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## CHAPTER - I

### General Review

#### Ministry of Company Affairs

The Report relates to the 50th year of the Working & Administration of the Companies Act, 1956, namely, the financial year ending 31st March, 2006.

#### Organisational set-up

**1.1.1** The Ministry of Company Affairs continues to deal with the working and administration of the Companies Act, 1956. The Ministry has a three tier organisational set-up for administration of the Act, namely, the Secretariat at New Delhi, the Regional Directors at Mumbai, Kolkata, Chennai and Noida (U.P.) and the Registrars of Companies in States and Union Territories. The Official Liquidators who are attached to various High Courts functioning in the country are also under the overall administrative control of the Ministry. The set-up at the Headquarters includes two Joint Secretaries, an Economic Advisor, Cost Advisor, two Directors of Inspection and Investigation and other officials providing expertise on legal, accounting, economic and statistical matters. It also includes the Company Law Board (CLB) and its four Benches located at New Delhi, Mumbai, Kolkata and Chennai, besides the Principal Bench at New Delhi and the additional Principal Bench at Chennai.

**1.1.2** The four Regional Directors are in-charge of the respective regions, each region comprising a number of States and Union Territories. They supervise the working of the offices of the Registrars of Companies and the Official Liquidators working in their regions. They also maintain liaison between the

respective State Governments and the Central Government in matters relating to the administration of the Companies Act, 1956. Certain powers of the Central Government under the Companies Act have been delegated to the Regional Directors. They have also been declared as Heads of Department. There is an Inspection Unit attached to the office of every Regional Director for carrying out the inspection of the books of accounts of companies under Section 209A of the Companies Act, 1956.

**1.1.3** Registrars of Companies (ROCs) appointed under Section 609 of the Companies Act, 1956 covering various States and Union Territories are vested with the primary duty of registering companies floated in the respective States and the Union Territories and ensuring that such companies comply with statutory requirements under the Act. However, regarding the UT of Andaman & Nicobar Islands, the functions of the ROC are carried out by Deputy Commissioner, Portblair. These offices function as registry of records, relating to the companies registered with them, which are available for inspection by members of the public on payment of the prescribed fee. The Central Government exercises administrative control over these offices through the respective Regional Directors.

**1.1.4** The Official Liquidators are officers appointed by the Central Government under Section 448 of the Companies Act, 1956 and are attached to various High Courts. The Official Liquidators are under the administrative charge of the respective Regional Directors, who supervise their functioning on behalf of

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the Central Government. In the conduct of winding-up of affairs of the companies, however, Official Liquidators act under the directions of the High Courts. At the same time, the Central Government have the responsibility under Section 463 of the Companies Act, 1956 of exercising overall control over the Official Liquidators to ensure that they faithfully perform their duties and duly observe all the requirements imposed on them under the Act or the Rules thereunder.

### **Company Law Board**

**1.2.1** The Company Law Board has been functioning as an independent quasi-judicial body w.e.f. 31.5.1991 set up by the Central Government under Section 10E of the Companies Act, 1956. The Company Law Board has framed Company Law Board Regulations, 1991 prescribing the procedure for filing applications/petitions before it. The Central Government has also prescribed fees for making applications/petitions before the Company Law Board under the Company Law Board (Fees on applications and Petitions) Rules 1991.

**1.2.2** The Board has its Principal Bench at New Delhi and Additional Principal Bench at Chennai. It has Regional Benches at Mumbai, Kolkata, Chennai and New Delhi. The matters falling under Sections 235, 237(b), 247, 248, 250, 388B, 408 and 409 and matters falling under Chapter VI of Part VI of the Companies Act, 1956 and under Section 2A of the Monopolies and Restrictive Trade Practices Act are dealt with by the Principal Bench at New Delhi and Additional Principal Bench, Chennai in so far as Southern Region is concerned. In order to reduce the pendency due to shortage of Members, Single Member Bench has been entrusted to hear all types of cases from September, 2002 onwards.

**1.2.3** Petitions/Applications under Sections 17, 18, 19, 58A, 58AA, 79/80A, 111/111A, 113/113(3), 117, 117B, 117C, 118, 141, 144, 163, 167, 186, 196, 219, 269, 284, 304, 307, 614, 621A and 643A of the Companies Act, 1956 and Section 45QA of the Reserve Bank of India Act, 1934 are filed before Regional Benches. In case the company fails to comply with the directions contained in the orders so passed by the Company Law Board, application under Section 634A of the Companies Act, 1956 for enforcing the orders are entertained. During the period from 1.4.2005 to 31.3.2006, 1612 applications were considered under Section 58A(9) of the Companies Act, 1956 and 45QA of the RBI Act, 1934 of which 568 were disposed of. Under other Sections of the Companies Act, 1956, 5946 petitions were considered out of which 4807 petitions were disposed of during this period. This includes 756 cases compounded under Section 621A of the Companies Act, 1956.

**1.2.4** As against the sanctioned strength of 9 Members (including Chairman and Vice-Chairman) the constitution of the Company Law Board as on 31st March, 2006 was as follows:-

1. Shri S. Balasubramanian, Chairman
2. Shri K.K. Balu, Vice Chairman, Addl. Principal Bench, Chennai
3. Shri C.D. Paik, Member, Western Region, Mumbai
4. Smt. Vimla Yadav, Member, Northern Region, New Delhi.

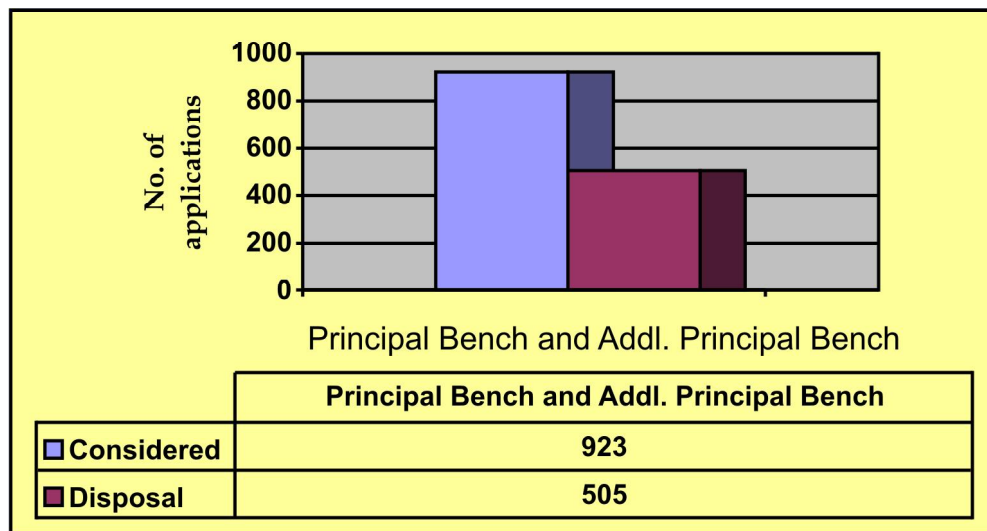
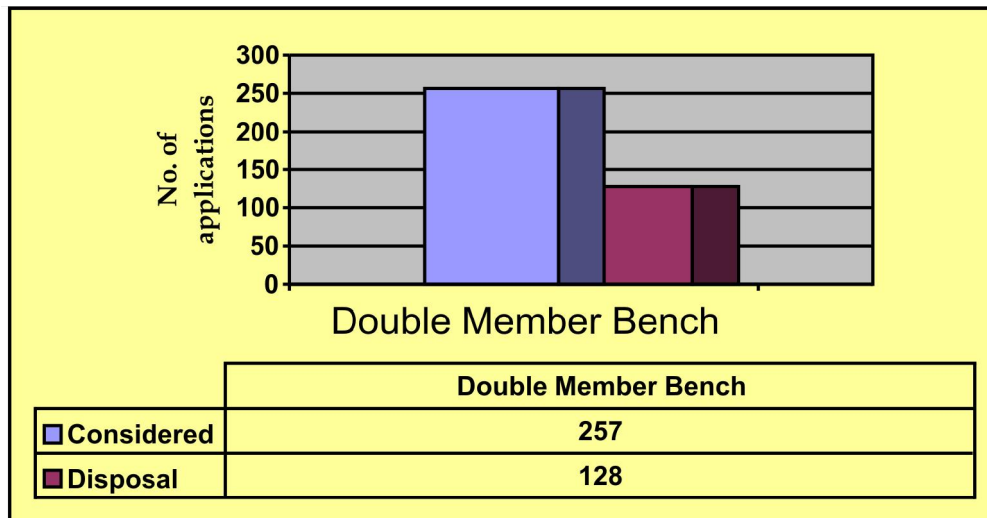
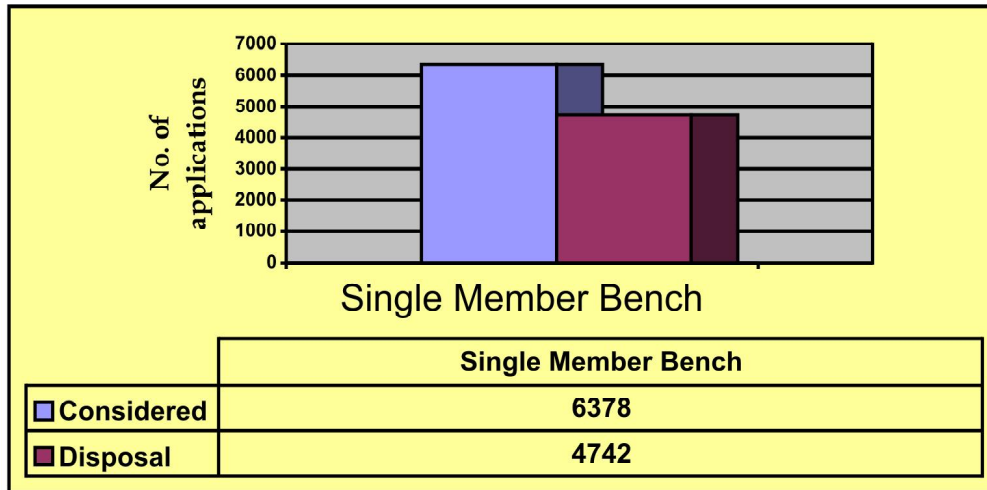
**1.2.5** The details of petitions/applications received and disposed of by all the Regional Benches including the Principal Bench and Additional Principal Bench during the year 1.04.2005 to 31.03.2006 are given in Table 1.1.

**Table 1.1.**

**Consolidated Statement of Petitions/ Applications received, disposed of and pending during the period 1.4.2005 to 31.3.2006**

<b>Composition of Bench &amp; Section</b>	<b>Opening Balance</b>	<b>Receipts</b>	<b>Total (Col. 2 &amp; 3)</b>	<b>Disposed of</b>	<b>Pending</b>
<b>1.</b>	<b>2.</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Single Member Bench</b>					
Sec. 17	56	730	786	711	75
Sec. 18/19	0	20	20	18	2
Sec. 45QA of RBI Act.	378	342	720	262	458
Sec. 58A(9)	588	304	892	306	586
Sec. 58AA(1)	8	22	30	13	17
Sec. 79	1	3	4	3	1
Sec. 80A	3	0	3	2	1
Sec. 113/113(3)	20	43	63	48	15
Sec. 117 C	205	148	353	137	216
Sec. 141	27	2226	2253	2203	50
Misc. Applications	25	131	156	146	10
Sec. 163	4	6	10	3	7
Sec. 167	12	7	19	6	13
Sec. 186	0	3	3	2	1
Sec. 196	2	2	4	2	2
Sec. 219	0	2	2	0	2
Sec. 284	4	2	6	5	1
Sec. 304	0	1	1	1	0
Sec. 614	1	8	9	6	3
Sec. 621A	91	811	902	756	146
Sec. 634A	33	109	142	112	30
<b>Total</b>	<b>1458</b>	<b>4920</b>	<b>6378</b>	<b>4742</b>	<b>1636</b>
<b>Double Member Bench</b>					
Sec. 111	178	72	250	122	128
Sec. 634 A	5	2	7	6	1
<b>Total</b>	<b>183</b>	<b>74</b>	<b>257</b>	<b>128</b>	<b>129</b>
<b>Principal Bench and Additional Principal Bench</b>					
Cases u/s. 235,237,247, 250, 388(b),397/398, 408,409 and Interlocutory Applications.	329	594	923	505	418
<b>Grand Total</b>	<b>1970</b>	<b>5588</b>	<b>7558</b>	<b>5375</b>	<b>2183</b>

**Petitions/Applications considered and disposed of by the Company Law Board during the period 1.4.2005 to 31.3.2006**



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## **'MCA21' E-Governance Project**

**1.3.1** The Ministry of Company Affairs (MCA) is implementing an e-Governance initiative called 'MCA21 e-Governance Project'. It is structured on the Government's vision to introduce a service-oriented approach in the design and delivery of Government services. The Project offers availability of all MCA services including filing of documents, registration of companies and public access to corporate information through a secure portal. The portal services can be accessed/ availed from anywhere, at any time that best suits the corporate entities, professionals and the public at large. This would result in efficient delivery of services and supervision of corporate processes through the use of modern information technology and computers in an easy and transparent manner.

**1.3.2** The e-Governance project has been implemented following the BOOT (Build, Own, Operate and Transfer) framework and the BOOT Operator is responsible for:

- (i) designing and implementing the project till stage of roll-out at all sites with testing and certification thereof;
- (ii) owning, operating and maintaining the system for a period of six years after successful roll-out at all sites;
- (iii) undertaking necessary replacement investments at the end of the third year/ beginning of the fourth year.

**1.3.3** M/s TCS-CMC consortium was selected as the BOOT Operator following an open competitive bidding process. The implementation of the project started on March 1, 2005.

**1.3.4** The objective of the e-governance

program is to improve the speed and certainty in the delivery of MCA services. This improvement is primarily ensured through the mechanism of secure electronic filing (e-filing) and easy online payment options for all the services provided by the Registrar of Companies including for incorporation of a company, annual filing and other event based statutory filings. It is therefore, a significant step towards an end-to-end paperless delivery of the Government services wherein use of Digital Signatures has been mandated to carry out e-filing in conformity with the Information Technology Act, 2000. The facility for online payment through Credit Card and Internet Banking has also been provided as an option through a secure payment gateway, to ensure prompt recognition of payment and delivery of service.

**1.3.5** The solution architecture provides for setting up of Registrars' Front Offices (RFOs) as facilitation centres at 52 locations throughout the country. Keeping in view that the stakeholders including corporate entities and the public may face certain difficulties in the beginning in switching over from the manual mode of document filing to an electronic filing system, these facilitation centres have been set up to provide complete range of services for e-filing of documents to the stakeholders who do not have the necessary computing/ IT infrastructure or capability to use the same for e-filing from their own locations. The Project provides for continuation of this support for a period of three years without any charge to the stakeholders.

**1.3.6** Recognising the need for greater outreach for facilitation in e-filing, the Ministry has planned to introduce a scheme of 'Certified Filing Centers (CFC)' wherein the practicing professionals (Chartered Accountants, Company Secretaries and Cost Accountants)

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have been authorised to set up the CFCs and provide services to the stakeholders on a user charge basis.

**1.3.7** After the pilot launch at ROC, Coimbatore on 18th February 2006, the project has been launched at ROC offices at Pondicherry on 27th February, 2006 and Cochin on 6th March 2006. The Hon'ble Prime Minister of India launched the Project in New Delhi, the largest Registry of companies, on 18th March, 2006.

## **Legislative Changes**

### **Introduction**

**1.4.** The Ministry has taken up an exercise for notifying amendments to various rules and regulations made under the Companies Act, 1956 so as to make the rules and regulations and forms prescribed there under compatible with Ministry's e-Governance programme, namely, MCA-21 project. The Ministry has undertaken following to make e-Governance a successful.

### **The Companies (Amendment) Bill, 2006**

**1.5.1** To enable process involved in various stages of compliance by companies, their managements and stakeholders mandated under the Companies Act, 1956, including incorporation of companies, disclosures to stakeholders and enforcement of the Act to be carried out in an effective and efficient manner, the Ministry is implementing an e-Governance initiative through a project termed as "MCA-21". This project will provide the public corporate entities and others - easy and secure online access to the MCA services, including filing of documents and public access to corporate information, required to be in the public domain under the statute, at any time and from anywhere. This would result in

efficiency in provision of professional services and statutory supervision of corporate processes through the use of mode information technology and computers.

**1.5.2** To implement the provision of "MCA-21 Project" it was proposed to amend the Companies Act, 1956 through Companies (Amendment) Bill, 2006. It provides mainly for allotting Director's Identification Number (DIN) by Central Government and enabling provisions to file all documents in the Companies Act, 1956 through electronic mode.

### **e-Forms**

**1.5.3** The Ministry has launched the e-Governance programme on 18th February, 2006 at Coimbatore followed by Delhi on 18th March, 2006 and other field offices of the Ministry across the country. In the process, about 60 forms under following rules were notified in the month of February/March, 2006.

- (a) The Application of Section 159 to Foreign Companies rules, 1975.
- (b) The Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003.
- (c) The Companies (Declaration of Dividend out of Reserves) Rules, 1975.
- (d) The Investor Education and Protection Fund ( Awareness and Protection of Investors) Rules, 2001.
- (e) The Cost Audit (Report) Rules, 2001.
- (f) The Companies (Appointment of Sole Agents) Rules, 1975.

### **Revision of Companies Act,1956**

**1.6** An exercise for a comprehensive revision of the Companies Act, 1956 has been

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taken up on the basis of a broad based consultative process. For examining the issues and giving its recommendations, an Expert Committee was constituted on 2nd December, 2004 under the Chairmanship of Dr. J.J. Irani, Director, Tata Sons. The Committee submitted its report to the Government on 31st May, 2005. The recommendations made by the Expert Committee were examined in consultation with various stakeholders. Taking into consideration the inputs received from various quarters from time to time, a preliminary draft bill was prepared and circulated to the concerned Ministries/Departments for their comments/suggestions. A bill in this regard is proposed to be introduced in the Parliament after taking into consideration and examination of the comments/suggestions received from all concerned.

### **Legislation on Limited liability Partnership**

**1.7.1** In view of the increasing role of services sector in the national economy and an expanding range of disciplines in which such services may be offered, a need has been recognized for a new corporate form, that would enable professional expertise and entrepreneurial initiative to combine, organize and operate in an innovative and efficient manner. This need has also been recognized for businesses which may require a framework that provides flexibility suited to requirements of service, knowledge and technology based enterprises, without imposing on them detailed legal and procedural requirements intended for large widely held companies. Internationally, businesses offering a range of services adopt the Limited Liability Partnerships (LLP) form. Suggestions had also been received by the Government from time to time to enable legislation for Limited Liability Partnerships (LLP) in India.

**1.7.2** In the above, an exercise was taken up by the Ministry involving experts/professionals drawn from the Institute of Chartered Accountants of India (ICAI), the Institute of Companies Secretaries of India (ICSI) and the Institute of Cost and Works Accountants of India (ICWAI) and also representatives of M/o SSI to put together a Concept Paper in legislative form that would provide the basis for the proposed new legislation. Comments were sought on the concept paper.

**1.7.3** The Ministry has received a large number of comments and suggestions on the proposed Limited Liability Partnership Law, which are under examination.

### **Notifications, Circulars and Press Notes**

**1.8** During the period 1.4.2005 to 31.3.2006, the following Notifications, Circulars and Press Notes were issued:-

### **NOTIFICATIONS**

- (1) No. GSR- 284 (E) published on 06.05.2005 Authorization under section 621 of the Companies Act, 1956 of Officers from SFIO for purpose of filing and conducting prosecution under the Companies Act, 1956.
- (2) No. S.O.- 900 (E) published on 28.06.2005.  
Extension of tenure of National Advisory Committee on Accounting Standards under section 210A of the Companies Act, 1956.
- (3) No. GSR-450 (E) published on 01.07.2005 Declaration of Companies as Nidhi Companies under section 620A of the Companies Act, 1956.

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- (4) No. GSR-519 (E) published on 02.08.2005 Amendment of Notification No. GSR - 309 (E) published on 30.4.2002.
- (5) No. GSR-610 (E) published on 23.09.2005 Amendment of the Companies Regulations, 1956.
- (6) No. GSR-611 (E) published on 23.09.2005 Shifting of Office of Regional Director (Northern Region) from Kanpur to NOIDA (Gautam Budh Nagar).
- (7) No. S.O.- 1433 (E) published on 27.09.2005 Extension of tenure of National Advisory Committee on Accounting Standards constituted under sub-section (1) of section 210A of the Companies Act, 1956.
- (8) No. S.O.-1531 (E) published on 25.10.2005 Declaration of M/s Punjab State Industrial Development Corporation Ltd. (PSIDC) as a Public Financial Institution (PFI) under section 4A of the Companies Act, 1956.
- (9) No. GSR-56 (E) published on 10.2.2006 Circulation of Notification regarding Amendment to the Companies (Central Government's) General Rules and Forms 1956.
- (10) No. GSR-132 (E) published on 3.3.2006 Amendment to the Application of Section 159 to Foreign Companies Rules, 1975.
- (11) No. GSR-133 (E) published on 3.3.2006 Amendment to the Companies (Disqualification of Director under section 274(1) (g) of the Companies Act, 1956) Rules, 2003.
- (12) No. GSR-134 (E) published on 3.3.2006 Amendment to the Companies (Declaration of Dividend out of Reserves) Rules, 1975.
- (13) No. GSR-135 (E) published on 3.3.2006 Amendment to the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.
- (14) No. GSR-148 (E) published on 8.3.2006 Amendment to the Cost Audit Report Rules, 2001.
- (15) No. S.O.-147 (E) published on 8.3.2006 Amendment to the Companies (Appointment of Sole Agents) Rules, 1975.
- (16) No. GSR-146 (E) published on 9.3.2006 Amendment to the Producer Companies (General Reserves) Rules, 2003.
- (17) No. GSR-157 (E) published on 16.3.2006 Amendment to the Companies Regulation, 1956.
- (18) No. GSR-158 (E) published on 16.3.2006 Authorization of Shri M.S.Bhardwaj, Asstt. Director in the Serious Fraud Investigation Office, Ministry of Company Affairs under section 621 of the Companies Act, 1956 for the purpose of filing and conducting prosecution under the Companies Act, 1956.

## **CIRCULARS**

### **A. Departmental Circulars**

- (1) No. 02/2005 dated 14.06.2005 Simplified Exit Scheme-2005- Issue of Default Notices.
- (2) No. 1/2006 dated 24.01.2006 Right to Information Act, 2005 in respect of documents filed with ROC pursuant to provisions of Companies Act, 1956.

