

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 411
ANSWERED ON MONDAY, 02ND FEBRUARY 2026
MAGHA 13, 1947 (SAKA)**

REGISTRATION OF NEW COMPANIES

411. Shri Nalin Soren

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government is aware that entrepreneurs are facing various administrative and technical difficulties in the process of registration of new companies in the State of Jharkhand;**
- (b) if so, the details thereof;**
- (c) whether frequent technical glitches on the MCA portal, delays in document verification and repeated seeking of clarifications by officials are leading to prolonged registration timelines and if so, the details thereof;**
- (d) the number of company registration applications received in Jharkhand from the year 2020 till date and the number of such applications approved within the prescribed time limits;**
- (e) whether the Government has undertaken any review or taken corrective measures to make the registration process simpler, more transparent and time-bound;**
- (f) if so, the details thereof; and**
- (g) the future action-plan of the Government to promote start-ups and investment in the State?**

ANSWER

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

[SHRI HARSH MALHOTRA]

(a) to (d) : Central Registration Centre, Manesar does the incorporation of companies as per the provisions of Companies Act 2013 (the Act hereafter). As per Rule 38(9)(a) of Companies (Incorporation) Rules, 2014, wherever, further information is necessary or document is found to be defective or incomplete, the Registrar intimates the applicant to remove the defect and resubmit the e-form within 15 days from the date of such intimation. The entire process is carried out electronically. Further a system of raising grievances or complaints through an online ticketing mechanism and call centre is in place. These tickets are resolved keeping in mind the provisions of the Act and Rules made thereunder. The timely and qualitative resolution of tickets is monitored regularly and corrective steps are taken whenever required. About 2.3 lakh tickets including 0.52 lakh approval and 1.77 lakh technical issues have been raised and resolved during the last 2 financial years.

Companies registered in Jharkhand from the year 2020 till date is as under:

FY	No. of Companies registered in Jharkhand
2020-21	2044
2021-22	2064
2022-23	1757
2023-24	2144
2024-25	2052
2025-26 (upto 24.01.2026)	2403
Total	12464

(e) to (g) : The Government from time to time has taken several initiatives for speedier incorporation of companies and also to provide single window services at the time of incorporation. The significant initiatives taken in this regard, so far 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) **No fee is 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) **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.**

(iv) **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 the Act.**

(v) **Initiatives of Ministry of Corporate Affairs to promote start-up are at Annexure.**

(vi) **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.**

Annexure

S. No.	Section / Rules	Subject	Provisions in the Company Act, 2013 to support Start-ups
1.	Section 2(40)	Financial Statement	Requirement of cash flow statement to be part of financial statement is optional for Start-ups.
2.	Section 73(2) clause (a) to (e)	Acceptance of deposits	Start-ups were exempted from procedural compliance at the time of accepting deposits from its members (such as issuance of a circular to its members showing the financial position of company, credit rating, depositing 20% of the maturing deposits, and certification regarding default in repayments).
3.	Section 92(1)	Annual Return	Directors of a start-up are allowed to sign annual returns of the private limited company if the Company does not have Company Secretary.
4.	Section 173(5)	Meetings of Board	Under Companies Act, 2013, Board of Directors of a company are required to meet at least once in 120 days, 4 board meetings in a year. However, Start-ups are exempted from holding quarterly board meetings and are allowed to hold two board meetings in a calendar year, i.e., once every six months.
5.	Rule 6 of Companies (Incorporation) Rules, 2014	Conversion of OPCs into Public and Private Companies	The requirement that an OPC must convert itself after its paid-up capital exceeds Rs 50 lakh and its average annual turnover exceeds Rs 2 crore was omitted. Since many start-ups are One Person Company, this allows them to retain the status as an OPC.

6.	Rule 8(4) of Companies (Share Capital and Debenture) Rules, 2014)	Sweat Equity	In general, the issuance of sweat equity shares in a company shall not exceed 25% of the paid-up capital of the company at any time. However, in case of start-ups, this limit is upto 50% of its paid-up share capital.
7.	Rule 12(1) (c) of Companies (Share Capital and Debentures) Rules, 2014	Employee Stock Options (ESOPs)	In general, ESOPs are not given to employee who are promoters or a person belonging to the promoter group and a director who either himself or through his relative or a body corporate, directly or indirectly holds more than 10% equity of the company. Start-ups are allowed to issue ESOPs to promoters and directors.
8.	Rule 2 (1)(c) (xvii) Companies (Acceptance of Deposits) Rules, 2014	Convertible Note	Start-ups can receive an amount of Rs 25 lakh or more by way of a convertible note (convertible into equity shares or repayable within a period not exceeding ten years from the date of issue) in a single tranche, from a person, and such transactions are not considered deposit.
9.	Rule 3(3) of Companies (Acceptance of Deposits) Rules, 2014	Acceptance of deposits	Companies may ordinarily accept or renew any deposits from its members not exceeding 35% of the paid-up share capital, free reserves and securities premium account of the company. But start-ups have been permitted to accept deposits from members without any restriction on the amount.
