

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 2390
ANSWERED ON FRIDAY, THE 09TH MARCH, 2018
[PHALGUNA 18, 1939 (SAKA)]**

MONEY LAUNDERING ACTIVITIES OF DEREGISTERED COMPANIES

QUESTION

2390. SHRI A. ARUNMOZHITHEVAN:

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

- (a) whether the Government has identified more than one lakh directors for disqualification as on 12.09.2017 and if so, the details thereof;**
- (b) whether money laundering activities are also performed under the aegis of these companies and the same also being scanned by the Government and if so, the details thereof; and**
- (c) whether the Government has also cancelled the registration of 2 lakh companies and restricted operations of their bank accounts and if so, the details thereof?**

ANSWER

**MINISTER OF STATE FOR LAW AND JUSTICE (SHRI P. P. CHAUDHARY)
AND CORPORATE AFFAIRS**

(a): The disqualification of director of a company is by operation of law as laid down under the provisions of Section 164 of the Companies Act, 2013. Section 164 (2) (a), inter-alia, prescribes that no person who is or has been a director of a company which has not filed financial statements or annual returns for any continuous period of three financial years shall be eligible to be re-appointed as director of that company or appointed as director in other company for a period of five years from the date on which the said company fails to do so. Further, Section 167(1) (a) of the Act prescribes that the office of a director shall become vacant in case he incurs any of the disqualifications specified in section 164 of the Act. Further, Rule 14(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 requires the companies to intimate the particulars of their directors on such failure by filing a prescribed form DIR-9 to Registrar of Companies [ROCs]. 3,09,619 Directors were identified as disqualified under Section 164(2)(a) read with Section 167 of the Companies Act, 2013 for non-filing of Financial Statements or Annual Returns for a continuous period of immediately preceding 3 (three) financial years (2013-14, 2014-15 & 2015-16).

(b): Further the Central Government has ordered investigation into the true ownership of 68 number of companies under section 216 read with section 210(1)(c) of the Companies Act, 2013, which have deposited and withdrawn funds in an exceptional manner from their bank accounts during the demonetization period.

(c): Government has struck off 2,26,166 companies from the register of companies as on 31.12.2017 following due process under the provisions of Companies Act, 2013 and shared the information with all banks for their due diligence.
