

MCA21

Mr. Anil Kumar Bhardwaj & Ms. Payal Mittal

(The practice is about providing Corporate Information online to Citizens, introduced by the Ministry of Corporate Affairs)

Background

Information is universally accepted as an essential input for efficient functioning of any political economy. The full potential of this resource can be realized if it is accessible and used appropriately by all stakeholders. Besides strengthening informed decision making on a real-time basis, easy and open access to data reinforces open scientific inquiry, encourages diversity of analysis and opinion, promotes new research/testing of new or alternative hypotheses etc. Ministry of Corporate Affairs through its online portal MCA21 has made all company related information accessible to various stakeholders and general public. Any person desirous of some information just needs to make some clicks on MCA21 portal and get the information on his screen. Ministry of Corporate Affairs is primarily concerned with administration of the Companies Act, 1956, and rules & regulations framed there- under, for regulating the functioning of the corporate sector in accordance with law. Besides, it also administers the following Acts:

- i) The Competition Act, 2002 ii) The Limited Liability Partnership (LLP) Act, 2008.
- iii) The Chartered Accountants Act, 1949 iv) The Cost and Works Accountants Act, 1959 v) The Company Secretaries Act, 1980
- vi) The Partnership Act, 1932 vii) The Societies Registration Act, 1860 viii) The

Companies (Donations to National Funds) Act,
1951

The Companies Act, 1956 (“the Act”) provides for, and casts an obligation on companies incorporated under the Act, to file various forms, returns & documents with the Registrar of Companies(RoC) under the Ministry of Corporate Affairs (MCA). Requirements are laid down in various sections of the Act and in the rules/regulations made there-under, which prescribes the forms, returns and other documents to be filed with the RoC. Thus, a large volume of information gets generated and stored as a by-product of administration and regulatory compliance of the Companies Act, 1956.

The forms, returns and documents to be filed include various applications, returns, balance-sheet, prospectus, memorandum of agreement, article of association, particulars of charges, etc. As per Act these documents are required to be maintained by the RoC. These documents contain thorough information about the companies, their net worth, shareholding and ownership pattern and detailed financial statements i.e. Balance Sheet and Profit & Loss Accounts. The information available with the RoC is relied upon by various courts, financial institutions etc. There are several sections in Companies Act (section 160, Section 163 and Section 610 read with Section 209) which mandate RoC to make such records available for viewing and also for providing certified copy at a prescribed fee.

Prior to 2006, the forms, returns and documents of the companies were received and stored in physical paper form in record rooms at the office of the concerned RoC. Filing of documents, their registration and consequential placing in respective file of the company, etc. was carried out manually. The difficulties were ever increasing, and required Ministry to find suitable alternatives.

Need Felt

Following were the main drivers to consider change of physical system to Electronic repository:

- a) **Ever-increasing Corporates:** The heightened economic activity increased the number of companies to more than 7 Lakh. This meant RoCs were required to maintain more than 6 crore document pages in their offices. The number was swelling further due to ever expanding Indian economy. Economic growth also resulted in more and more financial instruments being used by companies resulting in requirement of registering more than 1 lakh charge documents every year.
- b) **Physical presence and long queues:** Millions of persons were visiting various Ro C o ffices eve ry year. Physical presence of company representative was required for various activities. This used to result in long queues and difficulties to stakeholders. Moreover during last days of compliances (e.g. filing of Annual returns), the situation used to become almost unmanageable.
- c) **Limited Access Points:** Ministry did not have presence in every district or city. Practically each state had one ROC office, causing inconvenience to stakeholders from other locations. Further the stake-holder base was increasing in smaller cities/ towns.
- d) **Limited Payment options:** Each filing required payment of requisite fee. The payment options were limited to cash or demand draft.
- e) **Record Maintenance and control:** The paper based system required manual sorting, storage and retrieval. Manual verification and checking made the process too time consuming. Further information availability to stakeholders

