

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UN-STARRED QUESTION NO. 209
ANSWERED ON MONDAY, THE 29TH NOVEMBER, 2021
[AGRAHAYANA 8, 1943 (SAKA)]**

CLOSURE OF COMPANIES

QUESTION

209. SHRI ANNASAHEB SHANKAR JOLLE:

SHRI D. M. KATHIR ANAND:

SHRI B.Y. RAGHAVENDRA:

SHRI PRATHAP SIMHA:

SHRI L.S. TEJASVI SURYA:

SHRI SANGANNA AMARAPPA:

DR. UMESH G. JADHAV:

Will the Minister of CORPORATE AFFAIRS

be pleased to state:

(a) the details of the total number of companies, registered with the Registrar of Companies, closed down after the demonetization, GST and COVID pandemic, State-wise;

(b) the various steps taken by the Government to support sick and sinking companies and bring them back to normalcy.

(c) whether the Government has announced any amnesty schemes or financial support for the revival of such distressed companies; and

(d) if so, the details thereof?

ANSWER

THE 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 FOR CORPORATE AFFAIRS

[RAO INDERJIT SINGH]

(a): Ministry of Corporate Affairs (MCA) administers the provisions of the Companies Act, 2013 (the Act), The Limited Liability Partnership Act, 2008 and The Insolvency and Bankruptcy Code, 2016. MCA does not maintain data on event base. However, the total number of new companies registered from 1.04.2016 to 31.3.2021 and till date is as per Annexure A. The term "closed company" is also not defined under the Act. However, pursuant to the provisions of section 248 (1) of the Act where the Registrar has reasonable cause to believe that companies that are 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 under section 455, shall after following the due process of law, struck off those companies from the Register of Companies.

Further, Companies are also dissolved through amalgamation or otherwise with the approval of the Hon'ble courts. Accordingly, the details of number of such companies from 1.04.2016 to 31.3.2021 and till date are as per Annexure B

(b) to (d): MEASURES TAKEN BY MCA TO ADDRESS THE COVID-19 PANDEMIC.

(i) The Companies Fresh Start Scheme, 2020 was launched to make a fresh start for companies to be a fully compliant company by allowing them to file belated documents in MCA 21 registry without any additional fees from 1st April to 31st December 2020. The said scheme has also given immunity from prosecutions and proceedings for imposition of penalty which might arise on account of such delayed filing of documents. As per records, 473131 number of Indian Companies and 1065 number of Foreign Companies have been benefited by availing the CFSS, 2020 scheme for filing their pending documents.

(ii) The MCA introduced an LLP Settlement Scheme, 2020 to provide one-time relaxation in additional fees to the defaulting Limited Liability Partnerships ('LLPs') to make good their defaults by filing pending documents with the Registrar of Companies ('ROC' or 'Registrar') to ease the hassle of business enterprises. The said scheme was initially rolled out from 16.03.2020 to 31.03.2020 for certain filings by LLPs. However, due to the COVID 19 pandemic the modified scheme to cover all e forms was rolled out from 01.04.2020 to 31.12.2020. Under the said scheme, the defaulting LLPs were permitted to file belated documents and the LLPs shall not be subjected to prosecution for such defaults. As per records 105643 LLPs have been benefited by availing the LLP settlement scheme 2020 for filing their pending documents.

(iii) Keeping in view the second COVID wave and considering the difficulties arisen due to resurgence of COVID-19 pandemic, the Ministry has granted relaxation on levy of additional fees for companies / LLPs in filing certain forms (other than a CHG-1 Form, CHG-4 Form, and CHG-9 Form). Accordingly, no additional fees shall be levied up to 31st July 2021 for the delayed filing of forms (other than charge related forms referred above) which were / would be due for filing during 1st April, 2021 to 31st May, 2021. For such delayed filings up to 31st July 2021 only normal fees shall be payable. The said time limit has been further extended to 31st August 2021 vide General Circular No.11/2021 dated 30.06.2021.

(iv) In the wake of COVID 19 and to provide relief to law abiding companies a scheme was launched for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 during the period from 01st March to 31st December, 2020.

