

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

RAJYA SABHA  
UNSTARRED QUESTION NO. 2611  
ANSWERED ON TUESDAY, AUGUST 12, 2025

**SIMPLIFYING CORPORATE COMPLIANCE BURDENS**

**QUESTION**

2611. SHRI K.R.N. RAJESHKUMAR:

Will the Minister of CORPORATE AFFAIRS  
be pleased to state:

- a) what specific initiatives and policy changes have been introduced in 2024-25 to further simplify corporate compliance burdens and reduce costs for Micro, Small, and Medium Enterprises (MSMEs) and startups;
- b) the progress in establishing a single-window clearance mechanism for various corporate registrations and approvals and what challenges persist in its full implementation; and
- c) whether the Ministry is considering any relaxations or incentives for MSMEs and startups regarding compliance with specific provisions of the Companies Act, 2013 to foster their growth?

**ANSWER**

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

**[SHRI HARSH MALHOTRA]**

(a): - The Government of India has been taking several steps towards simplifying corporate compliance burdens and reducing costs for all companies including Micro, Small, and Medium Enterprises and Startups. The important measures taken in this regard in 2024-25 are as under:

- i. Direct listing of securities by Indian public companies in permissible foreign jurisdictions has been allowed. This would boost "Brand India", increase attractiveness to growing technology sector, stimulate efficiency & growth, provide alternative source of capital and broaden investor base. The Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024 were notified on 24.01.2024.
- ii. The Ministry has carried out an amendment in the Companies (Appointment and Qualification of Directors) Rules, 2014 on 16.07.2024 (effective from 01.08.2024) to address the suggestions of stakeholders for allowing additional opportunities to update their personal mobile number/email address in the KYC database.
- iii. An amendment was made to the Companies (Adjudication of Penalties) Rules, 2014 on 05.08.2024 (effective from 16.09.2024) to transition to a faceless adjudication mechanism to eliminate physical hearings for corporate default cases. This process has made it easier for Directors and Key Managerial Persons to attend the adjudication proceedings by introducing adjudication through online VC.

- iv. An amendment has been made in the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 on 09.09.2024 (effective from 17.09.2024). Pursuant to this amendment, merger of a holding company incorporated abroad with its wholly owned subsidiary incorporated in India would require approval of Central Government (delegated to Regional Directors). Prior to this amendment, such mergers required approval of the NCLT. This would make this process speedier and would allow NCLT to concentrate on other areas.
- v. The C-PACE (Centre for Processing Accelerated Corporate Exit) (C-PACE) was made operational w.e.f. 1.05.2023 under Section 242(2) of the Companies Act, 2013 for centralized and transparent processing of the matters related to voluntary closure of the companies. Vide notification No G.S.R. 475(E) dated 5th August 2024 the Ministry centralized the striking off of Limited Liability Partnerships (LLPs) by empowering the CPACE for processing of e-Forms related to striking off of LLPs as well.

(b): - The Government of India has undertaken a number of steps to ensure the quick registration of companies and their approvals in India, which are as under:

- i. A single integrated new web form called SPICe+ along with AGILE PRO-S has been deployed. This form provides eleven services related to 'starting a business' namely (i) Name Reservation, (ii) Incorporation, (iii) Permanent Account Number (PAN), (iv) Tax Deduction Account Number (TAN), (v) Director Identification Number (DIN), (vi) Employees' Provident Fund Organisation (EPFO) Registration, (vii) Employees' State Insurance Corporation (ESIC) Registration, (viii) Goods and Services Tax (GST) number, (ix) Bank Account Number, (x) Profession Tax Registration (Mumbai, Kolkata and Karnataka), (xi) Delhi Shops and Establishment Registration.
- ii. Zero fee is now charged for incorporation of all companies with authorized capital up to Rs. 15 lakh or with up to 20 members where no share capital is applicable.
- iii. A Central Registration Centre (CRC) has been set up for name reservation and incorporation of companies & Limited Liability Partnership (LLP).
- iv. The LLP Incorporation Form called FiLLiP has also been integrated with Central Board of Direct Taxes (CBDT) to provide PAN/TAN at the time of Incorporation of LLP itself.
- v. The Central Processing Centre (CPC) was operationalized w.e.f 16.02.2024 for faster and centralised handling of various electronic e-forms filed earlier with jurisdictional ROCs under Companies Act, 2013.

The application process for startup recognition under the Startup India initiative has been streamlined and made entirely digital through an interactive Startup India portal and the National Single Window System (NSWS) making the same accessible from any part of the country. The documentation process for recognition is simplified with self-certification. Recognition handbook and tutorials have also been developed and uploaded on Startup India portal for ease of navigating recognition process. To promote startup recognition and to handhold entrepreneurs, workshops are held across States/UTs with support of State/UT nodal agencies for startups, and regional stakeholders such as incubators.

(c): - The action for amendment in Companies Act, 2013, LLP Act 2008 and Rules made thereunder is taken from time to time on the basis of inputs received from stakeholders and the recommendations of the Company Law Committee.

\*\*\*\*\*