers from various organizations to opt for deputation to SFIO. This issue has now been taken up with the 7th Pay Commission and a strong case has been made out for raising the deputation allowance.
- i) In SFIO, 4 posts {2 each at the level of Additional Director (Law) and Dy Director (Law)} encadred with Indian Law Service (ILS) are lying vacant for quite some time. In a recent attempt to fill these posts through encadrement, Secretary, Ministry of Law & Justice has expressed his inability to provide ILS officers to SFIO and has desired that for the time being the same be filled through temporary arrangement. The Ministry is analyzing the suitability to fill these four posts with ICLS officers instead of ILS service.

Early Warning System

On account of growing menace of corporate frauds impacting the population belonging to the lower strata of society, the Ministry had

initiated a process of developing an Early Warning System (EWS) aimed at generating alerts for detecting cases of potential fraud and malfeasance. A pilot test was carried out during 2013-14. The results were analyzed. As the results were not very encouraging, the system required to be further fine-tuned. In the meanwhile, SFIO has been tasked with the examination of complaints of investors logged on the MCA 21 Portal, for which a dump of complaints received would be shared with SFIO online. This is expected to help in identifying “Red Flags” or Early Warning of potential frauds cases that can be taken up for detailed inspection / investigation.

The Ministry has also set up a Computer Forensics Lab in SFIO for revamping its Market Research and Analysis Unit (MRAU) through induction of appropriate technology and skilled technical manpower. It is proposed to exercise greater surveillance over corporate frauds through examination and analysis of media reports by MRAU and for recommending to the Ministry in specific cases where inspection and investigation can be ordered into a suspected fraud.

No case of suspected fraud has been detected as of now, as the Early Warning System (EWS) is yet to be made fully developed.

Allocation of Funds

The allocation of funds to SFIO and percentage increase /decrease on a year-on-year basis is given in the table below:-

Sr. No.	Financial Year	Budget allocation (₹ in lakh)	Year on year % increase/decrease (-)
1.	2010-11	513.30	
2.	2011-12	527.80	+2.82
3.	2012-13	511.00	-3.18
4.	2013-14	792.40	+55.07
5.	2014-15	966.40	+21.96

The increased allocation of funds have been utilized for upgradation of infrastructure facilities, which includes setting up of a state of the art Computer Forensics Lab in SFIO. Further, as most of the investigation cases assigned during the last two years were of companies based in the Eastern part of the country, the budget allocations were also utilized for expenses related to investigation of these cases.

With the limited manpower resources, it has been possible to complete approximately 20 cases a year, in the last three years. However, with induction of technology and technical manpower, the disposal rate has increased. In the current year, in the first nine months i.e. up to 31st December 2014, a total of 36 investigation reports have been submitted to the Ministry. Further, it has been our endeavor to file complaints in the court of competent jurisdiction on receipt of sanction for prosecution from the Ministry without delay. "

Recommendation (Para No. 41)

7. The Committee noted that for the past few years manpower position in the Ministry in general and SFIO in particular had not been satisfactory. It was very alarming that SFIO at present was functioning at below 50% of its sanctioned strength, both at Group `A` and Group `B` levels, which presented a very grim picture about its functioning as such. The Committee recommended that the Ministry should finalize the inordinately delayed Recruitment Rules of SFIO within three months, so that there was a permanent cadre of officials in SFIO without any further delay. They also desired that a copy of the Recruitment Rules be furnished to them within three months of presentation of this Report to the Parliament.

8. In their action taken reply the Ministry of Corporate Affairs have submitted as follows:-

"Draft Recruitment Rules for various posts have been framed on which approval from DOPT has already been obtained. The approved draft RRs are under consideration for sending the proposal to the UPSC."

9. **The Committee note that the Ministry has been following an ad-hoc approach in the functioning of Serious Fraud Investigation Office (SFIO), which is an organisation, responsible for investigating corporate offences. The Committee are constrained to note that even a three month deadline given to the Ministry to finalise the Recruitment Rules have been missed by the Ministry. The Committee observe that such a lackadaisical approach of the Ministry in fulfilling the sanctioned manpower of SFIO, is proving to be a major obstacle in realising the full potential of SFIO in unraveling corporate frauds. The technological capability of SFIO, also seems to be falling behind the curve. The Early Warning System (EWS), which was propounded as panacea for all corporate frauds at the time of its launch by the Ministry, has been dumped by it for want of encouraging results. The Computer Forensic Lab set up in Market Research and Analysis Unit (MRAU) of SFIO is yet to show tangible results, by way of timely identification and detection of high-tech corporate frauds. The Committee, therefore, re-emphasise and reiterate that there is a need to**

review the existing systems with a view to securing positive outcomes both in investigation as well as prosecution. The Committee would also reiterate that the Ministry must finalise the recruitment rules immediately without further delay, so that SFIO could have a permanent cadre of officials and, lack of manpower no longer remains an issue for its under-performance.