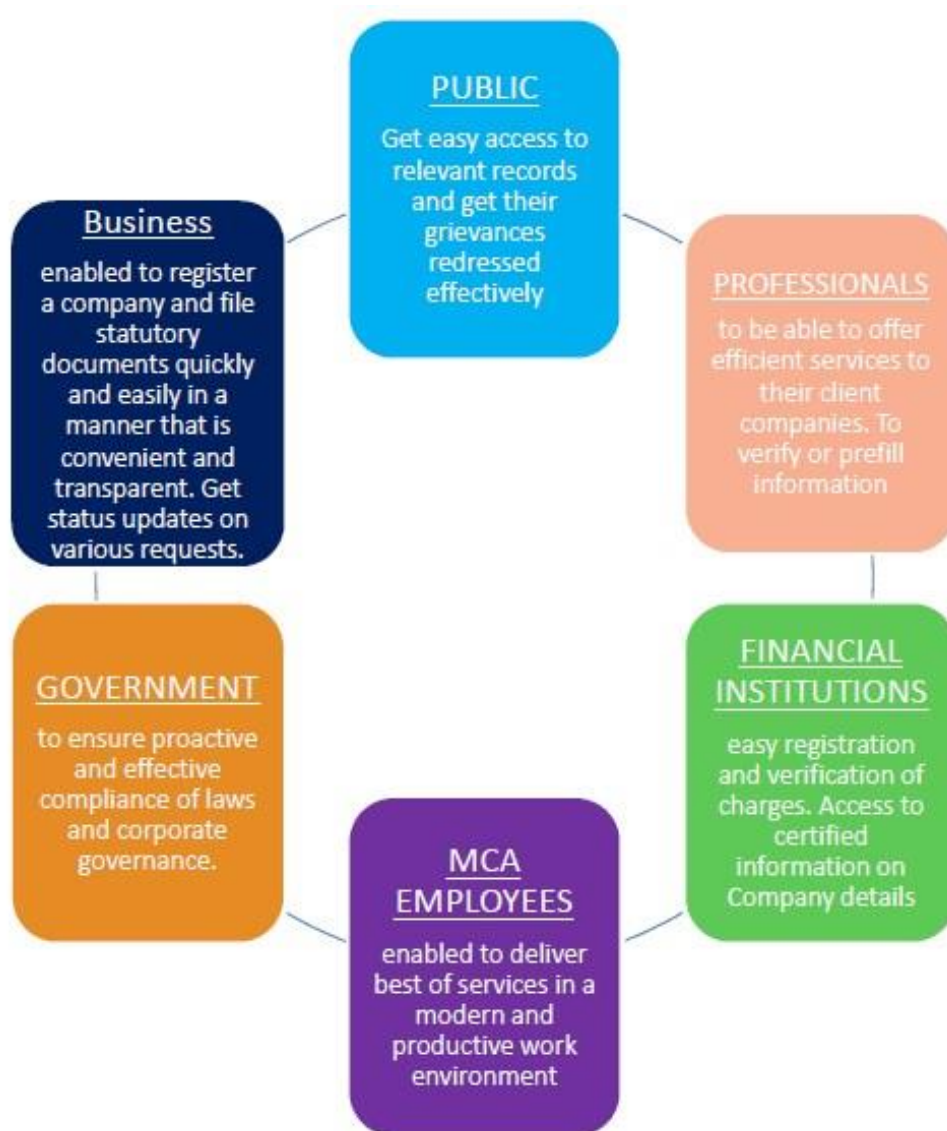
was time consuming and sometimes inaccurate. Paper based systems also required large space and document storage mechanisms.

Details

In 2006, keeping in tune with the e-Governance initiatives the world over MCA initiated an e-Governance project called MCA21. The project was aimed at enabling an easy and secure access of MCA services to the corporate entities, professionals and the public. MCA21 is designed to fully automate all processes relating to the proactive enforcement and compliance of the legal requirements under the Companies Act, 1956. Since September 2006, it is mandatory for companies to make all filings with the RoC online using specially designed e-forms under MCA21 system. The information contained in these filings provides a large repository of corporate sector data. The major source of corporate sector data lying with the MCA21 repository comes from all the efilings made by companies with ROCs/Central Government. Some offline activities, which include complaints, inspections, investigations and prosecutions, are also updated into the MCA21 database.

