# GOVERNMENT OF INDIA MINISTRY OF CORPORATE AFFAIRS LOK SABHA

## **UNSTARRED QUESTION NO.1174**

# ANSWERED ON MONDAY, DECEMBER 1L.1, 2023/ AGRAHAYANA 20, 1945(Saka)

#### **SPECIAL CAMPAIGN 3.0**

## **QUESTION**

1174. SHRI PARBATBHAI SAVABHAI PATEL:

SHRI RAJENDRA AGRAWAL:

SHRI DHARMENDRA KASHYAP:

**SHRI DUSHYANT SINGH:** 

**DR. NISHIKANT DUBEY:** 

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the details of the month-long Special Campaign 3.0 undertaken by the Government in October 2023:
- (b) the details of the number of pending matters disposed during the Special Campaign;
- (c) the impact of the cleanliness drive and the future plans of the Government to reduce the physical materials and shifting to 100% digital documentation, if any;
- (d) the steps taken/being taken by the Government to reduce the number of pending litigations under the Companies Law;
- (e) the data regarding the number of cases withdrawn or reduced as part of the efforts of the Government to reduce the litigation burden; and
- (f) the steps taken/being taken by the Government to improve the ease of doing business and boost the corporate Governance framework in the country?

#### **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 IN THE MINISTRY OF CORPORATE AFFAIRS

(RAO INDERJIT SINGH)

- (a): A month long Special Campaign 3.0 has been undertaken by Ministries and Departments of Govt. of India. During the implementation phase from 2<sup>nd</sup> October to 31<sup>st</sup> October 2023, the Ministry of Corporate Affairs along with its field offices & Organisations under the purview of Ministry of Corporate Affairs actively participated in Special Campaign 3.0 to dispose of all the pending matters as per the parameters identified during the preparatory phase including cleanliness campaign.
- (b): The Ministry has disposed of identified pending matters such as 01 PMO reference; 05 VIP references; 01 Inter Ministerial Consultation (IMC) reference and 374 public grievances pending as on 30.09.2023 leading to 100% achievement of the targets identified and set at the beginning of the campaign.

- (c): The Cleanliness drive resulted in freeing of 1135 sq. ft. of the area by disposing two non-serviceable vehicles and unusable items generating a revenue of Rs.3.58 lakhs (approx.). The walls, pillars and corridors were decorated with paintings, pots and small plants making the offices cleaner and greener as a complimentary step towards Swachh Bharat. To encourage digital documentation, all papers/documents filed by Corporates under Companies Act, 2013 and LLP Act, 2018 have been prescribed to be filed in paperless mode electronically through MCA21 portal of the Ministry.
- (d) & (e): The Ministry has constituted a Committee to undertake a thorough review of all the pending litigation. Accordingly, 14,247 prosecutions were withdrawn in Special Drive-I in 2017 and sanction has been accorded for withdrawal of 7,338 compoundable cases in Special Drive-II under "Action Plan for Special Arrears Clearance Drives".
- (f): The Ministry of Corporate Affairs has taken a number of steps to provide Ease of Doing Business and ease of living by reducing various compliance burden on law abiding corporates and simplified procedure for Starting a Business in the Country which are as under:-
- (i) set up the Central Registration Centre (CRC) for processing of "Name Availability" and "Incorporation" relating e-Forms.
- (ii) The Ministry of Corporate Affairs has deployed a new Web Form christened SPICe+ which along with a linked form called AGILE PRO-S provides various services through a single integrated web form, namely:-

i.Name Reservation, ii Incorporation, iii. PAN, iv. TAN, v. DIN, vi. EPFO Registration, vii. ESIC Registration, viii. GST number, ix. Bank Account Number by various Banks, x. Profession Tax Registration (Mumbai, Karnataka and West Bengal (Kolkata) and xi. Delhi Shops and Establishment Registration.

An entrepreneur can incorporate a company within a day and start a business within 2-3 days as all the necessary registration to start a business are provided through the web form.

- (iii) This Ministry vide notification no. GSR (E) 795 dated 24.12.2020 through the Companies (Incorporation) Third Amendment Rules, 2020 has provided for extension of reservation of name in certain cases through a simple web service available at www.mca.gov.in.
- (iv) To simplify the incorporation of Limited Liability Partnerships (LLPs), the Ministry has introduced a web based form namely FiLLiP (Form for incorporation of Limited Liability Partnership) which deals with the single application for reservation of name, incorporation of a new LLP, and/or application for allotment of DIN/DPIN.
- (v) To improve Ease of Doing Business and Ease of Living for law abiding corporates, 51 offences have been decriminalized in the Companies Act, 2013 and 12 offences have been decriminalized in LLP Act, 2008 through the Limited Liability Partnership (Amendment) Act, 2021. Thus, total 63 offences have been decriminalized.

- (vi) Through, Limited Liability Partnership (Amendment) Act, 2021, the concept of "Small LLP" in line with the concept of "Small Companies" based on the criteria of turnover or contributions has been introduced alongwith recognition of startup LLPs. Small LLP shall be subject to lesser compliances, lesser fee or additional fees etc. so as to reduce the cost of compliances.
- (vii) One Person Companies:- Provisions with regard to incorporation and functioning of oneperson companies (OPCs) revised significantly so as to incentivize incorporation of more OPCs. Now NRIs are also allowed to incorporate OPCs.
- (viii) Ease of compliance on 'Small Companies'

To facilitate the ease of doing further and reduce compliance burden on "small companies", MCA vide notification no. G.S.R. 92 (E), dated 01.02.2021 and G.S.R. 700(E), dated 15.09.2022 has amended the definition of "Small Companies" twice and has increased the thresholds for:-

- i. Paid up capital from "not exceeding Rs. 50 Lakh" to initially "not exceeding Rs. 2 Cr" and again to "not exceeding Rs. 4 Crore.
- ii. Turnover from "not exceeding Rs. 2 Crore" to initially "not exceeding Rs. 20 Cr" and again to "not exceeding Rs 40 Crore".
- (ix) The processing type of some of the e-forms and processing type for few purposes of some of the e-forms have been STP (Straight through Process) and can now be approved electronically without human intervention and hence would lead to ease of compliance and ease of doing business.
- (x) The Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 have been amended on 17.04.2023 through which it has been provided that Registrar, C-PACE established under sub-section (1) of section 396, shall be the Registrar of Companies for the purposes of exercising functional jurisdiction of processing and disposal of applications made in Form No. STK-2 and all matters related thereto in respect of such applications under Section 248 of the Companies Act, 2013 having territorial jurisdiction all over India.
- (xi) This Ministry has made the LLP Form-3 and Form-4 STP as a measure towards trust based business environment.
- (xii). This Ministry vide General Circular no. 09/2023 dated 25.09.2023 has extended the time line to conduct Annual General Meeting (AGM) and Extra- ordinary General meeting (EGM) through Video Conference (VC) or other Audio visual (OVAM) or transact items through postal ballot for the year 2023 or 2024 on or before 30th September, 2024.

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