

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 368
ANSWERED ON MONDAY, 02ND FEBRUARY 2026
MAGHA 13, 1947 (SAKA)**

SHELL COMPANIES IN MORADABAD

368. MRS. RUCHI VIRA:

Will the Minister of Corporate Affairs be pleased to state:

- (a) whether the Government has reviewed the increasing incidence of shell companies, opaque ownership structures and investment losses affecting cooperative members, small investors and traders in commercial areas like Katghar and Civil Lines in Moradabad district, Uttar Pradesh;**
- (b) if so, the details of investigations, forensic audits, prosecutions, deregistrations, asset freezing actions and compliance reviews conducted by the Government to prevent misuse of corporate entities and restore investor confidence in the district; and**
- (c) if not, the reasons therefor?**

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) There is no definition of “Shell Company” under the Companies Act, 2013. However, the Ministry has carried out Strike-off drives under section 248(1) for striking off such companies which were not carrying on any business or operation for a period of two immediately preceding financial years and had 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 declaration to this effect has not been filed within one hundred and eighty days of its incorporation under sub-section (1) of section 10(A) of the Act. Further, Companies observed to be indulging in fraudulent transactions such as rotation of funds without

underlying transaction are identified during the course of inquiry / inspection under section 206 of the Companies Act and investigation under sections 210 and 212 of the Companies Act and penal provisions of the Companies Act are accordingly invoked against the Company and officers in default as deterrence to prevent their re-emergence.

(b) & (c) In the district of Moradabad during last 05 financial years, 183 companies have been struck off under section 248(1) and 248(2) of the Companies Act. During same period, 03 Inquiries under section 206(4) and in 01 Inspection under section 206(5) have been ordered under the Companies Act, 2013. Further, during the same period, 04 prosecutions have been filed against 03 companies registered in district of Moradabad.
