

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UN-STARRED QUESTION NO. 1790
ANSWERED ON TUESDAY, DECEMBER 14, 2021**

**INCREASE IN SHELL AND INACTIVE COMPANIES
QUESTION**

1790 SHRI NARESH BANSAL:

Will the Minister of *Corporate Affairs* be pleased to state:

- (a) whether the number of shell and inactive companies have increased in the country over the years;
- (b) if so, the details thereof during the last two years;
- (c) whether Government has announced "Sarat Nikas Yojana" for the inactive companies to get their names deleted by company Registrar;
- (d) if so, the details thereof and response of the companies in this regard; and
- (e) the steps taken or being taken by Government with regard to shell companies?

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 CORPORATE AFFAIRS

(RAO INDERJIT SINGH)

(a) to (e): There is no definition of the term "Shell Company" in the Companies Act, 2013 (the Act). However, pursuant to the provisions of section 248 (1) of the Act where the Registrar has reasonable cause to believe that the companies that are not carrying on any business or operation for a period of 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, shall, after following the due process of law, remove the name of those companies from the Register of Companies.

There is no Scheme called Sarat Nikas Yojana. The removal of name of companies from the Register of Companies is a continuous process. The companies can also apply for removing the name of the company u/s 248(2) of the Act, which is an online application. Inactive company is defined in Explanation in (i) to sec 455(1) of the Act, whereby the companies can obtain the status of a Dormant Company. The details of such companies are as under:

Year	No. of companies removed from the Register of Companies under section 248(1) and 248(2) of the Act.	No of Dormant companies
2019-20	2,933	48
2020-21	12,892	19
