

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 5861  
ANSWERED ON MONDAY, 30TH MARCH, 2026  
CHAITRA 09, 1948 (SAKA)**

**STRENGTHENING CORPORATE GOVERNANCE FRAMEWORK**

**5861. DR. ALOK KUMAR SUMAN :**

**Will the Minister of Corporate Affairs be pleased to state:**

- (a) The number of companies registered during the last three years;**
- (b) The measures taken by the Government to improve corporate governance standards;**
- (c) The action taken against shell companies in the country;**
- (d) The implementation status of Corporate Social Responsibility provisions; and**
- (e) The reforms introduced under the Companies Act?**

**ANSWER**

**THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS AND  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS.**

**(SHRI HARSH MALHOTRA)**

**(a) The number of companies registered during the last three years are as under:**

<b>Financial Year</b>	<b>Total number of Companies registered</b>
<b>2022-23</b>	<b>1,59,302</b>
<b>2023-24</b>	<b>1,85,318</b>
<b>2024-25</b>	<b>1,81,138</b>

**(b) The Government of India has been taking several steps towards optimising regulatory compliance, addressing of corporate governance issues for overall transparency, strengthening transparency etc. Some of the important measures taken in this regard are as under:**

- (i) The provisions of the Companies Act, 2013 [CA-13 or Act] and the rules made thereunder have provisions to ensure financial accountability and transparency in the management of companies.**

**These provisions inter alia require maintenance of books of accounts and statutory registers at the registered offices, preparation of financial statements in accordance with applicable financial reporting/accounting standards and filing them with the Registrar after due approvals. The financial statements are required to be audited by an independent chartered accountant. Crucial parameters such as risk management, state of company's affairs, material changes affecting company's financial position are required to be reported in the Board's Report. The Registrar of Companies takes suitable action against the defaulting companies who fail to file their Annual Returns and/or Financial Statements under the provisions of the Act.**

**(ii) The Act also requires listed and public companies meeting specified thresholds with respect to paid up capital or turnover or debt to appoint independent directors and constitute various committees of the Board viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee etc.**

**(c) The term 'shell company' is not defined under the Companies Act, 2013 hence the requisite information is not maintained. However, from time to time, this Ministry carries out Strike-Off drive under section 248(1) for striking off such companies which have failed to commence its business within one year of its incorporation, 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 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.**

**(d) The legal framework for Corporate Social Responsibility (CSR) has been provided under Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014. Under the Act, every CSR mandated company has to constitute a CSR Committee. The Committee formulates and recommends the CSR policy and the Board of the company plans, decides, executes and monitors the CSR activities of the company. The Board of the company is required to disclose the CSR Policy implemented by the company in its Board report and has to satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it, and the Chief Financial Officer or the person responsible for financial**

**management shall certify to this effect. The CSR framework is disclosure based and expenditure on CSR activities is required to be audited by the statutory auditors of the company. During the year 2023-24, a total amount of ₹34,908.75 crores has been the expenditure incurred on CSR activities by the eligible companies.**

**(e) The Companies Act, 2013 (the Companies Act) was enacted to consolidate and amend the laws relating to companies. The said Act introduced changes related to disclosures to stakeholders, accountability of directors, auditors and key managerial personnel, investor protection and corporate governance. The said Act has been amended in 2015, 2017, 2019 and 2020 to decriminalise certain offences, facilitate ease of doing business, rationalise compliance requirements and recognise new concepts. Some of the important amendments to the Companies Act, 2013 are at Annexure.**

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**Refer to Part (e) of Lok Sabha Unstarred Question No. 5861 for 30<sup>th</sup> March 2026.**

**(i) Amendments made in CA-13 in 2019 and 2020 and in the LLP Act, 2008 in 2021 to decriminalize 63 offences. While providing relief to corporates, one of the objectives of decriminalization has also been reduction of litigation burden in judicial courts and shifting the prosecution cases towards adjudication.**

**(ii) Exemptions from various provisions of Companies Act to Private companies, Government Companies, Charitable companies, Nidhis and IFSC (GIFT city) companies have been provided through issue of notifications under section 462 of the CA-13 during 2015, 2017 and 2020.**

**(iii) The requirement of minimum paid up capital, i.e. Rs. 1 lakh for a private company and Rs. 5 lakh for a public company, has been done away with.**

**(iv) Extension of fast-track process of mergers under the Companies Act, 2013 to cover mergers of Startups with other Startups and with small companies, so that the process of mergers & amalgamations is completed faster for such companies. Now this process can also be availed in cases where a holding company incorporated outside India is to be merged with its wholly owned subsidiary incorporated in India.**

**(v) New section 446B for lesser penalties for One Person Companies, small companies, startups and Producer Companies.**

**(vi) Private companies which list non-convertible debt instruments on stock exchanges not to be regarded as listed companies so as to ensure development of corporate bonds market.**

**(vii) Provisions relating to Producer Companies (earlier Part IXA of Companies Act, 1956) included in the Companies Act, 2013.**

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