GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 171
ANSWERED ON TUESDAY, THE 15TH SEPTEMBER, 2020

Converting Loss Making Corporate Units in Profit Making

QUESTION

171 #. SHRI SATISH CHANDRA DUBEY:

Will the Minister of CORPORATE AFFAIRS be pleased to state;

(a) the number of corporate units currently running in profits and losses respectively;

(b) the efforts being made to strengthen corporate units (industries) more, in this era of competition; and

(c) the efforts being made to convert the currently loss making units into the profit making ones ?

ANSWER

THE MINISTER OF STATE FOR FINANCE AND CORPORATE AFFAIRS (SHRI ANURAG SINGH THAKUR)

(a) to (c): 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. The term "Corporate Units" are not defined under the Companies Act and therefore, MCA does not maintain any information regarding corporate units. However, every company including unlisted company is required to file its Financial Statements (FS) and Annual Returns (AR) with the concerned Registrar of Companies (ROC) under the control of Ministry of Corporate Affairs (MCA). Such records are kept in MCA 21 Portal and are kept open for public inspection. Handling of day-to-day affairs and maintaining the financial health of a company is with the Board of Directors of the company under the supervision of its shareholders/promoters.

The due date for filing FS by the companies is 30.09.2020. Further, the last date for folding Annual General Meeting (AGM) has also been extended by the ROCs vide Order dated 08.09.2020.

Therefore, based on the information available in the Profit and Loss Account, the number of the companies currently running in profits and losses respectively is given as under:

No. of companies currently running in profits	No. of companies currently running in Loss
3,63,255	3,80,165

As far as MCA is concerned, the Ministry has taken steps to provide several incentives/ relaxation/concession during Lockdown period so as to reduce the burden of companies/LLPs during Covid-19 April to August, 2020 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, grating 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.

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