

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3423
ANSWERED ON:07.09.2007
REGISTRATION OF COMPANIES
Deshmukh Shri Subhash Sureshchandra

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether a large number of companies are functioning without getting themselves registered with the Registrar of Companies;
- (b) if so, the details thereof;
- (c) whether it is compulsory for any company to get itself registered within a fixed time frame;
- (d) if so, the details thereof; and
- (e) the action taken/proposed to be taken against such companies?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

- (a) No, Sir.
- (b) Does not arise.
- (c) & (d) Section 11 of the Companies Act, 1956 provides that no company, association or partnership consisting of more than 10 persons (more than 20 persons in case of other than those which are doing the business of banking) shall be formed for the purpose of carrying on the business unless it is registered as a company under Companies Act, 1956 or is formed in pursuance of some other Indian Law. However, no specific time frame for registration under Companies Act, 1956 has been provided.
- (e) Necessary legal action is initiated under section 11(4) & (5) of the Companies Act, 1956 as and when contravention of section 11(1) & (2) of the Companies Act comes to notice.