

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1264
ANSWERED ON FRIDAY, THE 09TH FEBRUARY, 2018
[MAGHA 20, 1939 (SAKA)]**

DEREGISTERED AND UNREGISTERED COMPANIES

QUESTION

**1264. DR. SUNIL BALIRAM GAIKWAD:
SHRI S. R. VIJAYAKUMAR:
SHRI T. RADHAKRISHNAN:
SHRI ASHOK SHANKARRAO CHAVAN:
SHRI GAJANAN KIRTIKAR:
SHRI BIDYUT BARAN MAHATO:
SHRI SUDHEER GUPTA:
SHRI KUNWAR HARIBANSH SINGH:
SHRI NARANBHAI KACHHADIYA:**

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

- (a) the number of companies that were deregistered for various non-compliances and being inactive for long till the end of December, 2017;**
- (b) whether the Government has decided to strike off the names of another 1.20 lakh companies from the official records for various non-compliances recently and if so, the details thereof;**
- (c) the number of directors associated with these entities who have been disqualified till date;**
- (d) the other steps taken/being taken by the Government to expedite action against the companies that are to be struck off the records;**
- (e) whether the Government is aware that a large number of unregistered companies are operating in the country and if so, the details thereof; and**
- (f) the action taken by the Government against such companies during each of the last three years and the current year?**

ANSWER

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

(a) to (d): Section 248(1)(c) of the Companies Act, 2013 provides for removal of name of company from the register of companies if it is not carrying on any business or operation for a period of 2(two) immediately preceding financial years and has not made any application within such period for obtaining the status of a dormant company under Section 455 of the Companies Act, 2013. Based on the above mentioned provision, 2.97 lakh companies were identified under this category as on 31.03.2017 and after following due process names of 2,26,166 companies were struck off from the register of companies as on 31.12.2017.

Contd.... 2/-

Further, the provisions for disqualification for appointment of directors are prescribed under section 164 of the Companies Act, 2013. Section 164(2)(a) of the Act, inter-alia, prescribes that no person who is or has been a director of a company which has not filed Financial Statements or Annual Returns for any continuous period of three financial years shall be eligible to be re-appointed as director of that company or appointed as director in other company for a period of five years from the date on which the said company fails to do so. Section 167(1) (a) of the Act also prescribes that the office of a director shall become vacant in case he incurs any of the disqualifications specified in section 164. Further, Rule 14(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 requires the companies to intimate the particulars of their directors on such failure by filing a prescribed form DIR-9 to Registrar of Companies [ROCs]. Consequently, 3,09,619 Directors were identified as disqualified under Section 164(2)(a) read with Section 167 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). Such disqualification is by operation of law. Out of the above mentioned disqualified Directors, 2,10,116 were the Directors on the Board of struck off companies.

(e) to (f): During the last three years [2014-15, 2015-16 and 2016-17] , the following unregistered companies have come to the notice of this Ministry against whom the action is taken as under :

Sl. No.	Name of unregistered companies	Jurisdictional Registrar of Companies	Action against unregistered companies
1	Krishi Vipran Vikas Ltd.	Kanpur	Prosecution u/s 453 of the Companies Act, 2013 has been launched.
2	Bhagya Laxmi Financial Private Limited	Delhi	The Reserve Bank of India has intimated that it has taken up the matter with the then Department of Electronic and Information Technology (DEITY) (now a Ministry) to close the website.
3	Natraj Finance	Delhi	An FIR has been filed on 22.03.2017 by the Registrar of Companies, Delhi.
4	Webtern India Pvt. Ltd.	Pune	Prosecution u/s 453 of the Companies Act, 2013 has been launched.
5.	Tanishka Infotech Pvt. Ltd.	Pune	The case has been referred to the State Economic Offence Wing (EOW) on 06.10.2016.