

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UN-STARRED QUESTION NO. 993
ANSWERED ON Monday, July 29, 2024
7 Shravan, 1946 (Saka)**

Objective and Vision behind C-PACE

QUESTION

**993. Shri Naresh Ganpat Mhaske:
Shri Praveen Patel:
Smt. Daggubati Purandeswari:**

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

- (a) the objective and vision behind the establishment of the Centre for Processing Accelerated Corporate Exit (C-PACE);**
- (b) the details and the number of companies which have availed the exit process through C-PACE; and**
- (c) the steps taken by the Government to ensure easy exit process for the companies and improve the ease of doing business?**

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) As per the Budget Announcement, Para 77 of Budget Announcement 2022-23, the Ministry has established Centre for Processing Accelerated Corporate Exit (C-PACE) vide MCA Notification No. S.O. 1269(E) dated 17th March 2023, to facilitate and speed up the voluntary winding-up of companies having pan India jurisdiction and operationalized from 01.05.2023. The objective and vision behind the establishment of the

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Centre for Processing Accelerated Corporate Exit (C-PACE) was to establish a process in which the time taken to process the application for voluntary closure of companies would be reduced from 2 years to less than 6 months.

(b) During 01.05.2023 to 22.07.2024 “21372” number of Companies have availed the exit process under section 248(2) of the Act on filing STK-2 application through the C-PACE and have been marked as strike-off/dissolved. The time taken under C-PACE for voluntary exit has reduced to around 90 days during the current year.

(c) The ministry has setup an exclusive center for voluntary strike-off process of Companies having pan India jurisdiction. The second Amendment Rules, 2023 has been made Vide Notification No. G.S.R. 354(E)- dated 10th May 2023 in the Companies (Removal of Names of Companies from the Register of Companies). The process through V3 re-engineering is in place to facilitate and speedup the voluntary winding up process for the companies and improve the ease of doing business by facilitating ease exit of companies within minimum time.
