

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UN-STARRED QUESTION NO. 1934**

ANSWERED ON MONDAY, 19th DECEMBER 2022/ AGRAHAYANA 28, 1994 (SAKA)

WITHDRAWAL OF PROSECUTION AGAINST COMPANIES

QUESTION

1934. DR. SHASHI THAROOR:

Will the Minister of CORPORATE AFFAIRS कारपोरेट कार्य मंत्री
be pleased to state:

- (a) whether the Government is considering the large -scale (over ten-thousand) withdrawal of prosecution against companies in certain cases that do not involve serious breaches of law;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has decided any criterion or threshold to identify the cases that would be withdrawn and if so, the details thereof; and
- (d) whether such cases may include cases seeking recovery of fees, penalties, or monetary damages by the Government and if so, the total amount that would be forgone?

ANSWER

Minister of State (Independent Charge) of the Ministry of Statistics and Programme Implementation; Minister of State (Independent Charge) of the Ministry of Planning and Minister of State in the Ministry of Corporate Affairs.

(Rao Inderjit Singh)

(a), (b) and (c) The Central Government, Ministry of Corporate Affairs (MCA) has issued instructions in August 2022 for the withdrawal of prosecution against companies in certain cases that do not involve serious breaches of law.

The withdrawal of prosecutions are to be considered in those cases where,

- (i) prosecution under Companies Act, 1956 and Companies Act, 2013 are pending for more than two years and which are otherwise fit for action u/s 248 of the Companies Act, 2013, which pertains to striking off of companies.
- (ii) Prosecutions under Companies Act, 1956 and Companies Act, 2013 are pending for at least 05 years in which the offences involved are compoundable in nature and where notices have remained unserved. This does not apply to those prosecutions arising out of inquiries, inspections and investigations
- (iii) Prosecutions under Companies Act, 1956 and companies Act, 2013 are pending for more 02 years and the cases are barred by limitation (with reference to Section 468 of CrPC) and application for condonation of delay is filed but delay not yet condoned by the Court.
- (d) No such cases are included.
