

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2759**

**TO BE ANSWERED ON TUESDAY THE 20TH MARCH, 2018
29 PHALGUNA, 1939 (SAKA)**

"NON-FILING OF IT RETURNS BY SHELL COMPANIES"

2759. SHRI RANJIB BISWAL:

Will the Minister of FINANCE be pleased to State:

- a) whether it is a fact that a large number of shell companies have not filed their financial statements or annual returns for the last three years;
- b) if so, the details thereof along with the names of some of the prominent directors of these companies;
- c) how much is the tax liability of these companies for the last three years and how much Government has recovered so far; and
- d) the details of punitive action taken by Government against these companies and also for recovering taxes with penalty, etc. from them?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE:
(SHRI SHIV PRATAP SHUKLA)**

(a) & (b) The details of more than 16,000 suspected shell companies were shared by Serious Fraud Investigation Office (SFIO) of Ministry of Corporate Affairs. Out of these companies, during A.Y. 2015-16, over 13000 companies furnished their return of income, during A.Y. 2016-17 over 12000 companies furnished their return of income and during A.Y. 2017-18 (up to 15/03/2018) more than 9900 companies had furnished their return of income.

The provision of section 138 of the Income-tax Act prohibits the disclosure of information of individual assessee under investigation.

- (c) This information is not maintained in a centralized manner by CBDT.

(d) Income-tax Department takes appropriate action against all persons, including 'shell companies' found to be indulging in violation of provisions of Direct Tax laws. Such actions include searches, surveys, assessment of income, levy of tax, penalty and filing of prosecution complaints before criminal courts, whichever is applicable as per direct tax laws. Moreover, strict enforcement actions against shell companies indulging in illegal activities and their associates are also being monitored by a 'Task Force (TF) on Shell Companies' constituted in February, 2017 under the joint chairmanship of Secretary, Revenue and Secretary, Ministry of Corporate Affairs.

Income Tax Department has taken several measures for expeditious recovery of outstanding taxes including that from the shell companies. Strategies and targets for recovery of arrears of taxes are laid down as part of the Annual Central Action Plan document of the Department. The information obtained from Individual Transaction Statements and FIU-IND are being regularly shared with Assessing Officers for identification of assets for recovery. Guidelines for Tax Recovery Officers for recovery and guidelines to assessing authorities for dealing with stay petitions have been issued.
