

(b) if so, the unclaimed investment funds transferred to the investment Education and Protection Fund after the expiry of the mandatory period of seven years?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL): (a) and (b) Companies Act, 2013 provides for transfer of unpaid and unclaimed amounts such as dividend, matured deposits, matured debentures, share application money etc. to Investor Education and Protection Fund (IEPF).

As per filings made by companies upto 31.03.2017 (for the year 2015-16 or earlier), an amount of ₹ 9120.77 crore is lying with them as unpaid and unclaimed amount. The prescribed period for companies to file reports for 2016-17 is not yet over.

An amount of ₹ 1673.21 crore has been transferred to the IEPF during the period 2001-02 to 2016-17.

#### **Non-filing of IT by shell companies**

213. SHRIMATI RENUKA CHOWDHURY: Will the Minister of FINANCE be pleased to state:

(a) whether a large number of companies have not filed income tax returns for the last three years;

(b) if so, the details thereof; and

(c) the fresh steps taken by Government to identify and deregister shell companies involved in making black money into legitimate or white?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) and (b) Although such information is not maintained in a centralized manner, such cases, on a regular basis, are monitored under the Non-filer Monitoring System (NMS) of the Income-tax Department on the basis of specific information regarding certain high value financial transactions. Information regarding number of non-filer (companies) identified under the NMS is as under:—

NMS Cycle (Company)	Cases
NMS Cycle - 3 (AY 2013)	31,599
NMS Cycle - 4 (AY 2014)	65,036
NMS Cycle - 5 (AY 2015)	28,693

(c) In recent times, Government has taken several measures to identify shell companies, investigate their operations and take further necessary action. These are as under:

- (i) Under Companies Act, 2013, notices have been issued to all those companies which were *prima facie* not carrying on any business or operation for a period of two immediately preceding financial years and had failed to file their financial statements for the said period. Consequently, as on 12.07.2017, names of 1,62,618 companies have been removed (struck off) from the Registrar of Companies.
- (ii) Income Tax Department has also taken effective action against the shell companies as part of the on-going exercise against black money. Such actions include searches, surveys, enquiries, assessment of income, levy of penalties and filing of prosecution complaints before criminal courts, wherever applicable. During the financial years 2013-14 to 2015-16, investigations conducted by the Income-tax Department led to detection of more than 1155 shell companies/entities which were used as conduits by over 22,000 beneficiaries. The amount involved in non-genuine transactions of such beneficiaries was more than ₹ 13,300 crore. Further, prosecution complaints have been filed against 47 persons found involved in wrong-doings through shell companies.
- (iii) Action against shell companies and associated persons/entities has got further intensified with the setting up of the Task Force Co-chaired by the Secretaries Revenue and Corporate Affairs.

**Framework for mediation and conciliation facility for companies disputes**

214. SHRI T. RATHINAVEL: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government has put in place a framework for mediation and conciliation facility which will facilitate faster resolution of disputes relating to companies, if so, the details thereof;

(b) whether it is a fact that the mediator would help in facilitating discussion and eventual resolution of the dispute within three months; and

(c) whether it is also a fact that mediation which is relatively faster and inexpensive as compared to litigation, would be non-binding on companies?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL): (a) to (c) Section 442 of the Companies Act, 2013, (the Act) provides the framework for mediation between parties during pendency