Table 2.2. Companies Count at A Glance	
	<i>(as on 31.03.2013)</i>
Total number of Companies on the Registry	1301994
No. of Closed Companies	260154
Number of Companies under Liquidation/being Struck off	30857
No. of Companies lying dormant	144723
No. of Active Companies	858622
No of public Listed companies currently Working and have filed Annual Return	7020

Objectives: The project objectives for MCA21 were identified to enable each set of users illustrated as below:



Electronic forms (e-form) were designed as per various activities and reporting requirements. E-forms were designed using adobe e-form software, keeping in mind easy and widespread usability of adobe by general public. These e-forms enabled stake-holders to fill-in the information at their office without necessitating the need to be online. The e-forms also enabled pre-filling of repetitive company specific information and online scrutiny (verification) of entries on the basis of previous data filed with MCA21. The details of activity wise e-forms are as per table below:

TABLE 2.1. ELECTRONIC FILINGS BY COMPANIES BY PURPOSE

Purpose of filing	No. of e- forms	Type of e-Filing
Company Registration	8	Application for Incorporation of a Company, Change of Registered Office, etc.
Approval Services	22	Application for change of Name, Conversion of a Public Limited Company into a Private Limited Company, etc.
Change Services	6	Application for Alteration in the Charter, Statute or Memorandum and Articles of Association, Address of the Registered or Principal Office and Directors and Secretary of a Foreign
Compliance Related	14	Company, Return of etc. Allotment, Particulars of Contract relating to Shares Allotted as Fully or Partly Paid-Up other than in cash.
Annual Statutory Filing	7	Annual Return of a Company (not having share capital/ having a share capital), Annual Return of a Foreign Company having a share capital, Filings of Balance Sheet, Profit & Loss Account,
Charge Management	5	Creation or Modification of Charges, Satisfaction of charges, Registration of Charges for Debenture, etc.
Information services	6	Offer of a Scheme involving the transfer of shares or any class of shares between companies, Address at which Books of Account are maintained, etc.
Others	9	Increase in the number of Directors of the Company, Appointment or Reappointment and Remuneration or Increase in Remuneration or Over Payment to Managing or Whole-Time Director(s) or Manager, Intimating to Registrar of Companies of Conversion of the company into LLP, DIN application for appointment of director, etc.

With the implementation of MCA21, stakeholders have been provided with easy and secure access to MCA services, anytime and anywhere. The MCA21 has enabled

- Businesses to register a company and file statutory documents quickly and easily,
- Financial institutions to register/verify charges with no loss of time,
- Financial analyst, regulators and policy makers to obtain authentic and timely company information, and
- Public to easily access company records, etc.

Services provided and Innovations Used

There are more than 100 services provided to various stakeholders such as:

- Name Approvals
- Director Identification Number (DIN)
- Incorporation of new companies
- Filing of annual statutory returns
- Grant of all approvals
- Registry reference to public records of companies to public
- Grievance redressal
- Compliance management & effective regulation
- Interoperability with other Government Department / Ministries/ Regulators

The following are the features of the new IT-enabled MCA process which includes many innovative processes:

- Anywhere, anytime secure electronic filing for MCA transactions through adaptation of all statutory forms to e-forms, suitable for electronic filing
- Automated scrutiny of e-forms at the MCA portal available, that substantially reduced the commonly associated mistakes encountered in form-filing
- Use of Digital Signatures to ensure the security of electronic forms and documents in conformance with the Information Technology Act, 2000