(v) Considering the difficulties arisen due to resurgence of COVID-19 pandemic, the Ministry vide General Circular no. 7/2021 dated 03.05.2021 has granted relaxation of timelines and condoned the delay in filing forms that are related to creation / modification of charges (CHG-1 Form and CHG-9 Form) by a company or charge holder and where the date of creation / modification of charge is (i) before 1.4.2021, but the time line for filing such form had not expired under section 77 of the Act as on 1.4.2021; or (ii) falls on any date between 1.4.2021 to 31.5.2021 (both dates inclusive). In the said circular, the detail of relaxation of time and applicable fees for filing the aforesaid forms was prescribed. The Ministry further extended the aforesaid relaxation in the time for filing forms related to creation or modification of charges under the Companies Act, 2013 by substituting the figures “31.05.2021” and “01.06.2021” wherever they appear in the General Circular No. 07/2021 dated 03.05.2021 with the figures “31.07.2021” and “01.08.2021” respectively.

(vi) MCA has announced a Condonation of Delay Scheme for Companies restored by NCLT between 1st December, 2020 to 31st December, 2020 under section 252 of the Companies Act, 2013. The Scheme provides to condone delay in filing forms with the Registrar, and spares payment of additional fees. This Scheme was in operation from 01st February 2021 and was available for filing of any overdue e-forms by such companies till 31st March 2021.

(vii) In order to provide relief to the companies in view of COVID-19 pandemic, the companies have been allowed to conduct Board Meetings through Video Conference (VC) or other audio-visual means for passing resolutions in respect of matters which were earlier required to be passed in meetings which required physical presence of directors by amending the Companies (Meetings of Board and its Powers) Rules 2014 from time to time during COVID-19 pandemic. Such facility to the companies was allowed till 30th June, 2021. (Initially it was till 30.06.2020, then extended to 30.09.2020 and 31.12.2020). Thereafter, considering the second COVID wave, Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 has been omitted vide notification dated 15.06.2021 to provide that all the matters can be deliberated & resolutions passed by Board of Directors through video conferencing or other audio visual means. The measure will provide increased flexibility to Boards of companies for conducting Business and further the Ease of Doing Business objective of the Government.

(viii) The companies have been allowed to hold Extraordinary General Meetings (EGMs) through Video Conferencing (VC) or other audio-visual means (OAVM) complemented with e-Voting facility/simplified voting through registered emails till 30th June, 2021. Considering the second wave of COVID-19, the Ministry has extended the aforesaid time limit to 31st December, 2021.

(ix) The companies have been allowed to conduct their Annual General Meetings (AGMs) by Video Conferencing (VC) or other audio-visual means (OAVM) whose AGMs were due to be held in the year 2020 or become due in the year 2021 to conduct their AGMs on or before 31.12.2021. Owing to the difficulties in sending physical copies of the financial statements, the companies are also allowed to send the financial statements, along with Board's reports, Auditor's reports and other documents required to be attached therewith, only through email.

(xi) The Registrar of Companies on the advice of Ministry had given extension of time in holding of Annual General Meeting for the financial year ended on 31 March, 2020 till 31st December, 2020 (The maximum period which can be extended by the Registrar of Companies under section 96 of the Act).

(xii) Quality of disclosures strengthened through amendments made in the formats of financial statements, Companies (Accounts) Rules, Companies (Audit and Auditor's) Rules and the Companies (Auditor's Report) Order, 2020. The Companies (Auditor's Report) Order, 2020 has now been made applicable from the audit of financial statements for the financial year 2021-22 to ease the compliance requirement by auditors and the companies.

(xiii) The Companies (Indian Accounting Standards) Rules, 2015 have been amended vide notification dated 18.06.2021 inter-alia to extend the benefits of COVID-19 related rent concession, that were introduced last year, from 30th June, 2021 to 30th June, 2022.

(xiv) The mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 (CA-13) (120 days) were extended by a period of 60 days till next two quarters i.e., till 30th September, 2020. Considering the second COVID wave, the Ministry further extended the aforesaid relaxation for the year 2021-22 and accordingly the time gap between two consecutive meetings of the Board may extend to 180 days during the Quarter – April to June 2021 and Quarter – July to September, 2021, instead of 120 days as required in the Companies Act, 2013.

