GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2567
ANSWERED ON FRIDAY, THE 17TH MARCH, 2017
[PHALGUNA 26, 1938 (SAKA)]

SWINDLING BY SHELL COMPANIES

QUESTION

2567. SHRI RABINDRA KUMAR JENA:

Will the Minister of CORPORATE AFFAIRS
be pleased to state:

(a) whether a number of shell companies have swindled large amount of
money approximately equal to Rs. 3900 crore in November-December 2016,
post demonetisation and if so, the details thereof;

(b) whether the Serious Fraud Investigation Office (SFIO) has also
identified at least 54 people who helped 559 beneficiaries in laundering the
illicit cash and if so, the details thereof;

(c) whether the Government was not well prepared to tackle this issue
after demonetisation; and

(d) if so, the details of steps taken to identify and punish the
perpetrators and to prevent such fraudulent activities?

ANSWER

THE MINISTER OF STATE IN THE
(MINISTRY OF CORPORATE AFFAIRS

(Shri Arjun Ram Meghwal)

(a) The term ‘shell companies’ is not defined in the Companies Act.
However, in one of the investigations by SFIO, it was found that a group of
11 companies had laundered money to the extent of Rs 3790 crore during
the period 2004-05 to August, 2010.

(b) SFIO, during the course of one of the investigations, has identified 54
professionals who helped 559 beneficiaries in laundering the illicit cash.
These professionals included 34 Chartered Accountants, 3 Company
Secretaries, 04 Advocates and 13 others.
(c) & (d) The matters relating to laundering the illicit cash laundering are handled by various agencies, such as Enforcement Directorate, Economic Offences Wings of the States, Income Tax authorities, etc.