

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
UN-STARRED QUESTION NO. 1650
ANSWERED ON TUESDAY, AUGUST 6, 2024
15 Shravana, 1946 (Saka)

EASY EXIT OF COMPANIES

QUESTION

1650: Shri Ghanshyam Tiwari:
Dr. Anil Sukhdeorao Bonde:
Ms. Kavita Patidar:

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

- (a) whether there are any schemes in place to facilitate easy exit of companies;
- (b) if so, the salient features of the said schemes along with their present status; and
- (c) the details of achievements made so far under the said schemes?

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 (c): In order to ensure an easy exit process for companies seeking voluntary exit u/s 248(2) of the Companies Act, 2013 and to improve the ease of doing business, in the Budget Announcement of 2022-23 it was envisioned that a Centre for Processing Accelerated Corporate Exit (C-PACE) with process reengineering, would be established to facilitate and speed up the voluntary corporate exit of companies from 2

years to less than 6 months. This was in line with the setting up of the Central Registration Centre (CRC) in 2016 under which incorporation of new companies and LLPs has been taken up on a pan India basis leading to an increase in incorporation from 64,395 companies and 14,682 LLPs during 2014-15 to 1,85,314 companies and 58,990 LLPs during 2023-24. Presently, the average time is being taken for incorporation of such entities, is 1-3 days.

Accordingly, the Ministry established C-PACE vide notification dated 17th March 2023 having pan-India jurisdiction to process applications for voluntary strike off of companies under Section 248(2) of the Companies Act, 2013 centrally so as to benefit the stakeholders by providing a hassle-free filing, timely and process-bound striking off their company's name from the Register. Before the C-PACE was operationalized on 01.05.2023, there were more than 10,000 applications for voluntary strike off of companies pending with various Registrars of Companies across the country. After its operationalization, 21372 number of companies have been struck off/dissolved during the period 01.05.2023 to 22.07.2024. Presently, only less than 2000 such applications are pending with the RoC, C-PACE at various stages of processing. The average time taken for processing of such applications has come down to below 90 days.
