

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 6502
ANSWERED ON FRIDAY, THE 06TH APRIL, 2018
[CHAIRTA 16, 1940 (SAKA)]**

MANDATORY REGISTRATION OF COMPANIES

QUESTION

6502. SHRIMATI KAMLA DEVI PAATLE:

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

- (a) whether a large number of bogus companies are functioning without registration with the Registrar of Companies (RoC) in the country including Chhattisgarh particularly in the rural areas and if so, the details thereof, State-wise;**
- (b) whether it is mandatory for any company to get registered with the RoC within a certain time period and if so, the details thereof; and**
- (c) the details of the action taken against such erring companies during the last two years and the current year, year/State-wise?**

ANSWER

THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY)

(a) to (c): The term “Bogus Company” is not defined under the Companies Act, 2013. Section 453 of the Companies Act, 2013 prescribes the punishment for in proper use of “Limited” or “Private Limited” whereby if any person or person trade or carry on business under any name or contraction or imitation thereof is or are the last word or words, that person or each of those persons shall, unless duly incorporated with limited liability, or unless duly incorporated as a private company with limited liability, as the case may be, punishable with fine which shall not be less than five hundred rupees but may extend to two thousand rupees for every day for which that name or title has been used.

Contd.... 2/-

During the last three years, following unregistered companies have come to the notice of this Ministry against whom action has been taken as under:

Sl. No.	Name of unregistered companies	Jurisdictional Registrar of Companies	Action against unregistered companies
1	Krishi Vipran Vikas Ltd.	Kanpur	Prosecution u/s 453 of the Companies Act, 2013 has been launched.
2	Bhagya Laxmi Financial Private Limited	Delhi	The Reserve Bank of India has intimated that it has taken up the matter with the then Department of Electronic and Information Technology (DEITY) (now a Ministry) to close the website.
3	Natraj Finance	Delhi	An FIR has been filed on 22.03.2017 by the Registrar of Companies, Delhi.
4	Webtern India Pvt. Ltd.	Pune	Prosecution u/s 453 of the Companies Act, 2013 has been launched on 12.05.2017 vide Case No.14969/2017.
5.	Tanishka Infotech Pvt. Ltd.	Pune	The case has been referred to the State Economic Offence Wing (EOW) on 06.10.2016.

Section 9 of the Companies Act, 2013 provides for the effect of registration, which inter-alia, states that from the date of incorporation mentioned in the certificate of incorporation, such subscribers to the memorandum and all other persons, as may, from time to time, become members of the company, shall be a body corporate by the name contained in the memorandum, capable of exercising all the functions of an incorporated company under this Act and having perpetual succession with power to acquire, hold and dispose of property, both movable and immovable, tangible and intangible, to contract and to sue and be sued, by the said name.

Therefore, the capacity to exercise all functions of an incorporated entity under this Act only ensue on the date of incorporation, to such extent registration is mandatory from inception.