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- (3) No. 2/2006 dated 16.02.2006 Implementation of MCA-21 project and acceptance of e-Forms-regarding.
- B. General Circulars**
- (1) No. 05/2005 dated 10.05.2005 Clarification on Simplified Exit Scheme-2005.
- (2) No. 06/2005 dated 14.06.2005 Circulation of Notification No. GSR-284(E) published on 6.5.2005. Authorization of officers of SFIO for purposes of filing and conducting prosecution under the Companies Act, 1956.
- (3) No. 07/2005 dated 08.07.2005 Circulation of Notification No. GSR-450(E) published on 1.7.2005 regarding declaration of 13 more companies as Nidhi Companies
- (4) No. 08/2005 dated 15.07.2005 Circulation of Notification No. S.O.-900(E) published on 28.6.2005 regarding extension of tenure of National Advisory Committee on Accounting Standards.
- (5) No. 09/2005 dated 30.07.2005 Extension of Simplified Exit Scheme-2005 upto 31.8.2005
- (6) No. 10/2005 dated 10.08.2005 Circulation of Notification No. GSR-519(E) published on 2.8.2005 regarding change in Notification No. GSR-309(E) dated 30.4.2002.
- (7) No. 11/2005 dated 07.10.2005 Circulation of Notification No. GSR-610(E), GSR-611(E) published on 23.9.2005 and SO No. S.O.-1433 (E) published on 27.9.2005.
- (8) No. 12/2005 dated 17.11.2005 Circulation of Notification No. S.O.-1531(E) published on 25.10.2005 declaring M/s Punjab State Industrial Development Corporation Ltd. (PSIDC) as a Public Financial Institution (PFI) under section 4A of the Companies Act, 1956.
- (9) No. 1/2006 dated 02.01.2006 Deposit of unpaid amount to credit of IEPF under section 205-C of the Companies Act, 1956-Violation thereof prosecution.
- (10) No. 2/2006 dated 21.02.2006 Circulation of Notification regarding Amendment to the Companies (Central Government's) General Rules and Forms 1956.(GSR-56(E) dated 10.2.2006)
- (11) No. 3/2006 dated 20.03.2006 Amendment to the Companies (Declaration of Dividend out of Reserves) Rules, 1975. (GSR-134 (E) dated 3.3.2006)
- Amendment to the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. (GSR-135 (E) dated 3.3.2006)
- Amendment to the Producer Companies (General Reserves) Rules, 2003. ( GSR-146 (E) published on 9.3.2006)
- Amendment to the Cost Audit Report Rules, 2001. (GSR-148 (E) dated 8.3.2006)
- (12) No. 4/2006 dated 22.03.2006
- Amendment to the Application of Section 159 to Foreign Companies Rules, 1975.
- (GSR-132 (E) dated 3.3.2006)
- Amendment to the Companies (Disqualification of Director under

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section 274(1) (g) of the Companies Act, 1956) Rules, 2003.(GSR-133 (E) dated 3.3.2006)

Amendment to the Companies Regulation, 1956.(GSR-157 (E) dated 16.3.2006)

Authorization of Shri M.S.Bhardwaj, Asstt. Director in the Serious Fraud Investigation Office, Ministry of Company Affairs under section 621 of the Companies Act, 1956 for the purpose of filing and conducting prosecution under the Companies Act, 1956.(GSR-158 (E) dated 16.3.2006)

#### PRESS NOTES

- (1) No. 3/2005 dated 31.05.2005  
Irani Committee on Company Law.
- (2) No. 4/2005 dated 30.07.2005  
Extension of time-Simplified Exit Scheme-2005
- (3) No. 5/2005 dated 02.11.2005  
Concept Paper on Limited Liability Partnership Law.

- (4) No. 1/2006 dated 07.02.2006

Presentation of recommendations on accounting standards by Chairman NACAs to MCA.

- (5) No. 2/2006 dated 27.02.2006

Implementation of MCA-21, e-Governance Project and acceptance of e-Forms.

#### Fees realized and the expenditure incurred.

**1.9** The actual expenditure incurred and fees realized under the Companies Act, 1956/ MRTTP Act 1969 during the last five years are indicated below:

Year	Fees (Rs. crore)	Expenditure (Rs. crore)
2001-02	305.38	35.21
2002-03	324.30	36.61
2003-04	399.69	50.35
2004-05	476.98	46.29
2005-06	728.22	74.21

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## CHAPTER II

### Review of Corporate Sector

**2.1** Growth of the Corporate Sector in terms of registration of new companies in different categories, companies at work, liquidation of companies and data on foreign companies during the year 2005-2006 are reviewed in this chapter.

#### Company registration

**2.2.1** During 2005-06, 54197 companies were registered under the Companies Act, 1956. These included 24 Government companies with liability limited by shares, 53996 non-Government companies limited by shares, 3 non-Government companies with unlimited liability and 174 Non-Government companies with liability limited by guarantee and associations not for profit. The number of new companies registered during the year was

equivalent to 7.4 per cent of the companies at work as on 31.3.2006. The authorised capital of 54020 companies with liability limited by shares registered during the year aggregated to Rs. 19,582.21 crore.

**2.2.2** Of the 54020 companies with liability limited by shares registered during the year, 1890 were public limited companies with an authorised capital of Rs. 7688.11 crore and 52130 were private limited companies with an aggregate authorised capital of Rs. 11894.10 crore. Table 2.1 sets out the pattern of registration of new companies during the year 2005-06. State-wise distribution of companies limited by shares registered during the year 2005-06 is given in Statement-I (Appendix).

Table 2.1

#### Companies registered during 2005-06

Type of Company	Government		Non-Government		Total	
	Number	Authorised Capital (Rs. crore)	Number	Authorised Capital (Rs. crore)	Number	Authorised Capital (Rs. crore)
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
I. Liability limited by Shares						
(i) Public Limited	18	3948.65	1872	3739.46	1890	7688.11
(ii) Private Limited	6	224.20	52124	11669.90	52130	11894.10
<b>Sub-Total</b>	<b>24</b>	<b>4172.85</b>	<b>53996</b>	<b>15409.36</b>	<b>54020</b>	<b>19582.21</b>
II. Unlimited Liability	0	0.00	3	0.03	3	0.03
III. Liability limited by Guarantee and Associations not for profit	0	0.00	174	35.96	174	35.96
<b>Total</b>	<b>24</b>	<b>4172.85</b>	<b>54173</b>	<b>15445.35</b>	<b>54197</b>	<b>19618.20</b>

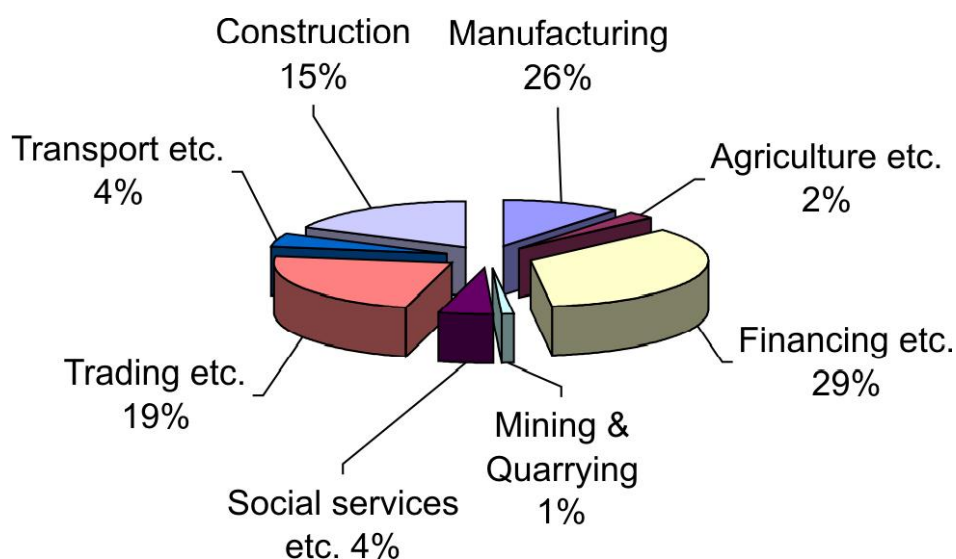
2.2.3 Industrial Activity-wise distribution of companies registered during the year 2005-06 is indicated in Table 2.2 below:

**Table 2.2**

**Registration of Companies Limited by Shares : Distribution by Industrial Activity during the year 2005-06**

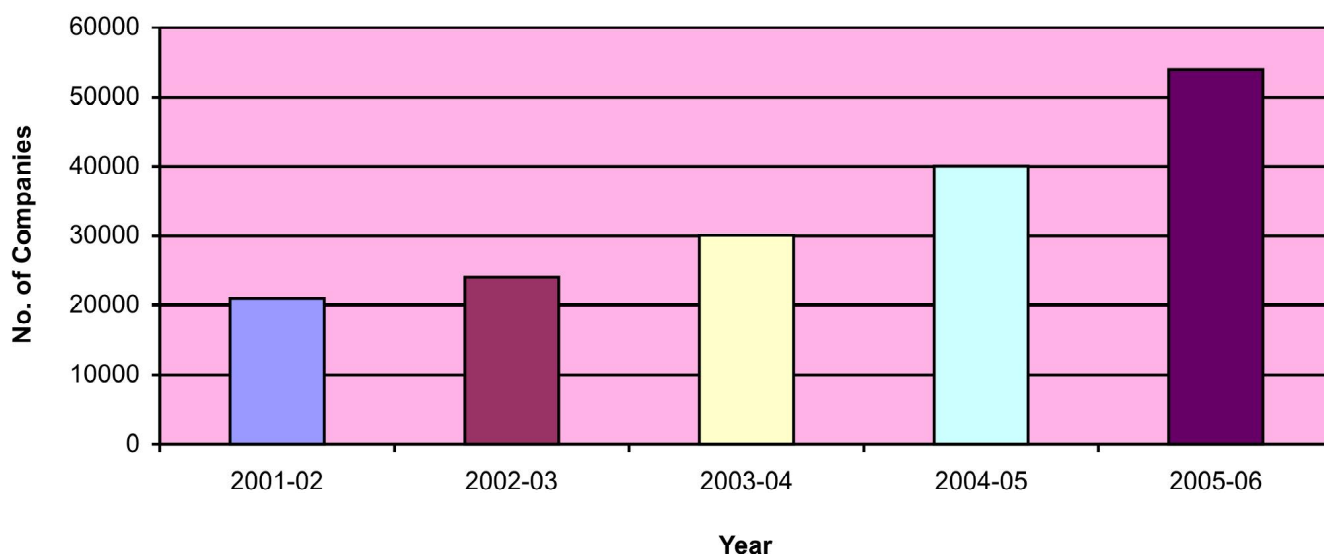
Industrial Classification	Public		Private		Total	
	Number	Authorised Capital (Rs. Lakh)	Number	Authorised Capital (Rs. Lakh)	Number	Authorised Capital (Rs.Lakh)
1. Agriculture & Allied Activities	58	3601.50	1017	14739.99	1075	18341.49
2. Mining & Quarrying	27	23050.00	489	9276.40	516	32326.40
3. Manufacturing:						
a) Food-stuffs, Textiles, Wood products, Leather & products thereof	210	284373.00	4678	110247.54	4888	394620.54
b) Metals & Chemicals and products thereof, Machinery & Equipment	395	72819.60	8143	252025.43	8538	324845.03
c) Electricity, Gas & Water	96	47085.00	463	13607.38	559	60692.38
4. Construction	299	44966.50	7644	146468.89	7943	191435.39
5. Wholesale & Retail trade and Restaurants & Hotels	219	35480.50	10278	129270.47	10497	164750.97
6. Transport, Storage & Communication	61	28841.50	2044	162426.91	2105	191268.41
7. Finance, Insurance, Real Estate & Business Services	440	220378.00	15153	318057.68	15593	538435.68
8. Community, Social & Personal Services	85	8215.00	2221	33289.50	2306	41504.50
<b>Total</b>	<b>1890</b>	<b>768810.60</b>	<b>52130</b>	<b>1189410.19</b>	<b>54020</b>	<b>1958220.79</b>

### Activity -wise Distribution of Newly Registered Companies (2005-06)



**2.2.4** The number of companies with liability limited by shares registered during the last five years from 2001-02 to 2005-06 is given in Table 2.3. This shows that the number of new companies with liability limited by shares registered during the year 2005-06 was higher by 34.85 per cent over the new companies registered during the previous year.

### Registration of New Companies Limited by Shares during 2001-02 to 2005-06



**Table 2.3**

**Registration of New Companies Limited by Shares during 2001-02 to 2005-06**

Year	Public Limited		Private Limited		Total	
	Number	Authorised Capital (Rs. Crore)	Number	Authorised Capital (Rs. Crore)	Number	Authorised Capital (Rs. Crore)
1	2	3	4	5	6	7
2001-2002	1141	2148.14	19918	3167.51	21059	5315.65
2002-2003	1065	2340.54	22986	3262.22	24051	5602.76
2003-2004	1233	11077.89	28843	6065.60	30076	17143.49
2004-2005	1393	5228.77	38666	6248.20	40059	11476.97
2005-2006	1890	7688.11	52130	11894.10	54020	19582.21

**Companies at work**

**2.3.1** There were in all 7,38,312 companies at work as on 31st March, 2006, as summarised in Table 2.4 below.

**Table 2.4**

**Companies at work as on 31st March, 2006**

Sl. No.	Type of Company	Number of Companies
I.	Companies Limited by Shares	
	(a) Government Companies	
	Public Limited	737
	Private Limited	615
	<b>Sub-Total (a)</b>	<b>1352</b>
	(b) Non-Government Companies	
	Public Limited	79404
	Private Limited	651413
	<b>Sub-Total (b)</b>	<b>730817</b>
	<b>Total (a+b)</b>	<b>732169</b>
II.	Companies with Unlimited Liability	498
III.	Companies limited by Guarantee and Associations not for profit	3605
IV.	Foreign Companies (as defined under Section 591 of the Companies Act)	2040
	<b>Grand Total</b>	<b>738312</b>

**2.3.2** State-wise and Industrial Activity-wise distribution of companies limited by shares at work as on 31st March, 2006 is given in statements V to X (Appendix) respectively. State-wise and Industrial Activity-wise distribution of Paid-up Capital of companies limited by shares at work as on 31.3.2005 is given in Statements XII to XVII (Appendix)

respectively. State-wise and Industrial Activity-wise distribution of Paid up Capital (Revised) of companies limited by shares at work as on 31.3.2004 is given in Statements XVIII to XXIII (Appendix) respectively. Table 2.5 gives the data with regard to the companies limited by shares at work as on 31.3.2006 compared to preceding four years.

**Table 2.5**  
**Companies Limited by Shares at work during 2001-02 to 2005-06**

As on 31st March of the year	Public Limited		Private Limited		Total	
	Number	Estimated Paid-up Capital (Rs.crore)	Number	Estimated Paid-up Capital (Rs crore)	Number	Estimated Paid-up Capital (Rs crore)
2002	76279	276467.41	512967	129285.82	589246	405753.23
2003	76523	320629.21	535632	136429.50	612155	457058.71
2004	77380	349494.06	564132	149296.69	641512	498790.75
2005	78328	468668.12	601321	185353.45	679649	654021.57
2006*	80141	*	652028	*	732169	*

\* *under finalization*

**2.3.3** The Companies limited by shares at work recorded a growth of 7.7 per cent during 2005-06 (i.e. as on 31.3.2006 as compared to 31.3.2005). The growth in number of Companies limited by shares at work between 31.3.2002 and 31.3.2006 was 24.3 per cent, private limited companies grew by 27.1 per cent compared to 5.1 per cent in case of public limited companies.

### Long Term Trends

**2.4.1** Statement XI (Appendix) gives the data on growth of the corporate sector by various categories of companies at work during

operation of the Companies Act,1956 i.e. the years 1956-57 to 2005-06. It will be observed that the companies limited by shares have recorded a phenomenal growth. The number of such companies at work increased by 24.94 times from 29357 at the end of 1956-57 to 732169 at the end of 2005-06.

**2.4.2** Unlike companies limited by shares, the companies limited by Guarantee and Associations not for profit at work in the country have not shown much variation in their number over the period. Their number at the end of 1956-57 was 1364 which increased to 3605 at the end of 2005-06.

**2.4.3** The first company with unlimited liability was registered in 1973-74. The number of such companies at the end of 2005-06 was 498.

**2.4.4** Besides the companies registered under the Companies Act, 1956 there are Branches of Foreign companies, as defined under Section 591 of the Companies Act, operating in the country. The number of Branches of Foreign companies operating in the country, which was 551 at the end of 1956-57 remained almost constant till 1973-74. With the coming into force of the Foreign Exchange Regulation Act, 1973, on 1.1.1974, the number of such Branches recorded gradual decline till the end of 1980-

81 when there were 300 such branches. Their number has increased thereafter and as on 31.3.2006, the figure is reported to be 2040.

## GOVERNMENT COMPANIES

### Registration of New Companies:

**2.5.1** During the year 2005-06, 24 Government companies were registered with an authorised capital of Rs. 4172.85 crore. State-wise distribution of Government companies limited by shares registered during the year 2005-06 is given in Statement II (Appendix). Table 2.6 below gives particulars of 24 newly registered Government companies.

**Table 2.6**

### Particulars of Government Companies registered during 2005-06

Sl. No.	Regn. No.	Company Name	Address	State Registration	Registered Date	I.A.C	Pub./ Pvt.	Authorised Capital in (Rs. Thousand)
1.	49681	Andhra Pradesh Aviation Corporation Ltd.	Room No.514, J. Block, Secretariat, Hyderabad-500022 (A.P)	Andhra Pradesh	31.3.2006	3.77	Pub	50000
2.	7947	Arunachal Police Housing & Welfare Corporation Ltd.	Police H.Q., Vivek Vihar, Itanagar -791113 Arunachal Pradesh,	Arunachal Pradesh	9.11.2005	5.00	Pvt.	50000
3.	146111	A kaltara Power Ltd.	Chandralok, 36, Janpath, New Delhi-110001	Delhi	10.2.2006	4.00	Pub	500
4.	146953	Coastal Maharashtra Mega Power Ltd.	Chandralok, 36, Janpath, New Delhi-110001	Delhi	01.3.2006	4.00	Pub	500

Sl. No.	Regn. No.	Company Name	Address	State Registration	Registered Date	I.A.C	Pub./ Pvt.	Authorised Capital in (Rs. Thousand)
5.	146110	Coastal Gujarat Power Ltd.	Chandralok, 36, Janpath, New Delhi-110001	Delhi	10.2.2006	4.00	Pub	500
6.	146109	Coastal Karnataka Power Ltd.	Chandralok, 36, Janpath, New Delhi-110001	Delhi	10.02.2006	4.00	Pub	500
7.	18159	Indore City Transport Services Ltd.	Collector's Office, Indore (M.P.)	Madhya Pradesh	1.12.2005	7.09	Pub	2500
8.	46388	Infrastructure Corporation of Andhra Pradesh Ltd.	8th Floor, Parihram Bhawan, Basheer Bagh, Hyderabad-500004	Andhra Pradesh	31.5.2005	5.00	Pub	100000
9.	144520	India Infrastructure Finance Co. Ltd.	Navrang House, Kasturba Gandhi Marg, New Delhi-110001	Delhi	05.1.2006	8.032	Pub	10000000
10.	12006	Jharkhand Vidyut Sancharan Nigam Ltd.	Engineering Building, H.C.D., Dhurwa, Ranchi	Bihar	20.02.2006	4.00	Pub	900000
11.	12004	Jharkhand Vidyut Utpadan Nigam Ltd.	Engineering Building, H.E.C., Dhurwa, Ranchi	Bihar	20.02.2006	4.00	Pub	2400000
12.	12003	Jharkhand Vidyut Vikas Nigam Ltd.	Engineering Building, H.E.C., Dhurwa, Ranchi	Bihar	20.02.2006	4.00	Pub	10000
13.	12005	Jharkhand Vidyut Vitran Nigam Ltd.	Engineering Building, H.E.C., Dhurwa, Ranchi	Bihar	20.02.2006	6.00	Pvt.	1950000

Sl. No.	Regn. No.	Company Name	Address	State Registration	Registered Date	I.A.C	Pub./ Pvt.	Authorised Capital in (Rs. Thousand)
14.	21839	Maharashtra Natural Gas Ltd.	Shahanand Complex, 2416, Gen. Thimmaya Road, East Street, P.B. No. 61, Pune-411001 Maharashtra	Pune	13.01.2006	1.11	Pub	100000
15.	7987	Meghalaya State Power Corporation Ltd.	Lum Jingshai, Short Round Road, Shillong-793001	Meghalaya	07.12.2005	4.00	Pvt.	100000
16	7916	Mizoram Infrastructure Development Agency Ltd.	Block C, Civil Secretariat, Treasury Square, Distt. Aizawl-796001	Mizoram	07.10.2005	4.00	Pvt.	2000
17.	153649	MSEB Holding Company Ltd.	Hongkong Bank BLDG., 3rd & 4th Floor, Mahatma Gandhi Road, Fort, Mumbai-01	Maharashtra	31.05.2005	4.00	Pub	20000
18.	153645	Maharashtra State Distribution Company Ltd.	Prakashgad, Plot No. G-9, Anand Kanekar Marg, Bandra (E), Mumbai-400051	Maharashtra	31.05.2005	4.00	Pub	500
19.	153648	Maharashtra State Power Generation Company Ltd.	Prakashgad, Plot No. G-9, Anand Kanekar Marg, Bandra (E), Mumbai-400051	Maharashtra	31.05.2005	4.00	Pub	500
20.	153646	Maharashtra State Transmission Company Ltd.	Prakashganga, Plot No. C-19-E, Block Bandra Kurla Complex, Bandra (E) Mumbai-400051	Maharashtra	31.05.2005	4.00	Pub	500

Sl. No.	Regn. No.	Company Name	Address	State Registration	Registered Date	I.A.C	Pub./ Pvt.	Authorised Capital in (Rs. Thousand)
21.	1857	Pondicherry Tourism Development Corporation Ltd.	No. 40, Goubert Avenue, (Beach Road) Puducherry-01	Puducherry	01.04.2005	7.37	Pvt.	50000
22.	144763	Security Printing and Mining Corporation of India Ltd.	16th Floor, Jawahar Vyapar Bhawan, Janpath, New Delhi-110001	Delhi	13.01.2006	2.84	Pub	25000000
23.	1878	Swadeshee-Bharathee Textile Mills Ltd.	Cuddalore Road, Mudaliarpet, Puducherry-605004	Puducherry	04.07.2005	2.69	Pvt.	90000
24.	146108	Sasan Power Ltd.	Chandralok, 36, Janpath, New Delhi-110001	Delhi	10.02.2006	4.00	Pub	500

2.5.2 Table 2.7 shows trend in registration of Government companies during the last five years.

**Table 2.7**

**Registration of New Government Companies during 2001-02 to 2005-06**

As on 31st March Year	Public Limited		Private Limited		Total	
	Number	Authorised Capital (Rs. crore)	Number	Authorised Capital (Rs. crore)	Number	Authorised Capital (Rs. crore)
1	2	3	4	5	6	7
2001-02	12	73.05	2	505.00	14	578.05
2002-03	19	333.44	3	525.00	22	858.44
2003-04	25	9053.60	1	5.00	26	9058.60
2004-05	17	2402.30	2	6.00	19	2408.30
2005-06	18	3948.65	6	224.20	24	4172.85

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**Government companies at work:**

2.6 There were 1328 Government companies limited by shares at work in the country as on 31st March, 2005. After taking into account the newly registered companies, conversion between Government and Non-Government companies, mergers, amalgamation and liquidation as reviewed in the preceding paragraphs, there were 1352 Government companies limited by shares at work in the country as on 31st March, 2006. Of these 1352 companies, 737 were public limited and 615 were private limited companies.

