

# Electronic Filing Of Forms In Mca 21– An Overview



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**The MCA 21 Project will bring about a service transformation in terms of ease of use with Electronic filing as the key feature. It will facilitate easy interaction with all citizens and a near paper-less operation at the Ministry of Company Affairs (MCA) that will significantly improve the speed of back office work. While it shortens the cycle time for MCA service delivery, it also brings transparency. This project will facilitate greater compliance of company laws and statutes, speed up filing of statutory documents, smoothen data collection on companies and improve Government's efficiency in implementing laws relating to corporate governance.**

The tremendous growth of the Indian corporate sector remains in the reckoning in today's globally competitive environment. The genesis can be traced to the beginning of all this in 1956 when there were only around 30,000 companies in the country. The number of companies has grown to about 7 lakhs today, 5 lakhs of which have come in existence in the last 15 years only. While the growth in the first three decades was around 6 per cent per annum, the increase in the past one and half decade has been 8 per cent per annum.

## MCA 21 Project

MCA 21 is an innovative benchmark flagship E-Governance initiative of the Government in line with its vision to establish a healthy business ecosystem and introduce a Service Centric Approach in the design and delivery of Government services. This mission project is being carried out under the National e-Governance Programme of the Government with a comprehensive online portal to enable e-filing.

Under the MCA 21 Project, the Ministry of Company Affairs (MCA) has put all the Business Processes and services of the office of Registrar of Companies (RoC) on the e-Governance Mode. This project will cover all the services provided by the RoC starting from the incorporation of a new company. The current scope covers all the nationwide offices of the RoC and the four Regional Directorates (RD) besides the Secretariat at Delhi. The project would provide e-Services including name search, registration of new companies, filing various returns and statutory documents under the Companies Act, securing copies of available public documents registered with the MCA for business and industry saving the time and cost with the exception of the functions related to the Official Liquidator (OL). The services, presently in the scope of OLs are proposed to be taken up subsequently in an independent Second Phase.

Online filing and access would be available for permanent documents like memorandum of association, articles of association and certificate of incorporation and routine mandatory documents like annual returns, balance sheets and charge documents. These services can be accessed only through this portal. Besides the solution development, the process of digitisation of the company's legacy records has also been commenced.

The project is visionary in nature and is aimed at continuously repositioning the MCA as a dynamic and modern organisation, capable of fulfilling the aspirations of its stakeholders in the globally competitive 21st century environment through a set of pre-defined service levels.

## Benefits of the Project

The project serves the interests of all its key stakeholders, primary being the Businesses and Corporates, by enabling them to have simple, hassle-free interaction on compliance matters. The Public in general will benefit through online access to public records and able to request for certified copies online. Corporations, professionals and the public at large will no longer need to visit the RoC offices and would be able to interact with the MCA using the MCA 21 portal from their offices or home or by going to the facilitation centers (physical front offices), which have been set-up.

Similarly, the Financial Institutions will have the facility of easy registration and verification of charges from anywhere in the country. If a banker wants to independently check the financial record of a private company or verify the charges on the assets, he would be able to access the records online, instead of having to visit the premises.

While the Employees of the MCA will have an environment conducive to promote efficiency and effectiveness, the Government would be in a position to play its regulatory role through transparent means and effective compliance management. For the Government, the benefits include better corporate governance through improved scrutiny of company disclosures and better enforcement of corporate laws, including penalties for non-filing. It would also mean enhanced revenue because of higher level of compliance and creation of a paperless back-office that would result in savings. The savings have been assessed at approximately two crore man days per annum, besides saving on traveling etc, which may be of the order of more than Rs. 40 crore per annum.

## The Focus and Goals

The focus of the MCA 21 project is on bringing about a fine balance of the stakeholder requirements— between facilitation and control— as a blend of well-defined goals and performance metrics. Adopting International Best Practices, the goals have been set to bring immense value to the stakeholders and have been succinctly articulated as under:

1. Business enabled to register a company and file statutory documents quickly and easily.
2. Public to get easy access to relevant records and get their grievances redressed effectively.
3. Professionals to be able to offer efficient services to their client companies.
4. Financial Institutions to find registration and

verification of charges easy.

5. MCA to ensure proactive and effective compliance of relevant laws and corporate governance.
6. Employees of MCA enabled to deliver best of breed services.

## Electronic Filing

The services of MCA are all form driven. Filing and registration of documents, which is a statutory requirement under the Companies Act, 1956, is currently done manually. The MCA 21 initiative is aimed at enabling the electronic filing of these forms. MCA has, vide notification No. GSR 56(E) dated 10th February 2006, has issued the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2006 and notified new e-Forms, compatible with e-filing, which have been made operational with effect from 28th February 2006 (New Forms under MCA 21 listed in Table 1). As such, all filings have to be in these forms notwithstanding the operations of ROC office having gone live or not.

