

**GOVERNMENT OF INDIA  
COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:673

ANSWERED ON:03.12.2004

PRIVATE COMPANIES UNDER COMPANIES ACT

Nishad Shri Mahendra Prasad;Pal Shri Raja Ram

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

- (a) whether the private companies are registered under the Companies Act, 1956;
- (b) if so, whether the Government have received complaints against private companies for not following the provisions of Companies Act in their vested interest;
- (c) if so, the number of private companies penalised so far during the last three years;
- (d) the number of such cases pending with the Government as on date which are being enquired or against which enquiry is to be held; and
- (e) whether the Government proposes to amend the Companies Act for taking stringent action against fake private companies registered under the Companies Act?

**Answer**

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) Yes, Sir.

(b) to (d) Complaints are received from time to time against companies, including those defined as private under the Companies Act. Prosecutions are launched if violations of the Companies Act, 1956 are detected. No distinction is maintained in pursuing prosecutions in respect of different categories of companies. The number of prosecutions launched during 2000-2001, 2001-2002 and 2002-2003 are 9187, 8334 and 9154 respectively.

(e) The Government has decided to review and revamp the Companies Act, 1956 including the framework of penalties for defaulting companies.