**NON-GOVERNMENT COMPANIES****Registration of New Companies:**

2.7 During the year 2005-06, 53996 Non-Government companies limited by shares were registered in the country with an authorised capital of Rs. 15409.36 crore. Of these, 1872 were Public limited companies with aggregate authorised capital of Rs. 3739.46 crore and 52124 were Private limited companies with aggregate authorised capital of Rs. 11669.90 crore. State-wise distribution of Non-Government companies limited by shares registered during the year 2005-06 is given in Statement III (Appendix). Table 2.8 below indicates the trend in registration of new Non-Government companies limited by shares during the last five years.

**Table 2.8****Non-Government Companies Limited by Shares - New Registration**

Year	Public Limited		Private Limited		Total	
	Number	Authorised Capital (Rs. crore)	Number	Authorised Capital (Rs. crore)	Number	Authorised Capital (Rs. crore)
1	2	3	4	5	6	7
2001-02	1129	2075.1	19916	2662.5	21045	4737.6
2002-03	1046	2007.1	22983	2737.2	24029	4744.3
2003-04	1208	2024.3	28842	6060.6	30050	8084.9
2004-05	1376	2826.5	38664	6242.2	40040	9068.7
2005-06	1872	3739.5	52124	11669.9	53996	15409.4

### State-wise Distribution:

2.8 Out of 53996 Non-Government companies registered during the year 2005-06, 38141 companies or 70.6 per cent of the total were registered in the 5 States/ Union Territories, viz. Delhi, Maharashtra, West Bengal, Tamil Nadu and Andhra Pradesh . Delhi occupied the top position with 13365 new registration (24.8 per cent) followed by Maharashtra (18.9 per cent), West Bengal (11.4 per cent), Tamil Nadu (8.4 per cent) and Andhra Pradesh (7.2 per cent). The other States and Union Territories together accounted for

15,855 registrations of new non Government companies.

### Industrial Activity Pattern:

2.9 Table 2.9 shows the distribution of Non-Government companies by broad activity classification registered during the year 2005-06. The largest number of companies registered during the year viz. 15592 companies or 28.9 per cent of the total, belonged to the group "Finance, Insurance, Real Estate and Business Services" followed by 13968 or 25.9 per cent of the total registered under the group of "Manufacturing".

Table 2.9

#### Industrial Activity pattern of Non-Government Companies limited by shares registered during 2005-06

Industrial Classification	Number of Companies		Authorised Capital	
	Number	Per cent	(Rs. crore)	Per cent
1. Agriculture & Allied Activities	1075	1.99	183.42	1.19
2. Mining & Quarrying	515	0.95	223.26	1.45
3. Manufacturing				
(a) Food-stuffs, Textiles , wood products, Leather & Products thereof	4886	9.05	1437.21	9.33
(b) Metals & Chemicals & Products thereof	8537	15.81	3243.45	21.05
(c) Electricity, Gas & Water	545	1.01	263.32	1.71
4. Construction	7941	14.71	1899.35	12.32
5. Wholesale & Retail Trade and Restaurants & Hotels	10496	19.44	1452.51	9.43
6. Transport, Storage & Communication	2103	3.89	1907.43	12.38
7. Finance, Insurance, Real Estate & Business Services	15592	28.88	4384.36	28.45
8. Community, Social & Personal services	2306	4.27	415.05	2.69
<b>Total</b>	<b>53996</b>	<b>100.00</b>	<b>15409.36</b>	<b>100.00</b>

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**Size Pattern:**

**2.10** Table 2.10 shows the break-up of the Non-Government companies registered during the year 2005-06 by size of their authorised capital. The largest number of companies (26216 or 48.55 per cent of the total) were registered in the size group of 'Rs. 1 lakh to under Rs. 5 lakh'. The number of registered companies in the size group of 'Rs. 5 lakh to under Rs. 10 lakh' and 'Rs. 10 lakh to under Rs. 25 lakh' were also quite substantial being 21.98 per cent and 16.49 per cent of the total respectively.

**Table 2.10**

**Non-Government Companies limited by shares registered during the year 2005-06 according to the size of authorised capital.**

Sl. No.	Size of group according to Authorised Capital	Public (Number)	Private (Number)	Total (Number)	Per cent
1	2	3	4	5	6
1	Below 1 lakh	3	6	9	0.02
2.	1 lakh to under Rs. 5 lakh	20	26196	26216	48.55
3.	5 lakh to under Rs. 10 lakh	634	11234	11868	21.98
4.	10 lakh to under Rs. 25 lakh	348	8554	8902	16.49
5.	25 lakh to under Rs. 50 lakh	106	2129	2235	4.14
6.	50 lakh to under Rs. 1 crore	159	1770	1929	3.57
7.	Rs. 1 crore and above	602	2235	2837	5.25
	<b>Total</b>	<b>1872</b>	<b>52124</b>	<b>53996</b>	<b>100.00</b>

**Non-Government Companies which ceased to work:**

**2.11** During the year 2005-06, 1380 Non-Government companies limited by shares were reported to have ceased to work either by going into liquidation or their names having been struck off under Section 560(5) of the

Companies Act. The aggregate paid-up capital of these companies was Rs. 12.60 crore. Table 2.11 shows the details of liquidated and struck off companies during the last five years. State/Region-wise distribution of companies which ceased to work during 2005-06 is shown in Statement IV (Appendix).

**Table 2.11**

**Non-Government Companies which ceased to work during 2001-02 to 2005-06**

Year	Voluntary Liquidations		Liquidations under Court's Order		Companies struck off		Total	
	Number	Paid-up Capital	Number	Paid-up Capital	Number	Paid-up Capital	Number	Paid-up Capital
		(Rs Crore)		(Rs Crore)		(Rs Crore)		(Rs Crore)
1	2	3	4	5	6	7	8	9
2001-02	15	0.39	44	12.96	701	1.12	760	14.47
2002-03	21	4.30	58	0.00	872	617.60	951	621.90
2003-04	21	19.01	53	0.01	424	0.04	498	19.06
2004-05	5	0.00	20	0.00	1752	73.31	1777	73.31
2005-06	8	1.99	59	0.07	1313	10.54	1380	12.6

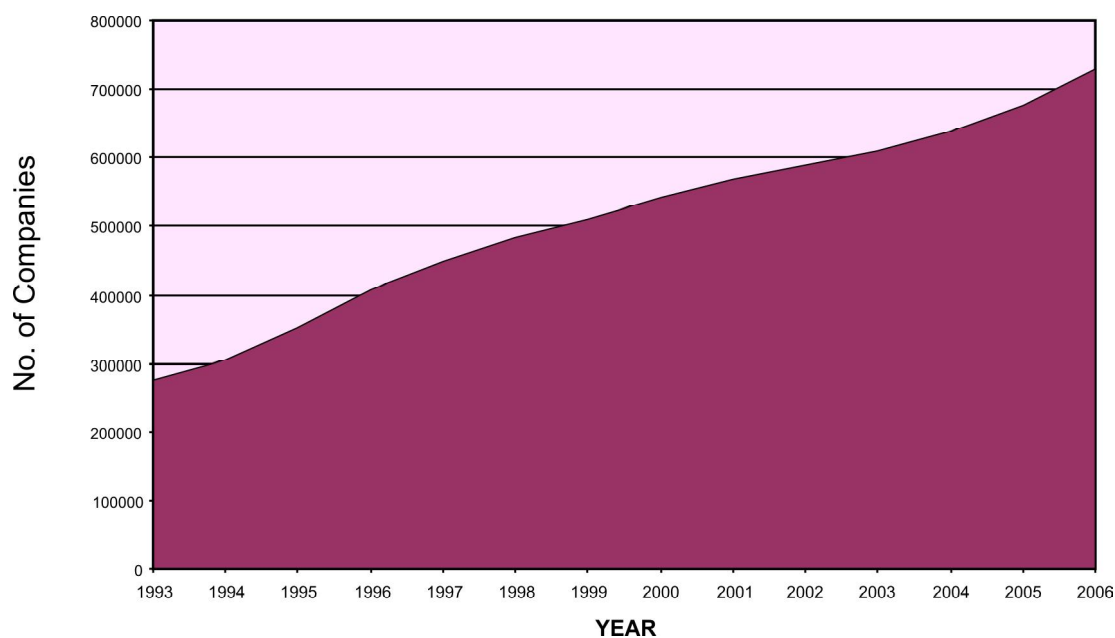
**Non-Government Companies Limited by shares at work:**

**2.12.1** There were 7,30,817 Non-Government companies limited by shares at work in the country as on 31<sup>st</sup> March, 2006. These comprised 79,404 Public limited companies

and 6,51,413 Private limited companies.

**2.12.2** The non-Government companies at work as on 31.3.2006 registered 7.74 per cent increase over the previous year in terms of number of companies.

**Non-Government Companies Limited By Shares At Work During (1993-2006)**



### Non-Government Companies with Unlimited liability

**2.13** During the year 2005-06, three non-Government companies with unlimited liability were registered. These companies were registered in the state of Bihar (1), Maharashtra (1) and Orissa (1). However, one company in NCT of Delhi went into liquidation. Taking into account 496 companies with Unlimited Liability already at work in the Country as on 31.03.2005, there were 498 companies with Unlimited Liability as on 31.03.2006. Table 2.12 gives state-wise

distribution of Non-Government companies with unlimited liability during 2005-06. Classification of these companies by their main activity shows that 303 companies (60.8% of the total) were engaged in activity pertaining to Finance, Insurance, Real Estate & Business Services, 74 companies in Wholesale & Retail Trade and Restaurants & Hotels, 73 in Manufacturing, Electricity, Gas & Water, 23 companies in Community, Social and Personnel Services, 14 in Construction, 5 in Agriculture & Allied Activities and 5 in Transport, Storage and Communication and one in Mining & Quarrying.

**Table 2.12**

#### State-wise distribution of Non-Government Companies with Unlimited liability during 2005-06

Sr. No.	Number of Companies	State/Union Territory registered during 2005-06	Number of Companies at work as on 31.3.2006
1.	Maharashtra	1	175
2.	Gujarat	0	72
3.	Goa, Daman & Diu	0	33
4.	Delhi	0	108
5.	Karnataka	0	17
6.	Punjab	0	18
7.	Chandigarh	0	3
8.	West Bengal	0	10
9.	Tamil Nadu	0	45
10.	Bihar	1	2
11.	Andhra Pradesh	0	1
12.	Uttar Pradesh	0	8
13.	Madhya Pradesh	0	4
14.	Kerala	0	1
15.	Orissa	1	1
	<b>Total</b>	<b>3</b>	<b>498</b>

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**Companies with Liability limited by Guarantee and Associations not for profit:**

**2.14** There were 3432 Guarantee companies and Associations not for profit at work in the country as on 31.3.2005. 174 such companies were registered under the Companies Act, while one company has gone into Liquidation during the year 2005-06. The total number of Guarantee companies and Associations not for

profit at work, therefore, in the country as on 31.3.2006 was 3605.

**Foreign Companies:**

**2.15** The number of foreign companies which are reported to have places of business in the country as on 31.3.2006 is 2040. Table 2.13 gives the country-wise distribution of such foreign companies as on 31.3.2005 and 31.3.2006.

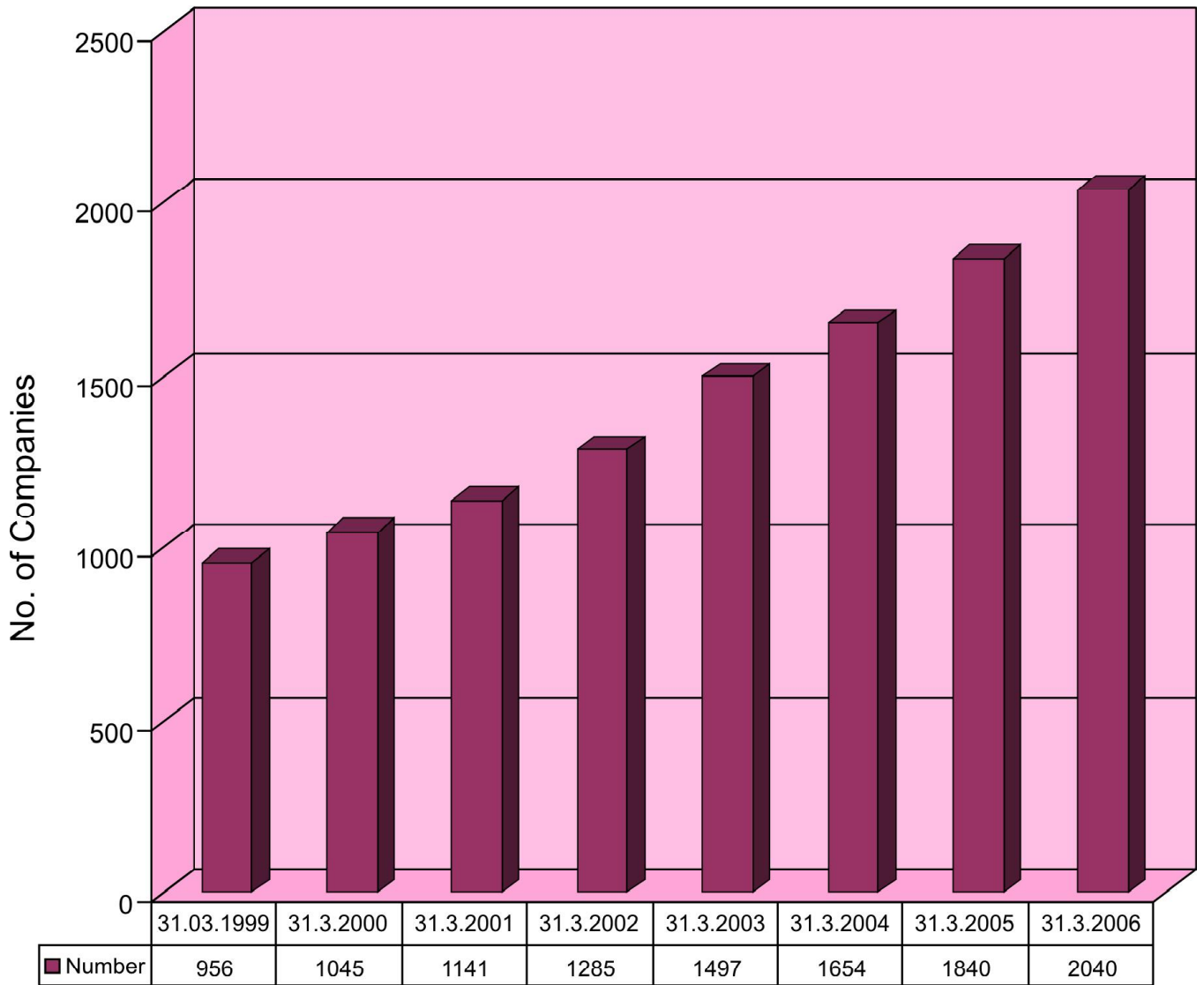
**Table 2.13**

**Distribution of Foreign Companies defined Under Section 591 of the Companies Act,1956 by their country of incorporation as on 31.3.2005 and 31.3.2006**

<b>Sr. No.</b>	<b>Country of incorporation of the Foreign Companies</b>	<b>Number of Companies as on 31.3.2005</b>	<b>Number of Companies as on 31.03.2006</b>
1.	United Kingdom	312	329
2.	United States of America	398	437
3.	Japan	139	157
4.	France	72	80
5.	Germany	92	96
6.	Italy	35	39
7.	Canada	32	37
8.	Hong Kong	86	94
9.	Pakistan	5	5
10.	Bangladesh	9	9
11.	Netherland	52	56
12.	Switzerland	30	33
13.	Sweden	19	22
14.	Australia	45	52
15.	Panama	12	12
16.	Belgium	22	24
17.	Thailand	12	15
18.	Nepal	4	4
19.	UAE	14	15
20.	Others	450	524
	<b>Total</b>	<b>1840</b>	<b>2040</b>

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**Growth of Foreign Companies in India**  
**(31.3.1999 -31.3.2006)**



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## CHAPTER-III

### Applications and Documents Received Under Different Sections of the Companies Act, 1956

**3.1.1** The receipt and disposal of applications and documents under various Sections of the Companies Act, 1956 during the year 2005-06, except those relating to managerial personnel, are reviewed in this Chapter. Applications relating to managerial personnel are dealt with in Chapter IV.

**3.1.2** The applications and documents are received either by (i) Regional Directors / Registrars of Companies and (ii) the Central Government / the Company Law Board. These have been reviewed separately under respective sub-heads.

#### Application and Documents received by the Regional Directors/Registrars of Companies

##### Applications received under Sections 20, 166(1) and 210(4)

**3.2.1** Applications received during the year 2005-06 in the Offices of the Registrars of Companies under Sections 20, 166(1) and 210(4) of the Companies Act aggregated to 2,79,951. Of the total applications received during the year, 98,897 applications related to availability of names under Section 20. The break-up of applications received during the last three years is given in Table 3.1.

**Table 3.1**

#### Applications received under Sections 20, 166(1) and 210(4) of the Companies Act, 1956 during the years 2003-04 , 2004-05 and 2005-06

Subject/ Section	2003-04			2004-05			2005-06		
	Brought forward from previous year	Received during the year	Total	Brought forward from previous year	Received during the year	Total	Brought forward from previous year	Received during the year	Total
1	2	3	4	5	6	7	8	9	10
1. Availability of name (Section 20)	1175	64877	66052	534	94148	94682	4854	98897	103751
2. Extension of Annual General Meeting (Section 166(1))	5	1379	1384	2	1080	1082	0	1060	1060
3. Extension of Financial year [Section 210(4)]	3	246	249	2	150	152	3	108	111
4. Others (Misc.)	7771	175684	183455	5716	120788	126504	4885	179886	184771
<b>Total</b>	<b>8954</b>	<b>242186</b>	<b>251140</b>	<b>6254</b>	<b>216166</b>	<b>222420</b>	<b>9742</b>	<b>279951</b>	<b>289693</b>

**3.2.2** Taking into account the 2,79,951 applications received during the year under review and 9,742 applications brought forward from the previous year, the number of applications considered during the year came

to 2,89,693. Of these, 2,73,781 applications were allowed 6,197 were rejected and 9,715 were pending consideration at the end of the year. Table 3.2 gives Section-wise details of disposal of the applications during the year 2005-06.

**Table 3.2**

**Disposal of applications received under Sections 20, 166(1) and 210(4) of the Companies Act during the year 2005-06**

Subject/ Section	Brought forward from the previous year	Received during the year	Total Col. 2 & 3	Allowed during the year	Rejected during the year	Pending at the end of the year
1	2	3	4	5	6	7
1. Availability of Name (Section 20)	4854	98897	103751	93108	5722	4921
2. Extension of Annual General Meeting (Section 166(1))	0	1060	1060	978	82	0
3. Extension of Financial year (Section 210(4))	3	108	111	95	15	1
4. Others (Misc.)	4885	179886	184771	179600	378	4793
<b>Total</b>	<b>9742</b>	<b>279951</b>	<b>289693</b>	<b>273781</b>	<b>6197</b>	<b>9715</b>

**Documents filed under Sections 159, 160 and 220**

**3.3.1** The statutory documents filed by companies may be broadly classified under 3 categories viz. (i) Annual Returns (Sections 159 and 160), (ii) Balance Sheets and Profit and Loss Accounts (Section 220) and (iii) Other Documents. In all 16,01,215 documents were filed by the companies with the Registrars of

Companies during the year 2005-06. Of these, 3,16,520 were Annual Returns under Sections 159 and 160 of the Act, 3,17,326 were Balance Sheets and Profit and Loss Accounts filed under Section 220 of the Act and the remaining 9,67,369 documents were filed under the miscellaneous provisions of the Act. The number of documents filed with the Registrars of Companies during the last three years are given in Table 3.3.

**Table 3.3**

**Documents received under Sections 159, 160, 220 etc. of the Companies Act, 1956 during the years 2003-04, 2004-05 and 2005-06**

Nature of document and Section concerned	2003-04			2004-05			2005-06		
	Brought forward from previous year	Received during the year	Total	Brought forward from previous year	Received during the year	Total	Brought forward from previous year	Received during the year	Total
1	2	3	4	5	6	7	8	9	10
1. Annual Returns (Sections 159&160)	27184	310738	337922	22667	332896	355563	64845	316520	381365
2. Balance Sheets and Profit & Loss Accounts (Section 220)	33634	325461	359095	25793	339932	365725	72949	317326	390275
3. Other (Misc.)	341982	745862	1087844	52040	807117	859157	99048	967369	1066417
<b>Total</b>	<b>402800</b>	<b>1382061</b>	<b>1784861</b>	<b>100500</b>	<b>1479945</b>	<b>1580445</b>	<b>236842</b>	<b>1601215</b>	<b>1838057</b>

**3.3.2** Taking into account the 16,01,215 documents received during the year under review and 2,36,842 documents brought forward from the previous year, the total number of documents requiring scrutiny during the year was 18,38,057. Of these,

16,50,340 documents were taken on record as being in order, 1,577 were returned for rectification of defects and 1,86,140 remained pending at the end of the year. Section-wise details of disposal of documents are shown in Table 3.4.

