

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UN-STARRED QUESTION NO. 227
ANSWERED on MONDAY, 01 December, 2025
AGRAHAYANA 10, 1947 (SAKA)**

Closing of Private Companies and Rehabilitation of employees

QUESTION

227. Shri Ramashankar Vidharthi Rajbhar:

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

- (a) the number of private companies closed down during the last five years;**
- (b) whether the employees of the said companies have been rehabilitated, if so, the details thereof;**
- (c) whether the Government proposes to implement any special scheme for the rehabilitation of employees working in the companies which are being closed, if so, the details thereof;**
- (d) the number of shell companies identified in the country and the details of the action taken by the Government against them so far; and**
- (e) whether the Government proposes to formulate any policy to provide tax exemption or incentives to Corporate companies for setting up industries in backward and rural areas, if so, the details thereof?**

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) 2,04,268 private companies have closed down during the last 5 years on account of amalgamation, conversion, dissolution and**

strike off under the relevant provisions of the Companies Act, 2013 as under:

Financial Year	Companies Closed
2020-21	15,216
2021-22	64,054
2022-23	83,452
2023-24	21,181
2024-25	20,365

(b) & (c): There is no proposal before the Government.

(d): The term ‘Shell Company’ is not defined in the Companies Act, 2013 (Act). However, from time to time, this Ministry carries out Strike-Off companies under section 248(1) of the Act against 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 that not been filed within one hundred and eighty days of its incorporation under sub-section (1) of section 10A of the Act.

(e): It is the stated policy of the Government to gradually phase out exemptions and deductions while rationalizing tax rates to create a simple, transparent, and equitable tax regime instead of providing region-specific tax incentives. Moreover, the Government has undertaken several reforms to promote investment and ease of doing business, including substantial reductions in corporate tax rates for both existing and new domestic companies.
