GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

RAJYA SABHA
UN-STARRED QUESTION NO. 814
ANSWERED ON TUESDAY, JULY 27, 2021

IDENTIFICATION OF SHELL COMPANIES

QUESTION

814 # Shri Neeraj Dangi:

Will the Minister of Corporate Affairs be pleased to state:

(a) whether Government has developed any smart mechanism to identify shell companies in the country;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the action taken against such shell companies during last three years and current year so far, the State/Union Territory- wise details of the action taken in this regard?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPRATE AFFAIRS

(RAO INDERJIT SINGH)

(a) to (d): There is no definition of the term "Shell Company" in the Companies Act. It normally refers to a company without active business operation or significant assets, which in some cases are used for illegal purpose such as tax evasion, money laundering, obscuring ownership, benami properties etc. The Special Task Force set up by the Government to look into the issue of "Shell Companies" has inter-alia recommended the use of certain red flag indicators as alerts for identification of Shell Companies. The Government has undertaken a Special Drive for identification and strike off Shell Companies.

…2/-

Total No. of companies struck off u/s 248 State/ Union Territory-wise is as under:

Name of the State/ UT	No. of Struck off Companies 2018 to June 2021
RoC-Ahmedabad	9243
RoC-Andaman	41
RoC-Bangalore	11185
RoC-Chandigarh	4908
RoC-Chennai	11217
RoC-Chhattisgarh	947
RoC-Coimbatore	2992
RoC-Cuttack	3731
RoC-Delhi	45595
RoC-Ernakulam	9189
RoC-Goa	597
RoC-Gwalior	4920
RoC-HimachalPradesh	858
RoC-Hyderabad	20488
RoC-Jaipur	9222
RoC-Jammu	393
RoC-Jharkhand	1848
RoC-Kanpur	15803
RoC-Kolkata	15022
RoC-Mumbai	52869
RoC-Patna	4683
RoC-Pondicherry	191
RoC-Pune	5552
RoC-Shillong	1256
RoC-Uttarakhand	555
RoC-Vijayawada	4918
Total	**238223**

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