



Mca- 21 E- Governance – an Overview

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ABSTRACT

With the opening of the economy towards globalisation, our corporate world requires world-class governance system. The essence of corporate world lies in promoting compliance of the law in letter and spirit, transparency, accountability and above all, fulfilling the fair expectations of all the stakeholders. The Ministry of Corporate Affairs on the recommendations of Department of Information Technology has implemented a comprehensive E – governance system and programme through a project named as “MCA – 21”. The project will provide public, corporate entities and others an easy and secure online access to the corporate information, including filing of documents and public access to the information required to be in the public domain under the Statute, at any time and from anywhere. This would also result in efficiency in statutory supervision of corporate processes and efficient professional services under the Companies Act, 1956. The MCA – 21 project will improve corporate governance through better scrutiny of company disclosures, better enforcement of corporate laws and paperless working.

Keywords : E- Governance, MCA-21, Corporate Governance

Introduction

With the opening of the economy towards globalisation, our corporate world requires world-class governance system. The essence of corporate world lies in promoting compliance of the law in letter and spirit, transparency, accountability and above all, fulfilling the fair expectations of all the stakeholders.

The process of economic reform and liberalisation that started in 1991 has entered a crucial phase, i.e., second-generation reforms. In the pursuit of globalisation, India has responded by opening up its economy, removing constraints and resorting to liberalisation. The natural corollary of this is that the regulatory system should be geared up in consonance with the best practices and technological development across the world.

The MCA-21 project rolled out the nearly paperless system across the country, starting with Coimbatore in Tamil Nadu. Today, almost 6 lakh companies in the country make their filings online. Public online access to corporate filings is available for a mere Rs 50. These and other features of the new electronic system have raised the standards of corporate governance, and set the stage for better compliance and enforcement.

MCA – 21

The Ministry of Corporate Affairs on the recommendations of Department of Information Technology has implemented a comprehensive E – governance system and programme through a project named as “MCA – 21”. On the 18th February 2006, the country entered into a new era of E-governance when the Ministry of Corporate Affairs launched its new website at Coimbatore in Tamilnadu. The MCA – 21 is aimed at total digital, paperless functioning of the offices of the four Regional Directors, 20 Registrars and 53 Facilitation Centers named Physical Front Officers in the country. The project will provide public, corporate entities and others an easy and secure online access to the corporate information, including filing of documents and public access to the information required to be in the public domain under the Statute, at any time and from anywhere. This would also result in efficiency in statutory supervision of corporate processes and ef-

ficient professional services under the Companies Act, 1956. Over three lakh filings were made (Balance sheet and Annual Returns) electronically by December, 2006 (within a span of three months) after the launch of e-governance project (MCA-21) in September 2006. The number of filings through electronic mode has been 1.83 crore by May, 2007 and by March, 2009, the figure crossed 5.45 crores.

Online Filing of Documents

The newly inserted sections 610 B to E in the Companies Act have made the filing of applications and documents through electronic form, mandatory. The amended provisions of 2006 have made possible the filing of Company returns by a simple click on www.mca.gov.in and to make payments of fees by using credit card and internet banking. The electronic filing of corporate documents in the country has been made mandatory with effect from September 16, 2006. The Ministry of Corporate Affairs vide GSR NO 557(E) dated 14th September 2006, has notified the company (Electronic Filing and Authentication of Documents) Rules, 2006.

Online Registraion of Company

The MCA has made the online registration of Companies in the country, which was once considered as a dream, possible. The first such company registered online was in South India (Coimbatore) in the summer of 2006, when the Minister of Corporate Affairs launched its new website. Around 18,000 companies were incorporated online up to November 2006. By the May, 2007, 44,000 companies were registered online. The number of such online registered companies increased to 67,744 by August, 2007 and by March, 2009, the figure crossed 2.5 lakhs (out of total companies in India numbering over 9 lakhs)

