

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 2458  
ANSWERED ON FRIDAY, THE 09<sup>TH</sup> MARCH 2018  
[PHALGUNA 18,1939(SAKA)]**

**FINANCIAL HEALTH OF UNLISTED COMPANIES**

**QUESTION**

**2458. SHRI KONDA VISHWESHWAR REDDY:**

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

- (a) whether the Government keeps track of the financial health of unlisted members of India Inc. and if so, the details thereof;**
- (b) the impact of Goods and Services Tax on this fraction's quarter-wise profits; and**
- (c) the steps taken by the Government to tackle the shell companies under this segment of companies?**

**ANSWER**

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

**(a): Ministry of Corporate Affairs through its Registrar of Companies (RoCs) keep records of Financial Statements and Annual Returns besides other documents of the companies including unlisted companies in MCA21 Portal. These documents filed by the companies are kept in public domain for information to all stakeholders including general public. If any specific complaint received against any company, then only, the matter is being verified/examined by the Ministry through its field offices by ordering inquiry/inspection/investigation as may be necessary in that particular case.**

**(b): GST was implemented on 01<sup>st</sup> July, 2017. Assessment of the impact of GST on the Profit & Loss Accounts of the companies is not analysed by the M/o Corporate Affairs. However, since GST is an indirect tax, which is borne by the consumer, it should not affect the profit margin of the company. On the other hand the efficiencies that would accrue on account of a unified tax would benefit the economy as a whole, including companies, as well as consumers.**

**(c): The Companies Act, 2013 does not define the term Shell Company. However, under the Companies Act, 2013, Section 248(1)(c) provides for removal of name of company from the register of companies if it**

**is not carrying on any business or operation for a period of 2(two) immediately preceding financial years and has not made any application within such period for obtaining the status of dormant company u/s 455. Based on the above mentioned provision, 2.97 lakh companies were identified under this category as on 31.03.2017 and after following due process names of 2,26,166 companies were struck off from the register of companies as on 31.12.2017.**

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