44

STANDING COMMITTEE ON FINANCE
(2016-17)

SIXTEENTH LOK SABHA

MINISTRY OF CORPORATE AFFAIRS

DEMANDS FOR GRANTS
(2017-18)

FORTY-FOURTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

March, 2017 / Phalguna, 1938 (Saka)

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(SIXTEENTH LOK SABHA)

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Presented to Lok Sabha on 15 March, 2017

Laid in Rajya Sabha on 15 March, 2017

LOK SABHA SECRETARIAT
NEW DELHI

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CONTENTS

COMPOSITION OF THE COMMITTEE ....(iii)

INTRODUCTION..(v)

	PART-I	Page Nos.
I.	Introductory	1
II.	Budgetary Allocations and Utilisation	1
	(i) Plan Expenditure- IICA	2
	(ii) Non-Plan Expenditure - IEPF Authority	4
III.	Administrative Structure of the Ministry	8
IV.	Serious Fraud Investigation Office	11
V.	Competition Commission of India	14
VI.	Corporate Social Responsibility	15

PART-II

Observations / Recommendations 18-23

ANNEXURES

Minutes of the Sittings of the Committee held on 16 February, 2017 and 09 March, 2017

COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2016-17

Dr. M. Veerappa Moily - Chairperson

MEMBERS

LOK SABHA

2. Shri T.G. Venkatesh Babu
3. Shri Gopalakrishnan Chinnaraj
4. Shri Nishikant Dubey
5. Shri P.C. Gaddigoudar
6. Shri Shyama Charan Gupta
7. Prof. Sanwar Lal Jat
8. Shri Rattan Lal Kataria
9. Shri Chandrakant B. Khaire
10. Shri Bhartruhari Mahtab
11. Shri Prem Das Rai
12. Shri Rayapati Sambasiva Rao
13. Prof. Saugata Roy
14. Shri Jyotiraditya M. Scindia
15. Shri Gajendra Singh Sekhawat
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18. Dr. Kiritbhai Solanki
19. Dr. Kirit Somaiya
20. Shri Dinesh Trivedi
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RAJYA SABHA

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24. Shri Satish Chandra Misra
25. Shri A. Navaneethakrishnan
26. Dr. Mahendra Prasad
27. Shri C.M. Ramesh
28. Shri T.K. Rangarajan
29. Shri Ajay Sancheti
30. Shri Digvijaya Singh
31. Dr. Manmohan Singh

SECRETARIAT

1.	Smt. Abha Singh Yaduvanshi	-	Joint Secretary
2.	Shri R.C. Tiwari	-	Director
3.	Shri Ramkumar Suryanarayanan	-	Additional Director
4.	Ms. Melody Vungthiansiam	-	Executive Assistant

INTRODUCTION

I, the Chairperson of the Committee on Finance, having been authorised by the Committee, present this Forty- Fourth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2017-18)' of the Ministry of Corporate Affairs.

2. The Demands for Grants (2017-18) of the Ministry of Corporate Affairs were laid on the Table of the House on 09 February, 2017 under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took oral evidence of the representatives of the Ministry of Corporate Affairs on 16 February, 2017. The Committee wish to express their thanks to the representatives of the Ministry of Corporate Affairs for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2017-18).

4. The Committee considered and adopted this Report at their Sitting held on 09 March, 2017.

5. For facility of reference, the Observations / Recommendations of the Committee have been printed in bold at the end of the Report.

New Delhi;
09 March, 2017
18 Phalguna, 1938 (Saka)

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

REPORT

I. INTRODUCTORY

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

(i) The Companies Act, 2013

(ii) The Companies Act, 1956

(iii) The Limited Liability Partnership (LLP) Act, 2008

(iv) The Competition Act, 2002 as amended by Competition (Amendment) Act, 2009

(v) The Insolvency & Bankruptcy Code, 2016

(vi) The Chartered Accountants Act, 1949

(vii) The Cost and Works Accountants Act, 1959

(viii) The Company Secretaries Act, 1980

(ix) The Societies Registration Act, 1860 and Indian Partnership Act, 1932 (in centrally administered areas)

(x) The Companies (Donations to National Funds) Act, 1951

II. BUDGETARY ALLOCATIONS AND UTILISATION

Demand No. 17 pertaining to the Ministry of Corporate Affairs for the year 2017-18 amounts to Rs. 508.04 crore, out of which Rs. 478.54 crore is under Revenue Head and Rs. 29.50 crore is under Capital Head. The entire allocation is voted.

Statement of Budget Allocation and Expenditure

(Rs. in crore)

Year	Budget Estimates			Revised Estimates			Actual Expenditure			(-)Savings (+) Excess		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2014-15	24.00	231.25	255.25	23.00	228.92	251.92	17.93	208.30	226.23	-6.10	-22.95	-29.02
2015-16	24.00	247.88	271.88	20.00	391.53	411.53	19.55	384.83	404.38	-4.46	+136.95	+132.50
2016-17	20.00	324.43	344.43	15.00	369.57	384.57*	11.40	284.91	303.36**			

*** This figures excludes Rs. 30 crore earmarked under Inter Account Transfer**

**** Expenditure as on 20.02.2017**

The grants of the Ministry of Corporate Affairs in Demand No.17 provides for expenditure on the Secretariat of the Ministry of Corporate Affairs and field offices, *namely*, Office of the Directorate General of Corporate Affairs, seven offices of Regional Directorates, sixteen offices of Registrar of Companies (ROCs), nine offices of Registrar of Companies-cum-Official Liquidators (ROC-cum-OLs), fourteen offices of Official Liquidators (OLs), three attached offices *viz*. Company Law Board (CLB – since subsumed in NCLT with effect from 01.06.2016), Serious Fraud Investigation Office (SFIO) and Competition Appellate Tribunal (COMPAT), Grants-in-aid-General/Grants-in-aid-Salaries and Grants for Creation of Capital Assets for the Competition Commission of India (CCI) and Grants-in-aid-General/Grants-in-aid-Salaries for the Indian Institute of Corporate Affairs. In addition, these grants will also cater to the requirements of new institutional structures, *viz*. the National Company Law Tribunal (NCLT), the National Company Law Appellate Tribunal (NCLAT), National Financial Reporting Authority (NFRA), the National Financial Reporting Appellate Authority (NFRAA), the Special Courts, the Investor Education & Protection Fund (IEPF) Authority and Insolvency and Bankruptcy Board of India (IBBI) that have been/are in the process of being set up in pursuance of the Companies Act, 2013 / Insolvency and Bankruptcy Code.

