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**STANDING COMMITTEE ON FINANCE
(2019-20)**

SEVENTEENTH LOK SABHA

MINISTRY OF CORPORATE AFFAIRS

**DEMANDS FOR GRANTS
(2019-20)**

THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2019 / Agrahayana, 1941 (Saka)

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**STANDING COMMITTEE ON FINANCE
(2019-20)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF CORPORATE AFFAIRS

**DEMANDS FOR GRANTS
(2019-20)**

Presented to Lok Sabha on 10 December, 2019

Laid in Rajya Sabha on 10 December, 2019



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2019 / Agrahayana, 1941 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON FINANCE (2019-20)

Shri Jayant Sinha - Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Subhash Chandra Baheria
4. Shri Vallabhaneni Balashowry
5. Shri Shrirang Appa Barne
6. Dr. Subhash Ramrao Bhamre
7. Smt. Sunita Duggal
8. Shri Gaurav Gogoi
9. Shri Sudheer Gupta
10. Smt. Darshana Vikram Jardosh
11. Shri Manoj Kishorbhai Kotak
12. Shri Pinaki Misra
13. Shri P.V Midhun Reddy
14. Prof. Saugata Roy
15. Shri Gopal Chinayya Shetty
16. Dr. (Prof.) Kirit Premjibhai Solanki
17. Shri Manish Tewari
18. Shri P. Velusamy
19. Shri Parvesh Sahib Singh Verma
20. Shri Rajesh Verma
21. Shri Giridhari Yadav

RAJYA SABHA

22. Shri Rajeev Chandrasekhar
23. Shri A. Navaneethakrishnan
24. Shri Praful Patel
25. Shri Amar Patnaik
26. Shri Mahesh Poddar
27. Shri C.M. Ramesh
28. Shri T.K. Rangarajan
29. Shri G.V.L Narasimha Rao
30. Dr. Manmohan Singh
31. Smt. Ambika Soni

SECRETARIAT

- | | | | |
|----|------------------------------|---|-----------------------------|
| 1. | Shri. Vinod Kumar Tripathi | - | Joint Secretary |
| 2. | Shri Ramkumar Suryanarayanan | - | Director |
| 3. | Shri Kulmohan Singh Arora | - | Additional Director |
| 4. | Ms Melody Vunghiansiam | - | Assistant Executive Officer |

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorised by the Committee, present this Third Report (Seventeenth Lok Sabha) on 'Demands for Grants (2019-20)' of the Ministry of Corporate Affairs.

2. The Demands for Grants (2019-20) of the Ministry of Corporate Affairs were laid on the Table of the House on 15 July 2019 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 8 November, 2019. 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 (2019-20).

4. The Committee considered and adopted this Report at their Sitting held on 04 December, 2019.

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

**New Delhi;
4 December, 2019
13 Agrahayana, 1941 (Saka)**

**SHRI JAYANT SINHA,
Chairperson
Standing Committee on Finance**

REPORT

I. INTRODUCTORY

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

- (i) The Companies Act, 2013/ The Companies Act, 1956
- (ii) The Limited Liability Partnership (LLP) Act, 2008
- (iii) The Competition Act, 2002
- (iv) The Insolvency & Bankruptcy Code, 2016
- (v) The Chartered Accountants Act, 1949
- (vi) The Cost and Works Accountants Act, 1959
- (vii) The Company Secretaries Act, 1980
- (viii) The Societies Registration Act, 1860 and Indian Partnership Act, 1932 (in centrally administered areas)
- (ix) The Companies (Donations to National Funds) Act, 1951

II. FUNCTIONS

2. The main responsibilities of the Ministry are as follows:

- (i) Administration of the notified provisions of Companies Act, 2013 and those provisions of Companies Act, 1956 that are still in force.
- (ii) Notification of remaining sections of Companies Act 2013 and Companies(Amendment) Act, 2017.
- (iii) Formulation of Rules and regulations under various Acts administered by the Ministry.
- (iv) Convergence of Indian Accounting Standards with International Financial Reporting Standards (IFRS).
- (v) Implementation of Competition Act through the Competition Commission of India (CCI).
- (vi) Implementation of e-Governance in MCA.
- (vii) Building systems for early detection of irregularities in corporate functioning.
- (viii) Conducting investor education and awareness programmes.
- (ix) Investigation of serious frauds through the Serious Fraud Investigation Office (SFIO).

- (x) Management of the cadre of Indian Corporate Law Service (ICLS).
- (xi) Administrative support to attached organisations, namely, IICA, SFIO, CCI, NCLT, NCLAT, IBBI.

III. IMPORTANT POLICY DEVELOPMENTS

The Companies Act, 2013

3. The Companies Act, 2013, notified on 30th August 2013, provides the corporate sector an opportunity for self-regulation, while mandating greater transparency and enhanced disclosures for improved compliance. The Companies Act, 2013 had 470 sections. MCA has notified and simplified various rules under the Companies Act, 2013 and other allied statutes to usher in a healthy environment for investment and providing greater ease of doing business. The Act has been amended thrice so far in 2015, 2017 and 2019.

The Companies (Amendment) Act, 2019

4. The Companies (Amendment) Second Ordinance, 2019 was promulgated by Honorable President of India on 23rd February, 2019 to plug the critical gaps in the Companies Act 2013 and also to facilitate ease of doing business and strengthen the corporate compliance management. In order to replace the Companies (Amendment) Second Ordinance, 2019, the Companies (Amendment) Bill, 2019 was introduced in the Lok Sabha. This Bill was considered and passed by the Lok Sabha on 26th July, 2019 and by the Rajya Sabha on 30th July, 2019. The Honourable President assented the Bill on 31st July, 2019 and accordingly, the Companies (Amendment) Act, 2019 has been published in the Gazette on the said date.

Insolvency and Bankruptcy Code, 2016

5. The Insolvency and Bankruptcy Code, 2016 (Code) was published in the Official Gazette on 28th May, 2016. Government of India (Allocation of Business) Rules, 1961 were amended and notified on 1st August, 2016 wherein MCA was entrusted with the responsibility to administer the Code. 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. To

address the emerging need for speedy reforms in corporate insolvency resolution regime, the Code has already been amended thrice in a short span of 3 years.

Insolvency and Bankruptcy Board of India

6. The Insolvency and Bankruptcy Board of India (IBBI) was established vide Gazette notification dated 1st October, 2016 under the IBC. The Chairperson of the Board was appointed vide gazette Notification dated 1st October, 2016. Four ex-officio members of the Board have also been appointed vide Gazette Notification dated 1st October, 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.

Insolvency Law Committee

7. Ministry has constituted Insolvency Law Committee (ILC) vide order dated 16th November, 2017 to: (i) take stock of functioning and implementation of the Code; (ii) identify the issues that may impact the efficiency of the corporate insolvency resolution and liquidation framework prescribed under the Code, and, make suitable recommendations to: (i) address such issues, and, (ii) enhance efficiency of the processes prescribed and for effective implementation of the Code.

8. A meeting of Insolvency Law Committee was held on 29th August, 2019 wherein the issues related to Corporate Insolvency Resolution Process (CRIP), issues in Personal Insolvency and introduction of enabling provision for Mediation in the Code were discussed.

