GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 2320
ANSWERED ON MONDAY,
AUGUST 03, 2026

FACILITATION CAMPS IN RAJASTHAN

QUESTION

2320. Shri Ummeda Ram Beniwal:

Will the Minister of Corporate Affairs be pleased to state:

(a) whether the Government has undertaken any outreach or facilitation camps to assist small traders, artisans and craftspersons in Rajasthan to register their enterprises and comply with regulatory requirements, if so, the details thereof; and

(b) whether the Government proposes to simplify the compliance process for micro enterprises operating in rural and remote areas of the country, including reducing the frequency of mandatory filings, if so, the steps being taken in this regard and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS AND MINISTRY OF ROAD TRANSPORT AND HIGHWAYS.

(SHRI HARSH MALHOTRA)

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(a). No such specific outreach or facilitation camp has been undertaken by this Ministry. Ministry of Corporate Affairs administers the Companies Act, 2013 and LLP Act, 2008. A number of measures have been taken to simplify incorporation as well as compliance for small companies and small LLPs which are applicable across the country including Rajasthan. Details of these measures are at Annexure-1.

Further, Farmer Producer Company as defined in section 378A of the Companies Act, 2013 includes in its ambit activities of artisans and craftspersons where 'primary produce' includes produce of persons engaged in handloom, handicraft and other cottage industries.
The details of the relaxations provided to Farmer Producer Companies is at Annexure-2.

(b) In view of the reply to the part (a) above, no such specific proposal is under consideration of the Ministry.

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Annexure-1

Annexure-1 to the Lok Sabha Unstarred Q. No. 2320 part (a) to be answered on 03.08. 2026

Measures to simplify incorporation of Companies/LLPs and for ease of compliance for small companies and small LLPs

(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). A Central Registration Centre (CRC) has been set up for name reservation and incorporation of companies & Limited Liability Partnership (LLP).

(iii). 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 Companies Act, 2013.

(iv). Small LLPs are entitled to reduced filing fees and additional filing fees for specified e-forms as provided in Rule 5 of the LLP Rules, 2009. Small LLPs are also subjected to reduced penalty as provided under second proviso to Section 76A (3)(a) of the Limited Liability Partnership Act, 2008.

(v). Salient measures for ease of compliance for small companies

Sr. No.	Section	Subject	Provisions in the Company Act, 2013 to support Small Companies
1.	2 (40) proviso	Financial Statement	Requirement of cash flow statement to be part of financial statement made optional.

2.	**92(1) Proviso**	**Annual return**	**(i) Shall be signed by a company secretary or where is there is no company secretary by a Director of the company.** **(ii) Abridged annual return prescribed for small companies.**
3.	**92(1)(g)**	**Disclosure in annual return about remuneration of directors**	**Disclosure as to aggregate of amount of remuneration drawn by directors adequate for small companies.**
4.	**134(3A)**	**Board's Report**	**Abridged Board Report prescribed for small companies.**
5.	**139(2) read with rule 5 of Companies (Audit and Auditors) rules, 2014**	**Rotation of auditors**	**Rotation of auditors in small companies is not mandatory.**
6.	**141(3)(g)**	**Restriction on auditor-ships**	**Restriction w.r.t. maximum auditor-ships not applicable to auditors of small companies.**
7.	**143(3)(i)**	**Disclosure in Auditors report on internal financial controls**	**These disclosures are not applicable for small companies.**
8.	**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, in case of a small company, one board meeting in each half of a calendar**

			year with a gap between two meetings of not less than 90 days is sufficient to comply with the requirement of section 173(5) of the Companies Act.
9.	**446B**	**Lesser penalties**	**Small companies are entitled for lesser penalties as per section 446B.**
10.	**Rule 8(12)(a)**	**Companies (Registration offices and Fees) amendment Rules, 2014**	**Small companies are exempted from requirements w.r.t. pre-certification of forms by professionals.**
11.	**Annexure- Table of fees**	**Companies (Registration offices and Fees) amendment Rules, 2014**	**Lesser fees allowed for small companies.**
12.	**Clause 1(2)(iv)**	**Companies (Auditor's Report) Order, 2020 (CARO 2020)**	**The Companies (Auditor's Report) Order (CARO) 2020 is not applicable on small companies**
13.	**233**	**Merger through approval of RD**	**Mergers between two or more small companies or between one or more start-up company with one or more small company allowed through approval of RD.**
14.	**2(85)**	**Incorporation of small companies**	**Zero 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.**

Annexure-2

Annexure-2 to the Lok Sabha Unstarred Q. No. 2320 part (a) to be answered on 03.08. 2026

Relaxations to Farmer Producer Companies under the Companies Act, 2013.

1. Exemption from Minimum Capital Requirements: There is no mandatory statutory minimum paid-up capital threshold required at the time of incorporation.

2. Immunity from Hostile Takeovers: Transfer of shares is strictly restricted to active primary producers or via board approval, ensuring the corporate structure remains member-controlled.

3. Deviation from Capital-Based Voting Rights: Section 378D explicitly mandates a democratic voting structure ("one member, one vote"), exempting the company from rules where voting power is proportional to equity shareholding.

4. No Ceiling on Membership: Unlike private limited companies, there is no maximum limit on the number of members a Farmer Producer Company can admit.