(i) <u>Plan Expenditure</u>

Indian Institute of Corporate Affairs (IICA)

The Indian Institute of Corporate Affairs (IICA) has been established as a 'think tank', action research, service delivery and capacity-building institute to serve as a one-stop-shop providing a platform for partnerships between government, corporate entities and other stakeholders.

The Ministry in a written note regarding ongoing plan schemes submitted as under:

"For the XII Plan period the erstwhile Planning Commission has allocated Rs.110.00 crore under the Plan Scheme “Indian Institute of Corporate Affairs

(IICA)” (Rs.90.00 crore for Revenue expenditure and Rs.20.00 crore for Capital expenditure). The year-wise details of allocation and utilisation are given below:

(i) For the financial year 2013-14, an amount of Rs.34.00 crore (Rs.10.62 crore under Capital and Rs.23.38 crore under Revenue Heads) was allocated which was reduced to Rs.21.00 crore (Rs.2.77 crore under Capital and Rs.18.23 crore under Revenue Heads) at the R.E. stage. Against the allocation of Rs.2.77 crore under Major Works object of Head of Account, Rs.2.16 was utilized, and the balance amount of Rs.0.61 crore was surrendered. The entire revised allocation of Rs.18.23 crore under Revenue Head was fully utilised by releasing as Grants-in-aid to the IICA.

(ii) For the financial year 2014-15, an amount of Rs.24.00 crore (Rs.1.24 crore under Capital and Rs.22.76 crore under Revenue Head) was allocated at BE stage, which was reduced to Rs.23.00 crore (Rs.1.24 crore under Capital and Rs.21.76 crore under Revenue Head) at the RE stage. Out of the revised allocation of Rs.21.76 crore under Revenue expenditure, an amount of Rs.16.69 crore was utilized and the remaining amount of Rs.6.07 crore was surrendered. The entire Capital allocation was fully utilized.

(iii) For the financial year 2015-16, an amount of Rs.19.00 crore (Rs.0.10 crore under Capital and Rs.18.90 crore under Revenue Head) was allocated at the BE stage, which was reduced to Rs.15.00 crore (Rs.0.10 crore under Capital and Rs.14.90 crore under Revenue Head) at RE stage. The entire allocation under RE 2015-16 was utilized.

(iv) For the financial year 2016-17, an amount of Rs.10.00 crore under Revenue Head only was allocated at the BE stage, which has been retained at RE stage. As on 06.02.2017, an amount of Rs.7.75 crore has been utilized. The entire allocation under RE 2016-17 is likely to be utilized.

With the passage of time and experience gained, the Institute is gaining recognition and has started generating revenue. The number of activities undertaken by the Institute to fulfil its objectives has shown an upward trend over the years. Similarly, the income generated by the Institute out of its own activities is also increasing. From the modest inflow of Rs. 0.20 crore in FY 2012-13, the income of the Institute increased to Rs. 0.80 crore in FY 2013-14 to Rs. 4.93 crore in FY 2014-15 and to Rs. 7.50 crore in FY 2015-16. For the FY 2016-17, against the target of Rs. 11.25 crore the Institute has reported to be able to generate revenue of Rs. 7.50 crore till 31st December, 2016. Efforts are also being made to reduce the expenditure towards establishment cost and cost on maintenance and House- keeping. The Institute has reduced the manpower cost by about 1.00 crore per annum which will result in lesser dependence on Government support.

The activities undertaken by the Institute are showing a positive trend in terms of number of long-term & short-term courses, research projects, advisory services, colloquium of Members of newly established bodies like National

Company Law Tribunal (NCLT)/National Company Law Appellate Tribunal (NCLAT), support to the Ministry on important projects like Corporate Data Management, Training of ICLS Probationary officers, MoUs with National organisations/International organizations of repute. The Corporate Social Responsibility (CSR) activities were started in IICA from 2012. Recently, IICA has entered into an MoU with Agriculture Insurance Company Ltd. for a project worth Rs.20.36 crore which has a substantial revenue potential as an agency future. The Institute intends to take many such projects in near future.

Further, the Institute has drawn up a broad based plan for self-sustenance in the near future. The Institute is planning to undertake various activities related to corporate sector in the wake of enactment of Companies Act, 2013 and emerging corporate governance fields like Insolvency and Bankruptcy Code facilitating easy entry and exit from business, Competition Law etc. Apart from rolling out short-term and long-term capacity building programs and research activities, the possibility of declaring IICA as a deemed university or an Institute of National importance and organizing of larger projects with both private and public sector organizations are also being considered. By undertaking the foregoing plan of action and with certain budgetary support from Government, the Institute hopes to become self-sustainable by the end of financial year 2019-20."

Corporate Data Management (CDM) System

Corporate Data Management (CDM) has been introduced as a new Central Sector Plan Scheme of the Ministry with a Gross Budgetary Support (GBS) of Rs.5.00 crore for the year 2015-16. This provision has been bifurcated into two parts – i) Rs.4.00 crore under Revenue Head (for hiring of professionals with domain knowledge for mining and analytics, capacity building of MCA officers), and ii) Rs.1.00 crore under Capital Head (for procurement of requisite hardware & software).Out of this allocation, an amount of Rs.1.76 crore under Revenue Section and Rs.2.79 crore (augmented by Supplementary allocation) under Capital Section was utilized.

In BE 2016-17, the allocation under Revenue Section of this Scheme was Rs.8.00 crore and that under Capital Section was Rs.2.00 crore. The said allocation in RE 2016-17 has been reduced to Rs.5.00 crore (Rs.2.68 crore under Revenue and Rs.2.32 crore under Capital Section). As on 06.02.2017, an amount of Rs.1.88 crore under Revenue Section and an amount of Rs.1.77 crore under Capital Section have been utilized.

(ii) <u>Non- Plan Expenditure</u>

The detail of funds allocated and utilized during the last three years item-wise (giving budgetary estimates, revised estimates, actual expenditure) under Non-Plan, in respect of various activities/schemes of this Ministry during the last three years are as follows:-

<u>Salaries</u>:

(Rs. in crore)

Year	Budget Estimates	Revised Estimates	Actual Expenditure	(-) Savings (+) Excess
2013-14	79.30	79.36	79.92	(+) 0.62
2014-15	87.00	85.09	84.37	(-) 2.63
2015-16	91.04	88.44	89.00	(-) 2.04
2016-17	102.59	113.00	96.35*	

*** Expenditure as on 06.02.2017**

The saving, during the year 2014-15 & 2015-16, occurred due to non-filling of various categories of vacant posts in the Subordinate and Attached offices of the Ministry. The upward trend during the current financial year is attributable to implementation of 7th Pay Commission.

