

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 2978
ANSWERED ON FRIDAY, THE 28th DECEMBER, 2018
[PAUSHA 7,1940 (SAKA)]**

ACTION ON SHELL COMPANIES

QUESTION

2978. SHRIMATI V. SATHYA BAMA:

SHRI PR. SENTHIL NATHAN:

SHRIMATI VANAROJA R.:

SHRI BHARATHI MOHAN R.K.:

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

कारपोरेट कार्य मंत्री

- (a) whether the Government has sent show cause notices to several thousands of shell companies in the aftermath of demonetisation; and**
- (b) if so, the details thereof and the present status as well as the action taken by the Government in this regard and the stand of the Government on this?**

ANSWER

**MINISTER OF STATE FOR LAW AND
JUSTICE AND CORPORATE AFFAIRS
विधि और न्याय एवं कॉर्पोरेट कार्यमंत्रालय में राज्य मंत्री**

**(SHRI P.P.CHAUDHARY)
(श्री पी. पी. चौधरी)**

(a)to(b): The term 'Shell Company' is not defined in the Companies Act, 2013 (the 'Act'). However, Section 248(1) (c) of the Companies Act, 2013 provides for removal of name of company from the register of companies if it is not carrying on any business or operation for a period of 02(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. Based on the above mentioned provision, 2.97 Lakhs companies were identified under this category on 31.03.2017 and after following due process of law, names of around 2.26 Lakhs companies were struck off from the Register of Companies as on 31.12.2017. Further, during Financial Year 2018-19, a total of 2,25,910 companies have been identified for action u/s 248 of the Act and after following due process of law, names of 1,00,150 companies have been struck off from the Register of Companies. This is a continuous process. During financial year 2017-18, the Central Government has ordered investigation into the true ownership of 68 number of companies under Section 216 read with Section 210(1) (c) of the Act.
