

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UN-STARRED QUESTION NO. 3885
ANSWERED ON MONDAY, MARCH 16, 2026**

Action against Shell companies

QUESTION

3885. Shri Harish Chandra Meena:

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

(a) the number of registered companies in the country identified as shell companies, dummy companies or companies found to be involved in suspicious financial transactions during the last five years alongwith the State-wise details thereof;

(b) the number of registered companies in the State of Rajasthan identified as shell companies, dummy companies or companies found to be involved in suspicious financial transactions during the last five years along with the details of the nature of action taken by the Government against such companies; and

(c) whether the Government has entrusted any Central Investigating Agency to investigate cases relating to illegal money laundering, land transactions and tax evasion being done by such companies and 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) & (b): The term 'Shell Company' or 'Dummy Company' is not defined in the Companies Act, 2013 (Act). However, this Ministry takes enforcement action under sections 206/ 210/ 212 of the Act in the form of inquiry, inspection and investigation (3is) against companies alleged to be involved in suspicious financial transactions/ fraud including non-compliance of various provisions of the Companies Act, 2013.

On the basis of reports of the Registrars of Companies, Regional Directors and Serious Fraud Investigation Office (SFIO), the Ministry issues instructions for taking necessary penal action. State-wise details of companies penalized are at Annexure A.

Further, the Ministry also carries out strike off drive under section 248(1) of the said Act 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 a company has failed to commence its business within one year of its incorporation 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 section 10A(1) of the Act or the company is not carrying on any business or operations, as revealed after the physical verification carried out under section 12(9) of the said Act. The details of action taken under section 248(1) of the said Act is at Annexure B.

(c): As the term 'Shell Company' or 'Dummy Company' is not defined under the Companies Act, 2013, the requisite information is not maintained. However details of Companies observed to be indulging in suspicious/potentially fraudulent transactions are shared by Financial Intelligence Unit (FIU) reports, CEIB (Central Economic Intelligence Bureau) references, SLCC (State Level Co-ordination Committee) with the Ministry which serves as important inputs in taking up 3is under Sections 206(4), 206(5) and 210 of the Companies Act, 2013, respectively.

Further, in the matter of serious frauds, investigation is assigned to the SFIO under Section 212 of the Companies Act, 2013.

The findings of the Inquiry/ Inspection/ Investigation reports are also shared with enforcement agencies like Enforcement Directorate (ED), Income Tax (IT) Department, and GST Authorities as the case may be, to enable further course of action against such companies and individuals associated with such companies.

Annexure – A**In reply to part (a & b) of Unstarred Lok Sabha Question no. 3885****Total number of companies penalised for non-compliance**

S. No.	Name of State/ UT	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Andhra Pradesh	0	8	136	21	7
2.	Arunachal Pradesh	0	0	0	0	0
3.	Assam	2	4	4	4	9
4.	Bihar	3	14	55	31	19
5.	Chandigarh	3	6	2	3	10
6.	Chhattisgarh	0	19	7	68	34
7.	Dadar and Nagar Haveli Daman & Diu	0	0	01	03	01
8.	Goa	0	0	5	0	9
9.	Gujarat	5	47	152	169	57
10.	Haryana	2	5	29	37	19
11.	Himachal Pradesh	0	0	0	2	2
12.	Jharkhand	0	0	0	0	1
13.	Karnataka	89	98	66	93	202
14.	Kerala	89	24	98	11	20
15.	Madhya Pradesh	14	29	17	68	16
16.	Maharashtra	10	15	36	144	211
17.	Manipur	0	0	0	0	0
18.	Meghalaya	0	0	0	1	0
19.	Mizoram	0	0	0	0	0
20.	Nagaland	0	0	0	0	0
21.	NCT of Delhi	52	31	110	141	135
22.	Odisha	4	10	12	7	3
23.	Puducherry	6	1	10	10	9
24.	Punjab	5	15	3	11	23
25.	Rajasthan	3	3	21	23	3
26.	Tamil Nadu	20	26	89	56	139
27.	Telangana	6	22	8	7	18
28.	Tripura	0	0	0	0	0
29.	UT of Jammu and Kashmir	0	0	2	2	0
30.	UT of Ladakh	0	0	0	0	0

S. No.	Name of State/ UT	2020-21	2021-22	2022-23	2023-24	2024-25
31.	Uttar Pradesh	0	22	3	18	80
32.	Uttarakhand	0	0	1	3	2
33.	West Bengal	5	5	34	47	37
34.	UT of Andaman & Nicobar	0	0	0	0	0
35.	UT of Lakshadweep	0	0	0	0	0
	Total	318	404	901	980	1066

Annexure B**In reply to part (a & b) of Unstarred Lok Sabha Question no. 3885****Action taken u/s 248(1) of Companies Act, 2013**

Years	Pan India	Rajasthan
2020-21	217	0
2021-22	28,305	1,210
2022-23	68,893	1,453
2023-24	0	0
2024-25	0	0
Total	97,415	2,631