

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 1003
ANSWERED ON 12.12.2023

Status of pending litigation under companies Act

1003 Dr. K. Laxman :
Shri Kailash Soni :
Dr. Sikander Kumar :

Will the Minister of Corporate Affairs be pleased to state:

- (a) the steps taken by Government to reduce the number of pending litigation under the companies Act;
- (b) the details of number of cases withdrawn or reduce as part of the efforts of the Ministry to reduce the litigation burden; and
- (c) whether Government is taking any other steps 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) to (c) : To improve the ease of doing business and enhance corporate governance, the Ministry of Corporate Affairs has taken several steps in the recent past. These includes decriminalization of over 60 offences under the Companies and LLP Acts; setting a Centralized Registrar of Companies (CRC) for incorporation and a Centre for Processing Accelerated Corporate Exit (CPACE) to bring in efficiency and uniformity in such processes; and conversion of more than 50 forms which earlier required approval of field offices to Straight Through Process (STP) forms etc.

In addition to this, the Ministry has taken 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 offence that are procedural and technical in nature to ensure that such courts are able to better focus on serious offences. It was envisaged that cases of procedural and technical nature may be handled through an adjudication process.

Accordingly, 14,247 prosecutions were withdrawn in Special Drive-I conducted in 2017. Further, a decision has been taken for withdrawal of 7338 compoundable cases identified in Special Drive-II in 2023. Till now 6288 applications for withdrawal have been filed before various courts.
