

**GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:474

ANSWERED ON:25.11.2005

SETTLEMENT SCHEME FOR DEFUNCT COMPANIES

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Verma Shri Ravi Prakash

Will the Minister of COMPANY AFFAIRS be pleased to state:

- (a) whether almost 50 per cent of the companies do not comply with Companies Act provisions resulting in hurting the interest of investors as reported in The Hindu dated the October 20, 2005;
- (b) if so, the details thereof and the reasons therefor;
- (c) the action taken by the Government against these defunct companies; and
- (d) the measures taken by the Government to simplify the settlement for companies found violating the Companies Act?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) As per available records 303107 companies out of 641512 registered companies were found to be in default in filing statutory returns with the Registrar of Companies during the year 2003-2004. Such companies are liable for payment of additional fees for delayed filing in addition to other legal action under the Companies Act, 1956.

(c) & (d) In respect of defunct companies, two Simplified Exit Schemes (SES) in 2003 and 2005 were introduced. 26714 companies were struck off under SES 2003, while 26483 companies have applied under SES 2005.

Under Company Law Settlement Scheme, 2000 (CLSS 2000) 1,27,083 companies have availed the scheme and filed the required statutory documents.