Certification of company documents by practising professionals (Chartered Accountants, Cost Accountants in practice and Company Secretaries in whole-time practice) as is presently required, has not only been continued by MCA 21 in its e-forms but the same has also been extended to several other forms comprising Form Nos.2, 3, 5, 8, 10, 17, 18, 23, 24AB, 32. Besides Form 1 of Companies (Declaration of Dividend out of Reserves) Rules, 1975 and Form 1 of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 are also to be pre-certified.

Form filling will be done using freely downloadable software and it can be done offline, i.e., one need not remain connected to the Internet while filling-in the form. Such an approach ideally suits use of home and small office Internet connections. The pre-requisite for using the portal MCA 21 will be: P-4 Computer with printer, Windows 2000/XP, Internet Explorer 6.0 version, Adobe Acrobat Reader 7.05 version, and Digital Signature Certificate.

## Facilities

The following facility will be available in e-filing

- Pre-filing (based on information already provided).
- Pre-scrutiny (validation of various entries made)

- Attachment of document
- Payment calculated by system
- Payment may be 'Challan' based or online through Payment Gateway.

The process of e-filing will work as follows:

- ❖ Download a blank e-form from the MCA 21 portal.
- ❖ Fill-up the e-form offline using software that is free and widely available.
- ❖ Optionally carry out electronic pre-scrutiny - in which the system will verify whether the form has been completed in all respects, though the system will not be able to intelligently judge the quality of contents.
- ❖ Digitally sign the form - by one or more signatories
- ❖ Submit the e-form (duly filled and digitally signed) for processing to the MCA 21 portal.
- ❖ Make necessary payments to complete the transaction - either at an authorised bank branch or through a credit card or through the Internet Banking facility.

The electronic documents that are submitted to the MCA 21 portal will be taken up for processing by the RoC concerned as soon as payment authorisation has been received from the authorised bank. If payments are not made within a week from the date of submission to the MCA 21 portal, the documents/e-forms will need to be re-submitted once again. The filing will be done only through the portal MCA 21 and not through Email. The transaction will be deemed as completed only after clearance of the payment by the bank. The systems will hold the applications for five days till the payment is made. Stamp duty will be paper based. It is proposed that the payment of stamp duties will also be made online in phases through banks in near future. The forms may be filed online or offline after downloading. MCA recommends that the forms be filed offline and then submitted on the portal. With the above system the entire e-filing is expected to be done from the virtual office.

### Digital Signature Certificate

The electronic forms shall be authenticated by the authorised signatories using digital signature as defined under the Information Technology Act, 2000 in order to make use of the facilities. A digital signature is the electronic signature duly issued by the Certifying Authority that shows the authenticity of the person signing the same. All signatories of a

company including Managing Director, Directors, Manager or Secretary authorised to sign the various forms to be filed with ROC, RD or MCA are required to obtain Digital Signature Certificate (DSC). It is also mandatory for all the stakeholders who would interact with the ministry to have a DSC, since without that, it would not be possible to file the returns and other statutory compliance related filing.

The Ministry has called upon all the existing and future Directors to immediately apply for allotment of Director Identification Number (DIN) and the professionals and company Directors required to sign the documents to be filed under the Companies Act, to procure DSCs as essential pre-requisites for e-filing. Besides, the authorised signatory for each company would also need to obtain a digital signature. The web portal would accept digital signatures obtained from any of the seven issuing agencies in India (Table 2).

### Director Identification Number

MCA 21 Project also introduces the concept of Director Identification Number (DIN), which is a unique and lifetime identification number being issued to all current and prospective directors. DIN is a unique identification number for an existing director or a person intending to become the director of a company. In the scenario of e-filing, DIN will be a pre-requisite for filing of certain company related documents. DIN envisages e-filing of all documents related to company matters on the MCA portal.

It is mandatory for all directors who wish to interact with the ministry in future to acquire a DIN. The system would also enable the stakeholder to track the service request through a Service Request Number (SRN). No fee is required to be paid for the same. To get the DIN, an online application is to be filed. A provisional DIN will be issued after online filing. Thereafter, the printed detail of the fields entered has to be generated. A photo has to be attached on the form with proof of the residence duly attested by Notary/ Gazetted Officer/ Certified Professionals (Chartered Accountant/ Cost Accountant /Company Secretary/Lawyer). The same will then be submitted in the RD office at Noida. The RD office at Noida will issue the DIN. It has been clarified by MCA that on resignation of the Director from a company the DIN obtained does not have to be cancelled. The DIN will remain with the individual only. Only a single DIN is required for an individual irrespective of number

of directorships held by him. All the directorships of an individual would be mapped in the database through that DIN. With the introduction of the concept of DIN the offences committed by the directors will be immediately detected. It would also help in addressing the concerns of companies vanishing after raising funds from the public. Investors will also get the chance to take more informed decision by knowing the top management of the company. While filing the forms the Corporate Identification Number (CIN) also needs to be mentioned.