- Verification of the credentials of the authorized signatory (Director, Company Secretary or Manager and Practicing with another established identification such as DIN, and/or Professional Membership number provided by the Institute.)
- PAN verification through system in collaboration with Income Tax Department
- Convenient multi-modal methods of payment encompassing existing payment mechanism and electronic payment options using credit cards and Internet banking, including an expanded nationwide network of Bank branches for challan payments
- Access to the MCA services optimized for use from a typical home Internet connection, with freely available software, with no additional costs for the end user
- Best-in-class information technology solution, including electronic workflows and sophisticated document storage and retrieval systems, that has significantly reduced paper usage at the MCA Offices
- Introduction of Hassle free stamp duty payment through MCA21 portal
- Nearly 5 Crore pages of legacy paper documents digitized for ready electronic access through Internet to the investors and general public
- Easy and comprehensive reporting of grievances by investors through MCA portal, for facilitating speedy redressal
- An architectural approach that allows easy adaptation of evolving technologies and platforms, while providing the robustness and scalability to the MCA21 solution
- National Data Centre located at New Delhi(with DR at Chennai) ensure provisioning of uninterrupted 24 x 7 operations
- High bandwidth connectivity across all nationwide offices of MCA and facility for access by several thousand users at the same time

- Total transparency whereby citizen can find out the status of their transactions.
- Automatic generation and sending of approvals/ certificates through e-mails.

Salient features

MCA portal has been designed to provide wizard based navigation to new users. Quick links are available on the portal for ease of use for the existing users. The portal uses hyperlinks within various web-pages to facilitate ease of use. A user can get information related to Corporate, LLP's and Director's director details with a few clicks sitting at his desk anywhere across the globe. The information is classified into following broad categories:

1. Company/ LLP master data information

Information related to Company and LLP master data is available without any fee and provides various details of the company (i.e. whether Public or Private, Listed or Unlisted etc.), Authorized Capital, Paid Up capital, date of incorporation etc. Portal provides easy to understand instructions for users, enabling quick view of Company master data.

View of Company Master Data on MCA Portal

The screenshot displays the MCA21 portal interface. The browser address bar shows the URL: <http://mca.gov.in/DCAPortalWeb/dca/CompanyMasterDetails.do>. The page title is "Company Master Details".

Quick Links:

- All About eFiling
- Track Your Transaction Status
- Track Your Payment Status
- Get Certified Copies
- Track Complaint Status
- Find Corporate Identity Number(CIN)
- Calculate the Fees
- Check Company or LLP Name
- View Public Documents
- View Transaction Status PFD
- Verify DIN-PAN Details of Director
- Verify Digitally Signed Certificate

Company Forms Download

LLP Forms Download

Prerequisite Software for eFiling
Register for SMS Alerts
 Presently, this facility is applicable only for Annual Filing eForms i.e. 208, 23AC, 23ACA, 66 and 21A.

Company Master Details:

CIN	: L23201MH1959GO1011388
Company Name	: INDIAN OIL CORPN. LIMITED
ROC Code	: ROC-Mumbai
Registration Number	: 011388
Company Category	: Company limited by shares
Company Subcategory	: Union Government Company
Class of Company	: <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private
Authorised Capital(in Rs.)	: 60,000,000,000.00
Paid up capital(in Rs.)	: 24,279,524,820.00
Number of Members	: 0
(Applicable only in case of company without Share Capital)	
Date of Incorporation	: 30/06/1959 (dd/mm/yyyy)
Address 1	: Indian Oil Bhavan, G-9 All Yavar Jung Marg,
Address 2	: BANDRA (EAST)
City	: MUMBAI
State	: Maharashtra
Country	: INDIA
Pin	: 400051
Email Id	: rajurang@indianoil.in
Whether listed or not	: <input checked="" type="checkbox"/> Listed <input type="checkbox"/> Unlisted
Date of Last AGM	: 03/09/2013 (dd/mm/yyyy)
Date of Balance sheet	: 01/03/2013 (dd/mm/yyyy)
Company Status (for eFiling)	: Active

Buttons: Back, Print

Footer: This site is owned by MINISTRY OF CORPORATE AFFAIRS. Sitemap | Disclaimer | Privacy Policy. Last Updated: Monday, September 23, 2013. Site is best viewed in 1024x768 resolution.

System tray: 10:45 AM 9/30/2013

2. Director's Information and Signatory details

The concept of a Director Identification Number (DIN) has been introduced for the first time with the insertion of Sections 266A to 266G of Companies (Amendment) Act, 2006. Through Director's search, stakeholders can view information related to ownership and management of any company. Further if a person is director in multiple companies, then a list of all such companies with details of period in which such a person is/ has been a director is available.