Special Courts

9. Sections 435 to 440 of the Companies Act, 2013 which prescribe provisions related to “Special Court” came into effect from 18th May, 2016. Section 435 provides that, the Central Government may, for the purpose of providing speedy trial of serious offences, i.e., those offences carrying punishments of imprisonment of two years or more (which means serious offences) under the Act, establish or designate as many Special Courts as may be necessary. A Special Court shall consist of a single judge

who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

National Company Law Tribunal

10. The National Company Law Tribunal (NCLT) was constituted under Section 408 of the Companies Act, 2013 on 1st June, 2016. The NCLT is a quasi-judicial body to adjudicate the disputes pertaining to the companies registered in India, and is a successor to the Company Law Board. The Ministry 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

11. The National Company Law Appellate Tribunal (NCLAT) 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 NCLT. NCLAT is the Appellate Tribunal for hearing appeals against the orders passed by NCLT under Sections 61, 202 and 211 of the IBC, 2016. NCLAT is also the Appellate Tribunal to hear and dispose off appeals against any direction issued or decision made by the CCI as per amendment brought to Section 410 of the Companies Act, 2013 with effect from 26th May, 2017.

Investor Education and Protection Fund Authority

12. The Investor Education and Protection Fund Authority (IEPFA) has been set up under Section 125 (5) of the Companies Act, 2013 on 7th September, 2016 with the objective of making refund of unpaid amounts to eligible stakeholders and promote investor education, awareness and protection.

Official Liquidators

13. Official Liquidators (OLs) are officers appointed by the Central Government under Section 359 of the Companies Act, 2013 (corresponding to Section 448 of Companies Act, 1956) and are attached to jurisdictional High Courts. The provisions of the section and other provisions of winding up under Companies Act, 2013 came into

force w.e.f. 15th December, 2016. The respective Regional Directors exercise administrative control of OL offices on behalf of the Central Government. OLs function under the directions and supervision of the High Courts in the conduct of winding up of affairs of the companies.

14. With the enactment and commencement of provisions of corporate insolvency under the IBC, 2016 and consequent amendment of certain provisions relating to winding up in the Companies Act, 2013 and notifications of rules for transfer of pending proceedings relating to winding up from the High Courts to the NCLT, w.e.f. 1st December, 2016, the OLs would no longer be entrusted with fresh matters or pending proceedings transferred from High Courts to NCLT for winding up of a company on the ground of 'inability to pay debts'. Such cases have to be dealt with for Insolvency Resolution under Section 7,8 or 9 of the IBC, 2016 and in case of failure of insolvency resolution process, liquidation will be undertaken by insolvency professionals approved by NCLT.

Review of Corporate Sector

15. As on 31st May, 2019 the number of companies registered under the Companies Act was 1,894,146. Of these 683,317 companies were closed, 6,450 were under liquidation, 35,442 companies are in the process of being struck-off from the register, 93 Companies were in the process of being re-activated and 1,778 companies have so far obtained the "dormant" status according to Section 455 of the Companies Act, 2013. There are 1,167,064 active companies, which were incorporated within the preceding eighteen months (not due for Annual Statutory Filings).

IV. BUDGETARY ALLOCATIONS AND UTILISATION

16. The grants of the Ministry of Corporate Affairs in Demand No.16 provides for expenditure on the Secretariat of the Ministry of Corporate Affairs. Total funds sought by the Ministry for BE 2019-20 was Rs. 955.87 crore which includes Rs. 325 crore for 'Champion Sector Scheme' which is a new Central Sector Scheme to be operationalized from this Financial Year. Against the above demand of this Ministry, Rs.

586.34 crore has been allocated in BE 2019-20 out of which Rs. 545.34 crore is under Revenue Head and Rs. 41 crore is under Capital Head.

17. A summary of Demands for Grants of the Ministry of Corporate Affairs for the last three years is as under:-

(₹ in crore)

Year	Budget Estimates			Revised Estimates			Actual Expenditure			Surrender		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2016-17	20.00	324.43	344.43	15.00	399.58	414.58	14.98	382.29	397.27	0.015	12.405	12.42

(₹ in crore)

Year	Budget Estimates			Revised Estimates			Actual Expenditure			Surrender		
	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total
2017-18	29.50	478.54	508.04	29.00	551.84	580.84	20.79	445.63	466.42	8.10	52.27	60.37
2018-19	26.50	537.65	564.15	36.00	558.98	594.98	35.97	544.45	580.42	0.00	19.22	19.22

*Out of surrender of Rs. 19.22 crore, Rs. 9.50 crore was to be re-appropriated from revenue to capital as directed in 2nd Batch of Supplementary Demands for Grants, which was not utilized. Hence, the surrendered amount increased.

(₹ in crore)

Year	Budget Estimates			Revised Estimates			Actual Expenditure (upto 18.10.2019)		
	Capital	Revenue	Total	Capital	Revenue	Total	Capital	Revenue	Total
2019-20	41.00	545.34	586.34	-	-	-	9.80	264.27	274.07

18. The grants of the Ministry of Corporate Affairs in Demand No.16 provides for expenditure on the Secretariat of the Ministry of Corporate Affairs. This includes seven offices of Regional Directors, seventeen offices of Registrar of Companies (ROCs), nine offices of Registrar of Companies-cum-Official Liquidators (ROC-cum-OLs), fourteen offices of Official Liquidators (OLs), five statutory bodies viz. (i) Serious Fraud Investigation Office (SFIO) (ii) Competition Commission of India (CCI) (iii) Insolvency and Bankruptcy Board of India (IBBI) (iv) National Financial Reporting Authority (NFRA) (v) Investor Education & Protection Fund (IEPF) Authority, two Quasi-Judicial Bodies viz. (i) National Company Law Tribunal (NCLT) (ii) National Company Law Appellate Tribunal (NCLAT), one Autonomous Body viz. Indian Institute of Corporate Affairs (IICA) and two Central Sector Schemes i.e. Corporate Data Management and Champion Sector Scheme. New institutional structures like Special Courts have to be set up in pursuance of the Companies Act, 2013.

19. When asked about the reasons for surrender of funds and perpetual under-utilization of funds year after year, the Ministry in a written reply stated as under:

" In FY 2016-17, the total amount surrendered was Rs.12.42 crore which was due to the following reasons:

- (i) The funds were obtained for meeting the expenses of new organizations like NCLT, NCLAT and IEPF Authority. However, these bodies were established in the middle of Financial Year and hence expenditure were lower than budgeted.
- (ii) Non-setting up of National Financial Reporting Authority (NFRA), National Financial Reporting Appellate Authority (NFRAA) and Special Courts during the financial year.
- (iii) National Financial Reporting Appellate Authority (NFRAA) was not established.
- (iv) Due to economy cut, less expenditure has been made in various heads.
- (v) The Company Law Board (CLB) was subsumed in the National Company Law Tribunal (NCLT) w.e.f. 01.06.2016 hence funds earmarked for CLB were surrendered.

