GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 4001
ANSWERED ON FRIDAY THE 9th DECEMBER, 2016
[AGRAHAYANA 18, 1938(SAKA)]

NON-FUNCTIONAL COMPANIES

QUESTION

4001. SHRIMATI REKHA VERMA:

Will the Minister of CORPORATE AFFAIRS   कारपोरेट कार्य मंत्री
be pleased to state:

(a) whether the number of non-functional companies has increased in the country including Uttar Pradesh;

(b) if so, the details thereof and the reasons therefor, for the last three years and during current year, Year/State/UT-wise;

(c) whether there is any scheme/provision for easy exit of these non-functional companies from the ROCs; and

(d) if so, the details along with the companies which have exited from ROCs thereof, Year/State/UT-wise?

ANSWER
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**THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS   (SHRI ARJUN RAM MEGHWAL)**

कारपोरेट कार्य मंत्रालय में राज्य मंत्री   (श्री अर्जुन राम मेघवाल)

(a)&(b) Companies Act does not define Non-functional Companies.

Section 455 of Companies Act 2013 defines 'inactive company' as a

company which has not been carrying on any business or operation,

-: 2 :-

or has not made any significant accounting transaction during the last two financial years, or has not filed financial statements and annual returns during the last two financial years. State/UT-wise number of inactive companies for the last three years and current year is at Annexure-I

(c) & (d):- Section 560 of the Companies Act, 1956 (corresponding provision in Companies Act, 2013 is Section 248, which is not yet notified) provides for striking off the names of those companies which have not been carrying on business or not in operation, if the Registrar of Companies has a reason to believe so, after following prescribed procedure. During June 2011, the Ministry had introduced a Fast Track Exit (FTE) mode for defunct companies to approach the Registrar of Companies from time to time for striking off their names, which is still continuing. The number of companies which have been struck off, including those which availed FTE mode during the years 2013-14, 2014-15, 2015-16 and (till 30.11.2016) are given in Annexure-II.

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Annexure referred to in Part (a) & (b) of the Answer to Lok Sabha Unstarred Question No.4001 for 9.12.2016

	Number of inactive companies			
State/UT	As on 31.03.2014	As on 31.03.2015	As on 31.03.2016	up to 31.10.2016
Andaman and Nicobar Islands	46	46	46	46
Andhra Pradesh	22,968	5,390	5,374	5,365
Arunachal Pradesh	10	9	9	9
Assam	176	174	174	173
Bihar	1,244	1,208	1,205	1,204
Chandigarh	1,120	1,103	1,090	1,090
Chhattisgarh	255	244	243	243
Dadar Nagar Haveli	56	51	45	50
Daman and Diu	23	22	15	22
Delhi	28,564	28,179	28,076	28,066
Goa	452	443	440	438
Gujarat	11,019	10,846	10,823	10,793
Haryana	2,188	2,169	2,154	2,101
Himachal Pradesh	427	413	410	410
Jammu and Kashmir	984	978	974	972
Jharkhand	635	614	611	607
Karnataka	8,040	7,884	7,823	7,834
Kerala	2,273	2,212	2,194	2,177
Lakshadweep	2	2	-	2
Madhya Pradesh	1,363	1,335	1,320	1,311
Maharashtra	34,704	33,919	33,717	33,598
Manipur	17	17	17	17
Meghalaya	14	13	13	13
Mizoram	7	7	7	7
Nagaland	25	25	25	25
Orissa	576	566	567	562
Pondicherry	230	228	227	227
Punjab	2,065	2,014	2,000	2,000
Rajasthan	1,424	1,390	1,383	1,381
Sikkim	-	-	-	-
Tamil Nadu	15,721	15,413	15,375	15,352
Telangana		17,210	17,150	17,133
Tripura	5	5	5	5
Uttar Pradesh	4,818	4,371	4,320	4,317
Uttarakhand	87	82	81	82
West Bengal	835	791	778	778
Grand Total	**142,373**	**139,373**	**138,691**	**138,410**

Annexure referred to in Part (c) & (d) of the Answer to Lok Sabha Unstarred Question No.4001 for 9.12.2016

Number of companies struck off				
Sl. No.	State/UT	As on 31.03.2014	As on 31.03.2015	As on 31.03.2016	up to 31.10.2016
1	Andaman and Nicobar Islands	5	5	5	5
2	Andhra Pradesh	8,038	2,061	2,175	2,083
3	Arunachal Pradesh	234	234	235	240
4	Assam	2,630	2,644	2,684	2,714
5	Bihar	2,278	2,410	2,624	3,250
6	Chandigarh	3,601	3,933	4,110	4,185
7	Chhattisgarh	984	1,017	1,070	1,085
8	Dadra &Nagar Haveli	31	35	41	39
9	Daman and Diu	51	51	50	54
10	Delhi	38,674	40,977	44,165	45,393
11	Goa	1,177	1,227	1,263	1,346
12	Gujarat	12,476	12,939	13,795	14,083
13	Haryana	2,206	2,428	2,826	2,941
14	Himachal Pradesh	1,046	1,081	1,184	1,232
15	Jammu and Kashmir	561	593	611	626
16	**Jharkhand**	**963**	**1,067**	**1,145**	**619**
17	Karnataka	13,768	14,599	15,194	15,383
18	Kerala	8,453	8,774	9,308	9,480
19	Lakshadweep	-		-	-
20	Madhya Pradesh	7,109	7,298	7,694	7,851
21	Maharashtra	45,936	29,862	31,346	33,799
22	Manipur	154	153	153	153
23	Meghalaya	314	316	321	329
24	Mizoram	53	53	53	54
25	Nagaland	262	261	262	263
26	Odisha	5,055	5,433	5,478	5,533
27	Puducherry	1,096	1,117	1,134	1,137
28	Punjab	7,852	8,405	8,645	8,766
29	Rajasthan	6,430	6,994	7,707	8,071
30	Sikkim	-	-	-	-
31	Tamil Nadu	24,535	25,383	26,585	26,753
32	Telangana	-	6,448	7,091	7,144
33	Tripura	78	80	82	83
34	Uttar Pradesh	10,680	11,111	12,129	12,209
35	Uttarakhand	659	743	777	775
36	West Bengal	37,816	38,685	39,548	40,235
	Grand Total	**245,205**	**238,417**	**251,490**	**257,913**

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