

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:712
ANSWERED ON:27.07.2000
REGISTRATION OF NEW COMPANIES
RAMJI LAL SUMAN;ZORA SINGH MANN

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) the number of new companies registered during each of the last three years and till date alongwith their nature of business;
- (b) whether while registering these companies their credibility, stability etc. are ascertained; and
- (c) if not, the reasons therefor and the measures being taken to check fraudulent companies?

Answer

THE MINISTER OF STATE FOR THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTRY OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) The number of companies limited by shares registered during the year 1997-98, 1998-99, 1999-2000 and April-June, 2000, industrial activity-wise, is annexed.

(b) & (c) There is no provision in the Companies Act, 1956 to ascertain the credibility and stability of companies at the time of their registration. The Companies Act, 1956, however, provides for inspection of the books of accounts, special audit and investigation into the affairs of a company. If the investigation discloses a prima facie case of fraud or cheating, action is initiated under the provisions of Act or the same is referred to the Central Bureau of Investigation.

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA UN-STARRED QUESTION NO. 712 FOR 27.07.2000

Registration of Companies Limited by Shares : Distribution by Industrial Activity during 1997-98, 1998-99, 1999-2000 & April - June, 2000

S.No. Industrial Activity No. of Companies Registered

1997-98 1998-99 1999-2000 April-June, 2000

1.Agriculture & Allied Activities 2049 1257 801 133

2.Mining & Quarrying 328 262 248 63

3.Manufacturing :

a) Food-stuffs, Textiles, 3865 8581 199 3519
Wood products, Leather &
products thereof.

b) Metals & Chemicals and 6910 245 3183 7823
products thereof, Machinery
and Equipment.

c) Electricity, Gas and Water. 311 705 2237 67

4.Construction 2536 2015 1947 469

5.Wholesale & Retail trade,
Restaurants and Hotels. 4818 4792 5472 1023

6.Transport, Storage and Communication. 1693 1366 1575 348

7Finance, Insurance, Real Estate
and Business Services 8691 6438 8391 3006

8.Community, Social & Personal
Services. 1178 1333 1538 454

TOTAL 33,938 28,137 31,289 8,505