In FY 2017-18, the total amount surrendered was Rs. 60.37 crore which is due to the following reasons:

- (i) Reduction in demand raised by NIC on IT services for NCLT resulted in savings in respect of NCLT.
- (ii) Non-filling up of vacant posts in Competition Commission of India, offices of Registrar of Companies, Regional Directors, Official Liquidators.
- (iii) Non-filling up of vacant posts, hiring of less number of consultants, delay in refund of claims to investors, non-implementation of AADHAR biometric authentication system, and economy measures in Ministry.
- (iv) Less utilization of funds by IBBI as it was established in the middle of the financial year.
- (v) Non-setting up of National Financial Reporting Authority (NFRA), National Financial Reporting Appellate Authority (NFRAA) and Special Courts during the financial year.

- (vi) Non-engagement of full strength of Technical Support Group (TSG) for Corporate Data Management (CDM) Scheme.
- (vii) Non-utilization of funds for Early Warning System (EWS) Project of SFIO because the contract for the project had not been awarded.
- (viii) Non-utilization of funds in respect of CSR (Corporate Social Responsibility) activities due to postponement of National CSR Awards.

In FY 2018-19, the total amount surrendered was Rs. 19.22 crore which was due to the following reasons:

- (i) Savings had been located under OH-Salaries due to non-receipt of LTC claims during the Financial Year.
- (ii) The amount under OH- Grants-in-Aid Salaries & GIA General was surrendered as sufficient savings were available with CCI to meet their expenditure during the 4th quarter of the financial year 2018-19.
- (iii) Setting up of Registrar of Companies (RoC) office at Vijayawada did not materialize due to delay in setting up of said office.
- (iv) NFRA was a newly setup organisation. Therefore, the budget provision under the head was not fully utilized.
- (v) Special Courts could not be established.
- (vi) Due to non-filling of vacant posts during the financial year in various field offices.
- (vii) An amount of Rs.19.00 crore was granted in 2nd Batch of Supplementary demands for Grants, notified on 17th January, 2019 under OH-Major Works (Major Head- 5475 Capital Outlay on Other General Economic Services) to MCA, Hqrs taking into account the surrender of savings of Rs.19.00 crore available in the Revenue Section of the Grant. Out of the above mentioned Rs.19.00 crore, only Rs.9.50 crore was utilized under OH-Major Works. The

amount utilized for Major Works (i.e., Rs.9.50 crore) may be considered to be surrendered from the total amount of surrender of Rs.18.7298 crore under Revenue Section of the Ministry.

It may be relevant to note that the percentage of utilization of fund during 2016-17, 2017-18 and 2018-19 was 95.82 %, 80.30 % and 97.55%. Pace of expenditure is being reviewed from time to time by AS&FA and Secretary during this year for utilization of funds in proper way and for minimizing the surrender of funds."

V. ISSUES RELATED TO MINISTRY OF CORPORATE AFFAIRS

A. Corporate Data Management (CDM) System

20. Corporate Data Management (CDM) is a Central Sector Plan Scheme initiated by the Ministry in the Financial Year 2015-16. It envisages to create in-house data mining and analytics facility with the objective of disseminating corporate sector data in a structured manner. It provides a forward linkage to MCA21 data repository by fetching data in a transactional system into a data warehouse system. The objectives of CDM include:

- (a) disseminating shareable information, in unit-level format and tabular forms;
- (b) sharing of customized information for policy making and regulatory proposes of MCA as well as other government departments, regulatory bodies, enforcement agencies; and
- (c) enhancing and institutionalizing Ministry's in-house capabilities for corporate Data Mining and information Management to support decision making.

21. Budget Utilization:

Fund allocation and utilization for 2018-19 and 2019-20

2018-19			2019-20		
BE	RE	Actual expenditure	BE	RE	Actual expenditure(till 18.10.2019)
400	450	451.7	495	-	336

(Rupees in Lakhs)

B. MCA-21: A Game Changer

22. MCA implemented in 2006, a holistic end-to-end e-Governance project named 'MCA21' for registry and company incorporation related services. The MCA21 system provides the stakeholders a convenient, easy to use and secure access and delivery point for all MCA services with improved speed and certainty of services sought. MCA21 v2 is the next version of MCA21 implemented in 2015-16 with enhanced experience and value to the end users through a revamp of some of the interfaces to provide anytime and anywhere service to businesses. Going further, MCA has embarked upon implementation of version 3 of the MCA-21 system by introducing artificial intelligence which shall further enhance the online platform so as to bring simplification, efficiency and transparency to further facilitate Ease of Doing Business for corporates.

23. The World Bank released its latest Doing Business Report (DBR,2020). India has recorded a jump of 14 positions from its rank of 77 in 2018 to be placed at the rank of 63 among 190 countries.

Establishing CRC & launch of SPICe

24. Under its Government Process Re-engineering (GPR) drive, MCA established the Central Registration Centre (CRC) at Manesar, Haryana for speedy, transparent and uniform processing of “Name Availability” (INC-01) and “Incorporation” applications. The Ministry subsequently launched the ‘Simplified Proforma for Incorporating Company Electronically (SPICe) e-Form’, which provides five services through a single form for incorporation of a company. This GPR exercise is in pursuance of the MCA’s objective of providing greater “Ease of Doing Business” to corporates and has resulted in speedier processing of incorporation related applications, uniformity in application of rules and removal of discretion. The success of SPICe spurred the Ministry to launch the Reserve Unique Name (RUN) service and the Form for incorporation of Limited Liability Partnership (FiLLiP) which have produced dramatic results. It is being supplemented by intensive monitoring and has resulted in incorporation of Companies

and LLPs in India within 1 to 2 working days. This is in line with the international best practices.

25. Regarding MCA21, the Secretary, Ministry of Corporate Affairs during the course of evidence stated as under:

" The major thing that would require more funding is this. Now, we are going to the MCA-21 version 3. We had the MCA-21 version 1 in 2009 and now we are going to the MCA-21 version 3 which is a very ambitious project. Overall for eight and a half years, the cost would be close to Rs. 1000 crore. This MCA-21 version 3 includes the artificial intelligence and the machine learning in a very big way and therefore, almost on an auto-pilot basis, the normal compliances in terms of filing compliances will be continuously monitored. There is also an element of inter-linking all the critical databases through an API mode. So, CBDT, FIU, RBI, GSTNs, all get integrated by way of API so that you can extract that information. The single source of principal is being adopted both within the MCA. That means if there are 80 forms in MCA, you would not have to repeat the same information in two forms. Whichever is the primary form will be the mother form where you will get the information. It will be pre-filled in all other forms.

I think even MCA-21 has been very helpful for many drives to be undertaken, whether it was striking off of inactive companies or disqualification of directors. Now, in the new version, we expect that even the deeper enforcement related challenges can be addressed."

C. Champion Sector Scheme

26. Champion Sector Scheme is a new Central Sector Scheme to be operationalized from this Financial Year. Union Cabinet identified 12 Champion Services Sectors for promoting and realizing their development. Accounting & Financial Services is one of the 12 Champion Services Sectors identified for promotion and for realizing its potential. Ministry of Corporate Affairs has been given the responsibility for making and implementing action plan for this Champion Service Sector. Funds allocated under the scheme for BE 2019-20 is Rs. 5 crore.

