GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 3496
ANSWERED ON MONDAY,
AUGUST 10, 2026

Enforcement proceedings under the Companies Compliance Facilitation Scheme, 2026

3496. Shri Robert Bruce C:

Will the Minister of Corporate Affairs be pleased to state:

(a) the details of the structural enforcement measures and strike-off proceedings the Registrar of Companies (RoC) is likely to deploy against defaulting firms that failed to clear corporate record backlogs before the expiration of the Companies Compliance Facilitation Scheme, 2026(CCFS-2026);

(b) whether there is a proposal to extend the compliance immunity window for micro-enterprises facing severe post-pandemic financial distress, if so, the details thereof;

(c) whether any alternate dispute resolution tracks are being institutionalized to prevent the clogging of National Company Law Tribunal (NCLT) benches, if so, the details thereof; and

(d) the measures taken by the Government to protect small retail creditors when inactive Shell companies are struck off under CCFS guidelines?

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). The Registrar of Companies is empowered to strike 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 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. The above process of strike off action is prescribed u/s 248(1) of the Companies Act read with the Companies (Removal of Name of Companies from the Register of Companies) Rules to be followed by ROCs which involves issuing notice to such companies and its directors on the removal of the name of the company from the register of companies and also granting opportunity for representation within a period of thirty days from the date of the notice.

The Companies Compliance Facilitation Scheme,2026(CCFS) does not envisage striking off companies under section 248(1) of the Companies Act ,2013. CCFS is aimed at improving compliance levels and ensuring that the corporate registry reflects accurate and up-to-date information. Additionally, it is aimed at facilitating inactive or defunct entities to opt for dormancy/closure by paying lesser fees.

(b). Vide General Circular No. 03/2026 dated 08th July, 2026, the duration of CCFS- 2026 has already been extended up to 31st August, 2026. At present, there is no proposal for any further extension.

(c). No Sir. An institutionalized framework for alternative dispute resolution through mediation and conciliation already exists under section 442 of the Companies Act, 2013.

(d). The term ‘Shell Company’ is not defined under the Companies Act 2013. Further, the CCFS does not envisage striking off companies under section 248(1) of the Companies Act, 2013.

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