

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UN-STARRED QUESTION NO. 183
ANSWERED ON Monday, July 22, 2024
31 Ashadha, 1946 (Saka)**

SHELL COMPANIES IN INDIA

QUESTION

183. SHRI KRISHNA PRASAD TENNETI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has undertaken any action, via the Serious Fraud Investigation Office and other such investigative divisions, to identify shell companies in India and if so, the details of such companies during the last five years, State-wise and especially in the State of Andhra Pradesh;**
- (b) if not, the reasons therefor;**
- (c) the details of actions, legal or otherwise, as undertaken by the Government in regard to the identification and regulation of shell companies in India;**
- (d) whether there has been an increase in the number of shell companies during the last five years and if so, the steps taken by the Government to address this issue; and**
- (e) the list of companies that have been identified as shell companies and have been struck off the roll of companies over the last five years in the State of Andhra Pradesh?**

ANSWER

Minister of State in the Ministry of Corporate Affairs; Minister of State in the Ministry of Road Transport and Highways

(Shri Harsh Malhotra)

(a) to (e): There is no definition of the term "Shell Company" in the Companies Act. However, there are some companies which are inactive as per the provision of sub section (1) of Section 455 of the Companies Act, 2013 (the Act). These are companies which have not

been carrying on any business or operation, or have not made any significant accounting transaction during the last two financial years, or have not filed financial statements and annual returns during the last two financial years.

Further, under Section 248 (1) of the Act read with the Companies (Removal of names of companies from the Register of Companies) Rules, 2016 (Amended Rules, 2019), Registrar of Companies (ROCs) can strike off companies for certain violations such as failure 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 operation, as revealed after the physical verification etc. From time to time action has been taken for striking off such companies.

The number of Companies identified and struck off under section 248 (1) of the Act during the last five years are shown below :

State	FY 2019- 2020	FY 2020- 2021	FY 2021- 2022	FY 2022- 2023	FY 2023- 2024	Grand Total
Andaman & Nicobar	14	2	3	53	6	78
Andhra Pradesh	935		1354	2402	400	5091
Arunachal Pradesh	24	3	27	32	4	90
Assam	330	65	362	588	90	1435
Bihar	1942	184	1771	2815	185	6897
Chandigarh	329	169	461	303	51	1313
Chhattisgarh	345	47	324	446	67	1229
Dadra & Nagar Haveli	10	1	14	13	1	39
Daman and Diu	7	2	5	12	12	38
Delhi	10284	1972	5166	16064	2151	35637
Goa	286	34	213	184	78	795
Gujarat	1740	252	3401	2626	665	8684
Haryana	2165	408	1076	4813	585	9047

Himachal Pradesh	173	201	260	303	27	964
Jammu & Kashmir	135		322	451	29	937
Jharkhand	401	136	975	888	185	2585
Karnataka	5439	1027	6117	4342	2317	19242
Kerala	2666	956	2124	1558	459	7763
Ladakh			5	5		10
Lakshadweep	1	1			2	4
Madhya Pradesh	1128	107	541	2427	446	4649
Maharashtra	7619	2250	11662	12049	3276	36856
Manipur	31	4	52	147	4	238
Meghalaya	33	10	29	21	7	100
Mizoram	5		9	18	2	34
Nagaland	19	2	19	27	6	73
Orissa	704	75	1014	1332	81	3206
Pondicherry	115	35	80	82	18	330
Punjab	559	330	902	927	125	2843
Rajasthan	4458	505	1707	1902	426	8998
Sikkim			1			1
Tamil Nadu	3141	1294	6077	4666	965	16143
Telangana	2518	693	4992	3798	1763	13764
Tripura	25	3	27	91	4	150
Uttar Pradesh	5789	1934	1594	12093	1234	22644
Uttarakhand	78		244	960	73	1355
West Bengal	6547	4	9345	3687	721	20304
Grand Total	59995	12706	62275	82125	16465	233566

(Source: Data has been provided from MCA-21)