Office Expenses: Allocations and Utilizations

(Rs. in crore)

Years	Budget Estimates	Revised Estimates	Actual Expenditure	(-) Savings (+) Excess
2013-14	12.96	15.44	15.89	(+) 2.93
2014-15	17.10	17.60	15.86	(-) 1.24
2015-16	15.15	20.04	17.87	(+) 2.72
2016-17	36.08	30.81	19.47*	

*** Expenditure as on 06.02.2017**

The savings during financial year 2014-15, occurred due to implementation of the austerity measures and economy in expenditure prescribed by the Ministry of Finance.

Rents, Rates & Taxes:

(Rs. in crore)

Year	Budget Estimates	Revised Estimates	Actual Expenditure	(-) Savings (+) Excess
2013-14	5.46	4.54	3.90	(-) 1.56
2014-15	5.12	5.50	4.21	(-) 0.91
2015-16	5.36	6.10	5.29	(-) 0.07
2016-17	11.04	16.17	7.63*	

* **Expenditure as on 06.02.2017**

The savings under Rent, Rates & Taxes (RRTs) Head during the years 2013-14, 2014-15 and 2015-16 were due to shifting of some of the field offices of this Ministry, functioning from rented buildings at various locations (like Chandigarh, Jaipur, Bangalore and Chennai), to Ministry’s own office complexes. Further, savings also occurred because the funds provided for National Company Law Tribunal (NCLT)/National Company Law Appellate Tribunal (NCLAT) could not be utilized as these offices could not be operationalised during the said years on account of Court injunction.

MCA 21 e-Governance Project:

(Rs. in crore)

Year	Budget Estimates	Revised Estimates	Actual expenditure	(-) Savings (+) Excess
2013-14	41.00	36.80	36.78	(-) 4.22
2014-15	39.66	38.50	27.96	(-) 11.70
2015-16	37.00	31.78	31.49	(-) 5.51
2016-17	37.93	41.93	31.76*	

*** Expenditure as on 06.02.2017**

FY 2013-14, 2014-15 and 2015-16

The saving during the FYs 2013-14, 2014-15 and 2015-16 occurred due to the Service Provider not meeting the milestones under SLA.

The Ministry of Corporate Affairs operated an end-to-end e-Governance project called 'MCA21' for end-to-end service delivery comprising Company and Limited Liability Partnership (LLP) registration, incorporation, registry and other compliance related services. The project specifically focuses on:

i) Speedy incorporation of companies and LLPs, and

ii) Providing Ease of Doing Business.

MCA 21 V2 is the next version of MCA21 which provides an enhanced experience and value to the end users achieved through a revamp of some of the current interfaces so as to provide anytime and anywhere services by Ministry of Corporate Affairs.

Investor Education and Protection Fund (IEPF):

The allocations for undertaking the activities under the IEPF and the utilization thereof during the last three years are given below:-

(Rs. in crore)

Year	Budget Estimates	Revised Estimates	Actual Expenditure	(-) Savings (+) Excess
2013-14	5.00	4.50	4.38	(-) 0.62
2014-15	3.00	3.00	2.84	(-) 0.16
2015-16	4.50	4.50	4.40	(-) 0.10
2016-17	1.50	1.06	0.73*	

*** Expenditure as on 06.02.2017**

IEPF Authority

Section 125 (5) of the Companies Act, 2013, provides for constitution of an Investor Education and Protection Fund (IEPF) Authority under the Chairpersonship of

Secretary, Ministry of Corporate Affairs for inter alia, refunding money to investors in respect of unclaimed dividends, matured deposits, debentures etc. The provision for refund unclaimed dividends beyond a period of 7 years to claimants is a new provision in the Company Act, 2013, as such refund was not allowed under the Companies Act, 1956. This fund now amounts to over Rs.1600.00 crore and is lying in the Consolidated Fund of India. The Authority has been made functional from 07.09.2016. Refund claims are being received and processed. Further, various Investor awareness activities have been undertaken. During 2017-18, it is proposed to escalate the same.

For IEPF Authority, during financial year 2016-17, an amount of Rs.30.00 crore was allocated for purpose of carrying out Investor awareness activities and refund to investors. This amount is available in public Account and non-lapsable.

On being asked about the number of refund claims received and processed by the IEPF Authority, the Ministry in their post-evidence replies stated as under:

> "..........Refund: The Authority is at nascent stage and has refunded Rs.6.52 lakh till now and refund claims of Rs.90 lakh (approx.) are under process. Till date, 188 applications for refund have been received, out of that 17 are duplicate claims. Out of remaining 171 applications, 162 applications are at various stages of processing and 9 refund claims have been settled. In addition to above, Rs. 40.25 lakh have been credited to the account of Custodian in compliance with the court order for refund of unpaid amount wrongly credited by the Companies to the IEPF.
>
> Awareness campaign: For promotion of Investors' awareness, the Authority has started running of informative crawlers on various channels of Doordarshan and airing of jingles on various channels of All India Radio (AIR) cautioning the investors to make informed decision while making any investment. In addition to above, proposal for sending SMS on BSNL network and conducting Investor Awareness Programmes in rural areas through CSC e-governance Services India Ltd. have also been approved. IEPFA is incurring an expenditure of Rs.3,99,81,391/- on all these activities."

Capital Section – Major Works (Non-Plan)

Year-wise allocations and utilization:

(Rs. In crore)

Year	Budget Estimates	Revised Estimates	Actual Expenditure	(-)Savings(+) Excess
2013-14	19.30	17.34	16.93	(-) 2.37
2014-15	22.50	19.00	17.17	(-) 5.33
2015-16	28.00	45.00	43.96	(+) 15.96
2016-17	28.00	22.31	16.69*	

*** Expenditure as on 06.02.2017**

FY 2013-14 and 2014-15

The saving during the FYs 2013-14 and 2014-15 occurred due to non-receipt of bills from the agencies, who were assigned the work of renovation / construction of accommodation owned / hired by the Ministry; also some offices were moved from rented accommodation to Government buildings.

FY 2015-16

As regards the FY 2015-16, supplementary allocation was given for raising infrastructure for newly constituted Benches of NCLT and the NCLAT.

II. ADMINISTRATIVE STRUCTURE OF THE MINISTRY

The Ministry of Corporate Affairs has a three tier organisational structure with the Headquarters at New Delhi, seven offices of Regional Directors, fifteen offices of Registrar of Companies (ROCs), one Central Registration Centre (CRC), nine offices of Registrar of Companies-cum-official Liquidators (ROC-cum-OLs) and fourteen offices of Official Liquidators (OLs). The Central Registration Centre (CRC) at Manesar (Gurugram) has been set up on 26th January, 2016.

