

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3532
ANSWERED ON MONDAY, 11th, August, 2025
Sravana 20, 1947 (Saka)**

Reduction in Pending Prosecutions.

QUESTION

3532 Shri Anup Sanjay Dhotre:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) Whether the Government has taken any steps to reduce the burden of pending prosecutions under the Companies Act;**
- (b) if so, the details thereof including the number of cases withdrawn so far; and**
- (c) the steps taken by the Government to improve ease of doing business and strengthen corporate governance in the country?**

ANSWER

**THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS AND
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS.**

(SHRI. HARSH MALHOTRA)

a) & (b) : The Ministry of Corporate Affairs (MCA) has taken several steps to review pending prosecutions in various courts. In 2017 and later in 2022, a committee of senior officers of MCA was set up to give recommendations regarding withdrawal of prosecutions. The objective was to free Judicial Courts from dealing with offences that are procedural and technical in nature to ensure that courts are able to focus on serious offences. It was envisaged that cases of procedural and technical nature may be handled through an adjudication process.

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Accordingly, 14,247 prosecutions were withdrawn in Special Drive-I conducted in 2017. Further, a decision has been taken for withdrawal of 7,338 compoundable cases identified in Special Drive-II in 2023. Till 30.6.2025, 6267 cases have been withdrawn from various courts.

(c): To improve ease of doing business and enhance corporate governance, Ministry 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. One of the objectives of decriminalization has also been reduction of litigation burden in judicial courts and shifting the prosecution cases towards adjudication;

(ii) Setting up of a Centralized Registrar of Companies (CRC) for incorporation;

(iii) Setting up of a Centre for Processing Accelerated Corporate Exit (C-PACE) for voluntary exit of companies;

(iv) Setting up of a Central Scrutiny Centre (CSC) for centralised scrutiny of e-Forms filed under Straight Through Process (STP);

(v) Conversion of more than 50 forms to STP which earlier required approval of field offices;

(vi) Setting up of a Central Processing Centre (CPC) for centralised processing of specified non-STP e-forms;

(vii) Introducing a new 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 for Limited Liability Partnerships in a single application;

(viii) Definition of small companies has been amended by increasing the threshold limit of a small company, having a paid-up capital not exceeding

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Rs. 4.00 Crore and turnover not exceeding 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;

(ix) Zero fee for incorporation of company with authorized capital up to Rs.15.00 Lakh;

(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) Convening Annual General Meeting (AGM) and Extra-ordinary General Meeting (EGM) of a company through Video Conference (VC);

(xii) Zero cost for shifting of the registered office of a company;

(xiii) The Ministry has issued Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024 allowing Indian public companies to list their equity shares on international stock exchange(s) at GIFT IFSC.