27. The Ministry along with two Professional Institutes viz. ICAI (the Institute of Chartered Accountants of India) and ICoAI (Institute of Cost Accountants of India) conceptualized the scheme, under the name "GST Account Assistant". The purpose of the scheme is to build capacity and to create a cadre of GST Account Assistants at the ground level to enhance availability of trained professionals in every nook and corner of

the country and resultant compliance of GST by SMEs & SMPs at affordable cost to them.

28. The salient features of the scheme are as under

- Administration of scheme run & coordinated by the Institute of Chartered Accountants of India (ICAI) ICAI Accounting Research Foundation (ARF) & by ICoAI and its Chapters.
- Launch of Dedicated Portal by ICAI and ICoAI for registration of candidates (Rs.500/- per candidate).
- Advertisement of scheme in leading newspapers & on website of Institutes.
- 50 Hours e-learning by concerned Institutes coupled with screening/entrance test at centers across the Country (Rs.500/- per candidate)
- Computer based Selection of candidates.
- Course content/syllabus design by ICAI & ICoAI.
- Face to face classroom teaching (50 hours) on payment basis (Rs.3,000/- per student).
- 15 days (50 hours) on the job Training in State GST Commissionerate
- Final Examination by the concerned Institutes. (Rs.500/- per student)
- Certification by the concerned Institutes on successful completion of the course.
- Development of placement portal by ICAI ARF & ICoAI for recruitment of Successful Candidates with Accounting Firm/Corporate.
- **Qualification:** Graduation in any discipline with Accounts as one of the subject OR 10+2 from Commerce stream.
- **Age:** Minimum 21 years

TARGETS AND COSTS OF GST ACCOUNT ASSISTANT SCHEME:

28. The Scheme tenure would be of 3 years and both the Institutes (ICAI & ICoAI) need to scale up the enrolments in successive years:

TARGETS:

	ICAI	ICoAI
	GST Account Assistant (no. of students)	GST Account Assistant (no. of students)
1 st Year	1.50 Lakh	1.0 Lakh
2 nd Year	1.50 Lakh	1.0 Lakh
3 rd Year	1.50 Lakh	1.0 Lakh

COST: Total- Rs.975 Crore

S. No.	Course Name	No. of Students	Course fee @ Rs.3000/- (to be reimbursed by Central Government to successful candidates)	Laptop Subsidy of Rs.10,000/- per student (to be borne by Central Govt. and State Govts.)	Total
1st Year					
1.	GST Account Assistant	1,50,000 (ICAI) 1,00,000 (ICoAI)	45 Crore 30 Crore	150 Crore 100 Crore	325 Crore
2nd Year					
1.	GST Account Assistant	1,50,000 (ICAI) 1,00,000 (ICoAI)	45 Crore 30 Crore	150 Crore 100 Crore	325 Crore
3rd Year					
1.	GST Account Assistant	1,50,000 (ICAI) 1,00,000 (ICoAI)	45 Crore 30 Crore	150 Crore 100 Crore	325 Crore

PROGRESS MADE

- Presentation was made before Screening Committee, headed by CEO, NITI Aayog which approved the scheme and doubled the initially proposed for 3.75 lakhs students at a budget of Rs.487.5 crore to Rs.975 crore for 7.5 lakhs students to be spent in three years @ Rs.325 crore per year.
- A Coordination Committee consisting of officials of ICAI and ICoAI has been constituted.
- Course content has been finalized by the Professional Institutes. RFP for website has been finalized by Professional Institutes
- Letters by the Hon`ble Minister of Corporate Affairs and Secretary, MCA have been written to Chief Ministers and Chief Secretaries of States and UTs respectively for providing on the job training of 15 Days (50 Hours) to the candidates from State Tax Commissionerates. Positive responses have been received from most of the states.
- Department of Commerce (DoC) prepared EFC note based on inputs provided by nodal Departments/Ministries for 12 Champions Services Sectors. This Ministry provided the necessary information/inputs to DoC addressing all the queries raised by DoC, DoE and NITI Aayog for the EFC note.
- The meeting of EFC under the Chairmanship of Secretary (Expenditure) was held on 06.09.2019 to consider funding for the scheme.

- The scheme is presently under consideration in the Department of Expenditure.

D. Serious Fraud Investigation Office (SFIO)

29. The Serious Fraud Investigation Office (SFIO) is a multi-disciplinary investigating agency set up in the Ministry of Corporate Affairs through a resolution dated 02.07.2003 with the objective to investigate serious corporate frauds. The Companies Act, 2013, *inter alia*, has accorded statutory status to SFIO and its functions and powers have been enhanced substantially through enabling provisions in the Act. The Agency has experts from diverse fields like banking, capital markets, corporate law, forensic audit, taxation, information technology work together to unravel corporate frauds. It is headed by a Director, in the rank of Joint Secretary to the Government of India. The Director is assisted by Additional Directors, Joint Directors, Deputy Directors, Senior Assistant Directors, Assistant Directors, Prosecutors and other secretarial staff. The Headquarter of SFIO is at New Delhi, with five Regional Offices at Mumbai, New Delhi, Chennai, Hyderabad and Kolkata. The new Recruitment Rules for SFIO are being notified, paving the way for creation of a permanent cadre over a period of time.

30. When asked about the status of investigations assigned by the Government to SFIO during the last three years, the Ministry in a written reply submitted as under:

"During the last three years and current year, the status of investigations assigned by the Government to SFIO and completed are as under:

Financial Year	Investigation Assigned		Investigation Completed	
	No. of cases	No. of cos.	No. of cases	No. of cos.
2016-17	25	111	14	87
2017-18	21	225	05	132
2018-19	33	236	12*	83
Current year (as on 30.9.2019)	12	115	04	135

*In addition, forensic auditing of Indian Performing Right Society (IPRS) (which was outside the purview of Companies Act) was also completed and the report was submitted to the Ministry during the year 2018-19.

Further, as on 30.09.2019, investigation in 75 cases involving 481 companies are in progress. It would be observed that the number of investigations assigned to SFIO has been showing an increasing trend.

Prosecution:

During the last three years and current year, the details of prosecution cases filed and No. of Conviction is as under:

S.No.	Financial year	No. of cases filed
1.	2016-17	23
2.	2017-18	15
3.	2018-19	7
4.	Current year (till date)	9
Total		54

S.No.	Financial year	No. of Conviction
1.	2016-17	19
2.	2017-18	15
3.	2018-19	90
4.	Current year (till date)	120
Total		244

31. On being asked about the progress made towards creation of permanent cadre in SFIO, the Ministry stated in a written reply as under:

" In order to create permanent cadre in SFIO, recruitment to 42 posts, out of total 133 sanctioned posts, is through 'Direct Recruitment (DR)'. Presently, 22 posts are filled up by DR and requisitions submitted to UPSC and SSC for the vacancies. Further, in order to provide career opportunities to DR officials, provision of 'promotion' has been made in the Recruitment Rules (RRs) of 36 higher grades posts. Thus, strength of permanent cadre officials will increase progressively over the years as they become eligible for promotion. Meanwhile, as eligibility for promotion would require completion of mandatory 'residency period' in respective feeder grades, and most of the DR are recently recruited, provision of 'deputation' has been retained in the RRs of promotion posts.