**Table 3.4**  
**Disposal of applications received under Sections 159, 160 and 220 etc. of the Companies Act during the year 2005-06**

Nature of documents and Section concerned	Brought forward from the previous year	Received during the year	Total Col. 2 & 3	Taken on record	Returned for rectification	Pending at the end of the year
1	2	3	4	5	6	7
1. Annual Returns (Section 159 & 160)	64845	316520	381365	349181	---	32184
2. Balance Sheets and Profit & Loss A/c (Section 220)	72949	317326	390275	349634	---	40641
3. Others (Misc.)	99048	967369	1066417	951525	1577	113315
<b>Total</b>	<b>236842</b>	<b>1601215</b>	<b>1838057</b>	<b>1650340</b>	<b>1577</b>	<b>186140</b>

### Inspection of Documents Under Section 610(1)(a)

**3.4** During the year 2005-06, 1,30,764 documents were inspected in the Office of the Registrars of Companies by shareholders and members of the public under Section 610(1)(a) of the Companies Act, 1956. The fees realised by the Registrars of Companies on this account amounted to Rs. 67,30,875. The number of documents inspected in the previous year (2004-05) was 1,61,064 and the amount of fee realised was Rs 81,55,880. The largest number of documents inspected during the year under review was of the Registrar of Companies, Delhi i.e. 27,470 documents representing 21 per cent of the total. The number of documents in the office of the Registrar of Companies, Mumbai (viz. 25,828 representing 19.75 per cent) came next, followed by documents inspected in the Office of the Registrars of Companies, West Bengal, Chennai, and

Gujarat (viz. 13386, 11885 and 9502 respectively) in that order. The documents inspected in the offices of these five Registrars of Companies together accounted for 67.35 per cent of the total documents inspected under this Section in the offices of all the Registrars of Companies during the year.

### Issue of Certificates and certified copies of documents under Section 610(1)(b).

**3.5** The number of certificates of incorporation and certified copies of documents issued during the year 2005-06 by the Registrars of Companies under Section 610(1)(b) of the Companies Act totalled 22,812 and fees realised on this account amounted to Rs. 85,25,741. During the year 2004-05, 31,397 certificates of incorporation and certified copies of documents were issued and fee of Rs. 1,13,05,079 was realised.

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### Conversion of Companies under Section 31 and 43A

3.6 There were 974 conversions of companies from private to public and vice-versa during the year 2005-06. Of these, 549 conversions from private to public and 385 from public to private were by alteration of articles of association under Section 31 of the Act. Remaining 40 conversions, were from private to public took place under Section 43A of the Act.

### Special Resolutions under Section 314

3.7 During the year 2005-06, 586 special resolutions were passed under Section 314 of the Companies Act, 1956 by 574 companies for regularisation of the appointment of 567 Directors and 19 relatives of Directors. In the previous year, 507 special resolutions were passed by 498 companies regularizing the appointment of 491 Directors and 16 relatives of Directors in the offices of profit.

### Other Special Resolutions

3.8 In addition, 14,437 other special resolutions were passed during the year 2005-06 by 14,461 companies under other Sections of the Companies Act, 1956 as against 21,762 special resolutions passed by 21,391 companies during the previous year.

### Complaints

3.9.1 During the year 2005-06, 9,720 complaints were received in the offices of the Registrars of Companies and in the Headquarters at New Delhi from shareholders and members of the public. The number of complaints received in the previous year was 14,181.

3.9.2 During the year 2005-06, 28,559 complaints were considered including 18,839 complaints brought forward from the previous year. Of these, action was taken on 8,156 complaints after necessary scrutiny and inquiry and 20,403 complaints remained pending at the end of the year. Table 3.5 gives the comparative position regarding the complaints received and disposed of during the last three years.

**Table 3.5**  
**Complaints received and disposed of during the year**  
**2003-04, 2004-05 and 2005-06**

Year	Brought forward from the previous year	Received during the year	Total Col. 2 & 3	Disposed of during the year	Pending at the end of the year
1	2	3	4	5	6
2003-2004	9438	10589	20027	7552	12475
2004-2005	12475	14181	26656	7817	18839
2005-2006	18839	9720	28559	8156	20403

## Nature of Complaints

3.10 The grounds of complaints varied in nature. 1933 complaints or nearly 19.9 per cent of the total number of complaints received during the year 2005-06 related to non-payment of public deposits by companies. The

other grounds on which a large number of complaints received related to non-receipt of Balance-sheets (7.7 percent), non-issue of share certificate (6.7 percent), non-receipt of notices (6.5 percent) and non-payment of dividend (6.3 percent). The break-up of complaints according to their nature is shown in Table 3.6.

**Table 3.6**  
**Nature of complaints 2005-06**

Sl. No.	Nature of complaints	Brought forward from the previous year	Received during the year	Percentage of the total receipts	Total Col. 2 & 3	Disposed of during the year	Percentage of the total disposal	Pending at the end of the year
	1	2	3	4	5	6	7	8
	<b>Received by Registrars of Companies:</b>							
1	Non-payment of public deposits	714	1933	19.9	2647	1865	22.9	782
2	Mismanagement	12	149	1.5	161	139	1.7	22
3	Non-payment of dividend	123	614	6.3	737	550	6.8	187
4	Non-receipt of Balance Sheets	312	752	7.7	1064	744	9.1	320
5	Non-receipt of Notices	56	629	6.5	685	607	7.4	78
6	Non-registration of Transfer of Shares	4	403	4.2	407	346	4.2	61
7	Non-issue of Share certificates	43	654	6.7	697	626	7.7	71
8	Improper holding of meetings	8	70	0.7	78	66	0.8	12
9	Non-holding of Annual General Meetings	36	340	3.5	376	344	4.2	32
10	Non-receipt of Dividend warrant	11	313	3.2	324	281	3.5	43
11	Misappropriation	1	32	0.3	33	32	0.4	1
12	Fraud/ Embezzlement	13	62	0.7	75	59	0.7	16
13	Misapplication of funds	1	14	0.2	15	14	0.2	1
14	Improper election of Directors	5	50	0.5	55	50	0.6	5
15	Failure to allow inspection of Minute Books	4	50	0.5	54	53	0.7	1
16	Other complaints (Miscellaneous)	720	1811	18.6	2531	2230	27.3	301
	<b>Received by Headquarters, New Delhi:</b>							
17	General complaints	16776	1844	19.0	18620	150	1.8	18470
	<b>Total</b>	<b>18839</b>	<b>9720</b>	<b>100.0</b>	<b>28559</b>	<b>8156</b>	<b>100.0</b>	<b>20403</b>

## ROC-wise distribution of complaints

**3.11** The Registrar of Companies, Mumbai received the largest number of complaints during the year 2005-06, viz. 2,521 (26.0 per cent of the total) followed by the Registrars of Companies, Chennai, Punjab/H.P./Chandigarh, Karnataka, Delhi/Haryana and Gujarat who received 1215, 1110, 600, 593 and

389 complaints respectively. These Registrars of Companies together accounted for 6,428 (66.1 per cent of the total number of complaints) complaints received during the year. The ROC-wise break-up of complaints received during the year 2005-06 is given in Table 3.7. In addition 1844 complaints were received at the Headquarters.

**Table 3.7**  
ROC-wise break-up of complaints received during 2005-06

State/Union Territory	Brought forward from the previous year	Received during the year	Percentage of Total receipts	Total Col. 2 & 3	Disposed of during the year	Percentage of grand total disposal	Pending at the end of the year
1	2	3	4	5	6	7	8
<b>Received by Registrars of Companies:</b>							
1. Andhra Pradesh	1126	111	1.1	1237	282	3.5	955
2. Assam	7	35	0.4	42	42	0.5	0
3. Bihar	1	40	0.4	41	41	0.5	0
4. Delhi/ Haryana	15	593	6.1	608	608	7.5	0
5. Goa	30	23	0.2	53	19	0.2	34
6. Gujarat	3	389	4.0	392	254	3.1	138
7. Jammu & Kashmir	0	0	0.0	0	0	0.0	0
8. Karnataka	511	600	6.2	1111	1055	12.9	56
9. Kerala	8	181	1.9	189	189	2.3	0
10. Madhya Pradesh	0	248	2.5	248	248	3.1	0
11. Maharashtra(Mumbai)	157	2521	25.9	2678	2309	28.3	369
12. Pune	3	261	2.7	264	262	3.2	2
13. Orissa	0	140	1.4	140	140	1.7	0
14. Puducherry	0	15	0.2	15	15	0.2	0
15. Punjab/H.P./Chandigarh	28	1110	11.4	1138	992	12.2	146
16. Rajasthan	3	172	1.8	175	171	2.1	4
17. Chennai	169	1215	12.5	1384	1172	14.4	212
18. Coimbatore	2	132	1.4	134	132	1.6	2
19. Uttar Pradesh	0	90	0.9	90	75	0.9	15
20. West Bengal	0	0	0.0	0	0	0.0	0
21. Received at the Headquarters, New Delhi	16776	1844	19.0	18620	150	1.8	18470
<b>Grand Total</b>	<b>18839</b>	<b>9720</b>	<b>100.0</b>	<b>28559</b>	<b>8156</b>	<b>100.0</b>	<b>20403</b>

**Applications considered and disposed of by the Regional Directors and Registrars of Companies.**

**3.12** The powers and functions of the Central Government in respect of some Sections of the Companies Act, 1956 have been delegated to the Regional Directors located at Kolkata, Mumbai, Chennai and Noida (U.P.) and to the Registrars of Companies. Table 3.8 below shows the disposal of applications dealt with by the Regional Directors/ Registrars of Companies

under the delegated powers. It would be seen that during the year under review 2,79,882 applications including 2,279 brought forward from the previous year were considered. The largest number of applications, viz. 2,25,923 (80.72 per cent of the total) were considered under Section 108(1D) of the Act regarding extension of time for registration of transfer of shares. Out of the total 2,79,882 applications, 2,67,020 were disposed of during the year leaving 12,862 applications pending as on 31st March, 2006.

**Table 3.8**

**Applications considered and disposed of by the Regional Directors and Registrars of Companies under various Sections of the Companies Act, 1956 during the year 2005-06**

Sl. No.	Section of the Companies Act and the subject matter of the application	Applications considered during 2005-06	Applications disposed of during the year	Applications pending as on 31.03.2006
1	2	3	4	5
1	21 - Change of name by company	5465	4966	499
2	22 - Rectification of name company	77	44	33
3	25 - Grant of licence	336	221	115
4	25(8) - Alteration in Memorandum & Articles of Association	137	97	40
5	31 - Alteration in Articles through Special Resolution	2769	2709	60
6	108(1D) - Extension of time for Registration of transfer of shares	225923	225771	152
7	224(3)(7) - Appointment and remuneration of Auditors	50	27	23
8	Section 394-A amalgamation of companies (pub/ pvt. Companies) by RD	1048	843	205
9	555(7)(b) - Company liquidation Accounts	451	132	319
10	560 striking of name of the companies in the Register maintained by ROC	43626	32210	11416
	<b>Total</b>	<b>279882</b>	<b>267020</b>	<b>12862</b>

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## **Applications received by the Central Government and Company Law Board**

### **Invitation and acceptance of Deposits under Section 58A-Background**

**3.13.1** Section 58A of the Companies Act, 1956 which was introduced by the Companies (Amendment) Act, 1974 and came into force on 1.2.1975, regulates the invitation and acceptance of deposits by Non-Banking Non-Financial Companies. The Companies (Acceptance of deposits) Rules, 1975 framed in pursuance of sub-section (1) of Section 58A of the Act prescribes the limits upto which, the manner in which and the conditions subject to which deposits may be invited and/or accepted by these companies either from the public or from their members. These Rules, inter-alia, require every company to advertise at the time of inviting deposits a summarised financial position of the company as in the two audited balance sheets immediately preceding the date of advertisements. The Rules lay down ceiling limits with reference to the company's net worth for acceptance of deposits and prescribe the maximum rate of interest prescribed by the Reserve Bank of India that the Non-Banking Financial Companies can pay on their public deposits and the maximum period of 36 months for which the deposits can be accepted. The Rules also lay down the maximum rate of brokerage which can be paid by the company to brokers through whom the deposits are collected. In order to safeguard the interests of depositors, the Rules also provide for maintenance of liquid assets to the extent of 15 per cent of deposits maturing during the year invested in specified securities with effect from 1.4.1992 as per Gazette Notification No. GSR 393(E) dated 10.1.1992. Similarly the maximum rate of interest payable on deposits by Non-Banking Non-Financial Companies has been

fixed at the maximum rate of interest prescribed by Reserve Bank of India that the non-Banking financial companies can pay on their public deposits vide Notification GSR 774(E) dated 29.9.2003

**3.13.2** Sub-section (7) of Section 58A of the Companies Act, 1956 empowers the Government to keep any company outside the purview of these provisions after consultation with Reserve Bank of India. In exercise of this power, small scale units which conform to certain parameters have been kept outside the purview of the provisions of Section 58A.

**3.13.3** Sub-section (8) of Section 58A of the Companies Act, 1956 empowers Central Government, if it considers necessary for avoiding any hardship or for any other just and sufficient reason, to grant extension of time to a company or class of companies to comply with or exempt any company or class of companies from all or any of the provisions of Section 58A either generally, or for a specified period subject to such conditions as may be specified, either prospectively or retrospectively from a date not earlier than the commencement of the Companies (Amendment) Act, 1974. In case exemption is to be granted for a class of companies, it is to be done after consultation with Reserve Bank of India.

**3.13.4** Sub-Sections (9) and (10) of Section 58A of the Companies Act, 1956, which were inserted by Companies (Amendment) Act, 1988 as a measure of protecting the interests of depositors, provide for compulsory repayment of deposits, unless renewed in accordance with the prescribed Rules. The amended provisions of sub-section (9) of the Act empower the Company Law Board to take cognisance of any case of non-repayment of deposits on maturity and direct the company to make repayment of

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such deposits within such time and subject to such conditions, as may be specified in the order. Non-compliance of the orders of the Company Law Board would attract penalty by way of imprisonment, which may extend to three years and shall also be liable to a fine of not less than Rs. 500/- for every day till such non-compliance continues.

**3.13.5** Under the proviso to sub-section (7) of Section 58A of the Companies Act, 1956, the Government is empowered to exempt a class of companies from all or any of the provisions of Section 58A. The Ministry has granted exemption vide Notification GSR No. 1075(E) dated 29.12.1989 from the provisions of sub-section (1) to (6) of Section 58A in respect of acceptance of deposits by issue of Commercial Paper by companies which satisfy the eligibility criteria laid down by Reserve Bank of India in the Non-Banking Companies (acceptance of Deposits through Commercial Paper) Directions, 1989. The said Notification has come into force on and from 1.1.1990.

### **(A) Applications Disposed of by the Central Government**

#### **(a) Applications for exemption/extension of time under Section 58A(8).**

**3.14** During the period from 1.4.2005 to 31.3.2006, 17 applications for exemption/extension of time under Section 58A (8) of the Companies Act, 1956 were received in addition to 24 applications brought forward from the previous year. Out of the total 41 applications,

18 applications were disposed of and the remaining 23 applications were at various stages of consideration as on 31.3.2006.

#### **(b) Acquisition/Transfer of certain shares under Section 108A**

**3.15** Under this section, prior approval of Central Government is required to be obtained for acquisition/transfer of shares by or to, an individual, firm, group, constituent of a group, body corporate or bodies corporate under the same management in relation to dominant undertaking provided there is any increase in dominance as a result of such an acquisition or transfer of shares. During the period from 1.4.2005 to 31.3.2006, 1(one) application was received, while no application was brought forward from the previous year. This application was disposed of during the year and no application was pending as on 31.3.2006.

#### **(c) Permission to Government Companies Under Section 166**

**3.16** The Central Government has powers under Section 166(1) & (2) of the Companies Act, 1956 to grant extension of time by three months to Government Companies for holding Annual General Meetings (AGM) and for change of venue of AGM to a place other than where the registered office of the company is situated. The number of applications for extension of time and change of venue received and disposed of during the year 2005-06 are given in Table 3.9.

**Table 3.9****Applications under Section 166 received and disposed of during 2005-06**

Section of Companies Act,1956	Nature of Applications	Pending at the beginning	Received during theYear	Total Col. 3&4	Disposed of during the year	Pending as on 31.3.2006
1	2	3	4	5	6	7
166(1)	Annual General Meeting (Extension of time)	0	176	176	176	0
166(2)	Annual General Meeting (Change of venue)	0	31	31	31	0
	<b>TOTAL</b>	<b>0</b>	<b>207</b>	<b>207</b>	<b>207</b>	<b>0</b>

**(d) Payment of Dividends under section 205(1)(c) and 205A(3)**

**3.17.1** Proviso ( c) to Section 205(1) of the Companies Act,1956 empowers the Central Government to allow any company, if it thinks necessary to do so in the public interest to declare any dividend for any financial year out of the profits of the company for that year or any previous year or years without providing for depreciation. During the year 2005-06, no application was received under this Section and two (2) applications brought forward from the previous year were considered under this Section. Both these applications were disposed of leaving no pendency as on 31.3.2006.

**3.17.2** Section 205A(3) of the Companies Act, 1956 makes it obligatory for a company to seek prior approval of the Central Government where owing to inadequacy or absence of profits in any year, it proposed to declare dividend out of the accumulated profits earned in the previous years and transferred to the reserves and where declaration of dividend is not in accordance with the Rules, namely, the

Companies (Declaration of Dividend out of Reserves) Rules, 1975.

**3.17.3** During the year 2005-06, one (1) application was received under this section, while no applications was brought forward from the previous year. The said application was disposed of during the year under review and no application was pending as on 31.3.2006.

**(e) Annual Accounts Under Section 211**

**3.18** Part II of Schedule VI to the Companies Act,1956 dealing with the preparation of Profit and Loss Accounts provides that the manufacturing and other companies should give by way of notes, additional data in regard to turnover, installed capacity, licensed capacity, actual production, raw material consumed, opening and closing stock of good produced etc. Some of the Companies which on account of certain difficulties, are unable to comply with the said provisions to furnish the additional data, can approach the central Government for order under section 211(4) of

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the Companies Act, 1956 for exemption from furnishing this information. During the year 2005-06, 298 applications including 69 brought forward from the previous year were considered by the Central government. Of these, 260 applications were disposed of and 38 applications were pending at the end of the year.

**(f) Accounts of Subsidiaries Under Section 212(8)**

**3.19** Section 212 of the Companies Act, 1956 provides that the Balance sheet of a holding company should include certain documents of its subsidiaries. However sub-section (8) thereof empowers the Central Government to exempt a holding company from the requirements of including in balance sheet the said documents of subsidiary companies. 380 applications, including 78 brought forward from the previous year were considered by the Central Government under this Section during the year 2005-06. Of these, 317 applications were disposed of and 63 were pending as on 31.3.2006.

**(g) Appointment of Cost Auditors under Section 233B(2)**

**3.20** In compliance with section 233B(2) of the Companies Act, 1956, 1458 applications were received for approval of appointment of cost auditors and exemption from Cost Audit from companies covered under cost audit during the year April 2005 to March 2006 as against 1619 applications received during the corresponding period of previous year 2004-05. The amount of fees collected on these applications aggregated to about Rs. 27.31 lakh during the period from April 2005 to March 2006 as against Rs. 27.55 lakh received during the corresponding period of previous year 2004-05.

**(h) Appointment of Sole Selling/Buying Agents Under Section 294AA(2) & (3)**

**3.21.1** Sub-Section (2) and (3) of Section 294AA of the Companies Act, 1956 require the companies to obtain approval of Central Government for appointment of Sole Selling Agents. Sub-Section (2) applies to those companies, in which the Sole Selling Agents, either by themselves or through their relatives, hold paid-up capital of Rs. 5 lakh or 5 percent of the paid-up capital of the company, whichever is less. Sub-section (3) applies to those companies whose paid-up capital is Rs. 50 lakh or more. During the year 2005-06, 8 applications were received under sub-section (2) and (3) of Section 294AA while 14 applications were brought forward from the previous year. Out of the total of 22 applications, 13 applications were disposed of and 9 applications were pending at various stages of consideration as on 31.03.2006.

**3.21.2** Sub-Section 294AA(1) of the Companies Act, 1956 requires that where the Central Government is of the opinion that the demand for goods of any category is substantially in excess of the production or supply of such goods and that the services of the Sole Selling Agents will not be necessary to create a market for such goods, the Central Government may, by notification in the Official Gazette, declare that Sole Selling Agents shall not be appointed by a company for the sale of such goods for such period as may be specified in the declaration. At present, the said prohibition on appointment of Sole Selling Agents exists only in respect of bulk drugs, drugs and formulations which has been extended for a period of three years w.e.f. 23.2.2004 vide Notification No. GSR 130(E) dated 23.2.2004.

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**(i) Loan to Directors and their relatives under Section 295**

**3.22.1** Section 295 of the Companies Act, 1956 requires all public companies or their subsidiaries to obtain the previous approval of the Central Government before making any loan to, or giving any guarantee or providing any security in connection with a loan made by any other person to, or to any other person by their directors, relatives of such directors, firms or private companies in which such directors are interested and to other body corporate falling within the ambit of clauses (d) & (e) of sub-Section (1) of the said Section

**3.22.2** During the year 2005-06, 47 applications were received under this Section, while 40 applications were brought forward from the previous year. Out of the total of 87 applications, 60 were disposed of and 27 applications were pending as on 31.03.2006.

**(j) Contracts in which Directors are interested under Section 297**

**3.23.1** Section 297(1) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1974 which came into force with effect from 1st February, 1975 makes it obligatory for companies having paid-up share capital of not less than Rs. 1 crore to seek prior approval of the Central Government in respect of any contract to be entered into (a) for sale, purchase or supply of goods, material or service or supply of goods, material or service or (b) for underwriting the subscription of any share or debentures of the company with a Director of the company or his relatives, a firm in which such a Director or relative is a partner, any other partner in such a firm or a private company of which a Director is a member or Director. The powers of Central Government to accord approval under Section 297(1) of the

Companies Act, 1956 have been delegated to Regional Directors with effect from 19.8.1993. This has been done with the twin purposes of decentralisation and expeditious disposal.

**3.23.2** During the year 2005-06, Regional Directors considered 1731 applications including 523 applications brought forward from the previous year. Out of these, 1176 applications have been decided leaving a balance of 555 applications pending with Regional Directors as on 31.3.2006.

**(k) Amalgamation of Government companies under Section 394A**

**3.24** During the year 2005-06, 875 notices were received under this Section, while 173 were brought forward from the previous year. Out of total of 1048 notices, 843 were disposed of and 205 cases were pending as on 31.03.2006.

**(l) Amalgamation of Government companies under Section 396**

**3.25** During the year 2005-06, no case was received. However 5 pending cases brought forward continued to be pending as on 31.3.2006.

