

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 670
ANSWERED ON TUESDAY, DECEMBER 13, 2022**

**PERFORMANCE OF SIMPLIFIED PROFORMA FOR INCORPORATING COMPANY
ELECTRONICALLY (SPICE)**

QUESTION

670. DR. KANIMOZHI NVN SOMU:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Simplified Proforma for Incorporating Company Electronically (SPICE) Plus 10 in a single form has been effectively used since its introduction;
- (b) if so, the details thereof;
- (c) whether the time needed to start up business in the country still take a longer duration and the processes are cumbersome, if so, the details thereof;
- (d) whether Government is planning for reforms to reduce the time and cost for processing; and
- (e) if so, the details thereof along with the other steps taken by Government in this regard?

ANSWER

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 (e): Yes Sir. As part of Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs has deployed a Web Form 'SPICE+' w.e.f. 23.02.2020. SPICE+ is an integrated web form and has two parts; Part A -for Name reservation for new companies and Part B offering a bouquet of services viz; Incorporation, allotment of Director Identification Number, Mandatory issue of PAN, TAN, EPFO, ESIC, Profession Tax registration (for the state of Maharashtra, Karnataka and West Bengal), opening of Bank Account, GSTIN (if so applied for) and First time registration of shops and establishment for companies getting incorporated in Delhi. Thus, SPICE+ offers 11 services by 3 Central Government Ministries & Departments (Ministry of Corporate Affairs, Ministry of Labour & Department of Revenue in the Ministry of Finance), 3 State Governments (Maharashtra, Karnataka, West Bengal) and NCT - Delhi, thereby saving as many procedures, time and cost for Starting a Business in India. Application under SPICE+ are processed by a Central Registration Centre to ensure efficiency and uniformity. Since the launch of SPICE+ form, there has been an increase in number of companies getting incorporated on MCA-21 Portal. As against 1,22,721 companies incorporated in India during FY 2019-20, 1,55,377 companies were incorporated in FY

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2020-21 registering an increase of 27% from previous year. The numbers further increased to 1,67,076 in FY 2021-22 registering a growth of 36% over 2019-20. On an average, a company gets incorporated within 1-2 days if the form filed is complete in all respect.

The Ministry has been taking steps on an ongoing basis by amending the Companies Act, 2013 from time to time and the rules and forms thereunder to reduce the cost of compliance and ease of doing business. The Ministry has reduced the fee for incorporation of company with authorized capital of upto Rs. 15 lakh to Zero. Provisions with regard to incorporation and functioning of one-person companies (OPCs) has been significantly revised to incentivize incorporation of more OPCs. Now NRIs are also allowed to incorporate OPCs and the restrictions with regard to maximum amount of paid-up capital and turnover for OPCs has also been removed.