The Regional Directors supervise the working of the offices of the Registrars of Companies (ROCs) and Official Liquidators (OLs) located in different locations in the country. The main function of these offices is to advise and guide the ROCs & OLs on technical and administrative matters, to report to the Government particularly on the activities and operations of companies, and to function as a link between the Central Government and the State Governments in their respective regions on matters relating to administration of Companies Act. The Regional Directors have been delegated powers to directly take up work and dispose of certain business under the provisions of the Companies Act.

REGISTRAR OF COMPANIES (ROCs)

Registrars of Companies (ROCs) are appointed under Section 396 of the Act. Registrars of Companies, other than Registrar CRC, continue to have jurisdiction over all the companies including companies incorporated by the Registrar, CRC, for all other provisions of the Act and the rules made thereunder, which may be relevant after incorporation. The Central Government exercises administrative control over these offices through the respective Regional Directors (RDs). As on 31.12.2016, a total of 16,13,371 companies were registered in the country. Sections 206(5), 210 & 212 of the Companies Act, 2013 empowers the Registrars of Companies (ROCs) to undertake inspection, investigation and prosecution of companies for violations of the provisions of the Act.

As on 01.01.2016, 46,100 cases filed by various RoCs were pending with the courts. During the year 2016-17 (up to 30.11.2016) 2516 fresh prosecutions were filed. Out of 48,616 prosecutions were pending as on 30.11.2016.

THE COMPANIES (AMENDMENT) BILL, 2016

Subsequent to the amendments carried out in May 2015, further amendments have been proposed to the Companies Act, 2013. On the basis of the recommendations made by the Companies Law Committee 2015, which submitted its report on 1st February, 2016, and comments received during public exposure of the CLC report, the Ministry has proposed changes in the Companies Act, 2013 and has introduced Companies (Amendment) Bill, 2016 in Lok Sabha. The Bill was referred to the Parliamentary Standing Committee on Finance and after examination, the Committee presented its report to both Houses of the Parliament on 7th December, 2016.

THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC,2016)

The Insolvency and Bankruptcy Code, 2016 was published in the Official Gazette on 28th May, 2016. The Code has been framed with the object to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner.

During examination of Demands for Grants (2017-18), the Ministry in a written reply stated as under:

> "The provisions relating to corporate insolvency resolution and liquidation of the Insolvency and Bankruptcy Code, 2016 (the Code) were commenced from the 1st December, 2016 and 15th December, 2016 respectively. 37 petitions for corporate insolvency resolution have been filed since commencement of the provisions. Orders admitting/rejecting the petition have been made in 12 of these petitions.

In addition, 1401 winding up proceedings under Companies Act, 1956, which were pending before the Hon'ble High Courts and where the petition has not been served on the respondent as required under Rule 26 of the Companies (Court) Rules, 1959 have also been transferred or are under the process of transfer to the NCLT. 944 cases relating to other matters under the Companies Act, 1956 have also been transferred. Some of the High Courts are still in the process of transferring the matters to NCLT.

Measures for expeditious disposal of these matters:

In view of the inherent features of NCLT, wherein the Members are exclusively dealing with Company Law/Insolvency Code matters, hearing of the cases are done on a daily basis at all the 10 locations, and there are more than one Benches constituted at Mumbai and Delhi where the caseload is heavier, the disposal rate is likely to be faster. In addition, the NCLT is making all efforts to dispose the cases as per limits laid in the Companies Act, 2013 (the Act) and the Insolvency and Bankruptcy Code.

The following steps have been taken to further strengthen the infrastructure and manpower resources of NCLT since its inception.

1. The process for selection of new Members to augment the existing 22 Members has been initiated. 3 new Benches at Kochi, Jaipur and Cuttack are also planned.
2. Two colloquiums for Members of NCLT, with one specifically focused on the provisions of the Code, have been organised.
3. Detailed Project Report for implementing e-Courts in all locations of NCLT has been finalised, and the project is likely to be completed within the next 6-9 months.
4. Adequate flexibility has been given to NCLT to recruit supporting officers and staff for the Members. NCLT has proceeded with the recruitment of such staff as per requirements. NCLT has informed that all efforts are being made to further strengthen the existing staff strength by deploying persons on deputation till regular recruitment is completed."

NEW INSTITUTIONS SET UP

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (IBBI)

The Insolvency and Bankruptcy Board of India (IBBI) was established on 1.10.2016 under the IBC,2016. The IBBI has the mandate for regulation of insolvency professionals, insolvency professional agencies and information utilities besides exercising other powers and functions as envisaged under the code.

SPECIAL COURTS

Under Section 435 of the Companies Act, 2013 the Ministry of Corporate Affairs has constituted special courts by designating 19 existing sessions/additional sessions courts as special courts.

NATIONAL COMPANY LAW TRIBUNAL (NCLT)

The National Company Law Tribunal has been constituted on 1st June, 2016. The Ministry of Corporate Affairs has set up eleven Benches , one Principal Bench at New Delhi and one Regional Bench each at New Delhi, Ahmedabad, Allahabad, Bengaluru, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata and Mumbai.

NATIONAL COMPANY LAW APPELLATE TRIBUNAL (NCLAT)

The National Company Law Appellate Tribunal has been set up under Section 410 of the Companies Act, 2013 on 1st June, 2016 to deal with the appeals arising out of the orders of the National Company Law Tribunal.

INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPFA)

The Investor Education and Protection Fund Authority has been set up under Section 125(5) of the Companies Act, 2013 with the objective of making refund of unpaid amounts to eligible stakeholders and promote investor education, awareness and protection.

III. SERIOUS FRAUD INVESTIGATION OFFICE (SFIO)

Serious Fraud Investigation Office (SFIO) was set up through a Government resolution dated 2.7.2003 and has now been given statutory status. It is a multi-disciplinary Investigating agency, wherein experts from diverse fields like banking, capital markets, corporate law, forensic audit, taxation, information technology work together to unravel corporate frauds.

