

ORGANISATIONAL SET UP AND FUNCTIONS

Organisational Set-up

2.1.1 The Ministry has a three-tier organisational set-up, namely, the Secretariat at New Delhi, the Regional Directorates at Mumbai, Kolkata, Chennai and Kanpur and the office of Registrars of Companies in States and Union Territories and Official Liquidators, attached to the High Courts functioning in the country. The set-up at the Headquarters includes the Company Law Board headed by a Chairman with Principal Bench at New Delhi and an additional Principal Bench for Southern Region at Chennai. Four Regional Benches of the Board are located at New Delhi, Mumbai, Kolkata and Chennai. The organisation at the Headquarters also includes two Directors of Inspection and Investigation with a complement of staff, an Economic Adviser for Research and Statistics and other Officials providing expertise on legal, accounting, economic and statistical matters. The list of names and telephone numbers of Minister and Officials of the Ministry is given at **Annexure-I**.

2.1.2 The four Regional Directors, who are in-charge of the respective regions, comprising a number of States and Union Territories, inter-alia, supervise the working of the Offices of Registrars of Companies and the Official Liquidators working in their regions. They also maintain liaison with 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, 1956 have been delegated to the Regional Directors to be exercised by them within their respective regions. They have also been declared as Heads of the Department and have accordingly been entrusted with appropriate administrative and financial powers. An Inspection Unit is also attached to the office of every Regional Director for carrying out inspection of the books of accounts of companies under section 209A of the Companies Act.

2.1.3 Registrars of Companies appointed under Section 609 of the Companies Act, 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 the statutory requirements under the Act. Their offices function as registry of records relating to the companies registered with them. The list of Regional Directors and Registrar of Companies, along with their addresses, is given at **Annexure-II**. The Organisational Chart of the Ministry is given in the **Annexure -III**.

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

up of the affairs of the companies, however, Official Liquidators act under the directions of the High Courts.

Company Law Board

2.2.1 The Central Government constituted an independent Company Law Board vide Notification Sl.NO. 364 dated the 31st May, 1991. The Board is a quasi-judicial body which exercises some of the judicial and quasi-judicial powers which were earlier being exercised by the High Court or the Central Government. The Board is not subject to the control of the Central Government and has the powers to regulate its own procedures and act in its own discretion. The Board has its Principal Bench at New Delhi, an additional Principal Bench for southern States at Chennai and four Regional Benches at Delhi, Mumbai, Kolkata and Chennai.

The Monopolies and Restrictive Trade Practices Commission

2.3.1 An important organ of the Ministry of Company Affairs is the Monopolies and Restrictive Trade Practices Commission (MRTP Commission), which is a quasi-judicial body. The MRTP Commission established under Section 5 of the Monopolies and Restrictive Trade Practices Act, 1969, discharges functions as per the provisions of the Act. The main function of the MRTP Commission is to enquire into and take appropriate action in respect of unfair trade practices and restrictive trade practices. In regard to monopolistic trade practices, the Commission is empowered under Section 10(b) to enquire into such practices (i) upon a reference made to it by the Central Government or (ii) upon its own knowledge or information and submit its findings to Central Government for further action.

Director General of Investigation and Registration

2.4.1 The Director General of Investigation and Registration functions in terms of Section 8 of the MRTP Act for making investigations for the purpose of the Act, for maintaining a register of agreements subject to registration under the Act and also for performing such other functions assigned to him under the Act.

Competition Commission of India

2.5.1 The Competition Act, 2002 was notified on 14th January, 2003 to provide, keeping in view the economic development of the country, for the establishment of a Commission to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers, and to ensure freedom of trade carried on by other participants in markets in India, and for matters connected therewith or incidental thereto.

2.5.2 The Competition Commission of India was set up on 14th October, 2003. After a Member joined the Commission, there were legal challenges in the Supreme Court on the constitutional validity of the Act and the Supreme Court had stayed judicial functioning of the Commission. During the year 2004-05, the case was heard by the Supreme Court and the Court has delivered its judgement on 20.01.2005.

2.5.3 Keeping in view the submissions made before the Supreme Court and the judgement of the Supreme Court, certain amendments to the Competition Act are being considered.

2.5.4 The Competition Act, 2002 provides for repeal of the Monopolies and Restrictive

Trade Practices (MRTP) Act, 1969 on the date to be appointed by the Central Government and on repeal of the MRTP Act, 1969 the MRTP Commission shall stand dissolved.

**National Company Law Tribunal(NCLT)/
National Company Law Appellate
Tribunal (NCLAT) :**

2.6.1 The institutional structure relating to NCLT/NCLAT was provided for in the Companies (Second) Amendment 2002. The form of NCLT was proposed to continue the

functions and powers currently discharged by the Company Law Board, the Board of Industrial and Financial Reconstruction (BIFR) and the High Courts in respect of liquidation and winding up, amalgamation and mergers. However, the constitution of NCLT/NCLAT was challenged in the Madras high Court which gave its ruling in April 2004. Thereafter, an SLP was filed by the Central Government in Supreme Court, where the matter is presently under consideration. Consequently, the operationalisation of this institutional structure is not yet notified.