The Committee note that the Ministry, in their Action Taken Replies have chosen to remain silent on the mechanism regarding accountability in case of delays in finalising cases. They, therefore, reiterate their earlier stand and advice the Ministry to install a system in this regard and be firm in fixing responsibility where there are delays in finalising cases.

B. Indian Institute of Corporate Affairs (IICA)

Recommendation (Para No. 43)

10. The Committee noted that the IICA was intended to act as think tank for research studies and policy advice to the Government in the field of Corporate and Competition Law, Compliance Management, Corporate Governance, etc.. The Institute had been designed to provide a platform for dialogue, interaction and partnership between Government, corporates, professionals, academicians and other stakeholders of the modern-day business environment. The Committee observed that the lack of experienced faculty at various levels was making it difficult for the Institute to justify its role as a think-tank of the Government. The Committee also observed that financial sustainability of the Institute required measures to cut costs and rise internal revenue. The Committee recommended the Ministry/Institute to chart out a proper human resource policy, so that all the schools and centers of the Institute were fully functional and the Institute was able to justify the mandate, for which it had been set up. The Committee further recommended that apart from providing research and training support to the parent Ministry and other ministries on corporate law issues, the Institute should develop robust revenue generation model, while becoming self-sustaining by meeting the needs of corporate sector and by developing competence in conduct of independent high quality

research. The Committee should be apprised of the action plan of the Ministry/Institute to carry out the suggested roadmap for IICA.

11. In their action taken reply the Ministry of Corporate Affairs have submitted as follows:-

"The Institute became operational in 2008 on a very small scale with Officers of the Ministry concurrently holding charge of various posts in the Institute. It was only after most of its activities shifted to its newly constructed and functional campus at Manesar, Haryana in April, 2012 that the Institute started to work on a larger scale in order to fulfil its role of a think-tank of the Government and a platform for interaction and partnership between Government, Corporates, professionals, academicians and other stakeholders in the fields of corporate and competition law, corporate governance, CSR, etc. The Institute is now fully functional and its 5 out of its 6 schools have become functional. They are Indian Corporate Law Service Academy, School of Corporate Law, School of Competition Law, School of Finance and School of Corporate Governance & Public Policy. Similarly, 4 out of its 6 centres namely, Centre for Business Innovation & IT Services, Centre for Institutional Partnership & Corporate Communication, Centre for Responsibility Corporate Governance and Centre for Micro, Small & Medium Enterprises have become fully operational. These schools and centres are headed by highly qualified and skilled professionals recruited from the market on the basis of their achievements and qualifications. The Institute has also taken steps to develop linkages and co-operation agreements with similarly placed Institutes both at the national and international levels. It has till date, signed 4 international MoUs with George Washington University Law School, German Agency for International Cooperation, Institute of Directors, UK and International Finance Cooperation, USA and 27 national MoUs with reputed institutes. In order to function efficiently and evolve as a centre of excellence, the Institute has taken steps to fill up its vacant posts. As on January, 2015, 19 senior level posts out of 50 created have been filled up. Besides, 43 Consultants have also been appointed to carry on the activities of the Institute. Besides 65 posts have been filled up on outsourced basis. Therefore, it is seen that the Institute has no dearth of skilled manpower or sufficient number of people to carry out its activities.

The Institute has also initiated several steps to prepare a holistic Human Resource Manual. The first draft of this Manual is likely to be ready by 31st March, 2015. This will provide the basis for preparing comprehensive Human Resource Policy for filling up the vacant posts, encouraging young talent, human resource retention strategy, training and development, career progression, code of conduct and grievance redressal mechanism.

In view of these developments, the Institute cannot be said to be lacking in experienced professionals and personnel and is making all out

efforts to attract the best staff and personnel to fulfil its mandate, besides developing linkages with national and international institutions to acquire skill and awareness of latest trends and thinking in areas and disciplines in which it is working.

The revenue generation by IICA to fund its activities is also showing an increasing trend. The Institute has generated a sum of ₹11.28 lakhs and ₹69.44 lakhs during the FY 2012-13 and 2013-14 respectively. During the FY 2014-15, as on October, 2014 a sum of ₹72.95 lakh has been generated against the target of ₹1.5 crore for FY 2014-15.