**(m) Applications under Section 620A of the Companies Act.**

**3.26.1** Under this Section, the Central Government is empowered to declare by Notification in the Official Gazette certain special type of Non-Banking Financial Companies as Nidhi Companies or Mutual Benefit Societies as the case may be and direct that certain provisions of the Companies Act, 1956 shall not apply and / or, as the case may be, shall apply with certain exceptions, modifications and adaptations to the said Nidhis. During the period from 1.4.2005 to 31.3.2006, the Central Government declared 13

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companies as Nidhi companies vide Notifications GSR 450(E) dated 1.7.2005, bringing the total number of companies notified as Nidhi Companies to 257 as on 31.3.2006.

**3.26.2** During the year 2005-06, the Central Government received 27 applications under Section 620A of the Companies Act,1956. while 66 cases were brought forward from the previous year. Out of these,9 applications were disposed of and 84 application were pending at the end of the year.

**(n) Companies struck off under Section 560.**

**3.27** During the year 2005-06, 43,626 applications for striking off name including 18,100 pending as on 31.03.2005 were considered. Out of which 32,210 companies were struck off from the registers maintained by the Registrar of Companies under Section 560 of the Companies Act, 1956. 11,416 cases were pending as on 31.03.2006.

**(o) Applications under section 81(1)**

**3.28** During the year 2005-06, One (1) case was received and it was pending as on 31.3.2006.

**B. Applications/Appeals disposed of by Company Law Board**

**3.29.1** Section 111 of the Companies Act,1956 provides for transferors or transferees of shares in a company to appeal to the Central Government against the refusal of the company to register the transfer or transmission of shares, or against the failure within the prescribed time limit, to register the transfer or transmission of shares, or to intimate its refusal to register the transfer or transmission of shares. Powers under this Section are delegated to the Company Law Board Benches.

**3.29.2** As on 31st March , 2005, 178 appeals under Section 111 were pending with the Company Law Board. During the year 2005-06, 72 appeals were received. Thus 250 appeals were considered during the year. Of these, 122 appeals were disposed of and 128 appeals were pending disposal for non-compliance of various formalities as on 31.03.2006 as per the Companies (Appeals to the Central Government) Rules, 1957.

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## CHAPTER -IV

### Corporate Management

#### Appointment of Managerial Personnel

**4.1.1** This Section deals with statutory applications relating to the appointment of and payment of remuneration to Managing Directors, Whole-time Directors and Managers of Public Limited Companies and of Private Limited Companies which are subsidiaries of Public limited companies under Section 269, 198/309, 310 and 388 of the Companies Act, 1956 in accordance with provisions of Schedule XIII to the said Act, as amended from time to time.

**4.1.2** In order to bring greater transparency in processing of various statutory applications, the status reports of these applications have already been made available on the website of the Ministry of Company Affairs which has

been appreciated by the applicant companies. Further, to bring about quicker disposal of cases and ushering in an era of e-Governance, the prescribed application forms are being revised and simplified.

**4.1.3** It has been observed that applications received are generally deficient in several respects. In order to have complete information in the initial stage itself, Form Nos. 25A and 26 have been revised and are proposed to be made effective alongwith MCA-21 project implementation.

**4.1.4** The details of receipt and disposal of statutory applications during the year 2005-06, are given in Table 4.1 below.

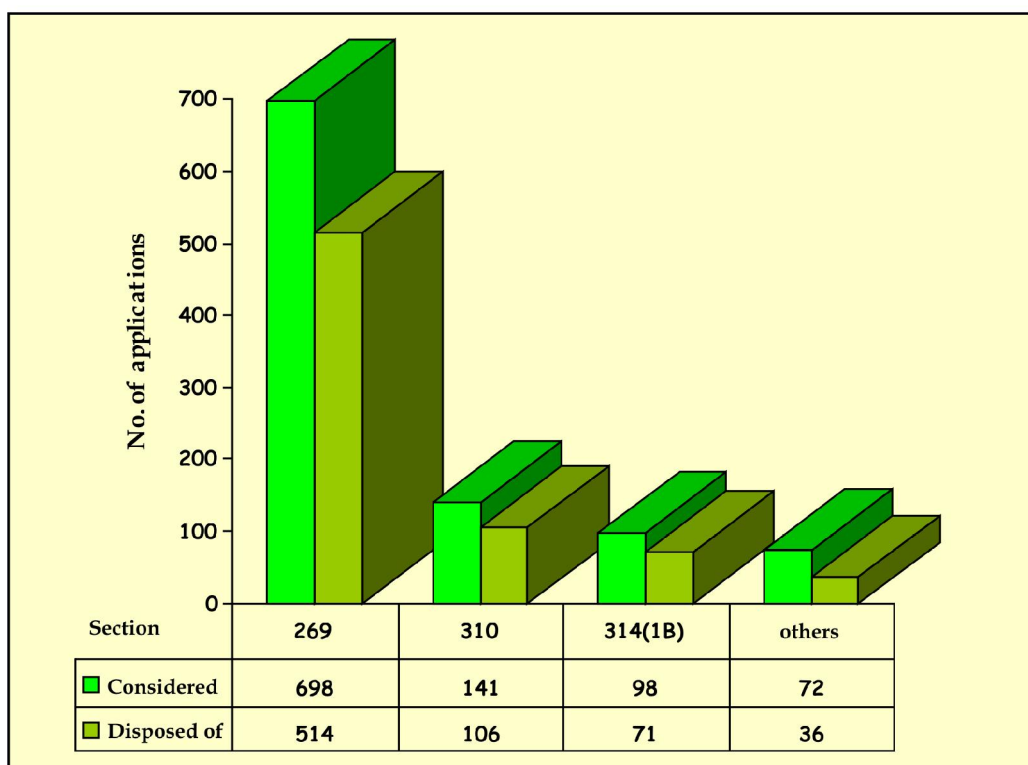
**Table 4.1**

**Applications received and disposed of by the Central Government under Sections 259, 268,269,309, 310 and 314(1B) of the Companies Act, 1956 during 2005-06.**

Under Sections	Nature of Applications	Brought forward as on 1.4.2005	Received during the year	Total	Disposed of during the year	Pending as on 31.03.2006
259	Increase in number of Directors	3	11	14	6	8
268	Amendment of provisions in the articles of Association relating to Managing Director or Whole time Director.	1	7	8	0	8
269/ Schedule XIII	Appointment/reappointment of Managing Director or Whole-time Directors/managers	199	499	698	514	184

309(1)(b)	Remuneration of Directors for rendering professional services.	6	30	36	26	10
309(4)/(5B)	Remuneration to Director other than Managing Director under Whole time appointment/ waiver of sums refundable by Directors	2	12	14	4	10
310	Increase in the remuneration of any Director	8	133	141	106	35
314(1B)	Appointment/continuance of relative of Director to hold any office or place of profit in the company which carries total monthly remuneration of not less than Rs. 50000 per month	17	81	98	71	27
	<b>Total</b>	<b>236</b>	<b>773</b>	<b>1009</b>	<b>727</b>	<b>282</b>

**Applications on Managerial Appointment considered and disposed of by the Central Government during 2005-06**



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## CHAPTER -V

### **Inspections, Investigations, Prosecutions, Oppression and Mismanagement, Cost Audit, Investors Education and Protection Fund, Investor Protection and Vanishing Companies.**

#### **Inspections**

**5.1.1** Section 209A of the Companies Act, 1956 empowers the Registrar of Companies or the officers duly authorised by the Central Government, to undertake inspection of the books of accounts and other records of companies. Several officers of the Ministry have been authorised under this Section to undertake inspections.

**5.1.2** Broadly, inspections are undertaken to serve one or more of the following objects:

- (i) to verify compliance by companies of various provision of the Companies Act, 1956;
- (ii) to verify whether the company accounts represent a true and fair picture of the company's finances and whether the same have been disclosed in a manner consistent with Companies Act;
- (iii) whether the company's funds have been siphoned off, applied or diverted in a manner violative of the provision of the Act and whether the company management has misused its fiduciary position for any personal advantage in violation of the Act;
- (iv) whether there are acts of mismanagement or oppression which adversely affect the interest of company stakeholders, or which may adversely prejudice such interests, which may merit the company to be wound up on just and equitable grounds under the Act;

(v) whether statutory auditors have carried out their duties properly while certifying true and fair view of the state of affairs of the company;

(vi) to examine legal action under Companies Act if the company has made a default in filing its balance sheet and profit and loss account or annual return for any five consecutive financial years with the Registrar.

**5.1.3** Inspections under Section 209A of the Companies Act, 1956 of the books of accounts of the company are mainly ordered on the basis of:

- (i) complaints received in the Ministry of Company Affairs or in its field offices about mis-management in respect of maintenance of books of accounts as prescribed under Section 209 of the Act, delay in transfer of share/debentures, delay in payment of dividend, non-payment of deposits or interest thereon etc.;
- (ii) violations/irregularities noticed on scrutiny of documents including Auditors remarks filed in the office of the Registrar of Companies;
- (iii) reference received from other Govt. Departments/Agencies pointing out violations of the provisions of the Companies Act, 1956 or other irregularities.

**5.1.4** Details of the number of inspections conducted by the Ministry of Company Affairs during last 4 financial years are as under:

Year	Number
2002-03	150
2003-04	109
2004-05	181
2005-06	253

### **Follow up of the report of Joint Parliamentary Committee (JPC) on Stock Market Scam.**

**5.2** The Government had set up a Joint Parliamentary Committee (JPC) to investigate the Stock Market Scam. JPC submitted its report in December 2002. The Ministry of Company Affairs was asked to furnish Action Taken Report on certain recommendations of the JPC concerning this Ministry. Status reports in respect of points concerning MCA are forwarded regularly to JPC Cell in the Department of Economic Affairs who is monitoring the follow up action on the JPC Report from time to time. The Ministry furnished latest Action Taken Report on the points/recommendations of JPC concerning Ministry of Company Affairs on 30th March 2006.

### **Action taken under Section 408/402/406/388/237(b) of the Companies Act .**

**5.3.1** Section 397/398 of the Companies Act, 1956 provides for filing of application before Company Law Board for relief in cases of oppression, mismanagement or apprehension of mismanagement of the affairs of the Company. Section 408 of the Act empowers the Central Government to appoint such number of persons on the Board of the company as directed by Company Law Board on the reference/application made by the Government to safeguard the interest of the company or its shareholders or the general public. In addition, the Central Government can also file petitions under Section 402 read

with Section 406 of the Act for disgorgement of assets against the Directors of the Company when they indulged in misappropriation/misfeasance. During the year 2005-06, the Government has filed petition/application before Company Law Board under Sections 408 and 402 read with section 406 of the Act in respect of three companies. During the year 2005-06, the Company Law Board has disposed of cases in respect of three companies. A total of six petitions/applications under Section 397/398/408/402/406/388 of the Act are pending before the Company Law Board for adjudication/decision.

**5.3.2** As per section 237(b) of the Companies Act, the Central Government may file petition before Company Law Board seeking order for investigation of the company. As on 31.3.2006 three petitions were pending before Company Law Board. During the year 2005-06, the Company Law Board has disposed of one case.

**5.3.3** During the year 2005-06, 24 cases were filed /contested before the Hon'ble High Courts out of which 17 cases have been disposed of while 07 cases are still pending under Section 397/398 r/w 406/408 & 237(b) of the Act. During the year 2005-06, 17 cases u/s 237(b)/235 of the Companies Act were contested before Supreme Court and all the 17 cases were disposed of.

### **Investigations**

**5.4.1** Sections 235 and 237 of the Companies Act , 1956 empowers the Central Government for ordering investigation into the affairs of companies. The cases for investigation u/s 235/237 of the Act are handed over to the Serious Fraud Investigation Office (SFIO) on the following grounds.

- (i) Where the size of the alleged fraud is estimated to be at least Rs. 50 crore or more, or;

- (ii) Such companies which are listed or where the paid up capital of the company is more than Rs. five Crores, and 20% or more capital is subscribed by the public; or
- (iii) When the alleged fraud involves widespread public concern estimated to affect at least more than 5000 persons; or
- (iv) Where investigation requires specialized skills and multi-disciplinary approach.

**5.4.2** During the year 2005-06, 08 Investigation Reports under section 235/237 of the Companies Act, 1956 have been furnished by Serious Fraud Investigation Office (SFIO) in respect of the Companies as indicated in table 5.1. However, no investigation has been ordered to be carried out by SFIO.

**Table- 5.1**

S.No.	Investigation Report submitted
1.	DSQ Software Ltd
2.	Mardia Chemicals Ltd.
3.	Soundcraft Industries Ltd.
4.	Adam Comsof Ltd.
5.	Kolar Biotech Ltd.
6.	Usha India Ltd.
7.	Malvika Steel Ltd.
8.	Koshika Telecom Ltd.

**5.4.3** Twenty Six (26) Investigations are pending as these have been stayed by respective Courts. The details of 26 investigations pending on 31.3.2006 is given in Statement XXIV. 16 Investigations are in progress in the following companies: -

S.No	Name of Company
1.	Triumph International Finance Ltd
2.	Classic Share & Stock Broking Services Ltd.
3.	KNP Securities Pvt Ltd.
4.	VN Parekh Securities Pvt. Ltd.
5.	Panther Fincap Management Services Ltd.
6.	Panther Investrade Ltd.
7.	Saimangal Investrade Ltd.
8.	Classic Credit Ltd.
9.	Panther Industrial Products Ltd.
10.	Goldfish Computer Pvt. Ltd.
11.	N.H. Securities Limited
12.	Nakshatra Software Pvt. Ltd.
13.	Chitrakoot Computers Pvt. Ltd.
14.	Luminant Investment Pvt. Ltd.
15.	Triumph Securities Pvt. Ltd.
16.	Manmandir Estate Development Pvt. Ltd.

### **Prosecution**

**5.5.1** A total of 49061 prosecutions, launched under the Companies Act, were pending in various courts as on 31.3.2005 and 5128 prosecutions (Table 5.2) were instituted during the year 2005-06 against 1265 companies and their officers. Thus, in all 54189 prosecutions were pursued in the courts during 2005-06. Out of these, 8484 prosecutions were disposed of and 45705 were pending at the end of the year. State-wise details are given in the Statement -XXV.

**TABLE - 5.2**  
**Nature of Defaults and number of prosecutions**  
**Filed during 2005-06**

Sl. No.	Section of the Companies Act, 1956 or a Rule	Nature of defaults	Number of Cases filed during the year
1	2	3	4
1	12	Mode of forming incorporate companies	1
2	17	Special resolution and confirmation by Company Law Board required for alteration of memorandum.	1
3	49	Investments of company to be held in its own name	1
4	58A(1)	Acceptance of Deposits	16
5	58A(9)	Repayment of Deposits	23
6	63	Criminal liability for mis-statements in prospectus	3
7	68	Penalty for fraudulently inducing persons to invest money	5
8	73	Allotment of shares and debentures to be dealt in on Stock Exchange	2
9	75	Return as to allotments	1
10	80A	Redemption of irredeemable Preference shares etc.	2
11	97	Notice of increase of shares capital or of members	2
12	113	Limitation of time for issue of certificates	2
13	141	Rectification by Company Law Board of register of charges.	3
14	146	Registered office of company	35
15	147	Publication of name by company	5
16	149	Restrictions on commencement of business	5
17	150	Register of members	2
18	159/162	Annual return to be made by company having a share capital	2220
19	163	Place of keeping and inspection of registers and returns	1
20	165/168	Statutory meeting and statutory report of company	52
21	166/168	Annual General Meeting	9

Sl. No.	Section of the Companies Act, 1956 or a Rule	Nature of defaults	Number of Cases filed during the year
1	2	3	4
22	171/172	Length of notice for calling meeting	1
23	192	Registration of Certain resolutions and agreements	4
24	193	Minutes of proceedings of general meetings and of Board and other meetings	7
25	205A	Unpaid dividends to be transferred to special dividend account	2
26	207	Penalty for failure to distribute dividends within forty two days	2
27	209A	Inspection of books of accounts etc. of companies	46
28	210	Annual Accounts and Balance Sheets	29
29	211	Forms and contents of Balance Sheets and profit and loss account	75
30	212	Balance Sheet of holding company to include certain particulars as to its subsidiaries	23
31	217	Board's report	47
32	219	Right of member to copies of Balance Sheet and auditors' report	2
33	220	Three copies of balance sheet etc. to be filed with Registrar	2287
34	232	Penalty for non-compliance with Section 225 to 231	2
35	233	Penalty of non-compliance of auditor with sections 227 and 229.	5
36	233B	Audit of Cost accounts in certain cases	1
37	234	Power of Registrar to call for information or explanation	6
38	269	Appointment of managing or whole time director or manager to require Government approval only in certain cases	5
39	291	General Power of Board	3
40	292	Certain powers to be exercised by Board only at meeting	17
41	293	Restriction on power of Board	1
42	295	Loans to directors etc.	10
43	297	Board's sanction to be required for certain contracts in which particular directors are interested	6

Sl. No.	Section of the Companies Act, 1956 or a Rule	Nature of defaults	Number of Cases filed during the year
1	2	3	4
44	299	Disclosure of interests by director	4
45	300	Interested director not to participate or vote in Boards proceedings	1
46	301	Register of Contracts, companies and firms in which Directors are interested	11
47	303	Register of Directors managing agents, secretaries and treasurers etc.	5
48	307	Register of Director's share holdings etc.	1
49	371/370	Penalty for contravention of Section 369, 370 and 370A	4
50	372	Purchase of shares by company of other companies	9
51	374	Penalty for contravention of Section 372 or 373	1
52	383A	Certain Companies to have secretaries	13
53	614A	Powers of Courts trying offences under the Act to direct the filing of documents with the Registrar	24
54	628	Penalty for false statements	17
55	629A	Penalty where no specific penalty is provided elsewhere in the Act	31
56	Others		35
	<b>Total</b>		<b>5128</b>

**5.5.2** Comparative data showing the progress of prosecutions during the last five years from 2001-02 to 2005-06 is given in Table 5.3.

**Table 5.3**  
**Progress of Prosecutions : 2001-02 to 2005-06**

Subject	2001-02	2002-03	2003-04	2004-05	2005-06
1	2	3	4	5	6
1. Number of companies prosecuted during the year	1964	2133	1954	2560	1265
2. Number of prosecutions started during the year	8334	9154	6552	8129	5128
3. Number of prosecutions pending at the beginning of the year	37223	39899	45763	45562	49061
4. Number of prosecutions disposed during the year	5658	5467	4563	4630	8484
5. Convictions	2430	2804	2665	3099	2686
6. Number of prosecutions ending in acquittals	356	441	370	164	185
7. Number of prosecutions withdrawn or otherwise disposed of (including condonations)	1629	866	990	890	1763
8. Number of prosecutions pending at the end of the year	39899	43580	45562	49061	45705
9. Total fine imposed ( in rupees)	4267676	5953475	5988662	5229401	7159012
10.Total amount awarded as cost to Registrar (in rupees)	761072	1051490	1526107	1561426	2140825
11.Percentage of conviction to total cases decided	43	51	58	66	32
12.Average number of prosecutions per company prosecuted	5	5	3	2	7
13.Average fine imposed per case ending in conviction (in Rs.)	1756.2	2123.2	2247.2	1687.4	2665.3

### Oppression and Mismanagement

**5.6** Three applications under section 399(4) of the Companies Act, 1956 seeking authorisation for filing petitions for prevention of oppression and mismanagement were received and disposed of during the year 2005-06.

### Cost Audit

**5.7.1** In exercise of the powers conferred by sub section (1) of the Section 642 read with clause (d) of sub Section (1) of Section 209 of the Companies Act, 1956, the Central Government notify the Cost Accounting Records Rules from time to time with respect

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to various industries requiring every company covered under these Rules to maintain cost accounting records from the financial year on or after the publication of these Rules.

**5.7.2** The Cost Accounting Record Rules (CARRs) prescribe the manner in which cost records are to be maintained so as to have cost data base to be utilized by industries to improve upon their performance and face competitive environment, and by various Government agencies like revenue authorities, regulatory bodies and other institutions for meeting their respective objectives. Cost Accounting Records Rules have been notified in respect of 44 industries as indicated in Table 5.4. Draft Cost Accounting Records Rules on Shipbuilding and Aircraft have been prepared and sent to Ministry of Defence as well as some PSUs for their comments and observation.

**5.7.3** To simplify/rationalize the existing Cost Accounting Records Rules and synchronize them with the likely technological changes in the manufacturing process and perceptual shift in the accounting methods and policies, the existing rules are reviewed periodically from time to time and necessary amendments are notified accordingly. During the year 2005-06, the Cost Accounting Records (Electricity Industry) Rules, 2001 have been amended and published on 7th December, 2005 vide G.S.R. No. 709 (E). An exercise has also been taken up to review the existing Cost Accounting Records Rules relating to Bulk Drugs and Formulation on the basis of a reference received from National Pharmaceuticals Pricing Authority (NPPA), Department of Chemical & Petrochemicals.

**5.7.4** Subsequent to review of Cost Audit Reports received from cement companies, a limited inspection has been carried out under section 209A of the Companies Act, 1956, in

respect of the three major cement companies to find out the reasons for incurring losses on trading activity and establish the existence of cartel in some regions that led to sudden increase in prices. The reports revealed certain irregularities and prima-facie evidence of cartel in certain region.

**5.7.5** The Committee on Sub-ordinate Legislation (14th Lok Sabha) in its 1st Report, presented to the Lok Sabha on 2nd December, 2004, has recommended to extend Cost Accounting Records Rules to service sector and lay down clear, coherent and unambiguous policy guidelines in regard to Cost Accounting Records Rules in consultation with Ministries/Regulators concerned. On the basis of views/comments offered by the various Ministries/Departments/Regulators and Industry Association, the draft policy guidelines on CARR are under consideration.

**5.7.6** As a part of MCA-21 Programme, G.S.R. 56(E) dated 10.2.2006 has been notified requiring companies to submit Form 23C through electronic media. Further, Cost Audit Report (Amendment) Rules, 2006 have been notified vide G.S.R. 148(E) dated 08.3.2006, which require submission of Cost Audit Report through electronic media or other computer readable media.

**5.7.7** Under section 233B(1) of the Companies Act, 1956, cost audit orders are issued on eligible companies from time to time to get their cost records audited by a practicing Cost Accountant. On the basis of recommendations received from Central Electricity Regulatory Committee and various State Electricity Regulatory Commissions, cost audit orders have been issued for the first time to 71 electricity companies engaged in the generation, transmission and distribution of power. On the recommendation of National

Pharmaceutical Pricing Authority, Ministry of Chemicals & Petrochemicals cost audit orders have also been issued on 110 pharmaceutical companies for auditing of cost records maintained for Bulk Drugs & Formulations.

**5.7.8** The number of Cost Audit Reports received during April 2005 to March, 2006 was 1356 as against 1619 during the corresponding period of the previous year i.e., from April 2004 to March 2005.