Presently, out of 133 sanctioned posts, only 66 posts are filled up by regular incumbents. Keeping this in view, 06 officers have been posted on loan basis. In order to improve vacancy situation of the office, the Committee of Secretaries, chaired by Cabinet Secretary, deliberated over various measures on 27.07.2018. Pursuant to this, and based on persistent efforts of the Ministry, following developments have taken place:-

(i) Expeditious selection process for deputation posting:

As per Recruitment Rules of 18 categories of posts (total 66 posts), UPSC consultation is required in selection of candidates for deputation posting.

However, due to involvement of UPSC the selection process becomes long drawn and slow, and many of the candidates lose interest by the time they are finally selected. Keeping this in view, the Hon'ble PM has approved exemption from consultation with the Commission in the selection process, for one recruitment cycle. Further, a Selection Committee, with a representative of DOPT, has been constituted. The said Committee, has started functioning, and already recommended 10 candidates for appointment so far. As the selection process has been shortened, it is expected that all vacant posts of deputation will be filled up within one year.

(ii) Incentivising posting:

Department of Expenditure vide I.D. No. A.27023/11/2017/E.IIB/7th CPC dated 27.08.2019 has approved the proposal of this Ministry for grant of Special Security Allowance (SSA) @ 20% of the Basic Pay to the officers of SFIO.

(iii) Consultants:

In order to meet the need of technical support for SFIO, consultants are engaged under a scheme framed to this effect. Ministry has granted approval for engagement of 61 consultants, so far."

E. Investor Education and Protection Fund (IEPF) Authority

32. Investor Education and Protection Fund (IEPF) Authority has been established under Section 125 of the Companies Act, 2013 with the objective of promoting investor education, awareness, protection and to make refunds of shares, unclaimed dividends, matured deposits/debentures etc. The fund is maintained under the Consolidated Fund of India. As per Section 124 (6) of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company to IEPF Authority.

33. On the topic of the challenges faced regarding IEPF Authority, the Ministry in a written note submitted as under:

"The **quantum** of work in the Authority has increased manifold during the last two years. The amount transferred to the IEPF is about Rs. 4,200 crore. Also 1,667 companies have transferred about 67.28 crores shares to the IEPF Demat account with total valuation of about Rs. 20,706 crores. Various shareholders have been filing claims to the Authority to claim amount/shares since notification of the rules in September, 2016. With the transfer of shares by the companies to the DEMAT account of the Authority, the no. of claims being filed have increased significantly.

The Authority has also been designated for enforcement of section 124 & 125 of the **Companies Act, 2013**. At present, the Authority has issued more than 4000 notices to companies for calling information having paid up capital more than Rs. 20 Cr. In order to broaden the enforcement action to cover more companies, companies falling below Rs. 20 Cr capital shall also be included in the enforcement action in phased manner. This task is very time consuming and requires dedicated manpower. For various Investor Awareness activities through Print and Electronic Media (Advertisements, radio jingles, TVCs etc.) and conducting Investor awareness Programmes, research etc. through Partners, there is requirement of a Division to monitor and organise such programmes.

Till 30.06.2019 refund of around 1087697 shares have been made. The Authority may be **required** to dispose off more than 12,000 claims every year. The system involves making PFMS entry, Demat Account entry etc. for which regular staff is required. As stated, some of the functions of the IEPFA need to be handled by officers having expertise in certain specialised domains like Law, Finance & Accounting, and Management etc. The position of claims filed and share transferred to IEPF since inception is as under:-

Item	2016-17	2017-18	2018-19	2019-20 (3 months)
No. of Claims filed	343	3683	10661	4402
No. of share transferred	--	46,67,55,642	18,34,79,578	2,25,64,763

In view of increased workload, R.S. Sahoo Committee constituted to examine the provisions of Companies Act, 2013, SEBI regulations etc. and System/HR requirements for discharging duties/functions of IEPFA has recommended additional 70 posts in the IEPFA for processing claims and account & finance wing. The report of the committee has been further examined in IEPFA and has proposed to create 33 additional posts at the level of GM, Jt. GM, DGM, AGM etc. The said proposal is now being taken up by the Ministry with IFD and thereafter with DOE for meeting the needful."

34. When asked about the number of claims settled, rejected and pending and the steps taken to expedite settlement of claims, the Ministry in a written reply stated:

" A Statement showing number of claim applications, number of claims settled, rejected and pending in the Authority during the period 2016-17, 2017-18 and 2018-19 is as under:-

Sl.No.	Particulars	2016-17	2017-18	2018-19	2019-20 (As on 30.9.2019)
1.	Number of applications pending at the beginning of the year	-	55	756	7974
2.	Number of applications received during the period	73	1324	8,255	7514
3	Number of applications in which sanction for refunds were made	10	155	712	2488
4.	Number of applications in which rejections were made	8	468	325	351
5.	Number of such applications processed and sent for rectification	55	49	6398	12036
6.	Number of applications pending in the Authority for processing	--	707	1576	613
7.	Amount refunded (in Rs.)	47,44,679	72,88,429	2,99,95,576	2,52,08,943
8.	Number of shares refunded	----	----	5,00,771	30,12,960

A total refund of Rs.6,72,37,627/- and 35,13,731 number of shares as on 30.9.2019 (with a current market valuation of about Rs.175 Crore has been made by the Authority.

Steps taken to ease the claim procedure and expediting the settlement:

(i) Process re-engineering – In order to simplify and develop an end to end online claim and refund process and other changes in various e-forms, the IEPF (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019 have been amended vide notification dated 14.8.2019. The following modifications have been made effective from 20.9.2019:-

(a) Introduction of new simplified e-form:

- (i) A new simplified web based e-form IEPF-5 having features of PAN based verification.
- (ii) The processing of e-form IEPF 5 by the companies and submission of verification reports to the Authority to be made online.
- (iii) The practice of collection of physical share certificates from the claimants to be discontinued and only scanned copy of cancelled

certificates to be obtained from the companies' along with the online verification report.

(b) Collection of investor wise data for the period prior to constitution of Authority:

For the period prior to 2006 the information about shareholders/investors whose amounts have been transferred was not available in MCA 21 system, a new form IEPF -1A has been notified. Through this form the information will be collected from the companies as a onetime exercise. The date will be referred for settlement of claims.

(c) Online appointment and updation of Nodal Officer data:

Companies are required to appoint Nodal Officers for processing of IEPF related claims. Through a modified form IEPF-2 companies are required to file the details of Nodal Officers. Further, the year wise detail of funds that are likely to be transferred to IEPF will also be collected through the form.

(ii) Increase in manpower to process the claims: Additional CS – Executives to work as dealing hand for claim processing have been deployed on contractual basis through ICSI. Further, a proposal for creation of additional permanent posts for officers and staff is under consideration of Ministry.

(iii) Investor Grievance Redressal: To assist the claimants in filing the form and about the status of their claims a toll free number 1800-114-667 has been opened in the Authority. An email id iepf@mca.gov.in has been provided for claimants to reach out to the Authority and the grievances emails are being replied regularly. A detailed Frequently Asked Questions (FAQ) has been prepared and made available to assist the claimants in making the online application and the documents that are required to be submitted alongwith the application. Further, a detailed instruction kit has been provided alongwith the e-form for making claim application.