MCA-21 E-GOVERNANCE PROJECT IN ITS SECOND PHASE

The “MCA21 Project” of the Ministry of Corporate Affairs, launched in 2006, is a major e-Governance initiative covering all aspects of incorporation and regulation of companies as defined under the Companies Act. It is an end-to-end e-Governance program envisaging electronic filing of documents, registration of companies and public access to corporate

information online through a secure interactive portal. The portal services can be accessed/ availed from anywhere, at any time that best suits the corporate entities, professionals and the public at large. Since its launch, MCA 21 project has achieved very high degree of adoption and acceptance with more than 19 Lakhs DINs issued, 4.7 crore unique visitors to the portal, 6.2 Lakh registered users on the portal, 2.15 crore e-filings, 5.12 Lakh company's incorporated, 8 Lakh charges registered, 56,980 authorised bankers and professionals registered with DSC, 4.56 Lakh service queries responded etc. Peak usage of system has consistently gone up each year, with highest daily filing of 87,841 in the peak season of 2012. MCA 21 has enabled the Ministry to achieve very high standards of service delivery for its services, besides providing the Government with a comprehensive National Corporate Information Data base for improved decision making. The first cycle of MCA-21 has since completed on 16th January 2013.

During the current year, the Cabinet Committee on Economic Affairs approved continuation of the MCA21 Project to its second cycle from January, 2013 to July, 2021. The new cycle of the project will be a Non-Plan Scheme at a total project outlay of Rs. 357.81 crore, including an outlay of Rs.54.42 crore for independent project management and certification, for an eight and a half year period. It also includes an outlay of Rs. 29.84 crore for continuous improvements and up-gradation of the electronic service delivery of the Ministry of Corporate Affairs. The project will benefit all companies and LLPs registered in India. In addition, the project benefits citizens through its IEPF sub-portal for investor awareness and disclosures. Banks and financial institutions also benefit immensely from MCA21, as it acts as a repository of charge information on company/company's assets. MCA21 project has also benefited various State Governments through innovative use of electronic stamps (e-stamp).

MCA21 e-governance programme has already resulted in improved service delivery, and its second cycle is expected to continue the same. In addition, the project will improve corporate governance through better scrutiny of company disclosures, better enforcement of corporate laws and paperless working. In addition, the Ministry has extended e-governance to its OL offices, connect attached offices like SFIO and CLB, etc. in its second cycle. Ministry envisages redesigning of the portal to improve the stakeholder's mobile enabled interfaces, will be provided for improved service delivery. A new vendor for running the portal in its new cycle was also selected during the year.

Table 1
Filing Status as on December 2012

S.No.	Description	Number
1	Average portal hits per day	31147
2	Total filings through the systems	187.10 Lakh
3	Maximum number of documents filed in a day (21.11.2012)	88119
4	Number of companies registered online	510152
5	Total DIN issued till date	21.43 Lakh
6	Company records viewed online	138.45 Lakh
7	Number of Balance sheet filed	32.58Lakhs
8	Number of Annual Returns filed	33.11 Lakh
9	Amount of E-stamp fee collected (Rs.)	41959.55 Lakh
10	Number of E-forms changed during the Year	25 (companies) + 20 (LLP)

Efficiency in Service Delivery under MCA21

Table 2

Registration of Basic Documents

Types of Service	Prior to MCA 21	After MCA 21
Name Approval	7 days	1-2 days
Company Incorporation	15 days	1-3 days
Change of Name	15 days	3 days
Charge creation / modification	10-15days	Instantaneous
Certified Copy	10 days	2 days

Registration of Other Documents

Type of service	Prior to MCA21	After MCA21
Annual Return	60 days	Instantaneous
Balance-sheet	60 days	Instantaneous
Change in Directors	60 days	Instantaneous
Change in Regd. Office Address	60 days	1-3 days
Increase in Authorized Capital	60 days	1-3 days
Inspection of Public Documents	Physical appearance	On-line

Conclusion

The MCA21 initiative is part of the "Mission Mode" projects of the Government of India. Such mission mode projects have been positioned to be major change agents in the e-Governance space in India... MCA21 e-governance programme has already resulted in improved service delivery, and its second cycle is expected to continue the same. There has been a significant turn around in time for delivery of services with the implementation of the project. MCA21 project could be more efficient and successful if the technological and procedural hurdles are removed. In addition, the project will improve corporate governance through better scrutiny of company disclosures, better enforcement of corporate laws and paperless working. t

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