

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

STARRED QUESTION NO:184
ANSWERED ON:22.08.2013
EASY EXIT SCHEME
Adhi Sankar Shri

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the number of defunct/inactive companies in the country have risen over the years;
- (b) if so, the details thereof during the last three years;
- (c) whether the Government has announced the 'Easy Exit Scheme' for defunct companies to get their names struck off by the Registrar of companies;
- (d) if so, the details thereof and the response of the companies thereto; and
- (e) the other steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE (SHRI SACHIN PILOT) (INDEPENDENT CHARGE) IN THE MINISTRY OF CORPORATE AFFAIRS

(a) to (e):- A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN ANSWER TO LOK SABHA STARRED QUESTION NO. 184 FOR 22.08.2013 REGARDING EASY EXIT SCHEME.

(a) to (e) The Ministry of Corporate Affairs launched "Fast Track Exit Mode" on 03.07.2011 to provide an opportunity for defunct companies under Section 560 of the Companies Act, 1956 for getting their names struck off from the register of companies, to facilitate the exit of such defunct companies without getting into the process of winding up.

Number of defunct companies during last three years and companies who have so far availed Fast Track Exit Mode are tabulated as under:-

Year	Number of Defunct Companies
31.12.2010	1,75,804
31.12.2011	2,20,906
31.12.2012	2,35,485

Year	Number of Companies (availed FTE Mode for striking off their names)
31.12.2011	2752
31.12.2012	7611
31.07.2013	8830

The Companies Bill 2013 recently passed by both houses of Parliament has a provision (Clause 455) which introduces a new concept of 'dormant companies'. Such companies which do not have significant accounting transactions are permitted to obtain the status of a 'dormant company'.