To minimize grievances due to incorrect entries of details like Demat Account Number or Bank Account details etc., the Authority has introduced a re-submission option during July, 2018 wherein the claimant is allowed to correct the details once.

For timely settlement of the claims and in order to expedite verification report from companies, notices are being issued regularly to the companies. Rules have been modified to introduce additional fee on Companies for non-submission of e-verification report within stipulated timeline of 30 days.

Refund dues of investors in various schemes through the process of disgorgement :

Section 126(3)(c) of the Companies Act 2013 provides for distribution of any disgorged amount among eligible and identifiable applicants for shares or debentures, shareholders, debenture-holders or depositors who have suffered losses due to wrong actions by any person, in accordance with the orders made by the Court which had ordered disgorgement. No such court order for case of disgorgement has been ordered and initiated or under progress in IEPF Authority."

F. Competition Commission of India (CCI)

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

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

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

37. When asked about the overall pendency of cases with CCI in the last three years and the status regarding filling of vacant posts in CCI, the Ministry in a written reply furnished the following information:-

" As on 30th September 2019, the Commission received 1037 cases relating to anti-competitive conduct under Section 3 & 4 of the Competition Act. 162 cases are pending in the Commission as on 30.09.2019.

Further, the Commission has received 693 notices relating to combination. Out of these, 683 cases have been disposed off and only 10 cases are pending as on 30.09.2019.

Present Staff position

The details of sanctioned and existing strength of posts as well as vacancies in the Competition Commission of India (CCI), including those in the office of Director General, CCI are as under:

Name of the office	Present Sanctioned Strength	Present Working Strength	Present vacancy position
CCI	154	103	51
O/o. DG, CCI	41	20	21
Total	195	123	72

Status regarding filling of vacant posts in CCI:

- i) As per the Recruitment Rules of the posts sanctioned for CCI, the mode of recruitment to the posts is by Direct Recruitment, Deputation and promotion. The vacant posts in CCI pertain to deputation, direct recruitment and promotion quota.
- ii) 6th round of direct recruitment was conducted and 20 candidates were selected and all the candidates have joined the Commission during 2018-19.
- iii) An advertisement to fill up 14 posts in CCI on deputation basis was issued on 05.04.2019, however, only three candidates were selected and all the three are likely to join CCI shortly.
- iv) Promotions of some officers in CCI are also due for consideration as on 1.1.2020.
- v) Continuous efforts are taken by the Commission for strengthening the staff position under the prescribed mode of Recruitment Rules and monitored intermittently.

Filling up of Vacancy in the O/o the DG CCI

- vi) The prescribed mode of recruitment is only by deputation and there is no provision for direct recruitment or promotion as per the existing Recruitment Rules of the posts sanctioned for DG's office.
- vii) Advertisement was issued on 26.09.2019 for filling up 20 vacant posts. The applications are under scrutiny and eligible and suitable candidates will be appointed shortly after following the due procedures."

G. National Company Law Tribunal (NCLT)

38. The constitution of National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) have been notified on 1st June, 2016. These bodies have been constituted for faster resolution of corporate disputes and reducing the multiplicity of agencies thereby promoting 'ease of doing business' in the country. With the constitution of NCLT the Company Law Board (CLB) stands dissolved and cases pending with CLB were transferred to NCLT.

39. On being asked about the latest status of institution, disposal and pendency of cases, steps taken to strengthen manpower and the status regarding implementation of e-Courts, the Ministry in a written reply furnished the following information:

" On the formation of NCLT on 01.06.2016, 5,345 cases pending with CLB were transferred to NCLT. Till 31.08.2019, 4,073 cases were received on transfer, and 45,820 cases were filed fresh, bringing the total cases with NCLT to 55,238. Out of these, 35,536 cases have been disposed and 19,702 cases are pending as on 31.08.2019.

Steps taken to strengthen the manpower in NCLT :

Government has approved creation of 320 posts of officers/staff at various levels in NCLT. Recruitment Rules for these posts are being finalized and are in advanced stage. Regular appointment to the posts will be made after finalization of the Recruitment Rules. Meanwhile, some of these posts have been filled up on deputation basis. 22 staff working in erstwhile CLB have also been transferred to NCLT. In addition, posts of 13 Account Officers/Senior Accountants in NCLT have been encadred. Till the regular posts are filled up approval has been granted to NCLT for engaging sufficient officers/staff on contractual basis to carry on their functions. To assist the benches, approval has been granted for engagement of Law Research Associates (LRA) in NCLT, which are being engaged progressively upon joining of Members. The number of posts on contractual/outsourced basis has been increased from time to time. As of now,

approval for 725 posts on contract/outsourcing basis has been given to NCLT. In addition approval to engage 03 LRA for one court of two members (total 93 for 62 Members) has also been given. NCLT is filling up the posts on contractual basis regularly. Recently, NCLT has issued advertisement on 16.08.2019 to fill up vacant posts on contractual basis.

Status regarding implementation of e-Courts for all benches of NCLT and opening new benches :

Version 1.0 of the e-Court project i.e. Design, Development, Security Audit, Cloud Hosting, Display Boards Deployment, MIS reports on e-filing, Multi field Query Builder, SMS and e-mail alerts to users have been completed on all locations. Data Digitization has been completed in Delhi, it is in progress in Mumbai and is yet to start in all other locations. E-cause list generation has been completed in Delhi and End User Trainings have been done in Delhi and Mumbai. Version 2.0 is under progress. As on 13.09.2019, total e-filed cases were:17787, total registered users :7694, total digitized cases : Delhi-6525, Mumbai – 4486, total online transactions were: 1455.

Two Benches of NCLT at Amaravati and Indore have been constituted recently. As the premises of these two newly constituted Benches are being readied in their respective cities, Amaravati Bench is functioning from Hyderabad and Indore Bench is functioning from Ahmedabad Bench."

PART II

Observations/Recommendations

1. The Committee note that the Budget Estimates of the Ministry of Corporate Affairs under Demand No. 16 for the year 2019-20 is Rs 586.34 crore, out of which Rs. 545.34 is under Revenue Head and Rs. 41 crore is under Capital Head. The Committee observe that the Budget Estimates are gradually increasing year after year from Rs. 344.43 crore in 2016-17, Rs. 508.04 crore in 2017-18, Rs. 564.15 crore in 2018-19 and Rs. 586.34 crore in 2019-20. Although funds surrendered have been showing a decreasing trend, still as high as Rs. 19.22 crore had to be surrendered in the Financial Year 2018-19 and only Rs. 274 crore has been utilised so far out of B.E (2019-20) of Rs. 586.34 crore which is less than 50% of the total funds allocated. The Committee have pointed out the issue of the Ministry's inability to absorb funds in their earlier Reports and had recommended that the Ministry should exercise due diligence in the budget formulation, However, the Committee observe that the perpetual cycle of under-utilization and surrender of funds continues. The Committee are, therefore, constrained to reiterate their earlier recommendation that the Ministry exercise due diligence in their budget formulation and make concerted efforts to utilize the limited funds allocated, especially in strengthening the infrastructure and capacity of their statutory bodies, headquarters set-up and field offices. The Committee further recommend that the high fees charged by the Ministry in pricing their services should be rationalized.

