

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UN-STARRED QUESTION NO. 182
ANSWERED ON MONDAY, 25th NOVEMBER 2024
Agrahayana 4, 1946 (Saka)**

Action Taken against Shell Companies

**182. Shri Shafi Parambil:
Shri B K Parthasarathi:**

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

कारपोरेटकार्यमंत्री

(a) whether the Government has detailed information about the dormant and fraudulent companies in the country which do not conduct any real business but register only for tax evasion and money laundering and if so, the details thereof, State-wise including Andhra Pradesh;

(b) whether the Government has taken any action against such companies via Serious Fraud Investigation Office and other such Investigative Divisions to identify shell companies in the country and if so, the details thereof along with the list of such companies identified by the Government during the last three years, State-wise including Andhra Pradesh and if not, the reasons therefor;

(c) whether there has been an increase in the number of shell companies during the last five years; and

(d) if so, the measures taken by the Government to control such fraudulent companies known as shell companies?

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 (d): 'Dormant Company' is defined under Section 455 of the Companies Act, 2013 (the Act) as (i) any company formed for a future project or to hold an asset or intellectual property and has no significant accounting transaction or (ii) any inactive company which has not been carrying business or operation or has not made significant accounting transactions during last two Financial Years or has not filed Financial Statements and Annual Returns during last two Financial Years and such company or inactive company, as the case may be, has obtained 'dormant status' from the Registrar of Companies (ROC) with due compliance of Companies (Miscellaneous) Rules, 2014. There is no definition of the terms 'fraudulent company' or 'shell company' under the Act.

However, in terms of Section 248 (1) of the Act read with the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, Registrar of Companies can strike off name of companies for certain defaults 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. Action has been taken from time-to-time 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, listed state-wise including Andhra Pradesh, 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 Portal)