(xv) Independent Directors (IDs) of a company have been given relaxation from holding atleast one mandatory meeting and accordingly for the financial year 2019-20, if the IDs of a company have not been able to hold such a meeting, the same has not been viewed as a violation.

(xvi) The Ministry enhanced the period to thirteen months from 1st December, 2019 within which existing Independent directors may apply online for inclusion of their names in the databank for Independent Directors vide amendments in the Companies (Appointment & Qualification of Directors) Rules, 2014 from time to time. Further, the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 have been amended vide notification dated 18.06.2021 to provide that in case an individual has delayed in applying to the Institute for inclusion

of his name in the data bank of Independent Directors or in case of delay in renewal thereof, the Institute shall allow such inclusion or renewal, as the case may be, after charging a further fees of one thousand rupees on account of such delay. Through this amendment requests made by a large number of stakeholders to grant additional time for delayed applications in view of Covid-19 pandemic have been addressed.

(xvii) Timeline for creation of deposit repayment reserve of 20% under section 73(2)(c) of CA-13 and to invest or deposit 15% of amount of debentures under rule 18 of Companies (Share Capital and Debentures) Rules, 2014 was extended till 31st December, 2020.

(xviii) An additional period of 180 more days has been allowed to comply with the requirement of filing a declaration for Commencement of Business by newly incorporated companies.

(xix) Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of the CA-13 shall not be treated as a non-compliance for the financial year 2019-20 and 2020-21.

(xx) Till 31st December, 2020, the inability to dispatch the notice for Rights Issues by listed companies to their shareholders through registered post or speed post or courier would not be viewed as violation of section 62(2) of the Act provided these companies comply with the SEBI Circulars dated 6th May, 2020 and 24th July, 2020 which inter-alia provide the mode/manner of issuance of notice by electronic transmission by listed companies.

(xxi) Requirement for investing 15% of amount of debentures maturing in a particular year in specified instruments has been done away with for Listed companies & NBFCs when such debentures are issued on a private placement basis.

(xxii) Time allowed to Auditors and Audit Firms for filing NFRA-2 form with the NFRA has been extended till a total period of 270 days in view of the difficulties faced during COVID-19 related disruption.

(xxiii) The expenditure incurred by companies on activities relating to Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) Veterans, and their dependents including widows has been considered as CSR expenditure.

(xxiv) Last date of submission of Cost Audit Report by the Cost Auditor to the management of the company has been extended till 31st December 2020 and additional fee has been relaxed for filing of CRA-4 (form for filing of cost audit report) for financial year 2019-2020. MCA vide circular no. 15/2021 dated 27.09.2021 has extended last date of filing of submission of Cost Audit Report for the financial year 2020-21

by 31st October, 2021 and further extended upto 30th November, 2021 vide circular no. 18/2021 dated 29.10.2021.

(xxv) MCA vide General Circular No.17/2021 dated 29.10.2021 has provided relaxation on levy of additional fees in filing of e-forms AOC-4, AOC-4 (CFS), AOC-4, AOC-4 XBRL AOC-4 Non-XBRL and MGT-7/MGT-7A for the financial year ended on 31.03.2021 under the Companies Act, 2013.

Annexure in reply to Part (a) of Lok Sabha Unstarred Question No. 209 dated 29.11.2021

The total number of new companies registered from 1.04.2016 to 31.3.2021 and till date.

