

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 827
ANSWERED ON TUESDAY, THE 03RD MARCH, 2015**

REGISTRATION OF SHELL COMPANIES

QUESTION

827. PROF. M.V. RAJEEV GOWDA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Ministry intends to investigate how certain Shell Companies have been granted registration;
- (b) if not, the reasons therefor;
- (c) whether the Ministry intends to investigate the actual rent payers of the office space provided at the time of registration by such companies;
- (d) if not, the constraints in doing so;
- (e) whether an inquiry has been ordered to investigate the transaction done under the bank accounts of any such Shell Companies and survey how many of such companies feature on the official website of Ministry; and
- (f) if not, the reasons therefor?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a) to (d): Investigation against any company is carried out on the basis of report of Registrar of Companies or inspector or in public interest into the Affairs of a company. Further, the process of incorporation of a company has been strengthened through inclusion of various provisions mandating proof of establishment of registered office of a company through submission of utility bills etc., establishing identity of directors including their residential address and personal identification through mandatory Director Identification Number (DIN) allotment process and a declaration by a professional that all requirements mandated under the provisions of Companies Act, 2013 have been complied with.

(e) & (f): Under section 248 of the Companies Act 2013, Registrar of Companies has powers to remove name of a company from register of companies where a company fails to commence its business within one year of its incorporation or the subscribers to the memorandum have failed to pay their subscription within a period of 180 days or where a company is not carrying on any business or operation for a period of two years.
