

C-PACE Revolutionises Voluntary Closure of Companies and LLPs

Ministry of Corporate Affairs' centralised exit mechanism reduces processing time for voluntary closure applications from over 2 years to less than 2 months

Posted On: 11 AUG 2025 4:25PM by PIB Delhi

The Ministry of Corporate Affairs has established the 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 Strike off of companies having PAN-INDIA jurisdiction and operationalized from 01.05.2023.

As on 31.07.2025, under C-PACE, applications filed for voluntary closure of companies are getting processed within an average time of less than 2 months compared to an average time of more than 2 years earlier when the voluntary strike off applications were being processed by various jurisdictional RoCs.

C-PACE is enabling the stakeholders by providing a hassle-free filing, timely and process-bound striking off their companies' and LLPs' names from the Register. C-PACE Provides a uniform and consistent approach across the country and it also ensures all communication (queries, approvals, or rejections) is done via the central MCA portal, providing real-time updates and better tracking for applicants.

During 01.05.2023 to 31.07.2025, 38658 number of companies have availed the exit process on filing STK-2 application and marked as strike-off/dissolved.

Rule 37(1) of LLP rule was amended to enable filing of LLP e-Form 24 for processing striking-off of LLPs through ROC. As on 31.07.2025, 8368 LLPs have been struck off u/s 75 of the Limited Liability Partnership Act, 2008 r/w Rule 37(1)(b) of the Limited Liability Partnership Rules, 2009.

The Ministry has taken several steps from time to time to provide a seamless process for ease of doing business and enhance ease of compliance for companies and LLPs, such as:

- i. In the MCA21 V3 portal there are 79 forms which are processed on a STP (Straight through Process) or conditional STP basis, allowing acceptance of forms electronically without human intervention, which leads to 'ease of compliance' and 'ease of doing business'.
- ii. Central Processing Centre (CPC) was established on 2nd February, 2024 for centralized processing of 12 non-STP forms. CPC was established to ensure speedy processing of applications and forms filed for meeting regulatory requirements so that the companies are able to complete their various compliances under the corporate laws with ease.
- iii. E-adjudication Module has been established in V3 w.e.f. 16th September, 2024 to provide an end-to-end electronic adjudication mechanism. All activities required for adjudication including case creation, e-hearing, issuance of Show Cause Notice, order issuance and collection of Penalties are carried out online. This process has made it easier for Directors and Key Managerial Persons of companies to attend the adjudication proceeding through online VC.
- iv. V3 system allows web-based form filing, thereby improving real time validation and auto pre-filling of

common fields across forms. Optimization of fields in the Forms has also been carried out in V3 by removal of duplicate/redundant fields.

- v. Linked forms on the MCA21 V3 portal are designed to ease compliance and enhance transparency by integrating related filings together, ensuring a complete disclosure of business information.
- vi. Mobile App has been made available for all stakeholders to access various services offered by MCA21 website including application dashboard, notices, circular etc.
- vii. 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.
- viii. Conversion of more than 54 forms to Straight Through Process (STP) which earlier required approval of field offices.
- ix. 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.
- x. 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.
- xi. Setting up an e-Adjudication Portal for adjudication of offences related to the Companies Act.
- xii. Zero fee for incorporation of company with authorized capital up to Rs.15.00 Lakh.
- xiii. 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.
- xiv. 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.
- xv. Zero cost for shifting of the registered office of a company.
- xvi. Convening Annual General Meeting (AGM) and Extra-ordinary General Meeting (EGM) of a company through Video Conference (VC).
- xvii. 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.

This information was given by the Minister of Finance and Minister of Corporate Affairs Smt. Nirmala Sitharaman in a reply to a question in Lok Sabha today.

NB/AD

(Release ID: 2155051)