3. Charge documents:

This service is very useful for finding the financial status of a company including full details of various loans etc. The facility is available free of cost without necessitating need for login. This information is used extensively by Banks, Financial institutions and financial analysts. A typical charge information is as shown below:

View of Charge Information on MCA Portal

CIN/FCRN/LLPIN/FLLPIN :		X00001DL1986XX000000			
Company / LLP Name :		XXX LIMITED			
Charge ID	Date of Charge Creation/ Modification	Charge amount secured	Charge Holder	Address	Service Request Number (S RN)
10310627	23/09/2011	10,000,000,000	Indian Overseas Bank	Janpath Branch, F-47, Malhotra Building, Janpath, New Delhi - 110001, INDIA	B22725287
10303213	30/06/2011	10,000,000,000	Union Bank Of India	F14/15, Connaught Place, New Delhi, New Delhi - 110001, INDIA	B19176254
10278289	30/03/2011	30,000,000,000	Punjab National Bank	Mid Corporate Branch, A - 9, Connaught Place, New Delhi - 110001, INDIA	B09917915
10271493	09/03/2011	40,000,000,000	IDBI Bank	3rd floor, Indian Red Cross Society Building, 1 Red Cross Road, New Delhi- 110001, INDIA	B07756638

		Limited	
--	--	---------	--

4. Financial statements

Companies file their Balance Sheet and Annual return (including Profit and Loss statement) with MCA. This information is very useful for investors, financial analysts, regulatory oversight etc. The information is available at a prescribed fee of Rs. 50/- per company. Stakeholders can download relevant statements from the company record for future analysis.

5. Other documents

As part of view Public document facility stakeholders can view any event based information and other filed documents related to the company. Such information is very useful to ascertain registration details, change of directors etc. This facility is also available on payment of prescribed fee of Rs. 50/- only.

Key Benefits

1. Benefits for Public:

The initiative has benefited stake-holders and general public alike. Any document related to any Company/ LLP is available anytime and anywhere can be accessed by one and all. The facility has come as a boon for research studies and financial analysts. One can get information related to any company for all the previous years. The ease of access has improved the quality of information filed by the companies, as any wrong information is prone to scrutiny. Users can save desirous information and use the same later. There is also a feature to order certified copies of information from ROC online. These certified copies are required for various legal purposes. Thus the process of seeking and getting information has become absolutely hassle free with no requirement to visit ROC offices.

2. Benefits for Business Stakeholders:

Business stakeholder have been the biggest beneficiaries. There is instant information available on the portal. Each transaction status can be tracked and clarifications/ queries for any approval can be answered online. There is no special technological investment required from any corporate, as the portal operates on most of the operating platforms including Safari, Opera etc. The portal provides single, uniform one stop solution for all needs related to Company/ LLP registration etc. including of stamp paper charges for all states and Union Territories. Further all convenient payment options are available, which makes transaction very easy. The initiative has become a benchmark in best practices to be provided for business users and has been appreciated by World Bank as “*a laudable business friendly initiative by Government of India*”.

3. Benefits for Government:

There are numerous benefits of the portal for Government starting with creation of fully operational electronic service delivery portal meeting aspirations of global businesses. The initiative also is a step towards fulfillment of commitment for providing easy access to services including **ease of providing information**. The portal has made business eco-systems attractive for new investors from anywhere across the globe, benefitting the national economy. International corporates desirous of registering a business do not require to come for registration formality and can submit online application and seek all information online.

The portal has made information for other Government organizations readily available. Information is shared through Login based access with RBI, FinancialIntelligence Unit, Enforcement Directorate, Central Bureau of Investigations, CBDT, CBEC, Central Statistical Organization (CSO) etc. The sharing of data with other Government agencies with such ease has improved sectoral analysis enabling better policy initiative based on genuine and correct data.

The use of data/ information by investigation agencies has enabled unearthing quite a few scrupulous activities and has improved regulatory oversight. The portal provides a platform for newer and newer joined up services. The portal has enabled in standardizing and automation of all Internal Functions. It has improved working environment. Further the effort in processing the cases has reduced many-fold resulting in huge savings as there is no need to increase manpower for increasing work due to larger number of companies. Further the reporting and monitoring of performance of various field offices and officers has become very easy with various system reports enabling stricter control.

