

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 671  
ANSWERED ON TUESDAY, 13<sup>TH</sup> DECEMBER 2022**

**COMPANIES CLOSED DUE TO NON-COMPLIANCE WITH  
THE RULES OF ROC**

**QUESTION**

671. Shri Abir Ranjan Biswas:

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

- (a) the number of firms that lost registration due to non-compliance with the rules of Registrar of Companies (RoC) in the country in the last five years, year-wise and Statewise;
- (b) the details of the sectors in which the closed firms were working, sector-wise;
- (c) whether Government has defined shell companies under Companies Law, if so, the details thereof, and if not, the reasons therefor; and
- (d) whether Government has identified shell companies in the country, if so, the details thereof, and if not, the reasons therefor?

**ANSWER**

THE 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) 5,57,055 companies were struck off under Section 248 of the Companies Act, 2013 read with the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 in the Country, in last five years, due to non-compliances of the provisions of the Companies Act, 2013. The year-wise and state wise details are as under: -

| Sl. No. | State / U.T.         | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 1/4/22 to 8/12/22 | Total  |
|---------|----------------------|---------|---------|---------|---------|---------|-------------------|--------|
| 1       | Andaman & Nicobar    | 75      | 23      | 14      | 2       | 2       | 33                | 149    |
| 2       | Andhra Pradesh       | 3634    | 3701    | 954     |         | 1292    | 1311              | 10892  |
| 3       | Arunachal Pradesh    | 14      | 18      | 36      | 3       | 29      | 32                | 132    |
| 4       | Assam                | 165     | 196     | 489     | 62      | 328     | 535               | 1775   |
| 5       | Bihar                | 1516    | 2454    | 1952    | 185     | 1735    | 1008              | 8850   |
| 6       | Chandigarh           | 1468    | 1299    | 331     | 170     | 396     | 233               | 3897   |
| 7       | Chattisgarh          | 911     | 515     | 300     | 31      | 285     | 401               | 2443   |
| 8       | Dadra & Nagar Haveli | 46      | 30      | 8       | 1       | 14      | 10                | 109    |
| 9       | Daman and Diu        | 13      | 3       | 7       | 2       | 4       | 7                 | 36     |
| 10      | Delhi                | 44359   | 24885   | 9357    | 1986    | 3995    | 9560              | 94142  |
| 11      | Goa                  | 1711    | 173     | 223     | 26      | 196     | 163               | 2492   |
| 12      | Gujarat              | 11180   | 5847    | 2181    | 256     | 3070    | 1552              | 24086  |
| 13      | Haryana              | 3778    | 4061    | 2027    | 409     | 792     | 2142              | 13209  |
| 14      | Himachal Pradesh     | 753     | 478     | 175     | 172     | 229     | 254               | 2061   |
| 15      | Jammu & Kashmir      | 634     | 229     | 137     |         | 312     | 21                | 1333   |
| 16      | Jharkhand            | 578     | 1301    | 400     | 139     | 949     | 892               | 4259   |
| 17      | Karnataka            | 18372   | 4057    | 4646    | 991     | 5583    | 3972              | 37621  |
| 18      | Kerala               | 4070    | 2793    | 5321    | 777     | 1785    | 1275              | 16021  |
| 19      | Ladakh               | 8       | 3       |         |         | 5       |                   | 16     |
| 20      | Lakshadweep          | 3       | 2       | 3       | 1       | 452     |                   | 461    |
| 21      | Madhya Pradesh       | 4403    | 3111    | 947     | 111     | 9898    | 2381              | 20851  |
| 22      | Maharashtra          | 58654   | 41175   | 7670    | 2298    | 52      | 10431             | 120280 |
| 23      | Manipur              | 8       | 18      | 47      | 4       | 18      | 141               | 236    |
| 24      | Meghalaya            | 28      | 27      | 52      | 9       | 9       | 17                | 142    |
| 25      | Mizoram              | 2       | 4       | 8       |         | 20      | 15                | 49     |
| 26      | Nagaland             | 5       | 29      | 43      | 2       | 925     | 24                | 1028   |
| 27      | Orissa               | 1732    | 2859    | 654     | 58      | 73      | 1229              | 6605   |
| 28      | Pondicherry          | 559     | 30      | 117     | 32      | 775     | 72                | 1585   |
| 29      | Punjab               | 2934    | 2156    | 560     | 330     | 1376    | 727               | 8083   |
| 30      | Rajasthan            | 5089    | 3470    | 3791    | 148     | 1       | 1601              | 14100  |
| 31      | Tamil Nadu           | 24303   | 8196    | 3114    | 1321    | 5539    | 3878              | 46351  |