The Ministry in their reply regarding action taken in the light of recommendations of the Committee's Report on Demands for Grants (2016-17) have submitted as under:

(i) <u>Filling up of vacant posts in SFIO</u>

After notification of Recruitment Rules, the proposals to fill up posts through direct recruitment (32 Nos) at the junior level are under active consideration with Staff Selection Commission (SSC)/Union Public Service Commission (UPSC). Out of these 32 posts in various cadres, 15 dossiers of stenographer grade-I have already been received and candidates have started joining. So far six stenographers have joined. The process to fill up another 55 posts through

Deputation/ISTC basis was initiated. However, the response was not very encouraging even after, extending the date of receipt of applications twice. In some of the cadres, not even a single eligible candidate applied and the vacant posts are to be re-advertised. In remaining cadres, selection process is in progress.

(ii) Engagement of Consultants/Experts

A total of 37 Consultants/Experts are currently engaged by SFIO to provide expertise in respective fields. These engagements have been made as per the approved Scheme for engagement of Experts/Consultants in Serious Fraud Investigation Office under Rule 3 and 4(d) of the Companies (Inspection, Investigation and Inquiry) Rules, 2014. The services of these Consultants / Experts are not utilized for core investigative functions. Instead, the services of consultants are utilized for taking assistance in their specialised field.

(iii) Investigation of cases

Out of 567 cases assigned to SFIO since 2003-2004, 275 cases have already been completed. It is pertinent to mention that out of the total 567 assigned cases, 184 cases were assigned during the year 2015-16. The year-wise completion of cases has gone up from 22 in 2013-14 to 60 in 2015-16 as is shown in the following table:-

Year	Cases B/F	Cases assigned	Total workload	Cases Disposed of
2003-04		6	6	1
2004-05	5	20	25	3
2005-06	22	5	27	8
2006-07	19	3	22	17
2007-08	5	17	22	1
2008-09	21	17	38	7
2009-10	31	5	36	12
2010-11	24	6	30	13
2011-12	17	13	30	20
2012-13	10	45	55	22
2013-14	33	83	116	22
2014-15	94	71	165	39
2015-16	126	184	310	60
2016-17*	250	92	342(**)	50

(*) Status as on 31st Dec, 2016
(**) Including 14 Quashed/Withdrawn & stayed cases

Technology is being used extensively to assist the investigation process. The Forensic Lab in SFIO is being upgraded on a regular basis to improve the quality of investigation.

(iv) Prosecutions

SFIO files complaints/prosecutions before the courts under various provisions of the Companies Act and other Statutes such as IPC, in respect of charges recommended in the investigation reports upon receipt of instructions of the Ministry. SFIO also lodges formal complaints regarding professional misconduct by the professionals reported in the investigation reports, with the respective professional institutes such as ICAI, etc.

SFIO has filed 1230 complaints/petitions/formal complaints, till date, in respect of offences under the provisions of Companies Act, 1956 and IPC. The details are as under:

Criminal Complaints in various courts	-	1134
Company Petitions before CLB/NCLT	-	20
Before ICAI/ICSI/other forums	-	76
Total	-	1230

Majority of offences under the provisions of Companies Act, 1956 are compoundable in nature. Out of 1134 complaints filed by SFIO in the courts, 777 cases are compoundable in nature. Further, as on date, the SFIO has secured convictions in respect of 91 of the complaints filed in the courts of which 86 cases have been compounded by the courts upon levying of compounding fee of Rs. 1,73,36,000/-.(Rs. 173.36 Lakhs).

Another reason of delay in disposal of cases is that the complaints filed by SFIO are treated as 'Private Complaints' under the Companies Act, requiring the process of pre-summoning evidence which is time consuming. These issues, viz. majority of offences being compoundable in nature and complaints of SFIO treated as 'Private Companies' have been taken care of in the new Companies Act, 2013. In the new Act, the term "fraud' has been comprehensively defined with stringent punishment. According to section 212(5) of Companies Act, 2013, the investigation report of SFIO is deemed to be a police report u/s 173 of CrPC for framing of charges and the process of pre-summoning evidence has been done away with. This is likely to expedite disposal of cases.

On being asked about the functioning of Early Warning System, the Ministry in their post-evidence reply stated as under:

" The Ministry of Corporate Affairs had constituted a steering Committee on 28.12.2012 with a mandate to draw up a comprehensive framework for developing an Early Warning System (EWS). SFIO was entrusted with the task of setting up a dedicated data mining cell with adequate administrative set up and appropriate tools for generating Early Warning System. Accordingly, a comprehensive framework for developing EWS was submitted and IT infrastructure including forensic lab was set up with facilities for data mining.

In the pilot run, data extraction process encountered certain difficulties due to the transition from Version 1 to Version 2 of MCA 21.These issues have been addressed during implementation of version 2 of MCA 21, which is currently under progress. Hence, the EWS project has been re-activated again in December 2015. "

IV. COMPETITION COMMISSION OF INDIA (CCI)

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

- To prevent practices having adverse effect on competition
- To promote and sustain competition in markets
- To protect the interests of the consumers, and
- To ensure freedom of trade

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 claims for compensation that may arise from the findings of the Commission.

Overall Status of cases as on 31st January 2017:

As on 31st January 2017, the Commission, has received,854 cases relating to anti- competitive conduct under section 3 and 4 of the Competition Act. Out of these, the Commission has already decided 633 cases. Thus, final orders have been passed by the Commissioning 74% of the cases. Out of the remaining 221 cases, 134 are pending with the DG and 87 are under the consideration of the Commission.

Further, the Commission has received 477 notices relating to combinations. Out of these, 460 cases have been disposed off and remaining 17 are under process and would be disposed off in due course.

Staff Strength as on 31st January 2017

Against the sanctioned strength of 197 posts for the Commission (CCI) and the office of Director General (DG, CCI) 114 officers are in position as on 31.01.2017.

The vacancy position has recently increased as a number of deputationists have been recently relieved from the Commission on completion of their deputation tenure. The vacant posts in CCI pertain to deputation, direct recruitment and promotion quota. All vacant posts in O/o DG CCI pertain to deputation quota.

CCI had advertised 04 posts of Advisers to be filled up on deputation basis in CCI. Consequent upon selection to the posts, 02 candidates joined as Advisors in CCI and joining of two more is expected shortly. The Commission has since issued another advertisement on 17-01-2017 to fill up two more vacant posts of Advisers in the Commission.

Out of 09 candidates selected as a result of the 5th round of direct recruitment in CCI, 07 candidates have already joined CCI and remaining two candidates are expected to join shortly.

In order to fill up 32 posts (26 Professionals and 6 Support staff) on deputation basis in CCI, applications were invited vide advertisement dated 10-08-2016. Consequent upon selection, appointment against one of these posts has already been made. Selection against the remaining posts is under progress.