**Table 5.4**

**Cost Accounting Record Rules notified under Section 209(1)(d) of the Companies Act, 1956.**

S. No.	Name of the Industries
1.	Aluminium
2.	Batteries- other than Dry Cell Batteries
3.	Bearings
4.	Bulk Drugs
5.	Cement
6.	Chemicals including caustic soda, soda ash and sulphuric acid
7.	Cosmetic & Toiletries
8.	Cycle
9.	Dry Cell batteries
10.	Dyes
11.	Electric Cables and Conductors
12.	Electric Fans
13.	Electricity
14.	Electric Lamps
15.	Electric Motors

16.	Electronic Products
17.	Engineering Industries
18.	Fertilizers
19.	Footwear
20.	Formulations
21.	Industrial Alcohol
22.	Industrial Gases
23.	Insecticides
24.	Jute goods
25.	Milk food
26.	Mining and Metallurgy
27.	Motor Vehicles
28.	Nylon
29.	Paper
30.	Petroleum Industry
31.	Plantation Products
32.	Polyester
33.	Rayon
34.	Refrigerators
35.	Room Air Conditioners
36.	Shaving Systems
37.	Soaps and Detergents
38.	Steel Plants
39.	Steel Tubes and Pipes
40.	Sugar
41.	Telecommunications
42.	Textiles
43.	Tyres and Tubes
44.	Vanaspati

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## **Investor Education and Protection Fund (IEPF)**

**5.8.1** Investor Education and Protection Fund (IEPF) has been established under Section 205C of the Companies Act, 1956 by way of Companies (Amendment) Act, 1999 for promotion of investors' awareness and protection of the interests of investors.

**5.8.2** Under IEPF, various programmes on investor education and awareness have been funded and organized through Voluntary associations or organisations registered under IEPF. About fourteen new associations/organisations have been registered under IEPF during the current financial year.

**5.8.3** To make investors aware, the Ministry has been launching campaigns through Electronic as well as Print Media. Three series of advertisement on investor education were issued in national as well as regional languages newspapers. Through these advertisements, the efforts had been made to educate investors for investing in market instruments, Mutual Funds etc. The media campaign had been launched in various newspapers, wherein besides the above said educative message, NGOs/VAs involved in investor education and protection activities, especially those with a rural outreach, had been invited to apply for financial assistance under IEPF schemes. Further, organizations, which were keen to carry out the research on the subjects of investor education/protection related issues had also been invited to submit their proposals to the IEPF. Investor Education message was aired on All India Radio through Prasar Bharati to create awareness on the issues concerning investors and about the IEPF.

**5.8.4** Public Notices giving the details of Vanishing Companies along with the names

and addresses of their promoters/directors were issued in the newspapers for requesting the investors to forward their complaints to the concerned Registrar of Companies so as to strengthen the prosecution cases launched against these companies and their promoters/directors.

**5.8.5** A website, namely [www.watchoutinvestors.com](http://www.watchoutinvestors.com), has been created to help the investors to protect themselves from unscrupulous promoters, companies and entities. The website is a national registry of economic defaulters and covers information on convictions by various regulatory bodies.

**5.8.6** Financial assistance has been provided to Midas Touch Investors Association for creating an "Investor Helpline" for a period of three year under IEPF. Midas Touch shall construct a website for investor awareness, education and also provide a mechanism for redressal of grievances. During the financial year 2005-06, an amount of Rs. 29,84,000/- had been released to Midas Touch Investors Association for the aforesaid purpose.

**5.8.7** Financial assistance had also been provided to Investor Grievance Forum for Conducting Investors Melas under Investor Education and Protection Fund (IEPF). During financial year 2005-06, an amount of Rs. 11,37,400/- had been released to Investor Grievance Forum for the aforesaid purpose.

**5.8.8** Under the Capacity building programme the "Training of Trainers" programmes through India Institute of Capital Market (IICM), Mumbai had been conducted especially for the new organizations, especially those active at Taluka level, even if such organizations had not been registered with the IEPF.

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## **Investor Protection Cell**

**5.9.1** Investor Protection Cell (IPC) of the Ministry of Company Affairs was set up in 1993 to deal with investor's grievances. It receives a large number of complaints from the aggrieved investors. The complaints relate to the following broad issues.

1. non receipt of annual report
2. non receipt of dividend amount
3. non refund of application money
4. non payment of matured deposits and interest thereon
5. non receipt of duplicate share
6. non registration of transfer of share
7. non issue of share certificates
8. non receipt of debenture certificate
9. non issue of right bonus share
10. non issue of interest on late payment
11. non redemption of debenture and interest thereon
12. non receipt of share certificate on conversion

**5.9.2** In order to actively associate the field offices in Investor grievances redressal function, a nodal team headed by a designated officer has been set up in each office of Registrar of Companies /Regional Director's and their names have been given wide publicity through leading newspapers and on website so that public can approach them for redressal of their grievances.

**5.9.3** The new systems for lodging online complaints by investors and depositors was

released on 11th Jan., 2005 on the website of Ministry of Company Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

**5.9.4** With a view to improving the processing of investors grievances, a new system for on line lodging of complaints by investors and depositors have been jointly developed by the Ministry and the National Informatics Centre (NIC). The new system facilitates investors and depositors to electronically lodge their complaints with the IPC without the requirement of sending their grievances in writing through post. The system issues complaint number as acknowledgement online for future reference.

**5.9.5** The IPC has received about 1844 complaints at Headquarters during the period from 1.04.2005 to 31.3.2006 from the investors/ depositors. Out of this 150 complaints have been settled and the complainants have been given the final letters of settlement. For the remaining complaints, action has been initiated through the Registrar of Companies.

**5.9.6** The Ministry is proposing to put up the names of the companies which have not settled the grievances of the investors/depositors on its new website which is being launched under the MCA 21 Project. Since the business process of the Registrar of Companies will be carried out through this website only such companies will get noticed by the public, potential investors/business partners of the defaulting companies. The Ministry is also proposing to contact each of the defaulting companies directly for settlement of complaints of the investors/depositors.

## **Vanishing Companies**

**5.10.1** The Capital Market had witnessed a boom period during 1993-94 and 1994-95 when many new companies tapped the capital

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market and collected funds from the public through public issue of shares/debentures. Some of these companies defaulted in their commitments made to the public while mobilising funds. The Securities and Exchange Board of India (SEBI) had identified 229 companies by October 2000, which came out with IPOs during the period 1992-1998, as vanishing.

**5.10.2** Finance Minister in his Budget Speech on 27.2.99 had, inter alia, stated that a joint mechanism between SEBI and Ministry of Company Affairs would be set up for taking stringent action against unscrupulous promoters who raised money from investors and misused them. Accordingly, a Coordination and Monitoring Committee (CMC) co-chaired by Secretary, MCA and Chairman, SEBI was set up. The CMC is assisted by four Task Forces, one each corresponding to a Region falling under jurisdiction of four Regional Directors of Ministry of Company Affairs (MCA). Other members of these Task Forces are representatives of SEBI, Regional Stock Exchange and concerned Registrars of Companies. The main responsibility of these Task Forces is to identify the companies, which have disappeared, or which have misutilised funds mobilised from the investors, to suggest/take appropriate action in terms of the Companies Act or the SEBI Act or any law applicable, and monitor the action initiated in different cases.

**5.10.3** For identifying a company as vanished, following Criteria has been adopted:

- (i) Companies, which have not complied with listing requirements/filing requirements of Stock Exchange/ROC respectively for a period of 2 years;

- (ii) No correspondence has been received by the Exchange from the company for a long time;
- (iii) No office of the company is located at the mentioned registered office address at the time of Stock Exchange inspection.

All the conditions laid down have to be met for treating a company as vanishing and companies satisfying one or more but not all conditions are not to be considered as vanishing.

**5.10.4** Of the 229 companies earlier identified as vanished, CMC, in its meetings, held on 25.02.2003, 15.01.2004, 23.11.2004 and 18.3.2005 deleted the names of 44, 63, 7 and 1 companies respectively from the list of vanishing companies as these companies were found to be regular in filing statutory returns, etc, resulting in the number of vanishing companies being reduced to 114.

**5.10.5** Following steps have been taken/ are being taken by the Ministry against the vanishing companies and its promoters/directors under the relevant provisions of the Companies Act, 1956 and under the Indian Penal Code:

- (i) Prosecutions have been filed under Sections 62/63,68 and 628 of the Companies Act, 1956 against 107 vanishing companies for misstatement in prospectus/ fraudulently inducing persons to invest money/ false statement made in the offer documents etc.
- (ii) Prosecutions filed under the Companies Act, 1956 for non-filing of statutory returns;
- (iii) FIRs have been Filed/ Registered under the Indian Penal Code against 100/94

companies and its promoters/Directors of vanishing companies.

- (iv) A Monitoring Committee (MC) was set up in August 2004 for closely monitoring all cases of prosecutions launched under the Companies Act, 1956 and FIRs filed/registered under the Indian Penal Code against vanishing companies and their Directors. This Committee is co-chaired by Secretary, Ministry of Company Affairs and

Chairman, SEBI and includes senior officials of various State Governments and the Commissioner of Police, Delhi or his representative. State authorities concerned have nominated Nodal Officers for effective coordination with the Registrar of Companies.

- (v) The latest position regarding Region-wise cumulative action taken against vanishing companies, their Directors/Promoters, is given below:

	<b>Northern Region</b>	<b>Western Region</b>	<b>Eastern Region</b>	<b>Southern Region</b>	<b>Total</b>
Number of vanishing companies	17	49	14	34	114
Number of companies against Which prosecutions filed under Sections 62/63, 68 & 628 of the Companies Act, 1956	17	48	11	31	107
Number of companies against which prosecutions filed for non-filing of statutory returns.	16	47	11	20	94
Number of companies where FIRs filed.	16	42	14	28	100
Number of companies where FIRs registered.	15	42	13	24	94

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- vi) Petitions have also been filed with the Company Law Board (CLB) under Sections 397/398/402/408 read with Section 406 of the Companies Act, 1956 in respect of two selected vanishing companies to disgorge the properties/monies fraudulently obtained by promoters/Directors of these two vanishing companies. **In one case i.e. M/s. Nuline Glassware (India) Ltd, after obtaining concurrence of the Department of Legal Affairs, an Appeal has been filed before the Hon'ble High Court, Gujarat against the dismissal order passed by the CLB and the case is yet to be listed for hearing. Another case i.e. M/s. AVI Industries Ltd, the final arguments was heard and the judgment is reserved.**
- (vii) The recommendations of the Expert Committee set up by the Ministry to advise the Government on the new Company Law with regard to protecting the interest of the investors are being examined in the Ministry from the point of view of providing a legal framework for safeguarding investors' interests.
- (viii) Details of Vanishing Companies and their promoters/directors have been placed on the Website of the Ministry ([www.mca.gov.in](http://www.mca.gov.in)) for wider public information.
- (ix) A Website [www.watchoutinvestors.com](http://www.watchoutinvestors.com) has been created by Prime Investors Protection Association and League, with the financial assistance from the Investor Education and Protection Fund, to help the investors to protect themselves from unscrupulous promoters, companies and entities. This website is a national web-based registry covering entities including companies, intermediaries and, wherever available, persons associated with such entities, who have been indicted for an economic default and/or for non-compliance of laws/guidelines. It enables investors to do a free, fast and user-friendly search on such entities/persons before making any new investments and for continuously reviewing their existing portfolio vis-a-vis such entities. This website also marks a step on the part of the Ministry in promoting investor protection through various means including investor awareness and education.
- (x) The details of Vanishing Companies and their promoters/directors have been published in the Newspapers to facilitate investors to come forward and lodge their complaints against these companies in order to help the Police authorities in their investigation and prosecution launched against them in the Courts.
- (xi) Ministry is also examining feasibility of taking appropriate action against the Chartered Accountants (CAs) associated with the public issue of securities made by Vanishing Companies, which had larger issue size (Rs. 10 crores or above). The Ministry has accorded sanction to the Registrar of Companies (RoC) for prosecution of Auditors of M/s. Western India Industries Ltd. and M/s. Vini Metaspin Steels Ltd. for contravention of provisions of Companies Act, 1956. Accordingly, prosecutions have already been launched by the concerned RoCs.

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- (xii) The concerned Task Forces are reviewing the working of Vanishing Companies, which had been deleted from the list, very closely with a view to keep a close watch so that such companies do not indulge in fraudulent activities again.
- (xiii) The Task Forces have been instructed to scrutinize the list of companies, which had come out with IPOs during 1998-2001 sent by SEBI and another list of companies forwarded by one of the Investors' Association namely Midas Touch Investor Association.
- (xiv) **Besides taking action against these companies and their promoters/directors under the Companies Act and the Indian Penal Code, the Ministry is implementing an e-Governance project under which the identity of directors has been built in through the introduction of a Director Identification Number (DIN).**
- (xv) SEBI has invoked powers granted to it under Section 11/Section 11 B of the SEBI Act, 1992 and has issued orders against the vanishing companies and their promoters/Directors prohibiting them from associating in any way with the capital market activities. This order also prohibits them from dealing in securities and from accessing the capital market for a period of 5 years, which is the maximum permissible under the SEBI regulation. SEBI has debarred 100 companies and 378 Directors.

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## CHAPTER -VI

### Liquidation of Companies

**6.1** 6259 companies were under liquidation as on 31.03.2005 and 464 companies were taken into liquidation from 01.04.2005 to 31.03.2006. After taking into account 279 companies finally wound up, the total number of companies under liquidation as on 31.03.2006 were 6444. The distribution of companies in liquidation by their mode of winding up from 01.04.2005 to 31.03.2006 is given in the table 6.1:-

**Table 6.1**

Sl. No.	Mode of Winding up	Pending as on 31.3.2005	Received during the period 1.4.2005 to 31.03.2006	Total (Col-3+4)	Disposed of during the period 1.4.2005 to 31.03.2006	Pending as on 31.03.2006
1	2	3	4	5	6	7
1.	Members Voluntary winding up	1310	84	1394	126	1268
2.	Creditors Voluntary winding up	166	Nil	166	18	148
3.	Winding up by Court	4780	380	5160	135	5025
4	Winding up subject to supervision of Court.	03	Nil	03	Nil	03
	<b>Total</b>	<b>6259</b>	<b>464</b>	<b>6723</b>	<b>279</b>	<b>6444</b>

**APPENDIX**  
**STATISTICAL STATEMENTS**  
**(I TO XXV)**

**STATEMENT- I**  
**Registration of New Companies : Region/State-wise Distribution 2005- 06**

(Capital in Rs. Crore)

Region/State	No. of Companies			Authorised Capital		
	Public	Private	Total	Public	Private	Total
1	2	3	4	5	6	7
<b>Northern Region</b>						
Haryana	21	360	381	10.40	201.81	212.21
Himachal Pradesh	14	186	200	6.01	15.89	21.90
Jammu & Kashmir	4	134	138	136.15	12.12	148.27
Punjab	58	961	1,019	45.93	134.80	180.73
Rajasthan	24	1,773	1,797	10.56	80.97	91.53
Uttar Pradesh	88	1,744	1,832	122.56	353.23	475.79
Chandigarh	34	526	560	48.11	43.36	91.47
Delhi	423	12,949	13,372	4,086.42	2,156.87	6,243.29
<b>Total</b>	<b>666</b>	<b>18,633</b>	<b>19,299</b>	<b>4,466.14</b>	<b>2,999.05</b>	<b>7,465.19</b>
<b>Eastern Region</b>						
Assam	15	291	306	6.72	85.32	92.04
Bihar	22	818	840	348.88	304.62	653.50
Manipur	2	6	8	4.00	1.70	5.70
Meghalaya	4	48	52	4.75	63.26	68.01
Nagaland	0	13	13	0.00	2.85	2.85
Orissa	16	549	565	47.95	94.71	142.66
Tripura	1	13	14	1.00	3.20	4.20
West Bengal	173	5,996	6,169	234.46	887.45	1,121.91
Arunachal Pradesh	1	12	13	0.50	8.16	8.66
Mizoram	0	3	3	0.00	0.30	0.30
<b>Total</b>	<b>234</b>	<b>7,749</b>	<b>7,983</b>	<b>648.26</b>	<b>1,451.57</b>	<b>2,099.83</b>
<b>Western Region</b>						
Gujarat	109	2,116	2,225	136.60	324.51	461.11
Madhya Pradesh	47	1,003	1,050	152.91	120.57	273.48
Maharashtra	360	9,827	10,187	1,217.93	2,703.13	3,921.06
Dadra & N Haveli	6	7	13	1.25	4.86	6.11
Goa	7	578	585	42.75	46.56	89.31
Daman & Diu	0	2	2	0.00	0.11	0.11
<b>Total</b>	<b>529</b>	<b>13,533</b>	<b>14,062</b>	<b>1,551.44</b>	<b>3,199.74</b>	<b>4,751.18</b>
<b>Southern Region</b>						
Andhra Pradesh	189	3,701	3,890	257.87	1,845.01	2,102.88
Karnataka	63	2,823	2,886	127.92	923.18	1,051.10
Kerala	42	1,225	1,267	266.21	213.09	479.30
Tamil Nadu	161	4,376	4,537	347.17	1,235.95	1,583.12
Puducherry	6	90	96	23.10	26.51	49.61
Lakshdweep	0	0	0	0.00	0.00	0.00
<b>Total</b>	<b>461</b>	<b>12,215</b>	<b>12,676</b>	<b>1,022.27</b>	<b>4,243.74</b>	<b>5,266.01</b>
<b>GRAND TOTAL</b>	<b>1,890</b>	<b>52,130</b>	<b>54,020</b>	<b>7,688.11</b>	<b>11,894.10</b>	<b>19,582.21</b>

## STATEMENT- II

**Registration of New Government Companies : Region/State-wise Distribution 2005-06**

**(Capital in Rs. Crore)**

Region/State	No. of Companies			Authorised Capital		
	Public	Private	Total	Public	Private	Total
1	2	3	4	5	6	7
<b>Northern Region</b>						
Delhi	7	0	7	3,500.25	0.00	3,500.25
<b>Total</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>3,500.25</b>	<b>0.00</b>	<b>3,500.25</b>
<b>Eastern Region</b>						
Bihar	3	1	4	331.00	195.00	526.00
Meghalaya	0	1	1	0.00	10.00	10.00
Arunachal Pradesh	0	1	1	0.00	5.00	5.00
Mizoram	0	1	1	0.00	0.20	0.20
<b>Total</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>331.00</b>	<b>210.20</b>	<b>541.20</b>
<b>Western Region</b>						
Madhya Pradesh	1	0	1	0.25	0.00	0.25
Maharashtra	5	0	5	102.15	0.00	102.15
<b>Total</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>102.40</b>	<b>0.00</b>	<b>102.40</b>
<b>Southern Region</b>						
Andhra Pradesh	2	0	2	15.00	0.00	15.00
Puducherry	0	2	2	0.00	14.00	14.00
<b>Total</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>15.00</b>	<b>14.00</b>	<b>29.00</b>
<b>GRAND TOTAL</b>	<b>18</b>	<b>6</b>	<b>24</b>	<b>3,948.65</b>	<b>224.20</b>	<b>4,172.85</b>

**STATEMENT- III**

**Registration of New Non-Government Companies: Region/ State-wise Distribution 2005-06  
(Capital in Rs. Crore)**

Region/State	No. of Companies			Authorised Capital		
	Public	Private	Total	Public	Private	Total
1	2	3	4	5	6	7
<b>Northern Region</b>						
Haryana	21	360	381	10.40	201.81	212.21
Himachal Pradesh	14	186	200	6.01	15.89	21.90
Jammu & Kashmir	4	134	138	136.15	12.12	148.27
Punjab	58	961	1,019	45.93	134.80	180.73
Rajasthan	24	1,773	1,797	10.56	80.97	91.53
Uttar Pradesh	88	1,744	1,832	122.56	353.23	475.79
Chandigarh	34	526	560	48.11	43.36	91.47
Delhi	416	12,949	13,365	586.17	2,156.87	2,743.04
<b>Total</b>	<b>659</b>	<b>18,633</b>	<b>19,292</b>	<b>965.89</b>	<b>2,999.05</b>	<b>3,964.94</b>
<b>Eastern Region</b>						
Assam	15	291	306	6.72	85.32	92.04
Bihar	19	817	836	17.88	109.62	127.50
Manipur	2	6	8	4.00	1.70	5.70
Meghalaya	4	47	51	4.75	53.26	58.01
Nagaland	0	13	13	0.00	2.85	2.85
Orissa	16	549	565	47.95	94.71	142.66
Tripura	1	13	14	1.00	3.20	4.20
West Bengal	173	5,996	6,169	234.46	887.45	1,121.91
Arunachal Pradesh	1	11	12	0.50	3.16	3.66
Mizoram	0	2	2	0.00	0.10	0.10
<b>Total</b>	<b>231</b>	<b>7,745</b>	<b>7,976</b>	<b>317.26</b>	<b>1,241.37</b>	<b>1,558.63</b>
<b>Western Region</b>						
Gujarat	109	2,116	2,225	136.60	324.51	461.11
Madhya Pradesh	46	1,003	1,049	152.66	120.57	273.23
Maharashtra	355	9,827	10,182	1,115.78	2,703.13	3,818.91
Dadra & Nagar Haveli	6	7	13	1.25	4.86	6.11
Goa	7	578	585	42.75	46.56	89.31
Daman & Diu	0	2	2	0.00	0.11	0.11
<b>Total</b>	<b>523</b>	<b>13,533</b>	<b>14,056</b>	<b>1,449.04</b>	<b>3,199.74</b>	<b>4,648.78</b>
<b>Southern Region</b>						
Andhra Pradesh	187	3,701	3,888	242.87	1,845.01	2,087.88
Karnataka	63	2,823	2,886	127.92	923.18	1,051.10
Kerala	42	1,225	1,267	266.21	213.09	479.30
Tamil Nadu	161	4,376	4,537	347.17	1,235.95	1,583.12
Puducherry	6	88	94	23.10	12.51	35.61
Lakshdweep	0	0	0	0.00	0.00	0.00
<b>Total</b>	<b>459</b>	<b>12,213</b>	<b>12,672</b>	<b>1,007.27</b>	<b>4,229.74</b>	<b>5,237.01</b>
<b>Grand Total</b>	<b>1,872</b>	<b>52,124</b>	<b>53,996</b>	<b>3,739.46</b>	<b>11,669.90</b>	<b>15,409.36</b>

**STATEMENT - IV**

**Non-Government Companies which ceased working (both liquidated and struck-off) :  
Region/State-wise Distribution - 2005 - 06**

(Capital in Rs. Crore)

