

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1729
ANSWERED ON FRIDAY, THE 27th JULY, 2018
[SHRAVANA 5, 1940 (SAKA)]**

MONITORING OF SHELL COMPANIES

QUESTION

**1729. SHRI HARI OM PANDAY:
SHRI SANTOSH KUMAR:**

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

कारपोरेट कार्य मंत्री

- (a) whether the Government has any mechanism for monitoring of Shell Companies and their promoters which are still active with new name despite being punished once;**
- (b) if so, the details of their name along with nodal agencies and officers for monitoring these shell companies in Delhi thereof;**
- (c) if not, the reasons therefor; and**
- (d) the details of companies which have been inquired in this connection but not found guilty especially in Uttar Pradesh?**

ANSWER

**MINISTER OF STATE FOR LAW AND
JUSTICE AND CORPORATE AFFAIRS**

(SHRI P. P. CHAUDHARY)

(a): The term 'Shell Company' is not defined in the Companies Act, 2013 ('Act'). However, based on non-filing of financial statements consecutively for two years or more, 2.97 lakh companies were identified and after following due process of law as provided under section 248 of the Act, 2,26,166 companies were struck off during 2017-18.

Further, Government has identified 3,09,619 directors/promoters as disqualified u/s 164(2)(a) read with Section 167(1) of the Companies Act, 2013 for non-filing of Financial Statements or Annual Returns for a continuous period of immediately preceding 3(three) financial years (2013-14, 2014-15 & 2015-16). Out of the above mentioned disqualified directors, 2,10,116 number of disqualified directors were directors on the Board of aforesaid struck off companies. The above disqualified directors/promoters are debarred for a period of 5 years to be appointed or re-appointed as a Director.

(b) & (c): To look into the matter of 'Shell' Companies, a Special Task Force has been set up under the joint co-Chairmanship of the Revenue Secretary & Secretary, Ministry of Corporate Affairs, having members from Department of Financial Services, Central Board of Direct Taxes, Central Board of Indirect Tax and Customs, Central Bureau Investigation, Enforcement Directorate, Serious Fraud Investigation Office, Financial Intelligence Unit. This Committee can co-opt the officers from other Government agencies also on need basis.

The Central Government has ordered investigation into the true ownership of 68 number of companies under section 216 read with section 210(1)(c) of the Act.
