

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3578
ANSWERED ON FRIDAY, THE 16TH MARCH, 2018
[PHALGUNA 25, 1939 (SAKA)]**

SCRUTINY OF ACCOUNTS BY AI

QUESTION

3578. SHRI DUSHYANT SINGH:

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

- (a) whether the Government has taken any steps to utilize the technology like Artificial Intelligence (AI) in scrutiny of active accounts of the companies registered with the Registrar of Companies (RoC);**
- (b) if so, the details thereof and if not, the reasons therefor;**
- (c) whether the Government has taken any preventive measures to restrict the transfers of the movable assets and the immovable properties of struck off companies till their restoration; and**
- (d) if so, the details thereof and if not, the reasons therefor?**

ANSWER

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

(a) & (b): Serious Fraud Investigation office (SFIO) of this Ministry is in the process of developing 'Early Warning System' (EWS) to generate alerts as well as to strengthen its capability for taking stringent action against corporate misconduct. For this purpose, services of a consulting agency have been engaged to develop the conceptual framework.

(c) & (d): As per provisions of Section 250 of the Companies Act, 2013, when a company is struck off and dissolved under section 248 of the said Act, it shall, on and from the date mentioned in the notice under Section 248 (5) cease to operate as a company and the Certificate of Incorporation issued to it shall be deemed to have been cancelled from such date except for the purpose of realizing the amount due to the company and for the payment or discharge of the liabilities or obligations of the company. In this regard, Ministry of Corporate Affairs has taken up the matter with all the Chief Secretaries/Administrators of the State/Union Territories and Ministry

**of Finance (Department of Financial Services) with respect to transfer of
movable assets and immovable properties of such struck off companies.**
