

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 3575
ANSWERED ON TUESDAY, MARCH 24, 2026
3 Chaitra, 1948 (Saka)**

Shell Companies in the country

3575. Shri Saket Gokhale:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the total number of companies struck off the register for being shell companies or non-compliant in each of the last five years;**
- (b) the estimated amount of illicit funds routed through shell companies;**
- (c) the steps taken to prevent the creation of shell companies and the effectiveness of the Serious Fraud Investigation Office (SFIO); and**
- (d) whether the current regulatory framework adequately detects and deters the use of shell companies for money laundering and tax evasion?**

ANSWER

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS AND MINISTRY OF ROAD TRANSPORT AND HIGHWAYS.

(SHRI HARSH MALHOTRA)

(a) to (d): The term 'shell company' is not defined under the Companies Act, 2013 hence the requisite information is not maintained. However, from time to time, this Ministry carries out Strike-Off drive under section 248(1) for striking off such companies which 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 of the Act or the subscribers to the memorandum have not paid the subscription which they had undertaken to pay at the time of incorporation of a company and a declaration to this effect has not been filed within one hundred and eighty days of its incorporation under sub-section (1) of section 10A of the Act or the company is not carrying on any business or operations, as revealed after the physical verification carried out under section 12(9) of the said Act. The last strike-off drive under section 248(1) of the said Act was carried out in the year 2022-23. The details of the companies struck off under section 248 (1) in the last the last 5 years is at Annexure.

Further, details of Companies observed to be indulging in suspicious/potentially fraudulent transactions are shared by Financial Intelligence Unit (FIU) reports, CEIB (Central Economic Intelligence Bureau) references, SLCC (State Level Co-ordination Committee) with the Ministry which serves as

important inputs in taking up Inquiry, Inspection & Investigation (3Is) under Sections 206(4), 206(5) and 210 of the Companies Act, 2013, respectively. In the matter of serious frauds, investigation is assigned to the Serious Fraud Investigation Office (SFIO) under Section 212 of the Companies Act, 2013. SFIO is a multi-disciplinary organization consisting of experts/professionals in the fields of Accountancy, Forensic Auditing, Law, Information Technology, Investigation, Company Law, Capital market, Banking and Taxation, etc to carry out investigation and other related activities regarding violations of the Companies Act, 2013 including fraud.

Annexure to the Unstarred Question No. 3575 to be answered before Rajya Sabha on March 24, 2026:

Sl. No	Details	Action U/s 248(1)
1.	FY 2020-2021	217
2	FY 2021-2022	28,305
3	FY 2022-2023	68,893
4	FY 2023-2024	-
5	FY2024-2025	-
	Total number of Companies	97,415
