

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
UN-STARRED QUESTION NO. 1971
ANSWERED ON TUESDAY, MARCH 10, 2026**

Special exit mechanism for struck-off companies in Goa

QUESTION

1971. Shri Sadanand Mhalu Shet Tanavade:

Will the Minister of CORPORATE AFFAIRS
be pleased to state:

- (a) whether Government has assessed the number of companies in Goa that have been struck-off from the Register-of-Companies during the last fifteen-years and are facing difficulty in achieving final exit or closure;
- (b) whether Government is aware that directors of such companies in Goa must appear before the National Company Law Tribunal (NCLT) for revival, liquidation, or related-matters, causing financial hardship;
- (c) whether Government is considering a simplified and time-bound exit mechanism, including a single-window process, to enable settlement of cases relating to struck-off companies and reduce pendency before the NCLT; and
- (d) whether region-specific measures are being considered to promote Ease of Exit in Goa?

ANSWER

Minister of State in the Ministry of Corporate Affairs; Minister of State in the Ministry of Road Transport and Highways.

(Shri Harsh Malhotra)

(a): Section 248(1) of the Companies Act empowers the Registrar of Companies (RoC) to remove a company's name from the register of companies if the company has not started its business within one year of incorporation; the company is not carrying on any business or operations, as revealed after the physical verification carried out under sub-section (9) of section 12; has not conducted any business or operations for two consecutive financial years and has not applied for dormant company status; or if the subscribers to the memorandum have not paid their subscription amount within the prescribed time. Before removing the company's name, the RoC sends notices to the company and its directors informing them of the intention to strike off the company.

Further under Section 248(2) of the Companies Act, companies may voluntarily seek removal of their name from the Registrar of Companies after extinguishing all its liabilities by following due process. Once removed, the company is considered dissolved and ceases to exist as a legal entity. A company under liquidation cannot be struck off. There are no other legal provisions regarding final exit or closure after the above process of strike off.

(b): Companies struck off under section 248 of the Act may be revived under section 252 of the Companies Act by the National Company Law Tribunal (NCLT) on an application moved

by any aggrieved person within 3 years of the Registrar's order of striking off the company's name. The Registrar of Companies may also apply for restoration to NCLT within 3 years if the strike-off occurred inadvertently or due to incorrect information. Further, the company, member, creditor, or workman may also seek restoration within 20 years from the publication of the strike-off notice before the NCLT.

(c) & (d): No such mechanism or region-specific measures are under consideration as existing provisions of Companies Act, 2013 are adequate.
