

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 162
ANSWERED ON MONDAY, SEPTEMBER 14, 2020
BHADRAPADA 23, 1942 (SAKA)
VIOLATION OF COMPANY LAW**

QUESTION

162: DR. SANJEEV KUMAR SINGARI:

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

कॉर्पोरेट कार्य मंत्री

- (a) whether the Government has any information of the companies which have violated the provisions of Company Law;
- (b) if so, the details thereof during the last two years along with reasons therefor ; and
- (c) the number of cases in which an enquiry has been conducted and action initiated against such companies?

ANSWER

**THE MINISTER OF STATE FOR
FINANCE AND CORPORATE AFFAIRS**
वित्त एवं कॉर्पोरेट कार्य मंत्रालय में राज्य मंत्री

(SHRI ANURAG SINGH THAKUR)
(श्री अनुराग सिंह ठाकुर)

(a) & (b): Yes Sir, the Government in the Ministry of Corporate Affairs (MCA) has information of the companies which have violated the provisions of Company Law. MCA either directly or through Regional Directors (RDs)/ Registrar of Companies (ROCs) receive complaints against companies from public (Individual/entities), from other Ministries etc., which are examined and action is taken as per the provisions of the Companies Act, 2013 which includes ordering and conducting Inquiries, Inspections or Investigations in terms of section 206(1),(4),(5), section 210 and section 212 of the Companies Act, 2013 respectively as the case may be on merits of each case in complaints of such nature involving fraud which require multi-disciplinary action, where large public interest and huge money transactions are involved are assigned to the Serious Fraud Investigation Office (SFIO) by the MCA.

The details of Inquiries/Inspections/Investigations ordered during last two years from 2018-19 and 2019-20 are as under:

No of Inquiry ordered u/s 206 (4)	No of Inspection ordered u/s 206 (5)	No of Investigation ordered u/s 210	No of Investigation ordered u/s 212 for SFIO
878	674	167	59

The reasons for ordering Inquiries/Inspections/Investigations varies from case to case such as frauds, non-compliance of the provisions of the Companies Act, non-refund of deposit received from public under the Companies Act, complaints received from other Ministries, Forwarding the complaints filed by the banks on borrowings by the companies and on the basis of orders of Hon'ble Court/Tribunal.

(c) There are 660 number of cases in which enquiry has been conducted. Based on the findings, prosecutions are filed under the provisions of the Companies Act, 2013.