In respect of the O/o DG CCI, an advertisement to fill up 24 posts (20 Professionals and 04 Support Staff) was issued on 30-09-2016. The applications received have been processed and selection of the eligible applicants is under process.

The Commission always endeavors to enquire into cases expeditiously, particularly those having implication for public at large. However, despite best efforts at times investigations take time due to procedural aspects and the need to adhere to principles of natural justice.

V. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) for companies has been mandated through legislation in India. Section 135 of the Companies Act, 2013 contains CSR provisions of the Act and Schedule VII of the Act enumerates the activities that can be undertaken under CSR. Section 135, amended Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014 were notified on 27th February, 2014 and came into force from 01.01.2014. The Policy Rules have been amended from time to time to facilitate companies to implement the provision of CSR under the legislation.

On being asked about the compliance of obligations under CSR by companies and the reasons for non-compliance, the Ministry in a written reply stated as under:

> "Section 135 of the Companies Act 2013, requires every company above the specified thresholds of turnover, or net worth, or net profit, to spend at least two per cent of the average net profits earned during three immediately preceding financial years, on Corporate Social Responsibility (CSR). Section 135 of the Companies Act, 2013, the Rules made thereunder, and Schedule VII of the Act read with General Circulars dated 18th June, 2014 and 12th January, 2016 issued by the Ministry of Corporate Affairs, give the broad contour within which the Board of the eligible companies have been empowered to formulate their CSR policies and take decision with respect to allocation of CSR funds across various development sectors.
>
> The reasons given by companies for not being able to spend the minimum 2 percent of profits on CSR included inter-alia the following :
>
> - adoption of long term CSR programmes / projects;
> - non-receipt of utilization certificate from implementing agencies by the year end;
> - difficulty to find suitable implementing agency;
> - delay in formation of CSR committee / implementation of plan / reorientation of CSR Policies etc.;
> - inability of company to formulate well-conceived CSR Policy;
> - Board approval for projects delayed;
> - technical and procedural difficulty; and
> - budget advanced to Implementing Agencies but not spent.
>
> Based on the CSR disclosure by companies for the year 2014-15, show-cause notices were issued to 536 companies by Registrars of Companies for non-compliance of Section 135 read with Section 134(3) (o) of the Companies Act, 2013.
>
> Sensitization workshops have been organised by the offices of Regional Directorates under the Ministry of Corporate Affairs to ensure effective compliance of CSR provisions by companies.

(a) An assessment of CSR expenditure of 7334 companies during the year 2014-15 indicates that PSUs and private sector companies together have spent Rs.8803 crore during 2014-15 as per the information tabulated below :-

CSR Expenditure during 2014-15

(Rs. in Crore)

Sr. No.	Company Type	Total companies	No. of Companies with CSR expenditure	No. of Companies with no CSR expenditure	Actual CSR expenditure
1.	PSUs	226	142	84	2497
2.	Private Sector Companies	7108	2997	4111	6306
	Total	7334	3139	4195	8803

During the course of examination of Demands for Grants, the Secretary, Ministry of Corporate Affairs stated as under:

" CSR activities have been mandated under section 135 of the Companies Act and 2014-15 was the first year where CSR was supposed to be mandated. First report shows that expenditures have been made by the companies which are required to do under the law. But there is one inherent issue in this that the companies can get away by explaining why they have not made the CSR expenditure. If they do not make that explanation, then, they are liable for action under the law. We have started in a big way to issue show cause notice to all companies who have defaulted on this account. We have issued till now after the report which was sent in writing to 1,018 companies and we are identifying companies within these companies for penal action. After the issue of show cause notice there are certain companies which have fallen in line and actually made compliances but we would now take strict against those who have neither spent nor explained why they have not spent. These actions would begin now. The delay has been due to the fact that this has been the first year, 2014-15.

Another inherent fact is that companies get additional time to file their forms, that means after the end of the year, they get up to October, and another 270 days, that delay is there because of which we are in a little difficult position to take pre-emptive action. It is only after the fact we come to know. Nevertheless we will be very strict and all ROCs have been sensitised; they are going to take action against defaulting companies for not spending their CSR as per requirement. But roughly Rs.8,000 crore has been spent in the first year as per our report across the States. That figure in 2015-16 was even higher. But we are still collating it based on the reports which are still coming in. As I said, companies get additional 270 days for filing the form."

OBSERVATIONS / RECOMMENDATIONS

1. The Committee note that from Financial Year 2017-18, classification of Government Expenditure as Plan and Non-Plan has been done away with and that the Government Expenditure shall be classified under “Capital” and “Revenue” Heads. While analyzing the Demands for Grants of the Ministry of Corporate Affairs for 2016-17, the Committee observed a trend of unrealistic projection of funds coupled with an inability to absorb the funds allocated. The Committee in their earlier reports had repeatedly urged the Ministry to make realistic projections commensurate to their ability to absorb the funds allocated. However, the Ministry have informed that out of the revised allocation of Rs. 384.57 crore for FY 2016-17, the actual expenditure of the Ministry as on 06.02.2017 was Rs. 296.31 crore i.e. just 77% of RE. The Committee find that the budgetary allocation for 2017-18 has been enhanced to Rs. 448.04 crore despite their proven inability to fully absorb the funds allocated in 2016-17 that too in critical areas of their functioning like Corporate Data Management. The Committee, therefore, recommend that the Ministry with their mandate and responsibility of overseeing the functioning of the Corporate Sector in India should strive towards a system for more efficient utilisation of funds and also make an accurate and realistic projection of requirement of funds in future. Besides this the Ministry should focus on intensive training and capacity building for expeditious and rational scrutiny of mounting cases.

2. The Committee note that the Indian Institute of Corporate Affairs (IICA) was established in 2008 as a think tank, capacity building and service delivery Institution. The Committee observe that the allocation for the Institute has gradually been reduced from Rs. 34 crore in 2013-14 to Rs. 24 crore in 2014-15, Rs. 19 crore in 2015-16, Rs. 10 crore in 2016-17 and Rs. 8 crore in 2017-18 with the aim of making it self-sustainable. The revenue generated by the Institute has however been gradually increasing from Rs. 0.8 crore in 2013-14 to Rs. 4.93 crore in 2014-15, Rs. 7.50 crore in 2015-16 and Rs. 7.50 crore till 31 December 2016 for the financial year 2016-17. The Committee in their earlier Reports had expressed

their apprehensions about the IICA becoming self-sustainable by the year 2016-17. The Ministry have however now informed that the Institute hopes to become self-sustainable by the end of financial year 2019-20 and that a broad based plan for self-sustenance has been drawn up. The Committee urge the Institute to explore all areas of revenue-driven activities over and above the capacity building and research activities already undertaken and ensure self-sustenance within the targeted timeline. The Institute can thus provide diploma/certificate courses for students/corporate executives and also Government officials, without confining itself to in-house training programmes only. For this purpose they should be equipped with a strong faculty and their programmes should be popularised. However, adequate budgetary support to Institute need to be continued till the Institute gains capability of sufficiently generating revenue from their own resources and become self sustaining. As the IICA is meant to be one of the premier institutions of the country imparting knowledge/ expertise to professionals from both Government and corporate sector, especially on various aspects of Corporate Governance, the Committee would expect that the capacity of the Institute be fully utilised.