2. The Committee note that the Ministry implemented an e-Governance project named 'MCA21' in 2006 aimed at providing stakeholders a convenient, easy to use and secure access and delivery point for all their services. Towards this end, the Ministry have informed that version 2 of MCA21 i.e. MCA21v2 was implemented in 2015-16 and that the Ministry has embarked upon version 3 of the MCA-21 system by introducing artificial intelligence to further facilitate 'ease of doing business' for corporates. The Secretary, Ministry of Corporate Affairs has also submitted that the MCA-21 version 3 is an ambitious project and would require more funding. The Committee further note that India has jumped 14 places from 77th rank to 63rd rank in World Bank's 'Doing Business Report' (DBR,2020). While the improvement in World Bank DBR rankings is laudable, the Committee are of the opinion that still more distance has to be traversed before the final goal is achieved. The Committee, therefore, recommend that the Ministry should equip themselves with adequate resources and expertise for smooth implementation of MCA-21 version 3 for bringing about greater simplification and ease in filing/processing of documents.

3. The Committee note that the Champion Service Sector is a new Central Sector Scheme under the Ministry of Corporate Affairs and that the Union Cabinet has identified 12 Champion Service Sectors for promoting and realizing their development. The Committee also note that Accounting and Financial Services is one of the 12 Champion Sector identified under which, the scheme 'GST Account Assistant' has been conceptualized to build capacity and to create a cadre of GST Account Assistants at the ground level to enhance availability of trained

professionals in every nook and corner of the country for better compliance of GST by SMEs (Small and Medium Enterprises) & SMPs (Small and Medium Professionals) at affordable cost to them. The Committee also note that a token provision of Rs. 5 crore was made for the scheme in BE 2019-20. At this nascent stage, the Committee hope that the Ministry would strive for enhancement of budgetary provision for full and effective implementation of the scheme, as it would help in achievement of the twin objectives of employment generation as well as simplification of GST processing and compliance.

4. The Committee note that the Serious Fraud Investigation Office (SFIO) is a multi-disciplinary investigating agency set up to investigate serious corporate frauds and has been accorded statutory status. The Committee find that out of 91 cases assigned to SFIO since 2016-17, only 35 cases have been completed so far. The Committee also note that out of 133 sanctioned posts in SFIO, only 66 posts are filled up by regular incumbents and 6 officers have been posted on loan basis. The Ministry have informed that efforts are being made to improve the vacancy situation by expediting the selection process, incentivizing posting of officials by special grant of 20% of Basic Pay and engagement of technical consultants. The Committee are of the view that keeping in mind the large number of cases and the rising workload with greater complexity, the Ministry should strengthen the workforce in SFIO and equip them with the requisite expertise and motivation to fulfill the mandate. It also needs to be ensured that the cases referred/taken up are investigated thoroughly and in a professional manner with a view to improving their prosecution outcomes.

5. The Committee note that Investor Education and Protection Fund (IEPF) Authority was established in 2016 with the objective of promoting investor education, awareness, protection and to make refunds of shares, unclaimed dividends and matured deposits/debentures. The Committee also note that Section 124 (6) of the Companies Act, 2013 states that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company to IEPF Authority. The Ministry have informed that the amount transferred to the IEPF is about Rs. 4200 crore and that 1667 companies have transferred about 67.28 crores shares to the IEPF Demat account. The Ministry have also informed that the quantum of work in the Authority has increased manifold during the last two years and that the Authority may be required to dispose of 12000 claims every year. Towards this end, the Ministry informed that the R.S.Sahoo Committee have recommended creation of additional posts, which is being taken up with the Ministry of Finance. The Committee note that the number of claims have been increasing steeply year after year i.e. from 343 in 2016-17, 3683 in 2017-18 and 10661 in 2018-19. The Committee, therefore, recommend that the manpower requirements of the Authority needs to be addressed expeditiously in order to meet the increasing number of claims filed as well as to fulfill its objective of spreading awareness among investors.

6. The Committee note that the Competition Commission of India (CCI) was established in March, 2009 under the Competition Act, 2009 to prevent practices having adverse effect on competition, to promote and sustain competition in

markets, to protect interests of consumers and to ensure freedom of trade. The Committee also note that as on 30 September, 2019, the Commission has received 1037 cases relating to anti-competitive conduct and that 162 cases are pending in the Commission. With regard to staffing, the Ministry have informed that out of the total 192 sanctioned posts, 123 posts are filled while 72 posts are lying vacant. The Committee, therefore, recommend that the Ministry should in all urgency endeavor to fulfill the human resource requirements in the Commission in order to expedite the process of disposing off the huge backlog of cases.

7. The Committee note that National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) were constituted in 2016 for faster resolution of corporate disputes and reducing the multiplicity of agencies thereby promoting 'ease of doing business' in the country. The Ministry have informed that on the formation of NCLT, 5345 cases pending with Company Law Board (CLB) were transferred to NCLT and that till 31.08.2019, 4073 cases were received on transfer, 45820 cases were filed fresh, bringing the total cases with NCLT to 55,238 out of which 35,536 cases have been disposed and 19702 cases are pending. The Ministry have also informed that the creation of 320 posts of officers/staff in NCLT has been approved and that Recruitment Rules for these posts are being finalized. Regarding implementation of e-Courts, the Ministry have informed that version 2.0 is under progress and that as on 13.09.2019, total e-filed cases were 17,787. The Committee are constrained to note that while the Ministry is unable to fully utilise the funds at its disposal, resulting in funds allocated lapsing year after year, important fora such as the NCLT and NCLAT are

seriously understaffed and under-funded. As a result, there is a massive pendency of critical cases. This has rendered these important Tribunals unable to work to their full potential and to meet the demands of laws like the IBC which are therefore being rendered ineffectual. The Committee feel that in order to tackle the huge pendency of cases, more benches of NCLT with adequate manpower are required, for which the Recruitment Rules may be finalized at the earliest and that implementation of version 2 of e-courts should be expedited for faster resolution of cases.

8. The Committee notes that the multi-year pattern of high vacancies and lack of human resources should be addressed at a structural level so that these gaps are closed as soon as possible. MCA's various regulatory entities are critically important for a smooth functioning economy. They should be suitably equipped in terms of human capital and systems so that they can provide necessary support to the economy.

