

**GOVERNMENT OF INDIA**  
**MINISTRY OF CORPORATE AFFAIRS**  
**LOK SABHA**  
**UN-STARRED QUESTION NO. 1727**  
**TO BE ANSWERED ON MONDAY, JULY 31, 2023/ SRAVANA 9, 1945 (SAKA)**  
**FRAUDULENT COMPANIES**

**QUESTION**

**1727. SHRIMATI SHARDABEN ANILBHAI PATEL:  
SHRI MITESH RAMESHBHAI PATEL (BAKABHAI):  
SHRIMATI SANDHYA RAY:**

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

- (a) whether there are a huge number of fraudulent companies registered in the country during the last three years;**
- (b) if so, the details thereof;**
- (c) the number of fraudulent companies which were suspended during the last four years; and**
- (d) the action taken or likely to be taken by the Government against such fraudulent 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) & (b) : The registration of a company is strictly as per the provisions of Section 3 of the Companies Act, 2013. For registration, companies are required to file several documents at the time of incorporation under the provisions of the Companies (Incorporation) Rules, 2014. These include Memorandum and Articles of Association, declaration by the first directors and subscriber, proof of office address, copy of certificate of Incorporation of foreign body corporate (if any), a resolution passed by promoter company (applicable if name of a body corporate is promoter), the interest of first directors in other entities etc. However, the term 'Fraudulent Company is not defined as such in the Companies Act, 2013.**

**(c) : MCA has undertaken various drives to strike off names of Companies under Section 248(1) of the Companies Act, 2013 for certain violations by companies, 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 etc. In the last Four financial years i.e. 01.04.2019 to 31.03.2023, 1,49,275 companies have been struck off under section 248(1) of the Companies Act, 2013 from the register of companies.**

**(d) : So far as fraud by companies is concerned, wherever any complaint or reference regarding fraud is received, investigations are ordered under section 210 or 212 of the Companies Act, 2013 against the company to be carried out by Regional Directors (RDs) or Serious Fraud Investigation Office (SFIO).**

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