Region/State	No. of Companies			Paid up Capital		
	Public	Private	Total	Public	Private	Total
1	2	3	4	5	6	7
<b>Northern Region</b>						
Haryana	0	3	3	0.00	0.00	0.00
Punjab	14	31	45	0.00	0.00	0.00
Rajasthan	10	40	50	8.00	1,017.00	1,025.00
Uttar Pradesh	2	1	3	0.00	0.00	0.00
Delhi	5	311	316	0.00	0.95	0.95
<b>Total</b>	<b>31</b>	<b>386</b>	<b>417</b>	<b>8.00</b>	<b>1,017.95</b>	<b>1,025.95</b>
<b>Eastern Region</b>						
Assam	3	6	9	224.07	9.10	233.17
Meghalaya	1	1	2	1.10	0.00	1.10
Nagaland	0	2	2	0.00	0.00	0.00
West Bengal	1	3	4	0.00	0.00	0.00
<b>Total</b>	<b>5</b>	<b>12</b>	<b>17</b>	<b>225.17</b>	<b>9.10</b>	<b>234.27</b>
<b>Western Region</b>						
Madhya Pradesh	49	318	367	0.00	0.00	0.00
Maharashtra	39	405	444	0.00	0.00	0.00
<b>Total</b>	<b>88</b>	<b>723</b>	<b>811</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Southern Region</b>						
Andhra Pradesh	4	4	8	0.00	0.00	0.00
Karnataka	2	3	5	0.00	0.00	0.00
Tamil Nadu	43	59	102	0.00	0.00	0.00
Puducherry	1	19	20	0.00	0.00	0.00
<b>Total</b>	<b>50</b>	<b>85</b>	<b>135</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>174</b>	<b>1,206</b>	<b>1,380</b>	<b>233.17</b>	<b>1,027.05</b>	<b>1,260.22</b>

## STATEMENT - V

### Companies Limited by Shares at work as on 31st March, 2006 (State-wise Distribution)

Sl. No.	STATE/UT	Public	Private	Total
		No.	No.	No.
1	2	3	4	5
1	ANDHRA PRADESH	6,790	41,422	48,212
2	ASSAM	616	4,616	5,232
3	BIHAR	1,564	9,782	11,346
4	GUJARAT	5,812	40,049	45,861
5	HARYANA	734	6,081	6,815
6	HIMACHAL PRADESH	369	2,100	2,469
7	J & K	212	1,993	2,205
8	KARNATAKA	2,777	33,150	35,927
9	KERALA	1,539	15,366	16,905
10	MADHYA PRADESH	1,912	15,048	16,960
11	MAHARASHTRA	12,848	146,020	158,868
12	MANIPUR	46	152	198
13	MEGHALAYA	80	455	535
14	NAGALAND	15	312	327
15	ORISSA	903	6,897	7,800
16	PUNJAB	2,266	14,186	16,452
17	RAJASTHAN	1,658	18,860	20,518
18	TAMIL NADU	7,912	55,843	63,755
19	TRIPURA	13	105	118
20	UTTAR PRADESH	5,282	23,646	28,928
21	WEST BENGAL	11,039	76,558	87,597
22	A & N ISLAND	1	9	10
23	ARUNACHAL PRADESH	10	273	283
24	CHANDIGARH	1,398	6,226	7,624
25	D & N HAVELI	41	130	171
26	DELHI	13,737	127,824	141,561
27	GOA	329	3,649	3,978
28	DAMAN & DIU	35	94	129
29	LAKSHDWEEP	0	1	1
30	MIZORAM	2	37	39
31	PUDUCHERRY	201	1,144	1,345
	<b>Total</b>	<b>80,141</b>	<b>652,028</b>	<b>732,169</b>

**STATEMENT- VI****Government Companies Limited by Shares at work as on 31st March, 2006  
(State-wise Distribution)**

Sl. No.	STATE/UT	Public No.	Private No.	Total No.
1	2	3	4	5
1	ANDHRA PRADESH	34	27	61
2	ASSAM	17	33	50
3	BIHAR	41	33	74
4	GUJRAT	48	5	53
5	HARYANA	10	12	22
6	HIMACHAL PRADESH	11	8	19
7	J&K	3	20	23
8	KARNATAKA	62	35	97
9	KERALA	37	67	104
10	MADHYA PRADESH	24	28	52
11	MAHARASHTRA	58	50	108
12	MANIPUR	5	15	20
13	MEGHALAYA	4	11	15
14	NAGALAND	4	7	11
15	ORISSA	53	21	74
16	PUNJAB	8	3	11
17	RAJASTHAN	21	11	32
18	TAMILNADU	72	24	96
19	TRIPURA	4	7	11
20	UTTAR PRADESH	73	41	114
21	WEST BENGAL	42	67	109
22	A & N ISLAND	1	0	1
23	ARUNACHAL PRADESH	1	7	8
24	CHANDIGARH	28	21	49
25	D & N HAVELI	0	0	0
26	DELHI	58	39	97
27	GOA	17	4	21
28	DAMAN & DIU	0	0	0
29	LAKSHDWEEP	0	0	0
30	MIZORAM	0	6	6
31	PUDUCHERRY	1	13	14
	<b>Total</b>	<b>737</b>	<b>615</b>	<b>1352</b>

## STATEMENT- VII

### Non-Government Companies Limited by Shares at work as on 31st March, 2006 (State-wise Distribution)

Sl. No.	STATE/UT	Public	Private	Total
		No.	No.	No.
1	2	3	4	5
1	ANDHRA PRADESH	6,756	41,395	48,151
2	ASSAM	599	4,583	5,182
3	BIHAR	1,523	9,749	11,272
4	GUJRAT	5,764	40,044	45,808
5	HARYANA	724	6,069	6,793
6	HIMACHAL PRADESH	358	2,092	2,450
7	J & K	209	1,973	2,182
8	KARNATAKA	2,715	33,115	35,830
9	KERALA	1,502	15,299	16,801
10	MADHYA PRADESH	1,888	15,020	16,908
11	MAHARASHTRA	12,790	145,970	158,760
12	MANIPUR	41	137	178
13	MEGHALAYA	76	444	520
14	NAGALAND	11	305	316
15	ORISSA	850	6,876	7,726
16	PUNJAB	2,258	14,183	16,441
17	RAJASTHAN	1,637	18,849	20,486
18	TAMILNADU	7,840	55,819	63,659
19	TRIPURA	9	98	107
20	UTTAR PRADESH	5,209	23,605	28,814
21	WEST BENGAL	10,997	76,491	87,488
22	A & N ISLAND	0	9	9
23	ARUNACHAL PRADESH	9	266	275
24	CHANDIGARH	1,370	6,205	7,575
25	D & N HAVELI	41	130	171
26	DELHI	13,679	127,785	141,464
27	GOA	312	3,645	3,957
28	DAMAN & DIU	35	94	129
29	LAKSHDWEEP	0	1	1
30	MIZORAM	2	31	33
31	PUDUCHERRY	200	1,131	1,331
	<b>Total</b>	<b>79,404</b>	<b>651,413</b>	<b>730,817</b>

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**STATEMENT- VIII**

**Companies limited by shares at work as on 31st March, 2006**  
**Distribution by Industrial Activity**

Sl. No.	Industrial Classification	(Code)	Public	Private	Total
			No.	No.	No.
1	2	3	4	5	6
1	Agriculture & Allied Activities	0	5298	19658	24956
2	Mining & Quarrying	1	803	6804	7607
3	Manufacturing:-				
	(a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof.	2	10576	74915	85491
	(b) Metals & Chemicals and Products thereof, Machinery & Equipment	3	20086	165112	185198
	(c) Electricity, Gas & Water.	4	1133	2979	4112
4	Construction.	5	3163	46876	50039
5	Wholesale & Retail Trade and Restaurants & Hotels	6	8486	110736	119222
6	Transport, Storage & Communication	7	1609	25086	26695
7	Finance, Insurance, Real Estate & Business Services	8	26405	174221	200626
8	Community, Social & Personal Services	9	2582	25641	28223
	<b>Total</b>		<b>80141</b>	<b>652028</b>	<b>732169</b>

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**STATEMENT- IX****Government Companies limited by shares at work as on 31st March, 2006  
Distribution by Industrial Activity**

Sl. No.	Industrial Classification	(Code)	Public	Private	Total
			No.	No.	No.
1	2	3	4	5	6
1	Agriculture & Allied Activities	0	52	64	116
2	Mining & Quarrying	1	24	27	51
3	Manufacturing:-				
	(a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof.	2	88	118	206
	(b) Metals & Chemicals and Products thereof, Machinery & Equipment	3	227	156	383
	(c) Electricity, Gas & Water.	4	85	12	97
4	Construction.	5	58	36	94
5	Wholesale & Retail Trade and Restaurants & Hotels	6	30	45	75
6	Transport, Storage & Communication	7	41	19	60
7	Finance, Insurance, Real Estate & Business Services	8	92	105	197
8	Community, Social & Personal Services	9	40	33	73
	<b>Total</b>		<b>737</b>	<b>615</b>	<b>1352</b>

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**STATEMENT- X**

**Non-Government Companies limited by shares at work as on 31st March, 2006**  
**Distribution by Industrial Activity**

<b>Sl.No.</b>	<b>Industrial Classification</b>	<b>(Code)</b>	<b>Public</b>	<b>Private</b>	<b>Total</b>
			<b>No.</b>	<b>No.</b>	<b>No.</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
1	Agriculture & Allied Activites	0	5264	19594	24858
2	Mining & Quarrying	1	779	6777	7556
3	Manufacturing:- (a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof. (b) Metals & Chemicals and Products thereof, Machinery & Equipment (c) Electricity, Gas & Water.	2 3 4	10488 19859 1048	74797 164956 2967	85285 184815 4015
4	Construction.	5	3105	46840	49945
5	Wholesale & Retail Trade and Restaurants & Hotels	6	8456	110691	119147
6	Transport, Storage & Communication	7	1568	25067	26635
7	Finance, Insurance, Real Estate & Business Services	8	26313	174116	200429
8	Community, Social & Personal Services	9	2542	25608	28150
	<b>Total</b>		<b>79404</b>	<b>651413</b>	<b>730817</b>

## STATEMENT-XI

### Companies at work 1956-57 to 2005-06

As on 31st March	Companies Limited by Shares						Companies with unlimited liability (No.)	Companies limited by Guarantee and Asso- ciation not for profit (No.)	Foreign companies as defined under Sec. 591 of the Companies Act, 1956 (No.)
	Government Companies		Non-Government Companies		Total Companies				
	Number	Estimated Paid-up Capital (Rs. Crore)	Number	Estimated Paid-up Capital (Rs. Crore)	Number	Estimated Paid-up Capital (Rs. Crore)			
1	2	3	4	5	6	7	8	9	10
1957	74	72.6	29283	1005.0	29357	1077.6		1364	551
1958	91	256.8	28189	1049.5	28280	1306.3		1356	561
1959	104	428.9	27299	1086.7	27403	1515.6		1323	572
1960	125	477.2	26772	1141.5	26897	1618.7		1180	565
1961	142	547.0	26007	1271.5	26149	1818.5		1169	569
1962	154	629.7	24821	1389.4	24975	2019.1		1143	564
1963	160	786.2	25462	1470.3	25622	2256.5		1153	582
1964	176	960.8	25756	1640.0	25932	2600.8		1162	580
1965	183	1114.9	26038	1727.9	26221	2842.8		1162	582
1966	214	1247.7	26551	1878.4	26765	3126.1		1161	579
1967	232	1391.5	26795	2009.8	27027	3401.3		1152	578
1968	241	1559.3	27103	2114.5	27344	3673.8		1160	581
1969	259	1714.9	27765	2259.4	28024	3974.3		1188	564
1970	282	1790.6	28727	2299.9	29009	4090.5		1206	561
1971	314	2064.4	30008	2439.2	30322	4503.6		1220	543
1972	352	2369.1	31915	2571.7	32267	4940.8		1242	541
1973	390	2998.4	33966	2750.1	34356	5748.5		1262	538
1974	450	4645.1	37035	2985.9	37485	7631.0	1	1294	540
1975	573	4966.0	40007	3234.8	40580	8200.8	4	1326	510
1976	651	6122.3	42755	3497.2	43406	9619.5	15	1337	481
1977	701	7174.5	45165	3705.2	45866	10879.7	43	1356	482
1978	745	8527.6	47549	4070.4	48294	12598.0	47	1381	473
1979	782	8315.2	50736	4260.0	51518	12575.2	62	1414	358
1980	825	10070.3	55668	4536.3	56493	14606.6	78	1447	315
1981	851	11442.6	61863	4914.1	62714	16356.7	176	1478	300
1982	894	13309.3	71508	5626.2	72402	18935.5	219	1496	311
1983	943	16734.9	81960	6321.4	82903	23056.3	252	1536	3
1984	973	19510.6	93291	6989.8	94264	26500.4	282	1598	326
1985	980	22447.0	108329	8149.7	109309	30596.7	295	1677	324
1986	1020	27087.8	123359	9506.8	124379	36594.6	298	1739	335
1987	1053	32872.7	139617	11095.1	140670	43967.8	299	1817	371
1988	1104	37169.3	157220	12954.8	158324	50124.1	309	1881	401
1989	1134	42572.4	179194	15131.1	180328	57703.5	319	1954	420
1990	1160	47450.7	200968	17192.7	202128	64643.4	303	2041	469
1991	1167	54484.6	223285	20313.3	224452	74797.9	317	2117	489
1992	1180	57911.0	249181	26731.3	250361	84642.3	330	2192	507
1993	1190	61163.4	275664	32891.7	276854	94055.1	337	2262	529
1994	1203	67380.5	304422	46441.4	305625	113821.9	349	2350	565
1995	1199	73299.5	352093	62719.2	353292	136018.7	375	2416	619
1996	1216	76962.8	407926	87125.6	409142	164088.4	392	2506	679
1997	1220	84317.8	449730	106200.8	450950	190518.6	419	2578	772
1998	1223	88958.9	483277	128689.7	484500	217648.6	420	2652	871
1999	1229	95918.4	510761	167440.9	511990	263359.3	427	2727	956
2000	1245	102849.9	541189	215960.4	542434	318810.3	449	2824	1045
2001	1266	109745.6	567834	247501.2	569100	357246.8	461	2918	1141
2002	1261	120505.2	587985	285248.0	589246	405753.2	479	3007	1285
2003	1283	130482.3	610872	326576.4	612155	457058.7	490	3108	1497
2004	1309	146358.3	640203	352432.5	641512	498790.8	496	3244	1654
2005	1328	155814.1	678321	498207.5	679649	654021.6	496	3432	1840
2006*	1352	*	730817	*	732169	*	498	3605	2040

\* Under Process

## STATEMENT - XII

**Companies Limited by Shares at work as on 31st March 2005**  
**State-wise Distribution**

(Capital in Rs. crore)

Sl. No.	STATES/UT	PUBLIC		PRIVATE		TOTAL	
		NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8
1	ANDHRA PRADESH	6567	53896.48	37763	17803.34	44330	71699.82
2	ASSAM	606	3689.06	4331	1296.95	4937	4986.01
3	BIHAR	1541	1122.50	8965	4967.81	10506	6090.31
4	GUJRAT	5714	39633.79	37941	8937.03	43655	48570.82
5	HARYANA	717	4983.05	5720	1308.84	6437	6291.89
6	HIMACHAL PRADESH	355	1140.02	1914	4217.63	2269	5357.65
7	J&K	208	160.11	1859	359.84	2067	519.95
8	KARNATAKA	2723	24064.39	30323	13580.31	33046	37644.70
9	KERALA	1496	3908.97	14142	3181.41	15638	7090.38
10	MADHYA PRADESH	1910	4123.28	14367	2746.35	16277	6869.63
11	MAHARASHTRA	12479	84396.92	136654	32634.88	149133	117031.80
12	MANIPUR	44	47.69	146	37.90	190	85.59
13	MEGHALAYA	77	180.14	408	2272.85	485	2452.99
14	NAGALAND	15	198.74	301	154.46	316	353.20
15	ORISSA	889	5996.09	6352	1729.42	7241	7725.51
16	PUNJAB	2221	4780.96	13263	1359.48	15484	6140.44
17	RAJASTHAN	1646	7337.53	17130	1874.36	18776	9211.89
18	TAMILNADU	7802	28388.98	51521	11863.81	59323	40252.79
19	TRIPURA	12	32.54	92	45.90	104	78.44
20	UTTAR PRADESH	5183	14303.72	21920	2114.80	27103	16418.52
21	WEST BENGAL	10835	26524.61	70608	28026.95	81443	54551.56
22	A & N ISLANDS	1	3.59	9	0.00	10	3.59
23	ARUNACHAL PRADESH	10	17.79	260	30.53	270	48.32
24	CHANDIGARH	1363	1691.52	5701	690.05	7064	2381.57
25	D & N HAVELI	35	977.35	123	55.82	158	1033.17
26	DELHI	13325	153907.78	115236	38787.60	128561	192695.38
27	GOA	321	2518.67	3072	920.55	3393	3439.22
28	DAMAN & DIU	35	250.35	92	38.21	127	288.56
29	LAKSHDWEEP	0	0.00	1	0.11	1	0.11
30	MIZORAM	2	0.26	34	31.52	36	31.78
31	PUDUCHERRY	196	391.24	1073	4284.74	1269	4675.98
	<b>TOTAL</b>	<b>78328</b>	<b>468668.12</b>	<b>601321</b>	<b>185353.45</b>	<b>679649</b>	<b>654021.57</b>

## STATEMENT - XIII

### Government Companies Limited by Shares at work as on 31st March 2005 (Statewise Distribution)

(Capital in Rs. crore)

Sl. No.	STATES/UT	PUBLIC		PRIVATE		TOTAL	
		NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8
1	ANDHRA PRADESH	32	4858.19	27	8651.22	59	13509.41
2	ASSAM	17	1003.20	33	704.48	50	1707.68
3	BIHAR	38	363.67	32	4448.20	70	4811.87
4	GUJARAT	48	10021.84	5	23.03	53	10044.87
5	HARYANA	10	1872.66	12	131.86	22	2004.52
6	HIMACHAL PRADESH	11	84.70	8	4097.17	19	4181.87
7	J & K	3	1.41	20	185.05	23	186.46
8	KARNATAKA	62	5969.85	35	5521.26	97	11491.11
9	KERALA	37	679.86	67	1226.86	104	1906.72
10	MADHYA PRADESH	23	829.62	28	828.14	51	1657.76
11	MAHARASHTRA	53	2429.82	50	3927.22	103	6357.04
12	MANIPUR	5	3.06	15	32.00	20	35.06
13	MEGHALAYA	4	29.18	10	2179.02	14	2208.20
14	NAGALAND	4	6.86	7	133.16	11	140.02
15	ORISSA	53	2605.48	21	1032.98	74	3638.46
16	PUNJAB	8	19.47	3	188.82	11	208.29
17	RAJASTHAN	21	2789.53	11	545.83	32	3335.36
18	TAMIL NADU	72	3882.60	24	299.93	96	4182.53
19	TRIPURA	4	31.42	7	42.60	11	74.02
20	UTTAR PRADESH	73	6097.68	41	688.06	114	6785.74
21	WEST BENGAL	42	2328.69	67	11601.97	109	13930.66
22	A & N ISLANDS	1	3.59	0	0.00	1	3.59
23	ARUNACHAL PRADESH	1	0.00	6	8.41	7	8.41
24	CHANDIGARH	28	132.21	21	278.75	49	410.96
25	D & N HAVELI	0	0.00	0	0.00	0	0.00
26	DELHI	51	54593.17	39	7645.07	90	62238.24
27	GOA	17	309.76	4	5.61	21	315.37
28	DAMAN & DIU	0	0.00	0	0.00	0	0.00
29	LAKSHDWEEP	0	0.00	0	0.00	0	0.00
30	MIZORAM	0	0.00	5	29.47	5	29.47
31	PUDUCHERRY	1	201.48	11	208.87	12	410.35
	<b>TOTAL</b>	<b>719</b>	<b>101149.00</b>	<b>609</b>	<b>54665.04</b>	<b>1328</b>	<b>155814.04</b>

**STATEMENT - XIV**

**Non-Government Companies Limited by Shares at work as on 31st March 2005  
(State-wise Distribution)**

(Capital in Rs. crore)

Sl. No.	STATES/UT	PUBLIC		PRIVATE		TOTAL	
		NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8
1	ANDHRA PRADESH	6535	49038.29	37736	9152.12	44271	58190.41
2	ASSAM	589	2685.86	4298	592.47	4887	3278.33
3	BIHAR	1503	758.83	8933	519.61	10436	1278.44
4	GUJARAT	5666	29611.95	37936	8914.00	43602	38525.95
5	HARYANA	707	3110.39	5708	1176.98	6415	4287.37
6	HIMACHAL PRADESH	344	1055.32	1906	120.46	2250	1175.78
7	J & K	205	158.70	1839	174.79	2044	333.49
8	KARNATAKA	2661	18094.54	30288	8059.05	32949	26153.59
9	KERALA	1459	3229.11	14075	1954.55	15534	5183.66
10	MADHYA PRADESH	1887	3293.66	14339	1918.21	16226	5211.87
11	MAHARASHTRA	12426	81967.10	136604	28707.66	149030	110674.76
12	MANIPUR	39	44.63	131	5.90	170	50.53
13	MEGHALAYA	73	150.96	398	93.83	471	244.79
14	NAGALAND	11	191.88	294	21.30	305	213.18
15	ORISSA	836	3390.61	6331	696.44	7167	4087.05
16	PUNJAB	2213	4761.49	13260	1170.66	15473	5932.15
17	RAJASTHAN	1625	4548.00	17119	1328.53	18744	5876.53
18	TAMILNADU	7730	24506.38	51497	11563.88	59227	36070.26
19	TRIPURA	8	1.12	85	3.30	93	4.42
20	UTTAR PRADESH	5110	8206.04	21879	1426.74	26989	9632.78
21	WEST BENGAL	10793	24195.92	70541	16424.98	81334	40620.90
22	A & N ISLANDS	0	0.00	9	0.00	9	0.00
23	ARUNACHAL PRADESH	9	17.79	254	22.12	263	39.91
24	CHANDIGARH	1335	1559.31	5680	411.30	7015	1970.61
25	D & N HAVELI	35	977.35	123	55.82	158	1033.17
26	DELHI	13274	99314.61	115197	31142.53	128471	130457.14
27	GOA	304	2208.91	3068	914.94	3372	3123.85
28	DAMAN & DIU	35	250.35	92	38.21	127	288.56
29	LAKSHDWEEP	0	0.00	1	0.11	1	0.11
30	MIZORAM	2	0.26	29	2.05	31	2.31
31	PUDUCHERRY	195	189.76	1062	4075.87	1257	4265.63
	<b>TOTAL</b>	<b>77609</b>	<b>367519.12</b>	<b>600712</b>	<b>130688.41</b>	<b>678321</b>	<b>498207.53</b>

