



Ministry of Corporate Affairs taking timely steps to ease compliance burden on the corporates under Ease of Doing Business 2.0 reforms

Thresholds for small company enhanced to reduce burden of compliances with effect from December 1, 2025; paid-capital criteria increased from upto Rs. 4 crores to upto Rs. 10 crores and turnover criteria increased from upto Rs. 40 crores to upto Rs. 100 crores

प्रविष्टि तिथि: 16 DEC 2025 6:09PM by PIB Delhi

The Ministry of Corporate Affairs has been taking the following key steps from time to time to ease the compliance burden on the corporates:

- i.** De-criminalization of technical & procedural violations under Companies Act, 2013 has been done in two stages (in the year 2018 and year 2020) through amendments in such Act. As a result, 51 offences under the Companies Act, 2013 have been decriminalised. Further, vide LLP (Amendment) Act, 2021, 12 offences have been decriminalised. Most of such offences have been converted into civil defaults to be adjudicated by levy of monetary penalties. This has reduced the burden on criminal courts & National Company Law Tribunal.
- ii.** The scope of fast-track mergers was expanded in February 2021 to allow mergers of Start-ups with other Start-ups and with Small companies. The ambit has been further broadened in September 2025 to allow more classes of companies to choose this route. Further, “deemed approval” has been introduced for fast-track mergers to ensure that approvals are given in a time-bound manner.
- iii.** Direct listing of securities by Indian public companies in permissible foreign jurisdictions has been allowed. This is a boost for “Brand India” and increases attractiveness to growing technology sector, stimulates efficiency & growth, provides alternative source of capital and broadens investor base.
- iv.** The Centre for Processing Accelerated Corporate Exit (C-PACE) was established in May 2023 enabling the stakeholders by providing a hassle-free filing, timely and process-bound striking off their companies’ and LLPs’ names from the Register.
- v.** The Central Processing Centre (CPC) was established in February 2024 for centralized processing of 12 non-Straight Through Process forms.
- vi.** With effect from 1st December 2025, the thresholds for small company have been enhanced. The paid-capital criteria has been increased from upto Rs. 4 crores to upto Rs. 10 crore and turnover criteria has been increased from upto Rs. 40 crores to upto Rs. 100 crores. This brings more number of companies under the definition of small company, which are subject to lesser compliance requirements in comparison to larger companies.

In addition, the Government has focused on further decriminalization to enhance Ease of Living and Ease of Doing Business. This includes the Jan Vishwas (Amendment of Provisions) Act, 2023, which decriminalized 183 provisions across 42 Central Acts. Under the initiative to reduce compliance burden, Central Ministries/Departments and States/UTs have successfully reduced over 47,000 compliances through self-identification exercises by way of simplification, digitization, decriminalization and redundancy removal.

Version-3 of MCA21 (MCA21 V3) has been launched to promote Ease of Doing Business, strengthen compliance and enhance transparency and streamline corporate filings. Through MCA21 V3, functionalities like Web filings, LLP Module, Company module, e-Book Learning Management System have been implemented. All filings are now being made through this system, which provides for real time validation with pre-filled master data reducing manual errors, re-submissions and compliance timelines.

In addition to the above, following steps were taken so that the stakeholders get familiarised with the filing requirements, while at the same time, providing them a mechanism for resolving their grievances:-

- i.** Webinars and training are conducted regularly for handholding stakeholders. Video tutorials, Chatbot, user manuals and FAQs are available on portal to assist users in filing of returns.
- ii.** The portal provides a dashboard facility that enables stakeholders to track filings, payment status, and approvals in real time, thereby enhancing transparency.
- iii.** A helpdesk mechanism has been established to address grievances related to the MCA21 portal. To further improve grievance redressal, MCA has partnered with professional institutes to review ticket closures. A dedicated team from these institutes works closely with MCA to monitor grievance handling and collect user feedback after ticket closure.

For listed entities, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), promote ethical governance and board accountability through comprehensive provisions focusing on disclosures and responsibilities of the Board of Directors. The key provisions are as under:

- i.** Regulation 4 of the LODR prescribes the principles governing disclosures and obligations of every listed entity and its Board of Directors. These include the rights of shareholders, timely dissemination of information, equitable treatment, transparency etc.
- ii.** Regulation 17(5) of the LODR requires Board of Directors to lay down a code of conduct for all members of board of directors and senior management of the listed entity. The code of conduct also suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013. All members of the Board of Directors and senior management personnel are required to affirm compliance with the code of conduct of board of directors and senior management on an annual basis.
- iii.** Regulation 17(10) of the LODR mandates a formal, annual performance evaluation of the entire board, which shall include- (a) performance of the directors; and (b) fulfilment of the independence criteria as specified in these regulations and their independence from the management.

In the above evaluation, the directors who are subject to evaluation shall not participate. The Nomination and Remuneration Committee (NRC) of the Board is responsible for formulation of criteria for evaluation of performance of independent directors and the Board of Directors.

Under the Act, CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor CSR activities based on the recommendations of its CSR Committee. CSR eligible companies are required to file Form CSR-2 to report CSR related disclosures. All data related to CSR filed by companies in MCA21 registry is available in public domain and can be accessed at www.csr.gov.in.

Data analytics-driven features have been integrated in MCA21 V3 including enforcement and compliance modules. These include Early Warning System (EWS) and Compliance Management System (CMS) which use risk-based classification of companies and filings, automated generation of alerts and exception reports, pattern analysis of non-compliance.

This information was given by the Minister of State in the Ministry of Corporate Affairs; and the Minister of State in the Ministry of Road, Transport and Highways, Shri Harsh Malhotra in a written reply to a question in Rajya Sabha today.

NB/ONP

(रिलीज़ आईडी: 2204766) आगंतुक पटल : 1892
इस विज्ञप्ति को इन भाषाओं में पढ़ें: हिन्दी , Punjabi