

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1470
ANSWERED ON TUESDAY, DECEMBER 20, 2022**

INCORPORATION OF COMPANIES

QUESTION

1470. SHRI SUSHIL KUMAR GUPTA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that the incorporation of companies has steadily declined since May this year; and
- (b) if so, the steps being proposed in this regard, so that it does not result in a slowdown in entrepreneurship?

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

[RAOINDERJIT SINGH]

- a). Although the number of companies incorporated in May 2022 were more compared to the subsequent months this year as on date, during the period 01.05.2022 to 13.12.2022, 1,05,739 companies have been incorporated as against 1,05,002 companies incorporated during the corresponding period of the previous year.
- b). In order to make incorporation of companies expeditious, Central Registration Centre has been established. Further, 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 of Corporate Affairs has deployed a Web Form, 'SPICE+' which 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. Additionally, the Ministry has reduced the fee for incorporation of a 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 have also been removed.
