

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 2252  
ANSWERED ON MONDAY, 9<sup>th</sup> DECEMBER 2024  
Agrahayana 18, 1946 (Saka)**

**De-Registering of Defunct and Inactive Companies**

**2252. Shri Madhavaneni Raghunandan Rao:**

**Will the Minister of CORPORATE AFFAIRS  
be pleased to state:**

- (a) whether the Government has any scheme to permit winding up of inactive companies across the country;**
- (b) the number of companies registered as on date with Registrar of companies in Telangana;**
- (c) the number of such companies have been deemed to be inactive; and**
- (d) the steps taken/proposed to be taken to assist entrepreneurs to de-register defunct and inactive companies in Telangana?**

**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) to (d): As per Section 455(1) of the Companies Act, 2013, any company which has not been carrying on any business or operation or has not made any significant accounting transaction during last two Financial Years (FYs) or failed to file Financial Statements (FS) and Annual Returns (AR) for last two FYs is considered as an inactive company.**

**Under Section 248(2) of the Act, a company may voluntarily file application for strike off if it has not commenced business within one year of incorporation or not been carrying on any business or operation for a period of two immediately preceding FYs without obtaining the status of a dormant company.**

**The Ministry has set up Centre for Processing Accelerated Corporate Exit (C-PACE) centralizing the voluntary strike off process of inactive companies in a fast-track mode in order to facilitate 'Ease of Doing Business'. All such inactive companies may now file application for voluntary strike off with RoC, C-PACE after extinguishing all of their liabilities.**

**As on 30<sup>th</sup> November 2024, there are 164,471 registered companies with the Registrar of Telangana, which includes active and inactive companies and companies closed, under liquidation, under process of striking off, dormant etc. As per MCA 21 data, 33,922 companies for the FY 2022-23 and 55,329 companies for FY 2023-24 have not filed their FS and AR in the Telangana state.**

**There is no requirement for introducing any scheme relaxing filing of pending returns, since as a permanent measure a proviso has been added to Rule 4(1) of the Companies (Removal of Names of Companies From the Register of Companies) Rules, 2016 vide notification dated 10.05.2023 relaxing the requirement of filing of overdue Financial Statements and overdue Annual Returns after the Financial year in which the company ceased to carry its business operations as a further measure of ease of doing business.**

**Hence, an inactive company may file application for strike off without any requirements of filing FS and AR after the FY in which it ceased to carry on any business. This relaxation in the Rules is applicable to all eligible companies including companies of Telangana.**

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