Some of the activities carried out by the Institute in the last two years include being the nodal training institute for the probationers of the Indian Corporate Law Service and other officers of the Ministry of Corporate Affairs through the ICLS Academy which is a part of the Institute. It has held many round tables, seminars and workshops on CSR, role of Independent Directors, Corporate Governance, etc. from time to time. It has also held short-term training programmes for professionals of the banking sector, PSUs, Corporate executives and other stakeholders.

In order to achieve its aims and objectives systematically and in a time bound manner, a MoU has been signed between the Institute and the Ministry of Corporate Affairs for the first time for the year 2014-15. The emphasis is on time-bound achievements of targets and increasing the revenue generation of the Institute. Such efforts are likely to lead to better results in future though the aim of making the Institute self-sustaining or increasing its sources of income to match its expenditure does not appear to be feasible or attainable in the near future."

12. The Committee note that the Indian Institute of Corporate Affairs (IICA) has taken some initiatives to supplement its human resources and generation of revenue for its sustainability. The Committee, however, is of the view that, considering the amount of investments which has gone into creating such massive infrastructure of the Institute, much more needs to be done. The Committee recommend that the IICA should not limit its scope by merely becoming a training institution for the probationers of the Indian Corporate Law Service and other officials of the Ministry. It should rather redefine its role and pro-actively position itself in the market as a leading research based institute, which can serve the growing needs of Indian industry in the area of corporate law and practice.

C. Investor Awareness And Protection

Recommendation (Para No. 45)

13. The committee welcomed the new initiatives taken by the Ministry for creating investor awareness like display of crawler messages on news channel of Doordarshan, sending SMS through BSNL network, broadcast of investor awareness jingles on news channels and radio channels, utilizing the facility of Google Ad-Word, etc. The Committee noted that under the new Company Law administration, an authority was proposed to be set up for administration of the investor education and protection fund, undertaking investor awareness and education, refund of unclaimed amounts, distribution of disgorged amounts, reimbursement of legal expenses under class action suits, etc. The Committee recommended that the Ministry should expedite the constitution of such an Authority so that there was one umbrella organization responsible for addressing investor grievances in a focused and time bound manner. The Committee also recommended that apart from notifying the rules at the earliest which shall operationalize the Authority, the Ministry should also prescribe detailed guidelines for the Authority to distribute unpaid and unclaimed dividends lying with the Ministry, so that small investors, and particularly those located in remote areas were able to get their unclaimed amounts without any hassles. They also desired the Ministry to forcefully pursue the matter of allocation of Rs.20 crore for the Authority with the Ministry of Finance.

14. In their action taken reply the Ministry of Corporate Affairs have submitted as follows:-

"The recommendation of the committee for early notification and allocation of ₹20.00 crore to the Authority is noted. The endeavor of the Ministry is to notify the rules at the earliest. The steps and processes of claim of unpaid amounts have been included and detailed in the draft rules. The constitution of the Authority, as prescribed by the Act, is for refund of unclaimed amounts, promotion of investors' education & awareness, etc. It will not be possible to include redressal of investor grievances in the functioning of Authority. The redressal of investor grievance is being done through field offices of the Ministry."

15. The Committee note that the constitution of an Authority for administration of the investor education and protection fund, undertaking investor awareness and education, refund of unclaimed amounts,

distribution of disgorged amounts, reimbursement of legal expenses under class action suits, etc. has taken an unduly long time. They, therefore, desire that the Ministry should take immediate steps to end the uncertainty over its constitution. In this context, the Committee note that redressal of investor grievances has remained an area of neglect. The small investors have often been short-changed by unscrupulous promoters and dubious companies and the performance of field offices of the Ministry in providing prompt and just redressal for such grievances has been less than satisfactory. The Committee are of the view that excluding investor grievances from the mandate of the afore-mentioned authority will do no justice to the investor's fraternity. The Committee would therefore suggest that the Ministry should include all investor related activities including redressal of investor grievances under the ambit of this Authority as it will act as a single window clearance for all investor problems.

D. Legislative Developments

Recommendation (Para No.46)

16. The Committee observed that the piecemeal implementation of the new Companies Act had created some uncertainty for the industry. In this regard, the Committee were surprised to note that bulk of the Rules, that made the new statute effective, were made public in the last week of March 2014 and companies were expected to comply with them from 01.04.2014. This only raised the anxiety levels of the various stakeholders who were required to operationalize the new rules immediately. The Committee recommended that major areas of concern in the new law, such as those relating to related party transactions, capital raising, director's liabilities, etc. were addressed by the Ministry on priority basis, so that the New Company Law was able to fulfill its objective of facilitating economic growth with responsible regulation."