New Delhi;
4 December, 2019
13 Agrahayana, 1941 (Saka)

SHRI JAYANT SINHA,
Chairperson
Standing Committee on Finance

Minutes of the Third sitting of the Standing Committee on Finance (2019-20)
The Committee sat on Friday, the 08 November, 2019 from 1100 hrs. to 1730 hrs.
in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Jayant Sinha - Chairperson

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Shrirang Appa Barne
4. Dr. Subhash Ramrao Bhamre
5. Smt. Sunita Duggal
6. Smt. Darshana Vikram Jardosh
7. Shri Manoj Kishorbhai Kotak
8. Shri Pinaki Misra
9. Prof. Saugata Roy
10. Shri Gopal Chinayya Shetty
11. Shri Manish Tewari
12. Shri Rajesh Verma
13. Shri Giridhari Yadav

RAJYA SABHA

14. Shri Rajeev Chandrasekhar
15. Shri A. Navaneethakrishnan
16. Shri Praful Patel
17. Shri Amar Patnaik
18. Shri Mahesh Poddar
19. Shri C.M. Ramesh
20. Shri G.V.L Narasimha Rao
21. Smt. Ambika Soni

SECRETARIAT

- | | | |
|---------------------------------|---|---------------------|
| 1. Shri V.K Tripathi | - | Joint Secretary |
| 2. Shri Ramkumar Suryanarayanan | - | Director |
| 3. Shri Kulmohan Singh Arora | - | Additional Director |
| 4. Shri Kh. Ginalal Chung | - | Under Secretary |

PART I (1100 hrs - 1430 hrs)

WITNESSES

Department of Financial Services

1. Shri Rajiv Kumar, Finance Secretary and Secretary, DFS
2. Shri Ravi Mittal, Additional Secretary
3. Shri Debasish Panda, Additional Secretary
4. Shri Dakshita Das, Additional Secretary
5. Shri Pankaj jain, Additional Secretary
6. Shri Madnesh Kumar Mishra, Joint Secretary

Department of Economic Affairs

1. Shri. Atanu Chakraborty, Secretary, DEA
2. Dr. Krishnamurthy Subramanian, Chief Economic Adviser, DEA
3. Shri C.S. Mohapatra, Additional Secretary, DEA
4. Ms. Meera Swarup, Additional Secretary and Financial Adviser, DoE
5. Shri Rajat Kumar Mishra, Joint Secretary (Budget), DEA
6. Shri Anand Mohan Bajaj, Joint Secretary (Financial Market)
7. Dr. K.V. Pratap, Joint Secretary (IPF)
8. Shri Rajeev Saksena, Joint Secretary (Investment)

Department of Expenditure

1. Shri. Atanu Chakraborty, Secretary-Incharge
2. Mr. J.P.S. Chawla, Controller General of Accounts
3. Ms. Annie George Mathew, AS (Pers.), DoE
4. Shri Rajeev Ranjan, AS, DoE
5. Ms. Meera Swarup, AS & FA (Finance)
6. Shri Subodh Kumar Mathur, Addl. CGA, O/o CGA

Department of Investment and Public Asset Management (DIPAM)

1. Shri Tuhin Kanta Pandey, Secretary
2. Shri Dheeraj Bhatnagar, Additional Secretary

Department of Revenue

1. Shri Ajay Bhushan Pandey, Secretary
2. Shri Anil Kumar Jha, Addl. Secretary
3. Ms. Meera Swarup, Addl. Secretary & Financial Advisor
4. Shri P. C. Mody, Chairman, CBDT
5. Shri Akhilesh Ranjan, Member (L), CBDT
6. Shri P.K.Dash, Member (IT & Revenue), CBDT
7. Shri Prabhash Shankar, Member (TPS & Systems), CBDT
8. Shri John Joseph, Member (TP), CBIC
9. Shri S.K.Dash, Pr. DGIT (Systems), CBDT
10. Shri Yogendra Garg, Pr. Commissioner (GST), CBIC
11. Shri Ritvik Pandey, Joint Secretary (Rev)
12. Shri Manish Kumar Sinha, Joint Secretary (TRU-II)
13. Shri Anand Jha, Commissioner (IT&CT), CBDT
14. Ms. Suraksha Katiyar, Commissioner (TAR)

Ministry of Corporate Affairs

1. Shri Injeti Srinivas, Secretary
2. Shri Alok Samantarai, DGCoA
3. Smt. Anjali Bhawra, AS
4. Shri Rajiv Bansal, AS & FA
5. Shri K.V.R Murthy, JS

2. 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 (2019-20) and issues connected therewith in respect of the Ministry of Finance (Departments of Expenditure, Economic Affairs, Financial Service, Revenue and Investment and Public Asset Management) and Ministry of Corporate Affairs. Besides, the Committee also heard the presentation of the Chief Economic Advisor and the Finance Secretary on the State of the Economy, and

sought clarification on various points. As many of the queries of Members remained unanswered, the Chairperson directed the representatives of Ministry of Finance (Departments of Expenditure, Economic Affairs, Financial Service, Revenue and Investment and Public Asset Management) and 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.

The Committee then adjourned for Lunch.

A verbatim record of the proceedings has been kept

PART II (1500 hrs - 1630 hrs)

WITNESSES

3.	XX	XX	XX	XX	XX	XX
	XX	XX	XX	XX	XX	XX.

(The witnesses then withdrew)

PART III (1630 hrs - 1730 hrs)

WITNESSES

4.	XX	XX	XX	XX	XX	XX
	XX	XX	XX	XX	XX	XX.

(The witnesses then withdrew)

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

Minutes of the Fourth sitting of the Standing Committee on Finance (2019-20)
The Committee sat on Wednesday, the 4th December, 2019 from 1500hrs. to 1545 hrs in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Jayant Sinha - Chairperson

LOK SABHA

2. Shri Shrirang Appa Barne
3. Dr. Subhash Ramrao Bhamre
4. Smt. Sunita Duggal
5. Shri Gaurav Gogoi
6. Shri Sudheer Gupta
7. Smt. Darshana Vikram Jardosh
8. Shri Manoj Kishorbhai Kotak
9. Shri Pinaki Misra
10. Shri Gopal Chinayya Shetty
11. Dr. (Prof.) Kirit Premjibhai Solanki
12. Shri P. Velusamy
13. Shri Parvesh Sahib Singh Verma
14. Shri Rajesh Verma
15. Shri Giridhari Yadav

RAJYA SABHA

16. Shri A. Navaneethakrishnan
17. Shri Praful Patel
18. Shri Amar Patnaik
19. Shri Mahesh Poddar
20. Shri C.M. Ramesh
21. Shri T.K. Rangarajan
22. Shri G.V.L. Narasimha Rao
23. Dr. Manmohan Singh

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Shri V.K. Tripathi | - | Joint Secretary |
| 2. | Shri Ramkumar Suryanarayanan | - | Director |
| 3. | Shri Kulmohan Singh Arora | - | Additional Director |
| 4. | Shri Tenzin Gyaltzen | - | Under Secretary |

5. Kh. Ginlal Chung - Under Secretary

2. At the outset, the Chairperson welcomed Dr Manmohan Singh for his nomination in the Committee. He then welcomed the Members to the sitting of the Committee. The Committee, thereafter, took up the following draft Reports for consideration and adoption :

- (i) First Report on Demands for Grants (2019-20) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Investment & Public Asset Management).
- (ii) Second Report on Demands for Grants (2019-20) of the Ministry of Finance (Department of Revenue).
- (iii) Third Report on Demands for Grants (2019-20) of the Ministry of Corporate Affairs.
- (iv) Forth Report on Demands for Grants (2019-20) of the Ministry of Planning.
- (v) Fifth Report on Demands for Grants (2019-20) of the Ministry of Statistics and Programme Implementation.

After some deliberations, the Committee adopted the above draft Reports with minor modifications and authorised the Chairperson to finalise them and present the Reports to Parliament. The Committee also decided to undertake Study Tour during the second or third week of January, 2020.

The Committee then adjourned.