

One-third of over 13 lakh registered firms in India inactive

The country might have more than 13 lakh registered companies but over one-third of them are either inactive or closed. With increasing business activities, the count of new companies is on the rise with as many as 1.5 lakh firms getting registered in one-and-a-half years, according to data available with the corporate affairs ministry.

However, many of the registered companies have either been shut down, dormant or in the process of getting liquidated. Official data show that there were about 13.29 lakh companies registered at the end of June this year. Out of them, there are only around "8.84 lakh active companies", indicating that one-third of the total entities are inactive.

Around 1.5 lakh new companies were incorporated in the preceding eighteen months of June 2013.

Till June this year, as many as 2.6 lakh companies were closed down for various reasons including voluntary winding up and on court orders.

According to the ministry, there were about 30,386 companies in the process of being liquidated. Besides, 1.44 lakh firms have been classified as dormant, since they have not filed their annual returns/balance sheets for more than three consecutive years.

In June alone, as many as 8,064 companies were registered under the Companies Act, 1956. Out of them, more than 7,700 entities were from the private sector.

(Indian Express)