**STATEMENT - XV**

**Companies at work as on 31st March, 2005 : Distribution by Industrial Activity**

(Capital in Rs. crore)

Sl. No.	Industrial Classification	(Code)	PUBLIC		PRIVATE		TOTAL	
			NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8	9
1	Agriculture & Allied Activities	0	5260	4770.37	18670	2284.76	23930	7055.13
2	Mining & Quarrying	1	774	9131.09	6330	15295.85	7104	24426.94
3	Manufacturing:- (a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof. (b) Metals & Chemicals and Products thereof, Machinery & Equipment (c) Electricity, Gas & Water.	2	10374	41550.36	70388	17837.42	80762	59387.78
4	Construction.	5	2840	15364.89	39343	15517.14	42183	30882.03
5	Wholesale & Retail Trade and Restaurants & Hotels	6	8275	29312.00	100667	18654.28	108942	47966.28
6	Transport, Storage & Communication	7	1552	49281.79	23076	3334.52	24628	52616.31
7	Finance, Insurance, Real Estate & Business Services	8	26035	75578.01	159503	36235.66	185538	111813.67
8	Community, Social & Personal Services	9	2494	6593.22	23463	9282.27	25957	15875.49
	<b>TOTAL</b>		<b>78328</b>	<b>468668.12</b>	<b>601321</b>	<b>185353.45</b>	<b>679649</b>	<b>654021.67</b>

**STATEMENT - XVI**

**Government Companies at work as on 31st March, 2005: Distribution by Industrial Activity**

(Capital in Rs. crore)

Sl.No.	Industrial Classification	(Code)	PUBLIC		PRIVATE		TOTAL	
			NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8	9
1	Agriculture & Allied Activities	0	52	201.31	64	298.07	116	499.38
2	Mining & Quarrying	1	23	5526.46	27	14422.18	50	19948.64
3	Manufacturing:- (a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof. (b) Metals & Chemicals and Products thereof, Machinery & Equipment (c) Electricity, Gas & Water.	2	87	1700.09	117	2721.97	204	4422.06
4	Construction.	3	226	23740.54	156	17989.16	382	41729.70
5	Wholesale & Retail Trade and Restaurants & Hotels	4	73	50567.42	10	7317.07	83	57884.49
6	Transport, Storage & Communication	5	57	7091.57	35	2547.83	92	9639.40
7	Finance, Insurance, Real Estate & Business Services	6	30	1961.79	44	577.72	74	2539.51
8	Community, Social & Personal Services	7	40	3098.20	18	399.43	58	3497.63
		8	91	7111.61	105	3234.41	196	10346.02
		9	40	150.01	33	5157.20	73	5307.21
	<b>Total</b>		<b>719</b>	<b>101149.00</b>	<b>609</b>	<b>54665.04</b>	<b>1328</b>	<b>155814.04</b>

**STATEMENT - XVII**

**Non-Government Companies at work as on 31st March, 2005 : Distribution by Industrial Activity**

(Capital in Rs. crore)

Sl.No.	Industrial Classification	(Code)	PUBLIC		PRIVATE		TOTAL	
			#NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8	9
1	Agriculture & Allied Activities	0	5208	4569.06	18606	1986.69	23814	6555.75
2	Mining & Quarrying	1	751	3604.63	6303	873.67	7054	4478.30
3	Manufacturing:- (a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof. (b) Metals & Chemicals and Products thereof, Machinery & Equipment (c) Electricity, Gas & Water.	2	10287	39850.27	70271	15115.45	80558	54965.72
4	Construction.	3	19470	119324.94	157193	39887.70	176663	159212.64
5	Wholesale & Retail Trade and Restaurants & Hotels	4	955	43453.49	2522	1717.62	3477	45171.11
6	Transport, Storage & Communication	5	2783	8273.32	39308	12969.31	42091	21242.63
7	Finance, Insurance, Real Estate & Business Services	6	8245	27350.21	100623	18076.56	108868	45426.77
8	Community, Social & Personal Services	7	1512	46183.59	23058	2935.09	24570	49118.68
		8	25944	68466.40	159398	33001.25	185342	101467.65
		9	2454	6443.21	23430	4125.07	25884	10568.28
	<b>Total</b>		<b>77609</b>	<b>367519.12</b>	<b>600712</b>	<b>130688.41</b>	<b>678321</b>	<b>498207.53</b>

**STATEMENT -XVIII**

**Companies Limited by Shares at work as on 31st March 2004  
(State-wise Distribution)**

**(REVISED)  
(Capital in Rs. crore)**

Sl.No.	STATES/UT	PUBLIC		PRIVATE		TOTAL	
		NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8
1	ANDHRA PRADESH	6437	19741.49	35104	13965.99	41541	33707.48
2	ASSAM	587	3668.44	4104	899.91	4691	4568.35
3	BIHAR	1530	1120.39	8383	4670.61	9913	5791.00
4	GUJARAT	5633	39330.76	36177	7553.00	41810	46883.76
5	HARYANA	700	4499.64	5440	1024.56	6140	5524.20
6	HIMACHAL PRADESH	348	1075.98	1806	4197.00	2154	5272.98
7	J&K	206	126.65	1767	353.77	1973	480.42
8	KARNATAKA	2680	21331.66	28155	12115.23	30835	33446.89
9	KERALA	1459	3806.12	13107	2504.36	14566	6310.48
10	MADHYA PRADESH	1881	3906.27	13431	1340.62	15312	5246.89
11	MAHARASHTRA	12208	67421.74	128836	28283.78	141044	95705.52
12	MANIPUR	43	47.69	144	37.50	187	85.19
13	MEGHALAYA	70	157.45	383	2069.51	453	2226.96
14	NAGALAND	14	198.74	294	151.08	308	349.82
15	ORISSA	901	5162.81	6077	1572.20	6978	6735.01
16	PUNJAB	2207	4432.03	12709	1228.42	14916	5660.45
17	RAJASTHAN	1634	7051.39	15806	1569.83	17440	8621.22
18	TAMIL NADU	7937	27132.15	49061	10288.45	56998	37420.60
19	TRIPURA	11	32.54	82	45.85	93	78.39
20	UTTAR PRADESH	5102	13284.72	20756	1584.78	25858	14869.50
21	WEST BENGAL	10694	24859.23	66485	24387.33	77179	49246.56
22	A & N ISLANDS	1	3.59	9	0.00	10	3.59
23	ARUNACHAL PRADESH	11	13.88	252	30.17	263	44.05
24	CHANDIGARH	1337	1536.41	5343	592.30	6680	2128.71
25	D & N HAVELI	36	977.19	119	47.22	155	1024.41
26	DELHI	13161	95590.89	106545	27624.74	119706	123215.63
27	GOA	314	2342.36	2583	807.48	2897	3149.84
28	DAMAN & DIU	34	250.35	84	34.88	118	285.23
29	LAKSHDWEEP	0	0.00	1	0.11	1	0.11
30	MIZORAM	2	0.26	33	31.52	35	31.78
31	PUDUCHERRY	202	391.24	1056	284.49	1258	675.73
	<b>TOTAL</b>	<b>77380</b>	<b>349494.06</b>	<b>564132</b>	<b>149296.69</b>	<b>641512</b>	<b>498790.75</b>

**STATEMENT - XIX**

**Government Companies Limited by Shares at work as on 31st March 2004  
(State-wise Distribution)**

**(REVISED)  
(Capital in Rs. crore)**

Sl.No.	STATES/UT	PUBLIC		PRIVATE		TOTAL	
		NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8
1	ANDHRA PRADESH	32	4819.71	27	8616.92	59	13436.63
2	ASSAM	17	1003.20	33	392.90	50	1396.10
3	BIHAR	38	361.56	32	4441.20	70	4802.76
4	GUJRAT	47	10021.84	5	23.03	52	10044.87
5	HARYANA	10	1348.10	12	131.26	22	1479.36
6	HIMACHAL PRADESH	10	84.70	8	4097.17	18	4181.87
7	J&K	3	1.41	20	185.05	23	186.46
8	KARNATAKA	61	4205.51	35	5503.08	96	9708.59
9	KERALA	37	679.86	66	1226.98	103	1906.84
10	MADHYA PRADESH	21	828.62	28	828.14	49	1656.76
11	MAHARASHTRA	52	2379.82	50	3825.22	102	6205.04
12	MANIPUR	5	3.06	15	32.00	20	35.06
13	MEGHALAYA	4	29.18	10	2008.41	14	2037.59
14	NAGALAND	4	6.86	7	133.16	11	140.02
15	ORISSA	53	2439.49	21	1032.98	74	3472.47
16	PUNJAB	8	19.47	3	188.82	11	208.29
17	RAJASTHAN	18	2581.70	11	478.77	29	3060.47
18	TAMIL NADU	68	3716.45	24	299.93	92	4016.38
19	TRIPURA	3	31.42	6	42.60	9	74.02
20	UTTAR PRADESH	71	5670.45	41	659.19	112	6329.64
21	WEST BENGAL	42	1760.88	67	12501.65	109	14262.53
22	A & N ISLANDS	1	3.59	0	0.00	1	3.59
23	ARUNACHAL PRADESH	1	0.00	6	8.36	7	8.36
24	CHANDIGARH	28	132.21	21	278.75	49	410.96
25	D & N HAVELI	0	0.00	0	0.00	0	0.00
26	DELHI	50	49099.38	39	7448.33	89	56547.71
27	GOA	17	300.49	4	5.61	21	306.10
28	DAMAN & DIU	0	0.00	0	0.00	0	0.00
29	LAKSHDWEEP	0	0.00	0	0.00	0	0.00
30	MIZORAM	0	0.00	5	29.47	5	29.47
31	PUDUCHERRY	1	201.48	11	208.87	12	410.35
	<b>Total</b>	<b>702</b>	<b>91730.44</b>	<b>607</b>	<b>54627.85</b>	<b>1309</b>	<b>146358.29</b>

**STATEMENT - XX**

**Non-Government Companies Limited by Shares at work as on 31st March 2004  
(State-wise Distribution)**

**(REVISED)  
(Capital in Rs. crore)**

Sl.No.	STATES/UT	PUBLIC		PRIVATE		TOTAL	
		NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8
1	ANDHRA PRADESH	6405	14921.78	35077	5349.07	41482	20270.85
2	ASSAM	570	2665.24	4071	507.01	4641	3172.25
3	BIHAR	1492	758.83	8351	229.41	9843	988.24
4	GUJRAT	5586	29308.92	36172	7529.97	41758	36838.89
5	HARYANA	690	3151.54	5428	893.30	6118	4044.84
6	HIMACHAL PRADESH	338	991.28	1798	99.83	2136	1091.11
7	J & K	203	125.24	1747	168.72	1950	293.96
8	KARNATAKA	2619	17126.15	28120	6612.15	30739	23738.30
9	KERALA	1422	3126.26	13041	1277.38	14463	4403.64
10	MADHYA PRADESH	1860	3077.65	13403	512.48	15263	3590.13
11	MAHARASHTRA	12156	65041.92	128786	24458.56	140942	89500.48
12	MANIPUR	38	44.63	129	5.50	167	50.13
13	MEGHALAYA	66	128.27	373	61.10	439	189.37
14	NAGALAND	10	191.88	287	17.92	297	209.80
15	ORISSA	848	2723.32	6056	539.22	6904	3262.54
16	PUNJAB	2199	4412.56	12706	1039.60	14905	5452.16
17	RAJASTHAN	1616	4469.69	15795	1091.06	17411	5560.75
18	TAMILNADU	7869	23415.70	49037	9988.52	56906	33404.22
19	TRIPURA	8	1.12	76	3.25	84	4.37
20	UTTAR PRADESH	5031	7614.27	20715	925.59	25746	8539.86
21	WEST BENGAL	10652	23098.35	66418	11885.68	77070	34984.03
22	A & N ISLANDS	0	0.00	9	0.00	9	0.00
23	ARUNACHAL PRADESH	10	13.88	246	21.81	256	35.69
24	CHANDIGARH	1309	1404.20	5322	313.55	6631	1717.75
25	D & N HAVELI	36	977.19	119	47.22	155	1024.41
26	DELHI	13111	46491.51	106506	20176.41	119617	66667.92
27	GOA	297	2041.87	2579	801.87	2876	2843.74
28	DAMAN & DIU	34	250.35	84	34.88	118	285.23
29	LAKSHDWEEP	0	0.00	1	0.11	1	0.11
30	MIZORAM	2	0.26	28	2.05	30	2.31
31	PUDUCHERRY	201	189.76	1045	75.62	1246	265.38
	<b>Total</b>	<b>76678</b>	<b>257763.62</b>	<b>563525</b>	<b>94668.84</b>	<b>640203</b>	<b>352432.46</b>

**STATEMENT-XXI**

**Companies at work as on 31st March, 2004 : Distribution by Industrial Activity**

**(Revised)**  
**(Capital in Rs. crore)**

Sl.No.	Industrial Classification	(Code)	PUBLIC		PRIVATE		TOTAL	
			NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8	9
1	Agriculture & Allied Activities	0	5255	4377.40	18115	1789.81	23370	6167.21
2	Mining & Quarrying	1	764	9017.13	5942	16025.69	6706	25042.82
3	Manufacturing:- (a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof. (b) Metals & Chemicals and Products thereof, Machinery & Equipment (c) Electricity, Gas & Water.	2	10306	35261.90	66923	13625.52	77229	48887.42
4	Construction.	5	2731	14053.48	35216	8824.86	37947	22878.34
5	Wholesale & Retail Trade and Restaurants & Hotels	6	8109	23068.28	92535	14162.13	100644	37230.41
6	Transport, Storage & Communication	7	1500	11104.37	21468	2819.57	22968	13923.94
7	Finance, Insurance, Real Estate & Business Services	8	25997	69998.38	149597	29463.56	175594	99461.94
8	Community, Social & Personal Services	9	2404	6261.71	21708	8011.68	24112	14273.39
	<b>TOTAL</b>		<b>77380</b>	<b>349494.06</b>	<b>564132</b>	<b>149296.69</b>	<b>641512</b>	<b>498790.75</b>

**STATEMENT-XXII**

**Government Companies at work as on 31st March, 2004 : Distribution by Industrial Activity**

**(Revised)**  
(Capital in Rs. crore)

Sl.No.	Industrial Classification	(Code)	PUBLIC		PRIVATE		TOTAL	
			NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8	9
1	Agriculture & Allied Activities	0	50	201.30	64	297.83	114	499.13
2	Mining & Quarrying	1	23	5510.63	27	15326.36	50	20836.99
3	Manufacturing:-							
	(a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof.	2	86	1700.09	117	2721.97	203	4422.06
	(b) Metals & Chemicals and Products thereof, Machinery & Equipment	3	226	21204.92	155	17547.46	381	38752.38
	(c) Electricity, Gas & Water.	4	68	45081.88	10	7146.44	78	52228.32
4	Construction.	5	53	6688.57	34	2423.95	87	9112.52
5	Wholesale & Retail Trade and Restaurants & Hotels	6	28	1961.79	44	577.62	72	2539.41
6	Transport, Storage & Communication	7	40	2971.30	18	399.43	58	3370.73
7	Finance, Insurance, Real Estate & Business Services	8	89	6269.06	105	3030.15	194	9299.21
8	Community, Social & Personal Services	9	39	140.90	33	5156.64	72	5297.54
	<b>TOTAL</b>		<b>702</b>	<b>91730.44</b>	<b>607</b>	<b>54627.85</b>	<b>1309</b>	<b>146358.29</b>

**STATEMENT - XXIII**

**Non-Government Companies at work as on 31st March, 2004: Distribution by Industrial Activity**

**(Revised)**  
(Capital in Rs. crore)

Sl.No.	Industrial Classification	(Code)	PUBLIC		PRIVATE		TOTAL	
			NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL	NO.	PAID-UP CAPITAL
1	2	3	4	5	6	7	8	9
1	Agriculture & Allied Activities	0	5205	4176.10	18051	1491.98	23256	5668.08
2	Mining & Quarrying	1	741	3506.50	5915	699.33	6656	4205.83
3	Manufacturing:- (a) Food-stuffs, Textiles, Wood Products, Leather & Products thereof. (b) Metals & Chemicals and Products thereof, Machinery & Equipment	2	10220	33561.81	66806	10903.55	77026	44465.36
4	(c) Electricity, Gas & Water. Construction.	3	19115	100819.36	150244	28384.64	169359	129204.00
5	Wholesale & Retail Trade and Restaurants & Hotels	4	905	9245.25	2219	1495.33	3124	10740.58
6	Transport, Storage & Communication	5	2678	7364.91	35182	6400.91	37860	13765.82
7	Finance, Insurance, Real Estate & Business Services	6	8081	21106.49	92491	13584.51	100572	34691.00
8	Community, Social & Personal Services	7	1460	8133.07	21450	2420.14	22910	10553.21
	<b>TOTAL</b>	8	25908	63729.32	149492	26433.41	175400	90162.73
		9	2365	6120.81	21675	2855.04	24040	8975.85
			<b>76678</b>	<b>257763.62</b>	<b>563525</b>	<b>94668.84</b>	<b>640203</b>	<b>352432.46</b>

## STATEMENT XXIV

### Details of Investigation of cases pending as on 31.3.2006

Sl. No.	Name of the Company	Date of order	Under Section	Remarks
1	2	3	4	5
1	Sudarshan Trading Co. Ltd.	31.12.73	237(b)	Stay by Court
2	Modi Industries Ltd.	12.05.77	237(b)	- do -
3	South Karanpura Coal Co. Ltd.	10.08.77	237(b)	Investigation could not be conducted due to non-production of record.
4	Karanpura Collieries Ltd.	10.08.77	237(b)	- do -
5	Anniversary Investment Agency Ltd.	10.08.77	237(b)	Stay by Court
6	Heilgers Ltd.	10.08.77	237(b)	- do -
7	Investment & Finance Co. Ltd.	10.08.77	237(b)	- do -
8	Continuity Co. Ltd.	10.08.77	237(b)	- do -
9	Cielloc Investment Ltd.	07.02.78	237(b)	- do -
10	National Rolling & Steel Ropes Ltd.	07.02.78	237(b)	- do -
11	Northern India Gas Co. Ltd.	24.06.82	237(b)	- do -
12	Turner Morrison Co. Ltd.	11.10.85	237(b)	- do -
13	Swadeshi Polytex Ltd.	25.04.86	237(b)	- do -
14	Hariganga Cement Ltd.	21.07.86	237(b)	- do -
15	Nariman Point Building & Services Trading (P) Ltd.	13.11.87	237(b)	- do -
16	Indian Express Newspapers Bombay Pvt. Ltd.	23.11.87	237(b)	- do -
17	Indian Express (Madurai) Pvt. Ltd.	13.11.87	237(b)	- do -
18	Traders Pvt. Ltd.	13.11.87	237(b)	- do -
19	Andhra Prabha Pvt. Ltd.	13.11.87	237(b)	- do -
20	Bhagwan Dass Goenka Educational Institution	13.11.87	237(b)	- do -
21	ACE Investment Ltd.	13.11.87	237(b)	- do -
22	Express Newspaper Ltd.	13.11.87	237(b)	- do -
23	Samrat Bicycle Ltd.	13.01.89	237(b)	- do -
24	Jay Maharashtra Gur Khandsari Udyog Ltd.	23.3.2000	237(b)	This investigation was ordered in view of CLB Order. The Petitioners have not paid the amount towards expenses of the investigation. Hence pending.
25	Premier Plantations Ltd.	10.3.2004	237(b)	Stay by Court
26	Mukta Art Ltd.		237(b)	Investigation Suspended as a result of stay granted against the order of investigation by Hon'ble High Court of Mumbai on 17.11.2005

**STATEMENT-XXV**

**Statement showing the statistics of prosecutions for the year 2005-06**

Sl. No.	Name of States	Cases out standing as on 1.4.2005	Number of companies involved	Cases launched during the period 1.4.2005-31.3.2006	No. of Cos. involved	No. of caes disposed of				Total	Cost awarded (in Rs.)	Fine imposed (in Rs.)	Number of cases pending as on 31.3.2006
						Conviction	Acquittal	Withdrawal	Disposed of otherwise				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Andhra Pradesh	604	71	134	21	6	15	0	85	106	5,475	2,400	632
2	Assam	4545	352	161	25	702	0	0	157	859	270,615	678,093	3847
3	Bihar	3805	1188	74	10	8	0	0	2084	2092	21,800	43,600	1787
4	Delhi & Haryana	2608	1611	279	57	199	17	227	120	563	0	92,500	2324
5	Goa	1399	865	0	0	93	0	96	11	200	94,150	188,300	1199
6	Gujarat	3859	888	681	129	243	0	0	704	947	700	1,576,366	3593
7	Jammu & Kashmir	376	155	0	0	0	0	0	6	6	0	0	370
8	Karnataka	556	383	502	244	375	1	6	15	397	639,000	1,278,000	661
9	Kerala	2701	1104	615	275	399	42	245	2	688	590,200	1,412,500	2628
10	Maharashtra (Mumbai)	4589	712	274	40	0	0	3	62	65	0	0	4798
11	Maharashtra (Pune)	899	396	242	138	0	0	0	89	89	119,000	238,000	1052
12	Madhya Pradesh	1385	304	53	7	0	0	942	0	942	0	0	496
13	Orissa	2494	633	1238	99	281	1	176	0	458	52,950	222,415	3274
14	Pondicherry	14	4	4	2	8	0	0	6	14	0	29,518	4
15	Punjab, H.P. & Chandigarh	6936	1092	532	66	0	0	0	213	213	24,580	542,735	7255
16	Rajasthan	347	69	11	10	79	10	0	12	101	13,000	119,540	257
17	Tamil Nadu (Coimbatore)	2505	664	146	24	184	8	17	161	370	183,325	366,650	2281
18	Tamil Nadu (Chennai)	792	283	23	12	0	0	0	0	0	0	0	815
19	Uttar Pradesh	3673	521	14	8	8	0	0	0	8	3,400	25,695	3679
20	West Bengal	4974	1698	145	98	101	91	51	123	366	122,630	342,700	4753
	<b>Total</b>	<b>49061</b>	<b>12993</b>	<b>5128</b>	<b>1265</b>	<b>2686</b>	<b>185</b>	<b>1763</b>	<b>3850</b>	<b>8484</b>	<b>2,140,825</b>	<b>7,159,012</b>	<b>45705</b>

