

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 10
ANSWERED ON Monday, July 21, 2025**

Removal of Non-operational Companies

10. Shri Sukhjinder Singh Randhawa:

Shri Chhatrapal Singh Gangwar:

Shri Shankar Lalwani:

Smt. Mala Rajya Laxmi Shah:

Shri Narayan Tatu Rane:

Shri Amrinder Singh Raja Warring:

Shri Anurag Sharma:

Shri Chandan Chauhan:

Shri Parbhubhai Nagarbhai Vasava:

Shri Gajendra Singh Patel:

Shri Vijay Kumar Dubey:

Shri Trivendra Singh Rawat:

Shri P P Chaudhary:

Shri Khagen Murmu:

Shri Imran Masood:

Shri Kripanath Mallah:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that several companies/shell companies have been struck off across the country and if so, the reasons therefor along with the total number of companies removed during the last two years and the current year, State-wise including Saharanpur in Uttar Pradesh;

(b) the steps taken by the Government to ensure that genuine companies are not mistakenly deregistered;

(c) whether the Government is planning to introduce a formal definition of shell companies under the Companies Act, 2013 to improve clarity and enforcement;

(d) the steps taken by the Government to strengthen the monitoring and compliance mechanism to prevent misuse of non-functional firms for illegal financial activities and to simplify the

registration/deregistration and reduce regulatory burden on small companies; and

(e) the role of SFIO in investigating financial frauds and the current status of implementation of MCA21 V3 for better enforcement?

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): The term 'Shell Company' is not defined in the Companies Act, 2013 (Act). 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. The last strike-off drive was carried out in the year 2022-23.

Further, under section 248(2) of the Companies Act, 2013 such companies which voluntarily seek removal of their name from the Registrar of Companies after extinguishing all its liabilities are struck-off by following due process in the prescribed manner.

The number of Companies Struck-off under 248(2) of the Companies Act, 2013 during the last 2 years and the current year, state wise, including Saharanpur, UP are at Annexure A and B respectively.

(b):Due process for strike-off of Companies as laid down under section 248(1) of the Companies Act, 2013 is adhered to. Any person

aggrieved by the order of dissolution by the Registrar of Companies, may file an appeal to the National Company Law Tribunal for restoration of its name in terms of Section 252 of the Act.

(c): Presently, there is no proposal before the government to define 'Shell Companies'.

(d): The Companies Act, 2013 and rules made thereunder contain adequate provisions for ensuring accountability and transparency in the management of companies. It provides for accountability for management of companies through key managerial personnel, Board of directors and shareholders. The Act & Rules require companies to maintain books of account, various returns and registers etc in the prescribed form and keep them at their registered offices.

Compliances with applicable accounting standards have also been mandated under the Act. The books of accounts are required to be audited by independent Chartered Accountant. In addition, the Companies are required to file various documents, copies of resolutions, returns etc., with the Registrar.

Further, as a measure of Ease of Doing Business, the Ministry has set up a Centralized Registrar of Companies (CRC) for incorporation of companies and LLPs to provide uniformity in the incorporation process.

Definition of Small Company has been amended by increasing the threshold limit of a small company from having a paid-up capital not exceeding Rs.2.00 Crore to Rs.4.00 Crore and turnover not exceeding Rs.20.00 Crore to Rs.40.00 Crore. Similarly, the concept of small LLP has been introduced which is subject to lesser compliances, lesser fee to reduce the cost of compliances.

A Centre for Processing Accelerated Corporate Exit (C-PACE) has also been established to centralize and speed up the voluntary strike off process of Companies under Section 248 (2) of the Companies Act, 2013 in a fast-track mode in order to facilitate 'Ease of Doing Business' in India w.e.f. 01.05.2023. The Ministry has also centralized the striking off of Limited Liability Partnerships (LLPs)

by empowering the CPACE for processing of e-Forms related to striking off of LLPs, w.e.f. 27.08.2024.

(e): The Serious Fraud Investigation Office (SFIO) is assigned investigations by the Central Government under Section 212 of the Act to investigate the affairs of a company on formation of an opinion that such an investigation is necessary, based on:

- a) A report from the Registrar or Inspector under Section 208 of the Companies Act, 2013;**
- b) A special resolution passed by the company for such investigation;**
- c) Public interest; or**
- d) A request from any department of the Central or State Government.**

SFIO comprises of experts in various fields such as accountancy, forensic auditing, law, information technology, capital markets, banking, and taxation.

e-Forms related to Companies and LLPs filings have been migrated from MCA-21 Version 2 to Version 3 w.e.f. 14.07.2025. The E-adjudication module was also launched under MCA21 in September 2024 to establish a technology driven adjudication mechanism, for speedy and transparent adjudication of cases pertaining to offence(s) committed under the Act.

Annexure-A**The number of Companies Struck-off under 248(2) of the Companies Act, 2013:**

SI No.	Name of the State / UT	Number of Companies			
		FY 2023-2024	FY 2024-2025	FY 2025-2026 [till 16th July 2025]	Grand Total
1.	Andaman and Nicobar Islands	6	3	2	11
2.	Andhra Pradesh	400	224	136	760
3.	Arunachal Pradesh	4	2	2	8
4.	Assam	90	86	34	210
5.	Bihar	185	176	97	458
6.	Chandigarh	51	89	44	184
7.	Chattisgarh	67	97	57	221
8.	Dadra and Nagar Haveli and Daman and Diu	13	7	2	22
9.	Delhi	2,151	2,372	1,350	5,873
10.	Goa	78	72	31	181
11.	Gujarat	665	891	541	2,097
12.	Haryana	585	732	360	1,677
13.	Himachal Pradesh	27	70	29	126
14.	Jammu & Kashmir	29	30	24	83
15.	Jharkhand	185	92	55	332
16.	Karnataka	2,317	1,615	871	4,803

17.	Kerala	459	508	246	1,213
18.	Ladakh	0	0	1	1
19.	Lakshadweep	2	0	0	2
20.	Madhya Pradesh	446	358	219	1,023
21.	Maharashtra	3,276	3,290	1,763	8,329
22.	Manipur	4	6	3	13
23.	Meghalaya	7	2	4	13
24.	Mizoram	2	0	2	4
25.	Nagaland	6	3	2	11
26.	Odisha	81	159	71	311
27.	Puducherry	18	22	12	52
28.	Punjab	125	211	117	453
29.	Rajasthan	426	572	293	1,291
30.	Tamil Nadu	964	1,179	628	2,771
31.	Telangana	1,763	860	463	3,086
32.	Tripura	4	8	4	16
33.	Uttar Pradesh	1,234	1,046	558	2,838
34.	Uttarakhand	73	133	54	260
35.	West Bengal	721	922	573	2,216
	Grand Total	16,464	15,837	8,648	40,949

Annexure-B

The number of Companies Struck-off under 248(2) of the Companies Act, 2013, in Saharanpur, UP:

Financial Year	No. of Companies Struck-off
2023-24	10
2024-25	12
2025-26 till 16.07.2025	1
Total	23

