

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 218
ANSWERED ON MONDAY, THE 24TH JUNE, 2019
[ASHADA 3, 1941 (SAKA)]**

SHELL COMPANIES

QUESTION

218:SHRI JANARDAN SINGH SIGRIWAL

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कॉर्पोरेट कार्य मंत्री

- (a) whether the Government has developed any smart mechanism to identify shell companies in the country;
- (b) if so, the details thereof and if not, the reasons therefor; and
- (c) the action taken so far against the shell companies during the last three years and the current year, State/ UT-wise including Bihar?

ANSWER

THE MINISTER FOR FINANCE AND
CORPORATE AFFAIRS
वित्त एवं कारपोरेट कार्य मंत्री

(Ms. NIRMALA SITHARAMAN)
(श्रीमती निर्मला सीतारमण)

(a) to (b): 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.

(c): The number of Companies de-registered for the last three years, State-wise is as given below including Bihar:

S. No.	Name of RoC	No. of Shell Companies de-registered		
		2016-17	2017-18	2018-19
01	Delhi (NCT) and Haryana	1,932	47,809	24279
02	Kanpur	Nil	6,815	6412
03	Chandigarh(UT) & Punjab	Nil	1,452 2,930	3103
04	Himachal Pradesh	Nil	773	446
05	J&K	Nil	1,550	191
06	Uttrakhand	Nil	787	377
07	Ahmedabad	Nil	11,435	5408
08	Gwalior	Nil	4,699	1581
09	Jaipur	Nil	5,046	3201
10	Bilaspur	Nil	904	466
11	Arunachal Pradesh	03	15	298
12	Assam	37	198	
13	Nagaland	01	10	
14	Manipur	Nil	09	
15	Meghalaya	08	30	
16	Mizoram	03	02	
17	Tripura	02	16	
18	West Bengal	Nil	8,078	7145
19	Odisha	Nil	1,824	1905
20	Bihar	Nil	1,557	2381
21	Jharkhand	Nil	634	1330
22	AP and Telangana	Nil	38580	18322
23	Chennai & Coimbatore	Nil Nil	20,672 3,977	6860 (including Andaman & Nicobar Islands)
24	Kochi	Nil	4,063	2821
25	Puducherry (UT)	Nil	571	13
26	Andaman & Nicobar Islands	Nil	75	-
27	Mumbai	Nil	49,964	24384
28	Pune	Nil	9,930	1726
29	Goa	Nil	1,761	148
	Total	1986	2,26,166	1,12,797