

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3113
ANSWERED ON FRIDAY, THE 05th JANUARY, 2018
[PAUSHA 15, 1939 (SAKA)]**

CAMPAIGN AGAINST SHELL COMPANIES

QUESTION

**3113. SHRI DHARMENDRA YADAV:
DR. PRITAM GOPINATH MUNDE:
SHRI ANANDRAO ADSUL:
SHRI ADHALRAO PATIL SHIVAJIRAO:
SHRI SHRIRANG APPA BARNE:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:
SHRI PRABHAKAR REDDY KOTHA:**

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

- (a) whether the Government has initiated campaign against black money, wilful defaulters and erring directors and if so, the details thereof;**
- (b) whether a number of registered companies are facing action from authorities after the demonetization;**
- (c) if so, the number of companies registered prior to demonetisation and the number of companies closed after demonetization;**
- (d) whether a number of companies are not carrying out their business activities since along;**
- (e) if so, the number of such companies identified so far and the action taken by the Government against such companies; and**
- (f) the details of guidelines and the action taken by the Government against the directors of shell companies?**

ANSWER

**MINISTER OF STATE FOR LAW AND JUSTICE (SHRI P. P. CHAUDHARY)
AND CORPORATE AFFAIRS**

(a) & (b): Yes, Madam.

(c) to (e): Prior to demonetization, 16,08,637 number of companies stood registered. After demonetization, the Registrars of Companies (RoCs) have identified 2.97 lakh companies during 2017-18 which were not filing their Financial Statements or Annual Returns for a continuous period of two or more financial years and, prima facie, were not conducting any business or in operation. Out of such identified companies, ROCs have removed the names of 2,26,166 companies as on 19.12.2017 from the register of companies by following the due procedure under Section 248 of the Companies Act, 2013. Further, based on information received from various banks, the Central Government has ordered investigations into the true ownership of 68 such companies u/s 216 read with Section 210(1)(c)

of the Companies Act, 2013, which have deposited Rs. 25 Crores or more in Bank Accounts and withdrew in an exceptional manner post demonetization. The investigations are underway.

(f): The terms 'Shell Company' has not been defined under the Companies Act, 2013. As of now, the Government has identified 3,09,619 directors as disqualified u/s 164(2)(a) of the Companies Act, 2013 pertaining to companies for which Financial Statements or Annual Returns have not been filed for a continuous period of three Financial Years.
