GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 3614
ANSWERED ON MONDAY,
AUGUST 10, 2026

Deregistered Shell Companies

3614. Ms S Jothimani:

Will the Minister of Corporate Affairs be pleased to state:

(a) the total number of shell companies identified and deregistered/struck off from the register of companies under section 248 of the Companies Act, 2013 during the last five years, State-wise and year-wise;

(b) the details of the action taken by the Government against such shell companies and their directors;

(c) whether the Government has initiated any fresh regulatory measures, technological interventions or enforcement steps to improve financial transparency and curb the menace of shell companies; and

(d) if so, the details thereof, including the progress made in utilizing artificial intelligence and data analytics tools for early detection of financial fraud?

ANSWER

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

(SHRI HARSH MALHOTRA)

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(a) & (b). The term 'shell company' is not defined under the Companies Act, 2013. Therefore, the requisite information pertaining to action taken against such companies and its directors is not maintained by the Ministry of Corporate Affairs.

(c)&(d). The provisions of the Companies Act, 2013 and the rules made thereunder contain adequate provisions to ensure financial accountability and transparency. 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.

Further, through the Companies (Accounts) Second Amendment Rules, 2025 revised AOC electronic forms for filing financial statements and director's report, for collection of structured corporate information directed towards more effective & disclosure-based accountability and data-based regulatory scrutiny, wherever necessitated in public interest have been prescribed.

Similarly, through the Companies (Management and Administration) Amendment Rules, 2025 revised MGT electronic forms aimed towards improving structured disclosure of annual-return and governance information filed on MCA21, have been prescribed.

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 section 92, 96, 99, 137 and 129 of the Companies Act 2013. Action under section 248 (1) of the Act read with Companies (Removal of names of companies from the Register of Companies) Rules, 2016, to strike off names of companies is also undertaken.

As regards technological intervention, MCA21 V3 functions on web-based filings which provides for real time validation with pre-filled master data, thereby reducing possibility of falsification of data.

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