|    |                    |               |               |              |              |              |              |               |
|----|--------------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|
| 32 | Telangana          | 16692         | 15807         | 2683         | 722          | 4743         | 3819         | 44466         |
| 33 | Tripura            | 13            | 24            | 44           | 2            | 27           | 87           | 197           |
| 34 | Uttar Pradesh      | 7023          | 6833          | 5802         | 1754         | 919          | 9322         | 31653         |
| 35 | Uttarakhand        | 814           | 463           | 76           |              | 232          | 863          | 2448          |
| 36 | West Bengal        | 7792          | 8355          | 6601         | 5            | 9113         | 3131         | 34997         |
|    | <b>Grand Total</b> | <b>223339</b> | <b>144625</b> | <b>60770</b> | <b>12009</b> | <b>55173</b> | <b>61139</b> | <b>557055</b> |

(b) The sector-wise details in which the closed firms were working are as under :-

| Sl. No. | Activity description   | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 1/4/22 to 8/12/22 | Total  |
|---------|--|---------|---------|---------|---------|---------|-------------------|--------|
| 1       | Agriculture and Allied Activities                                    | 6792    | 4894    | 1675    | 237     | 1222    | 2017              | 16837  |
| 2       | Building of complete constructions or parts thereof; civil engg etc. | 57      | 10      | 4       |         | 4       |                   | 75     |
| 3       | Business Services  | 56681   | 35390   | 21971   | 5251    | 24021   | 22912             | 166226 |
| 4       | Community, personal & Social Services                                | 13597   | 8009    | 3623    | 857     | 3584    | 5586              | 35256  |
| 5       | Construction   | 18601   | 12658   | 5541    | 823     | 4235    | 4714              | 46572  |
| 6       | Electricity, Gas & Water companies                                   | 2787    | 1573    | 837     | 228     | 779     | 640               | 6844   |
| 7       | Finance  | 14394   | 16829   | 2733    | 464     | 1435    | 539               | 36394  |
| 8       | Insurance  | 282     | 179     | 35      | 4       | 39      | 73                | 612    |
| 9       | Manufacturing (Food stuffs)  | 5593    | 3711    | 1603    | 298     | 1332    | 3007              | 15544  |
| 10      | Manufacturing (Leather & products thereof)                           | 523     | 268     | 111     | 23      | 123     | 121               | 1169   |
| 11      | Manufacturing (Machinery & Equipments)                               | 10963   | 5339    | 1936    | 437     | 1543    | 1907              | 22125  |
| 12      | Manufacturing (Metals & Chemicals, and products thereof)             | 16642   | 9150    | 2808    | 558     | 2088    | 2587              | 33833  |

|    |  |               |               |              |              |              |              |               |
|----|--|---------------|---------------|--------------|--------------|--------------|--------------|---------------|
| 13 | Manufacturing (Others)                                       | 1605          | 1122          | 480          | 88           | 453          | 648          | 4396          |
| 14 | Manufacturing (Paper & Paper products, Publishing, printing) | 3349          | 1707          | 657          | 136          | 493          | 936          | 7278          |
| 15 | Manufacturing (Textiles)                                     | 6062          | 3086          | 1020         | 232          | 881          | 1023         | 12304         |
| 16 | Manufacturing (Wood Products)                                | 456           | 210           | 78           | 22           | 67           | 78           | 911           |
| 17 | Mining & Quarrying   | 2192          | 1491          | 768          | 104          | 455          | 408          | 5418          |
| 18 | Others   | 12344         | 8774          | 285          | 629          | 178          | 55           | 22265         |
| 19 | Real Estate and Renting                                      | 9473          | 9052          | 4500         | 1215         | 2643         | 2970         | 29853         |
| 20 | Trading  | 32306         | 16925         | 8190         | 338          | 8013         | 8521         | 74293         |
| 21 | Transport, storage and Communications                        | 8640          | 4248          | 1915         | 65           | 1585         | 2397         | 18850         |
|    | <b>Grand Total</b>   | <b>223339</b> | <b>144625</b> | <b>60770</b> | <b>12009</b> | <b>55173</b> | <b>61139</b> | <b>557055</b> |

(c) & (d) : The term “Shell Company” is not defined under 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.

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