

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 2276  
ANSWERED ON TUESDAY, 21<sup>st</sup> MARCH, 2023**

**Shell companies in the Country**

2276 Shri Raghav Chadha :

Will the Minister of Corporate Affairs be pleased to state:

- (a) why the term 'shell company' has yet not been defined in The Companies Act;
- (b) the number of companies struck off for not complying with the provisions of the Companies Act;
- (c) the steps taken by the Ministry to ensure compliance of the said act by companies in the country; and
- (d) the details of the steps taken by Government to strike off shell companies?

**ANSWER**

**The Minister of State (Independent Charge) of the Ministry of Statistics and Program 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 (d): The term "Shell company" is not defined in the Companies Act, 2013. However, in terms of Section 248(1) of the Companies Act, 2013 read with the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 (amended Rules 2019), names of certain companies have been struck off for certain violations such as failing to commence business within one year of incorporation, not carrying on any business or operation for a period of two immediately preceding financial years and not making any application within such period for obtaining the status of a dormant company, not carrying on any business or operations, as revealed after the physical verification etc.

The field offices of Registrar of Companies and Regional Directors are responsible for monitoring the compliances of the Act by the Companies and when instances of non-compliances noticed, necessary action are taken. From time to time, Ministry has undertaken drives for striking off for non-compliant Companies u/s 248 (1) of the Companies Act, 2013. 5,68,306 Companies have been struck off under Section 248(1) of Companies Act, 2013 from 1.4.2015 to 15.3.2023.

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