

Ministry has ordered investigation into the affairs of M/s Reebok India Company (a company with Unlimited Liability) under section 235 of the Companies Act, 1956, on 29-05-2012, to be conducted by the Serious Fraud Investigation Office of this Ministry.

(c) So far, no person has been arrested for violation of any of the provisions of the Companies Act, 1956.

(d) No, Sir.

(e) Since the Ministry has already established 'Serious Fraud Investigation Office' to investigate instances of such types of embezzlements, no need is felt to constitute any separate committee.

Extra judicial powers of SFIO

1612. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that instead of conducting investigation by the Registrar of Companies (RoCs) under Section 235 of the Companies Act, the same investigations are referred to the Serious Fraud Investigation Office (SFIO);

(b) if so, reasons therefor;

(c) whether SFIO has extra judicial powers under Section 235 of the Companies Act than RoCs; and

(d) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R. P. N. SINGH): (a) and (b) ROC has powers under section 234 of the Companies Act, 1956, to call for such information or explanation, as may be deemed necessary from any company based on the documents submitted to his office by the Company and submit a report to the Central Government under Section 234 (6) of the Act. Based on the report of ROC under Section 234 (6) of the Act, the Central Government can order investigation of the affairs of the company under Section 235 of the Act. Multi dimensional financial irregularities/ frauds of complex nature are normally assigned to the Serious Fraud Investigation Office of this Ministry which is a multi-disciplinary investigative agency comprising of experts from banking sector, capital market, company law, general law, forensic, audit, taxation, information technology etc.

(c) and (d) As mentioned in reply to (a) & (b) above, Section 235 of the Act empowers the Central Government, to appoint Inspectors for investigation of affairs of a company. This Section does not bestow any extra judicial power to SFIO.

National Competition policy

1613. DR. JANARDHAN WAGHMARE:

SHRI NAND KUMAR SAI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government has finalized the draft National Competition Policy in the recent past;
- (b) if so, the salient features thereof;
- (c) the extent to which the new draft policy is likely to bring competition culture in the country;
- (d) the details of mandate of the Competition Commission of India; and
- (e) the extent to which the Commission has been able to achieve the objectives, so far?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R. P. N. SINGH): (a) to (c) No, Sir. The draft National Competition Policy document is presently at the stage of consultations. The draft policy seeks to integrate principles of competition in various economic policies of the Government and reap the benefits of competition therein.

(d) Competition Commission of India (CCI) is mandated inter-alia to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and to ensure freedom of trade carried on by other participants, in market in India.

(e) The Commission is fully functional and it has been working continuously to achieve its objectives.

RoCs probe into accounts of chit fund and multi-level marketing companies

1614. SHRI A. ELAVARASAN: Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Ministry has asked the Registrar of Companies (RoCs) to