

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
STARRED QUESTION NO. *15
ANSWERED ON MONDAY, 25TH NOVEMBER 2024/
Agrahayana 4, 1946 (Saka)**

**Status of Centre for Processing Accelerated Corporate Exit (C-
PACE)**

***15. SHRI MAHESH KASHYAP :
SHRI PRAVEEN PATEL :**

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

कारपोरेटकार्यमंत्री

- (a) the status of establishment of Centre for Processing Accelerated Corporate Exit (C-PACE) for accelerating the strike off process of companies;**
- (b) the details of other achievements made towards bolstering 'Ease of Compliance' and 'Ease of Doing Business'; and**
- (c) the measures taken to promote ease of compliance and ease of doing business?**

ANSWER

Minister of Finance & Corporate Affairs (Smt. Nirmala Sitharaman)

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

Contd...2...

STATEMENT REFERRED TO IN REPLY TO PART (a), (b) & (c) OF LOK SABHA STARRED QUESTION NO. *15 TO BE ANSWERED ON 25TH NOVEMBER, 2024 REGARDING 'STATUS OF CENTRE FOR PROCESSING ACCELERATED CORPORATE EXIT (C-PACE)'

(a) : The Centre for Processing Accelerated Corporate Exit (C-PACE) was established vide MCA Notification No. S.O. 1269(E) dated 17th March 2023 to centralize and speed up the voluntary strike off process of companies u/s 248 (2) of the Companies Act, 2013 in a fast-track mode in order to facilitate 'Ease of Doing Business' in India.

Since its inception 13,560 companies have been struck off u/s 248(2) of the Companies Act, 2013 through ROC C-PACE in the financial year 2023-24 and 11,855 companies in the current financial year 2024-25 up to 15th November, 2024. The average time taken for processing such applications has come down to between 70-90 days.

Vide notification No G.S.R. 475(E) dated 5th August 2024 the Ministry has centralized the striking off of Limited Liability Partnerships (LLPs) by empowering the C-PACE for processing of e-Forms related to striking off of LLPs, as well.

With effect from 27th August 2024, eForms for processing striking off of LLPs through ROC C-PACE has been operationalized and as on 15th November, 2024, 3,264 LLPs have been struck off u/s 75 of the Limited Liability Partnership Act, 2008 r/w Rule 37 of the Limited Liability Partnership Rules, 2009.

(b) & (c) : To improve ease of doing business and enhance ease of compliance, MCA has taken several steps in the recent past including some major steps as under:-

- (i) Decriminalization of 63 offences under the Companies and LLP Acts. While providing relief to corporates, one of the objectives of decriminalization has also been reduction of litigation burden in judicial courts and shifting the prosecution cases towards adjudication.**

Contd...3...

- (ii) **Conversion of more than 54 forms to Straight Through Process (STP) which earlier required approval of field offices.**
- (iii) **Introducing e-Form SPICe+ along with a linked form called AGILE PRO-S for providing different services at one place such as Name Reservation, Incorporation, Allotment of PAN, TAN, DIN, EPFO Registration, ESIC Registration, GST number, opening of Bank Account etc. at the time of incorporation of company to start the business immediately. Similarly, new e-Form FiLLiP (Form for incorporation of Limited Liability Partnership) was introduced for providing the same services in a single application.**
- (iv) **Definition of Small Company has been amended by increasing the threshold limit of a small company from having a paid-up capital not exceeding Rs.2.00 Crore to Rs.4.00 Crore and turnover not exceeding Rs.20.00 Crore to Rs.40.00 Crore. Similarly, concept of small LLP has been introduced which is subject to lesser compliances, lesser fee to reduce the cost of compliances.**
- (v) **Setting up of a Centralized Registrar of Companies (CRC) for incorporation to provide uniformity in the incorporation process.**
- (vi) **Setting up of a Central Scrutiny Centre (CSC) for centralised scrutiny of e-Forms filed under STP.**
- (vii) **Setting up a Central Processing Centre (CPC) for centralised processing of specified non-STP e-forms.**
- (viii) **Setting up an e-Adjudication Portal for adjudication of offences related to the Companies Act.**
- (ix) **Zero fee for incorporation of company with authorized capital up to Rs.15.00 Lakh.**

Contd...4...

- (x) **Extended fast track process for mergers under the Companies Act, 2013 to include mergers of Startups with other Startups and with small companies, so that the process of mergers & amalgamations is expedited.**
- (xi) **The scope of section 233 of CA-2013 (Fast Track Mergers & Amalgamation through approval of Regional Directors) enhanced. This now also covers merger of a transferor foreign company incorporated outside India (being a holding company) with its wholly owned subsidiary incorporated in India.**
- (xii) **Zero cost for shifting of the registered office of a company.**
- (xiii) **Convening Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) of a company through Video Conference (VC).**
- (xiv) **Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024 have been issued allowing Indian Public companies to list their equity shares on international stock exchange(s) at GIFT IFSC.**
