

Violation of provisions of Company Law by the Companies

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The Ministry of Corporate Affairs (MCA) has information of the companies which have violated the provisions of Company Law. This was stated by Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs, in response to a written question in the Lok Sabha today.

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.

In his written reply, Shri Thakur gave details of Inquiries/Inspections/Investigations ordered during last two years from 2018-19 and 2019-20 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

Shri Thakur said that 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.

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, the Minister said.