3. The Committee note that the Investor Education Protection Fund (IEPF) Authority, which was constituted for refund of unclaimed amounts to investors and promotion of investors education and awareness has been made functional from 07.09.2016. They also note that 188 applications for refund have been received, out of which 17 are duplicate claims, 162 applications are at various stages of processing and 9 refund claims have been settled. The Committee hope that the process of refund of unclaimed dividends, matured deposits, debentures etc. need to be meticulously and expeditiously carried out, as the number of applications is expected to increase manifold in coming years. Regarding promotion of investors' awareness, the Committee recommend that the horizon of awareness campaigns may be broadened in such a way that it must reach gullible investors of the remotest areas also. The Committee expect that this newly constituted IEPF Authority would strive to fulfil their mandate of safeguarding investors' interest and also making them aware about their rights as investors as

well as the pros and cons of investing in different instruments/schemes on war footing so as to facilitate ease of doing business. The Committee further desire that awareness campaign should be done upto panchayat level and the local MP/MLAs should be involved in creating awareness. Various telecom service providers may also be engaged in this regard for bulk messaging.

4. The Committee note that the number of cases pending with RoCs at the beginning of 2016 (01.01.2016) was 46,100. During the year 2016-17, 2516 fresh cases were filed, out of which only 1800 cases were disposed of leaving a total of 46,816 cases pending as on 30.11.2016. They are also constrained to note the dismal rate of disposal of cases year after year, even as fresh cases are accumulating at a rapid pace, thereby adding to the pendency of large number of earlier cases. The Committee are of the view that there should be enhanced capacity building at all levels in RoC offices nationwide alongwith upgradation of IT infrastructure in order to handle the huge workload. The Committee recommend that periodic review meetings should be held with sharing of information in order to ensure efficient and effective functioning of the RoCs. The Committee would expect the Ministry to be more proactive in pursuing with the RoCs for speedier disposal of cases.

5. The Committee note that the Ministry has set up a host of new institutions during 2016 viz. the National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT), the Special Courts, the Investor Education & Protection Fund (IEPF) Authority and Insolvency and Bankruptcy Board of India (IBBI) in pursuance of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016. The Committee expect that the setting up of such pivotal institutions will be accompanied with adequate support from the Ministry in terms of infrastructure and human resource capital so that the Institutions function with their full potential and also objectives of setting up such institutions are achieved. The Committee desire that these institutions should be made functional effectively as per the laid down objectives and also share relevant information to

each other or put the information in public domain, as far as possible, to make the system transparent and promote ease of doing business.

6. The Committee note that Serious Fraud Investigation Office (SFIO) was set up as a multi-disciplinary investigating agency and has been given statutory status. The Ministry had informed that out of 567 cases assigned to SFIO, 275 cases have been completed and 292 cases are still pending with SFIO. The Committee find that the number of cases assigned to SFIO have increased especially in the last three years. However, the Committee find that despite finalisation of the Recruitment Rules, there are still huge vacancies within the organisation which cripples its capability to swiftly dispose off cases. The Ministry should make all out efforts to incentivise the SFIO posts so as to cover the risks involved in investigating the fraudulent cases. Even after deployment of early warning system, market research intelligence and other such technological tools at considerable cost, the Committee find that investigations in cases referred to SFIO is prolonged and the outcome weak, as most of the cases investigated failed at the prosecution stage. The early warning system was introduced, shelved and re-introduced with version 2 of MCA 21 and in the midst of such experiments, a large number of corporate frauds, wilful defaulters and cyber crimes went undetected. The Committee would therefore recommend that the SFIO should fill its vacancies with adequate permanent cadre and strengthen both its investigative and prosecution arms by developing a fool-proof fraud detection mechanism. The Committee desire that SFIO should also significantly upgrade its present performance level with a view to fulfilling its statutory mandate. For this purpose, the Committee would recommend greater autonomy for SFIO so that it acquires sufficient credibility and stature as an investigative body.

7. The Committee note that the Competition Commission of India (CCI) was set up in 2009 to promote and sustain competition in markets and prevent practices having adverse effect on competition. The Commission since its existence has received 854 cases related to anti-competition conduct, out of

which it has decided 633 cases. Out of the remaining 221 cases, the Ministry have informed that 134 cases are pending with the DG, and 87 cases are under consideration by the Commission. 156 cases have been pending for more than a year. Considering its huge workload, the Committee find that the Commission is extremely under-staffed with only 114 officers in position as against the sanctioned strength of 197 posts. The reason for such vacancies has been attributed to deputationists, whose tenures have been completed. With the huge pendency of cases and the rising cases of anti-competitive practices, the Committee desire that the Ministry should equip the Commission with adequate skilled and efficient permanent workforce and move away from the practice of hiring deputationists, so that there is continuity and more commitment and the hiring process itself does not result in loss of precious time and also provide further resources without curtailing the allocations that could be used in more productive ways enhancing the professional performance of the Commission.

8. The Committee note that Section 135 of the Companies Act, 2013 requires every company above the specified thresholds of turnover to spend at least two percent of profits earned during three preceding financial years on Corporate Social Responsibility (CSR). India is the first country in the world to make the CSR scheme mandatory by law. However, the Committee find that the figures made available regarding expenditure on CSR are quite disturbing. For instance, 84 companies out of 226 PSUs and 411 companies out of 7108 private sector companies, have reported no expenditure on CSR in an assessment made during 2014-15. Moreover, Companies that have reported CSR have not been spending it as per the guidelines. The Committee are appalled to note that such a laudable scheme aimed at releasing much needed funds for social development is not being complied with by more than 50% of companies. The Committee have been informed that show cause notice has been issued to 1018 companies and certain companies are being identified for penal action which would begin soon. The Committee are not at all satisfied with the casual approach adopted by the Ministry in making the non-compliant companies conform. The Committee would therefore like the Ministry to put in place a stricter monitoring and evaluation

mechanism to ensure CSR compliance by all Companies, as obligated under the Companies Act, 2013. The Ministry should also ensure stringent compliance in adhering to spending of CSR funds in areas and avenues as prescribed in the laid down guidelines and simplify the spending guidelines, if need be. The Committee would recommend in this regard that CSR expenditure of at least 50% should be made in the local area where the manufacturing or mining operations take place; another 25% in the most backward regions including hilly areas and another 10% in North-East and Jammu and Kashmir. Considering the not-so-encouraging compliance record, the Committee may at the next opportunity consider re-visiting the CSR provisions in the Companies Act with a view to making it statutorily mandatory with penal consequences for non-compliance.

