

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA  
UN-STARRED QUESTION NO. 13  
ANSWERED ON TUESDAY, THE 11<sup>TH</sup> DECEMBER, 2018**

**Curb on shell companies**

**QUESTION**

**13. SHRI A. VIJAYAKUMAR**

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

- (a) the number of shell Companies de-registered for the last three years, State-wise;
- (b) the action taken against the big/core companies which had shell companies; and
- (c) the steps taken to curb new shell companies in the country?

**ANSWER**

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

(a) The term 'Shell Company' has not been defined under the Companies Act, 2013 (the Act). However, Section 248(1) (c) of the Companies Act, 2013 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 a dormant company under Section 455 of the Act. The number of Companies de-registered for the last three years, State-wise is as given below:

Sl. No	Name of ROCs	No. of Shell Companies de-registered		
		2015-16	2016-17	2017-18
01	Delhi (NCT) and Haryana	3,917	1,932	47,809
02	Kanpur	Nil	Nil	6,822
03	Chandigarh(UT) & Punjab	Nil	Nil	1,452 2,930
04	Himanchal Pradesh	Nil	Nil	773

Contd.../-

05	J&K	Nil	Nil	1,550
06	Uttrakhand	Nil	Nil	792
07	Ahmedabad	Nil	Nil	11,435
08	Gwalior	Nil	Nil	4,702
09	Jaipur	Nil	Nil	5,178
10	Bilaspur	Nil	Nil	906
11	Arunachal Pradesh	01	03	30
12	Assam	47	37	394
13	Nagaland	03	01	20
14	Manipur	Nil	Nil	18
15	Meghalaya	05	08	60
16	Mizoram	Nil	03	04
17	Tripura	02	02	32
18	West Bengal	Nil	Nil	8,078
19	Odisha	Nil	Nil	1,824
20	Bihar	Nil	Nil	1,557
21	Jharkhand	Nil	Nil	636
22	AP and Telangana	Nil	Nil	20,450
23	Karnataka	Nil	Nil	18,175
24	Chennai & Coimbatore	Nil	Nil	20,747
		Nil	Nil	3,977
25	Kochi	Nil	Nil	4,063
26	Puducherry (UT)	Nil	Nil	571
27	Andaman & Nicobar Islands	Nil	Nil	76
28	Mumbai	Nil	Nil	49,964
29	Pune	Nil	Nil	9,930
30	Goa	Nil	Nil	1,761
<b>Total</b>		<b>3975</b>	<b>1986</b>	<b>2,26,716</b>

(b) The Central Government has ordered investigation into the true ownership of 68 companies under section 216 read with section 210(1)(c) of the Companies Act, 2013, which have deposited and withdrawn fund in an exceptional manner from the bank accounts during demonetization period. 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.3,790 crore during the period 2004-05 to August, 2010.

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. The matters relating to the illicit cash laundering are handled by various agencies, such as Enforcement Directorate, Economic Offences Wings of the States, Income Tax authorities, etc.

(c) The Government has set up a Task Force to look into the matter of 'Shell' Companies.