

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

STARRED QUESTION NO:367
ANSWERED ON:22.03.2001
FAST TRACK DE-REGISTRATRION SCHEME
VILAS BABURAO MUTTEMWAR

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

- (a) the number of private and public limited companies that had applied for de-registration under fast track de-registration scheme;
- (b) whether the Government have made any assessment about the money advanced by Banks/Financial Institutions/Private parties to these companies;
- (c) if so, the provisions made to recover the amount from these de-registered companies; and
- (d) the manner in which the interest of small shareholders will be protected in public limited companies?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN LOK SABHA STARRED QUESTION NO. 367 FOR ANSWER ON 22-3-2001

- (a): There is no provision for de-registration of companies under the Companies Act, 1956. However, there is a provision for striking off names of defunct companies from the Register under section 560 of the Companies Act, 1956. Under the Fast Track Section 560 Scheme, 16,416 companies applied under Scheme (14871 Private Limited Companies and 1545 Public Limited Companies).
- (b), (c) & (d): No Sir. This was never envisaged in the Scheme of things. However, in the form prescribed for seeking striking off names under the Scheme the companies were required to file a certificate from the statutory auditor that the company has no dues to the Banks/ Financial Institutions. Affidavits have been taken from the directors seeking striking off names of the companies that they would be jointly and severally liable for any dues which may come to light after submission of the application under the Scheme. In the case of the defunct public limited companies where there are no assets and the companies are not doing any business the question of protection of small shareholders does not arise.