State	2016-17	2017-18	2018-19	2019-20	2020-21	1.4.2021 to till date
Chandigarh	460	449	498	509	614	445
Delhi	16,025	15859	30	14664	16119	10783
Haryana	4,235	4730	5796	5931	7704	5127
Himachal Pradesh	340	393	451	437	616	497
Jammu & Kashmir	274	457	1545	494	820	677
Ladakh	0	0	0	5	14	17
Punjab	1,037	1321	127	1589	2071	1583
Rajasthan	2,693	3044	3625	3977	5638	3934
Uttar Pradesh	8,685	10482	12403	12279	16128	11246
Uttarakhand	677	870	1062	1179	1349	981
Arunachal Pradesh	16	37	37	32	67	42
Assam	410	523	676	828	1203	1032
Bihar	2,709	3475	3898	4242	5613	3806
Jharkhand	1,031	1340	555	1426	2047	1315
Manipur	51	126	2751	225	217	154
Meghalaya	20	30	195	39	49	45
Mizoram	12	15	22	26	18	52
Nagaland	26	21	29	35	57	44
Sikkim	2	0	2161	2049	0	0
Orissa	1,525	1754	0	0	3147	2189
Tripura	36	42	102	115	125	118
West Bengal	4,751	4885	5726	5677	7198	5501
Chattisgarh	537	510	656	837	1379	951
Dadra & Nagar Haveli	17	24	21	16	54	31
Daman and Diu	12	17	15928	18	25	14
Goa	293	316	384	390	409	278
Gujarat	4,628	4774	5642	5780	8188	5727
Madhya Pradesh	2,174	2356	23022	2942	4353	2924
Maharashtra	17,507	19460	25	22686	28062	20085
Andaman and Nicobar Islands	50	50	41	36	43	39
Andhra Pradesh	2,330	2425	2796	2815	3439	2242
Karnataka	8,902	9755	11066	10439	12280	8692
Kerala	3,067	3933	4716	4478	6409	4154
Lakshdweep	0	0	4	2	7	0
Pondicherry	93	122	1569	133	155	83
Tamil Nadu	6,647	7411	8177	8212	9632	7260
Telangana	6,568	7069	8202	8179	10128	7030
Total	97,840	108075	123938	122721	155377	109098

Annexure in reply to Part (a) of Lok Sabha Unstarred Question No. 209 dated 29.11.2021**The total number of companies Closed from 1.04.2016 to 31.3.2021 and till date.**

State	2016-17	2017-18	2018-19	2019-20	2020-21	1.4.2021 to till date
Chandigarh	97	1,538	484	11,796	174	206
Delhi	2,107	45,581	1,360	2,260	2391	2054
Haryana	171	4,086	27,895	189	436	384
Himachal Pradesh	52	776	4,164	143	201	49
Jammu & Kashmir	6	1,539	497	607	1	81
Punjab	190	3,042	255	4,663	340	387
Rajasthan	508	5,455	2,247	6,013	510	345
Uttar Pradesh	328	7,978	4,210	85	1984	990
Uttarakhand	20	832	7,799	354	3	0
Arunachal Pradesh	5	15	20	43	3	0
Assam	59	202	277	572	78	5
Bihar	93	1,557	2,584	1,984	198	4
Jharkhand	49	633	1,334	415	143	179
Manipur	0	9	19	53	4	0
Meghalaya	4	30	33	59	10	0
Mizoram	3	2	4	8	0	0
Nagaland	1	10	30	48	2	0
Sikkim	0	0	2,022	0	0	0
Orissa	41	1,871	0	775	99	135
Tripura	2	16	24	48	2	0
West Bengal	2,248	8,238	10,132	8,552	538	4230
Chattisgarh	55	990	550	365	60	51
Dadra & Nagar Haveli	1	46	2,057	9	2	5
Daman and Diu	1	15	30,855	327	1	2
Goa	69	1,792	32	2,301	43	41
Gujarat	909	11,973	13	1,245	353	1585
Madhya Pradesh	381	5,000	258	9,103	152	445
Maharashtra	4,156	62,342	6,850	13	2661	5390
Andaman and Nicobar Islands	0	76	24	16	2	0
Andhra Pradesh	15	3,863	3,891	1,001	9	662
Karnataka	122	18,924	4,397	2,955	1104	1593
Kerala	188	4,200	2,852	5,867	987	543
Lakshdweep	0	3	2	5,471	0	0
Pondicherry	13	586	40	3,511	35	9
Tamil Nadu	722	24,969	9,376	3	1374	1684
Telangana	192	18,073	16,646	118	774	1498
Total	12,808	236,262	143,233	70,972	14674	22557
