

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UN-STARRED QUESTION NO. 2586
ANSWERED ON TUESDAY, DECEMBER 21, 2021**

CLOSING DOWN OF COMPANIES

QUESTION

2586 DR. V SIVADASAN:

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

- (a) whether Government is aware of the news reports that many companies have stopped functioning in India;
- (b) if so, the reasons therefor; and
- (c) if so, how many companies have stopped functioning?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

(RAO INDERJIT SINGH)

(a to c): No Sir. There are provisions for removal of name of the company under Section 248 of the Companies Act, 2013 (the Act) from the Register of companies, if it is not carrying on any business or operation for a period of 2 immediately preceding financial years and has not made any application within the said period for obtaining the status of a Dormant Company under section 455 of the Act. Registrar of Companies (ROC) removes the name of such companies from the Register of Companies after following the due process of law. Further, inactive company is defined in Explanation (i) to Section 455(1) of the Act, whereby the companies can apply to obtain the status of Dormant Company. Thus, the removal of the names of the companies from the Register of Companies, granting the status of a dormant company, is a continuous process. The details of such companies are as under: -

Year	No. of companies removed from the Register of Companies under Section 248(1) and 248(2) of the Act.	No. of Dormant Companies
2019-20	2,933	48
2020-21	12,892	19
