

**Performance of corporate sector**

174. SHRI K.J. ALPHONS: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) how COVID-19 has affected the performance of the corporate sector in India;

(b) how does it compare with the impact of COVID-19 on corporate sector globally; and

(c) the incentives provided to the corporate sector as part of the corona stimulus?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ANURAG SINGH THAKUR): (a) and (b) The Government in the Ministry of Corporate Affairs (MCA) administers the provisions of the Companies Act, 2013/LLP Act, 2008. All companies are required to file Financial Statement and Annual Return every year and conduct Annual general Meeting. Based on the filing position of these documents, MCA observes the status of the companies and action is taken for non-filing of the same. There are no provisions to know the status of global companies in the said Act.

(c) MCA has taken steps to provide several incentives/ relaxation/concession during Lockdown period so as to reduce the burden of companies/LLPs during Covid-19 above said period which includes the following:—

- (i) Introducing Companies Fresh Start Scheme 2020 (CFSS) *vide* General Circular 12/2020 dated 30.03.2020 to enable companies to file documents without additional fees, granting immunity from prosecutions proceeding, etc.
- (ii) Introducing LLP Settlement Scheme, 2020 providing similar benefits as CFSS 2020 for the benefits of LLPs.
- (iii) Introducing Special Provisions for enabling conduct of Board and General Meetings through Video conferences by Corporates *vide* General Circular No 14/2020.
- (iv) Introducing Special provisions for filings under section 124 & 125 r/w IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016.
- (v) Introducing Special Relaxation in holding of General Meeting by Companies whose Financial Year ended on 31st December 2019 *vide* General Circular

dated 21-04-2020 and holding it through Video conferences vide General Circular No. 20/2020 and 28/2020.

- (vi) Allowing corporates for spending CSR funds for various activities which includes Healthcare, sanitation and disaster management.
- (vii) A general extension of 3 months to hold Annual General Meeting for the financial year 2019-2020 beyond 30.09.2020 has been granted to all about 12 lakhs companies by issue of order by each ROC on 08.09.2020 without any requirement to file any application of the form and without payment of fee.

**Companies closed and registered during last five months**

175. SHRI RIPUN BORA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that in the wake of COVID-19 lakhs of private companies have been shut down in last five months;
- (b) if so, the details of units closed and new companies registered during April to August, State-wise;
- (c) the number of unemployment registered and losses incurred reported; and
- (d) the proposal of Government to assess the fact and reality and action to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ANURAG SINGH THAKUR): (a) No Sir. The mandate of Ministry of Corporate Affairs (MCA) is administration of Companies Act, 2013, Limited Liability Partnership (LLP) Act, 2008 and Insolvency and Bankruptcy Code (IBC), 2016. There are provisions for removal of the name of the companies under section 248 of the Companies Act, 2013 to remove the name of the company from the Register of companies, if it is 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. Companies may file an application in the Form STK-2 to the Registrar for removing the name of the company from the register of companies and ROCs strike off such companies after following due process of law.

(b) The details of the companies registered during the period April to August, State-wise and the companies applied for strike off is given as Statement (*See* below).