9. The Committee desire that the institution of Independent Directors should be further strengthened. Towards this end, they should be adequately equipped with training by way of refresher courses, orientation workshops etc. The guidelines for appointment of Independent Directors should also be modified keeping in view the fact that the complexion of Companies is transforming from family-managed to professionally-run Corporate bodies.

New Delhi;	**Dr. M. Veerappa Moily,**
9 March, 2017	**Chairperson**
18 Phalguna, 1938 (Saka)	**Standing Committee on Finance**

Minutes of the Eleventh sitting of the Standing Committee on Finance (2016-17)
The Committee sat on Thursday, the 16 February, 2017 from 1100 hrs. to 1445 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Dr. M. Veerappa Moily - Chairperson

LOK SABHA

2. Shri Nishikant Dubey
3. Shri P.C. Gaddigoudar
4. Shri Rattan Lal Kataria
5. Shri Bhartruhari Mahtab
6. Shri Prem Das Rai
7. Prof. Saugata Roy
8. Shri Gopal Chinayya Shetty
9. Shri Kiritbhai Solanki
10. Shri Dinesh Trivedi

RAJYA SABHA

11. Shri Naresh Gujral
12. Shri Ajay Sancheti
13. Shri Digvijaya Singh
14. Dr. Manmohan Singh

SECRETARIAT

1.	Smt. Abha Singh Yaduvanshi	-	Joint Secretary
2.	Shri R.C. Tiwari	-	Director
3.	Shri Ramkumar Suryanarayanan	-	Additional Director
4.	Shri Kulmohan Singh Arora	-	Deputy Secretary

PART I (1100 hrs - 1230 hrs)

WITNESSES

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(The witnesses then withdrew)

The Committee then adjourned for tea break.

PART II (1245 hrs - 1330 hrs)

WITNESSES

Ministry of Corporate Affairs

1. Shri Tapan Ray, Secretary
2. Shri Pritam Singh, Additional Secretary
3. Smt. Reena Sinha Puri, JS & FA
4. Shri Navrang Saini, Director General
5. Shri Amardeep Singh Bhatia, Joint Secretary
6. Shri K.V.R Murty, Joint Secretary
7. Shri Gyaneshwar Kumar Singh, Joint Secretary
8. Shri A. Asholi Chalai, Joint Secretary
9. Smt. Sibani Swain, Economic Adviser
10. Shri Anil Kumar Srivastava, CCA, MCA
11. Shri Nilimesh Baruah, Director, SFIO
12. Shri Pankaj Garg, Secretary, NCLT
13. Smt. Smita Jhingran, Secretary, CCI
14. Shri R.K. Meena, Registrar, NCLAT

6. At the outset, the Chairperson welcomed the Members and the Witnesses to the Sitting of the Committee. After the customary introduction of the Witnesses and their

introductory remarks, the Committee took their oral evidence in connection with the examination of Demands for Grants (2017-18) of the Ministry of Corporate Affairs. The major issues pertained to under-utilisation of Budgetary allocation by the Ministry, self-financing of Indian Institute of Corporate Affairs (IICA), refund claims under the newly constituted Investor Education and Protection Fund Authority (IEPFA), non-compliance of companies with the provisions of Corporate Social Responsibility (CSR), huge pendency of cases under Serious Fraud Investigation Office (SFIO), capacity building and filling up of vacant posts in Competition Commission of India (CCI) and Serious Fraud Investigation Office (SFIO). The Chairperson then directed the representatives of Ministry of Corporate Affairs to furnish written replies to the points raised by the Members during the discussion within 07 days to the Secretariat.

The witnesses then withdrew.

PART III (1420 hrs onwards)

WITNESSES

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(The witnesses then withdrew)

A verbatim record of the proceedings has been kept

The Committee then adjourned.

Minutes of the Twelfth sitting of the Standing Committee on Finance
The Committee sat on Thursday, the 9 March, 2017 from 1500 hrs to 1715 hrs in Committee Room 'D', Parliament House Annexe, New Delhi.
PRESENT

Dr. M. Veerappa Moily - Chairperson

LOK SABHA

2. Shri T.G. Venkatesh Babu
3. Shri Nishikant Dubey
4. Shri P.C. Gaddigoudar
5. Shri Shyama Charan Gupta
6. Shri Rattan Lal Kataria
7. Shri Chandrakant B. Khaire
8. Shri Bhartruhari Mahtab
9. Prof. Saugata Roy
10. Shri Gajendra Singh Sekhawat
11. Shri Gopal Chinayya Shetty
12. Shri Anil Shirole
13. Dr. Kiritbhai Solanki
14. Shri Dinesh Trivedi
15. Shri Shivkumar Udasi

RAJYA SABHA

16. Shri Naresh Gujral
17. Shri A. Navaneethakrishnan
18. Shri T.K. Rangarajan
19. Shri Ajay Sancheti
20. Dr. Manmohan Singh

SECRETARIAT

1.	Smt. Abha Singh Yaduvanshi	-	Joint Secretary
2.	Shri R.C. Tiwari	-	Director
3.	Shri Ramkumar Suryanarayanan	-	Additional Director

WITNESSES

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3. Thereafter, the Committee took up the following draft reports for consideration and adoption:

(i) Draft Report on Demands for Grants (2017-18) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Investment & Public Asset Management).

(ii) Draft Report on Demands for Grants (2017-18) of the Ministry of Finance (Department of Revenue).

(iii) Draft Report on Demands for Grants (2017-18) of the Ministry of Corporate Affairs.

(iv) Draft Report on Demands for Grants (2017-18) of the Ministry of Statistics and Programme Implementation

After some deliberations, the Committee adopted the draft Reports mentioned at Sl. No. (iii) and (iv) above with minor modifications and authorised the Chairperson to finalise them and present these Reports to Parliament. The Committee deferred the consideration of draft Reports mentioned at Sl. No. (i) and (ii) to a later date.

The Committee then adjourned.