

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFIARS
LOK SABHA
UN-STARRED QUESTION NO. 1018
ANSWERED ON MONDAY, 10th FEBRUARY, 2025
MAGHA 21, 1946 (SAKA)

Promotion of Corporate Investment in Tier-2 and Tier-3 Cities

1018. SMT. ROOPKUMARI CHOUDHARY:

Will the Minister of CORPORATE AFFAIRS

be pleased to state:

(a) the specific policies or initiatives taken/being taken to promote corporate investments and business growth in Tier-2 and Tier-3 cities and the way by which these efforts aligned with regional development goals?

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) As per the information provided by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, keeping in view India's vision of becoming 'Atmanirbhar', Production Linked Incentive (PLI) Schemes for 14 key sectors have been announced with an outlay of Rs. 1.97 lakh crore (over US\$26 billion) to enhance India's Manufacturing capabilities and Exports.

The purpose of the PLI Schemes is to attract investments in key sectors and cutting-edge technology; ensure efficiency and bring economies of size and scale in the manufacturing sector and make Indian companies and manufacturers globally competitive. These schemes have the potential of significantly boosting production, employment and economic growth over the next five years.

Under the above scheme 1014 manufacturing units in Tier 2 & 3 cities, with an investment of about Rs. 1.04 lakh crore have generated employment of about 4.95 lakh.

Besides, the Ministry of Corporate Affairs has taken several initiatives, for ease of doing business including for entrepreneurs, some of them are as under:

- 1. Decriminalization of 63 offences under the Companies and LLP Acts.**
- 2. 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.**
- 3. Zero fee for incorporation of company with authorized capital up to Rs.15.00 Lakh.**
- 4. Zero cost for shifting of the registered office of a company.**
- 5. Convening Annual General Meeting (AGM) and Extra-ordinary General Meeting (EGM) of a company through Video Conference (VC).**