17. In their action taken reply the Ministry of Corporate Affairs have submitted as follows:-

"Keeping in view the nature/size of the new Companies Act and requirements for framing of rules, consultation with stakeholders as well

as constitution of various bodies, implementation of the new Act in a phased manner was considered appropriate.

2. The rules in the form of draft Rules were made available for public comments from September, 2013 to December, 2013. The final rules were notified after taking into account the suggestions received during this public exposure.

3. Further, many of the suggestions made/ concerns raised by stakeholders have been addressed (including related party transactions/ capital raising) through amendment in Rules, Removal of Difficulties Order and Circulars. Exemptions u/s 462 of the Act have also been proposed for private companies; Government Companies, Companies incorporated under section 8 of the Companies Act, 2013 and NIDHI Companies. The draft notifications containing these exemptions have been laid in both Houses of the Parliament in July, 2013 and will be notified once the laying period is completed. The Companies (Amendment) Bill, 2014, pending in Rajya Sabha also proposes certain relaxations on such matters."

18. While noting that suitable amendments in the new Companies Act and changes in the Rules have already been brought in, the Committee would expect the Ministry to evaluate and respond continually to the pitfalls and constraints arising during the course of implementation of the Act and operationalisation of the Rules. The Committee may be kept apprised of the developments in this regard.

**New Delhi;
22 July, 2015
31 Ashadha, 1937 (Saka)**

**DR. M. VEERAPPA MOILY,
Chairperson,
Standing Committee on Finance**

Minutes of the Thirty-first sitting of the Committee on Finance

The Committee sat on Thursday, the 16th July, 2015 at 1500 hrs. to 1815 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Dr. M. Veerappa Moily - Chairperson

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri P.C. Gaddigoudar
4. Shri Shyama Charan Gupta
5. Shri Prataprao Jadhav
6. Shri Rattan Lal Kataria
7. Shri Bhartruhari Mahtab
8. Shri Rayapati Sambasiva Rao
9. Prof. Saugata Roy
10. Shri Gajendra Singh Sekhawat
11. Shri Gopal Shetty
12. Shri Anil Shirole
13. Dr. Kiritbhai Solanki
14. Dr. Kirit Somaiya

RAJYA SABHA

15. Shri Satish Chandra Misra
16. Shri K.N. Balagopal
17. Dr. Manmohan Singh

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Smt. Abha Singh Yaduvanshi | - | Joint Secretary |
| 2. | Shri P.C. Tripathy | - | Director |
| 2. | Shri Ramkumar Suryanarayanan | - | Additional Director |
| 3. | Shri Kulmohan Singh Arora | - | Deputy Secretary |

- | | | | | | |
|----|----|----|----|----|-----|
| 2. | XX | XX | XX | XX | XX. |
| 3. | XX | XX | XX | XX | XX |

4. Thereafter, the Committee took up the following draft Reports for consideration and adoption:

- (i) Draft Report on Action Taken by the Government on the recommendations contained in the 2nd Report of the Committee on Finance on DFGs (2014-15) of the Ministry of Finance (Department of Economic Affairs, Expenditure, Financial Services and Disinvestment);
- (ii) Draft Report on Action Taken by the Government on the recommendations contained in the 3rd Report of the Committee on Finance on DFG (2014-15) of the Ministry of Finance (Department of revenue);
- (iii) Draft Report on Action Taken by the Government on the recommendations contained in the 5th Report of the Committee on Finance on DFGs (2014-15) of the Ministry of Corporate Affairs: and
- (iv) Draft Report on Action Taken by the Government on the recommendations contained in the 6th Report of the Committee on Finance on DFGs (2014-15) of the Ministry of Statistics and Programme Implementation.

5. After some deliberations, the Committee adopted the above draft Reports without any modification and authorised the Chairperson to finalise them and present these Reports to Parliament.

The Committee then adjourned.

APPENDIX

(Vide Para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIFTH REPORT OF THE STANDING COMMITTEE ON FINANCE (SIXTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2014-15) OF THE MINISTRY OF CORPORATE AFFAIRS

	Total	% of total
(i) Total number of Recommendations	10	
(ii) Recommendations/Observations which have been accepted by the Government (vide Recommendation Nos.37,38,43,43,44 & 45)	07	70%
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	Nil	0.00
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee (vide Recommendation at Sl. Nos. 40 & 41)	02	20%
(v) Recommendations/Observations in respect of which final reply of the Government are still awaited (vide Recommendation at Sl. No. 39)	01	10%