4. Benefits for Banks/ Financial Institutions (FI):

Banking and financial sector has hugely benefitted from the initiative. Earlier there was a permanent team of officers from Banks/ Financial Institutions which required to visit ROC offices daily to seek charge related and other financial information of the companies. Further bank officials required to visit ROC offices to ensure that charge related to loans disbursed by their organization have been properly registered. Now the information is available to them sitting in their own offices saving huge effort.

MCA has facilitated the banks/ FI's further by allocating administrative password to them to enable creation of administrative login-id for their disbursal officers. This facility enables creation of a charge on MCA portal by the bank officers instantly at the time of loan disbursal. The facility has helped banking and financial sector by enabling effective decision making related to credit worthiness and evaluation of financial strength. Instant registration of charges has also helped in controlling non- performance-assets (NPA's)

Revenue Sustainability and Future Initiatives

The project was conceived and executed as a Built, Own, Operate and Transfer (BOOT) model with TCS as service provider in first cycle from 2006 till January 2013. The payment to operator was made using Equated Quarterly Installments (EQI) based model. The assets created (Application software as well as Infrastructure) belong to the Ministry. The project has entered its second cycle with Infosys providing the service as decided through an open competitive bidding process. Ministry's revenues have increased from Rs. 700 Crore in 2006 to Rs. 1500 Crore (Approx.) in 2012-13.

Electronic service delivery has become basic and integral functional part of the Ministry. Further the platform has enabled Ministry to easily conceive new initiatives like XBRL based filing of financial statements, Public Grievance module, seeking and inviting comments on important policy related issues, IEPF sub-portal, Information related to companies under prosecution etc. In addition MCA21 has enabled cost effective implementation of automation and eGovernance of Official Liquidator (OL) offices. While the independent set-up for OL e-Governance was estimated at Rs. 120 crore, MCA21 enabled implementation will cost less than 5 Crores.

It can be appreciated that Ministry of Corporate Affairs is the only Central Ministry, which has achieved 100 % service delivery through electronic mode.

There has been an annual increase in revenue to the tune of more than Rs. 700 Crore. Some of this can be attributed to efficient mechanism and zero revenue loss due to portal. The expense on portal is limited to Rs. 40-45 Crore per annum making project easily sustainable.

Future Developments: The portal has created a strong platform enabling the ministry to envision further initiatives. Extension of services to include OL e-Governance with minimal added investments has been undertaken and likely to become a reality by 2014-15.

From stake-holder point of view, improved facilities for information like create your own dashboard, SMS alerts on filing of any information by a specific company, create your own reports etc. will further improve the usability of information available on the portal. The new initiatives are under development and likely to be implemented in three to six month period.

Replicability

Companies and LLP are only one form of registered organization carrying out business and commercial activities. There are various other forms of registered organizations which are engaged in businesses or operations like Partnership firms, Societies, Multi-state societies etc. These organizations are registered under state-governments either at state level or at district/tehsil level. The regulatory oversight and information seeking for these organization registered at various tehsils/ district head-quarters is very cumbersome. In fact some of the partnership/ societies do not file any information subsequent to their registration due to poor regulatory framework and overburdened registries.

The MCA21 model can be easily adapted by the various state –IT and e-governance departments to enable electronic service delivery making hassle free registration and enabling online filing of information and reports. Ministry of Agriculture, Government of India which is nodal agency for registration of Multi-state societies has already carried out feasibility study and system analysis to replicate online

registry similar to MCA21. Similarly officers of Central Board of Excise and Customs (CBEC) have carried out detailed project study of MCA21 implementation and discussion with MCA's e-Governance team to implement electronic registration of Importers and trading firms and online submission and approval of consignments including payment of custom duty online enabling faster and hassle free custom clearance. Thus it is very clear that MCA21 has become a successful case of electronic service delivery which can be studied by various Government departments and agencies to enable improved service delivery and creation of online repository of information.