

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 2293
ANSWERED ON Monday, December 09, 2024
Agrahayana 18, 1946 (Saka)**

**Ease of Regulatory Requirement for Companies to Expand
Operations and Relocation**

2293. Shri Sukanta Kumar Panigrahi:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

- (a) whether the Government is actively engaging with multinational companies to facilitate their relocation to India as part of their efforts for derisking, especially in light of the current global economic uncertainties;**
- (b) whether steps are being taken by the Government to ease regulatory requirements and provide incentives for such companies to establish or expand their operations in the country;**
- (c) the measures taken to ensure that these companies receive adequate support in terms of tax incentives, ease of doing business and workforce integration; and**
- (d) whether the Government is considering any new policies or amendments to attract such companies, particularly in sectors such as manufacturing, technology, supply chain resilience and development of Youth and if so, the details thereof?**

ANSWER

Minister of State in the Ministry of Corporate Affairs; Minister of State in the Ministry of Road Transport and Highways.

(Shri Harsh Malhotra)

(a): The term multinational company is not defined in Companies Act. However, the decision of companies regarding relocation to India is based on various considerations depending upon their work, assessment of socio-economic and geopolitical considerations, commercial business choices, etc.

(b) and (c): The steps taken by Ministry of Corporate Affairs to ease regulatory requirements and to promote ease of doing business, are as under: -

- i. Introduction of the integrated Simplified Proforma for Incorporating Companies Electronically (SPICe) Form for name reservation, incorporation of companies, allotment of Director identification Number (DIN) and allotment of Permanent Account Number (PAN) and first Tax Deduction and Collection Account Number (TAN) for a company.**
- ii. Doing away with requirement for minimum paid up capital, from Rs. 1 lakh for a private company and Rs. 5 lakh for a public company.**
- iii. Zero fee being charged by the Ministry of Corporate Affairs for incorporation of all companies with authorized capital up to 15 lakh or upto 20 members where no share capital is applicable etc.**
- iv. The Central Registration Centre was established in 2016 under Section 396 of the Companies Act, 2013 for centralized and speedier processing of incorporation related e-forms i.e. reservation of name and incorporation of companies.**
- 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.**
- vi. Further, the Central Processing Centre (CPC) was also 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.**
- vii. Streamlining Annual Compliance: Abridged and concise versions of Annual Returns introduced for small companies and One Person Companies (OPCs).**
- viii. Faceless and Electronic Adjudication Mechanism: Transition to a faceless adjudication mechanism to eliminate physical hearings for corporate default cases.**
- ix. Decriminalization of 63 provisions under the Companies Act, 2013, and LLP Act, 2008. Capping of penalties for small entities (Rs. 2 Lakh for companies and Rs. 1 lakh for officers-in-default).**

- x. **The Companies (Listing of equity shares in permissible jurisdiction) Rules, 2024** have been issued vide notification dated 24.01.2024. Through this policy initiative Indian Public companies have been allowed to list their equity shares on the international stock exchanges at GIFT IFSC. This enables Indian public companies, especially start-ups and companies in the sunrise and technology sectors, to use this alternative avenue to access global capital beyond the domestic exchanges.

Further, Department for Promotion of Industry and Internal Trade (DPIIT) has taken various initiatives aimed at simplifying and streamlining business regulations, including the B-Ready as nodal department is responsible for several key initiatives including the B-Ready assessment, the Reducing Compliance Burden (RCB), analysing Cost of Regulation, National Single Window Portal (NSWS) and Business Reform Action Plan (BRAP). These initiatives are designed to improve India's business climate, attract investments and foster economic growth by reducing bureaucratic hurdles and making the regulatory environment more business friendly.

Also, as part of Ease of Doing Business strategy the Government has developed various platforms to ensure better co-ordination and eased process for registration and application for companies under its various initiatives such as National Single Window System, Single Business ID, PM Gati Shakti, ULPIN etc.

(d): The Ministry of Corporate Affairs (MCA) is responsible for administration of Companies Act, 2013 and LLP Act, 2008. MCA has also taken steps related to provisions for ease of doing business related to these Acts. These are universally applicable across all companies and LLPs and not restricted to any specific sector.
