

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3133
ANSWERED ON:07.08.2015
DDCA
Azad Shri Kirti (JHA)

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government had ordered an inspection of accounts of the Delhi and District Cricket Association (DDCA) under section 209(A) of the Companies Act, 1956, if so, the details of violations reported and the follow-up action taken thereon;
- (b) whether the Government has directed the Registrar of Companies (RoC), Delhi to initiate legal action against DDCA for non compliance of the various provision of the Companies Act, 1956 highlighted in the said probe/inspection report, if so, the details thereof along with the action taken/being taken by the RoC, Delhi thereon;
- (c) the details of the Key Management (KMP) prosecuted so far along with the time by which the remaining KMP are likely to be prosecuted under various provisions of the Companies Act;
- (d) whether there are further complaints of malfeasance, maladministration, manipulation of records, irregularities, corruption in DDCA which have been brought out by the Internal Audit Report and Internal Inquiry Report; and
- (e) if so, the details thereof along with the action taken/being taken by the Government to punish the officials found repeatedly indulging in such activities?

Answer

THE MINISTER OF STATE FOR FINANCE (SHRI JAYANT SINHA)

(a) & (b): The Ministry had ordered inspection u/s 209A of the Companies Act, 1956, of the books of account and other records of DDCA on 28.09.2012. The inspection report indicated violations of sections 36, 150, 166/210, 209(1), 209(3)(b), 211 read with Schedule VI, 217(3), 285, 299, 303, 309, 314 and 211(3A)/(3C) of the Companies Act, 1956 read with Accounting Standards- 5, 15, 18, 19, 22 and 29. All these offences are compoundable. Inspection report revealed that four directors were functional directors who were actively involved in day to day functioning of the company and were named as officers in default by the ROC Delhi in his order dated 29-08-2014. These Officers are Shri Sunil Dev, Shri S. P Bansal, Shri Narinder Batra and Shri C.K. Khanna.

The company and officers in default had applied for compounding of the offences and the same were forwarded by the RoC to the Company Law Board (CLB).

Prosecution had been filed against the Statutory Auditor of DDCA for non-compliance of the provisions of section 227, read with section 233 of the Companies Act, 1956. Besides, a complaint had been filed against the statutory auditor with the Institute of Chartered Accountants of India.

(c) The Companies Act, 1956 had the concept of "officer in default". Hence, action was taken against "officers in default" as explained in reply to para (a) and (b) above.

(d) & (e) Further complaints have been received in the Ministry and Inspection under section 206 of the Companies Act, 2013, has been ordered on 27.3.2015.