### Corporate Identity Number

Every company has been allocated a Corporate Identity Number (CIN). CIN can be found from the MCA 21 portal through search based on:

- ❖ ROC Registration No.
- ❖ Existing Company Name
- ❖ Old Name of Company
- ❖ Inactive CIN

### Payments

MCA 21 will enable users to have multiple options to make payments in the online mode either through credit cards or the Internet banking facility. A payment gateway of ICICI Bank has been put in place so that all the requisite fee can be paid online through credit cards. Besides this, the traditional payment through demand draft would be accepted against a system-generated challan at more than 200 branches of State Bank of India, Punjab National Bank, Indian Bank, ICICI Bank and HDFC Bank across the country.

At the time of submitting the form at the MCA 21 portal, the system will provide a pre-filled bank challan that can be printed out by the applicant and payment can be made at the bank within a week. Using these challan a teller payment is made at one of the authorised bank branches convenient to the applicant. Upon completion of the MCA payment, the electronic documents are authorised for processing by the banks on the day following the payment. These authorisations are provided electronically through highly secure processes. In the case of credit cards, the authorisation to the MCA 21 system is instantaneous.

### Front Offices

The Front Office (FO) represents the interface of the corporate and public user with the MCA 21 system. The implementation of FO is done in two

ways. These can be called as Virtual Front Office (VFO) and Physical Front Office (PFO). The VFO is what the citizen has in front while accessing the MCA 21 portal. Citizens will, thus, have the choice to do electronic filing either directly at the MCA 21 portal or seek the services of a PFO.

The PFO will be a replacement to the existing RoC counters. To address the needs of the stakeholders who do not have access to a computer system and Internet connection and those who are not adept in using computerised applications, a wide network of PFOs will be established. These 53 PFOs will be conveniently located at all Metros, major cities/towns and in Special Economic Zones. Four temporary front offices during the peak period would also be set up to do business transactions with the MCA online. These centers will serve as facilitation centers to receive the documents, convert them into electronic documents, and transfer the same in digital form to the back office (RoC office) for further processing and decision-making.

The PFO will also accept paper documents and convert into electronic documents by customer service agents manning PFO. Also, the authorised person(s) will have to sign these documents digitally. Consequently, the authorised signatories for a given document will need to appear in person at the PFO for the purpose of digitally signing the document.

### Back Office

The Back Office (BO) is what MCA employee has in front, while accessing back office portal. The RoC office working from its present address will virtually become the BO. The BO process relates to:

1. Dynamic routing of documents that have been electronically filed to the concerned official within MCA based on the type of service request.
2. Electronic workflow systems to support speed and certainty in service delivery
3. Supporting all routine tasks such as registrations and approvals
4. Storing of all approved documents of companies as part of electronic records, including provision of access to electronic records for the stakeholders
5. Enhancing identification of defaulters
6. Increasing efficiency of Technical Scrutiny
7. Ensuring close follow-up on matters related to compliance management including prosecutions

8. Enabling quicker responses to investor grievances
9. Providing alerts when the tasks are not carried out within stipulated period

The BO will have a rich collection of data elements that will be retained in a Relational Database Management System (RDMS). This transfer of data from the e-forms to the RDMS is being done using technology components, obviating the need for any manual data entry. Consequently the purity of data is retained, as the data entered

by the applicant on the form gets transferred automatically into the system for further use.

### Conclusion

MCA 21 Project will move the operations in ROC offices from paper-based to paperless environment. It will provide for anytime anywhere electronic services with speed, transparency, efficiency and certainty to all the stakeholders. It will become an emerging initiative of the corporate governance. □

**Table 1**  
**New Forms under MCA 21**

S. No.	New e-Form No.	Subject
1	Form 1	Application and declaration for incorporation of a company
2	Form 1A	Application form for availability or change of name
3	Form 1AA	Particulars of person(s) or director(s) or charged or specified for the purpose of clause (f) or (g) of section 5
4	Form 1AD	Application for confirmation by Regional Director for change of registered office of the company within the state from the jurisdiction of one Registrar to the jurisdiction of another Registrar
5	Form 1B	Application for approval of the Central Government for change of name or conversion of a public company into a private company
6	Form 2	Return of allotment
7	Form 3	Particulars of contract relating to shares allotted as fully or partly paid-up otherwise than in cash
8	Form 4	Statement of amount or rate per cent of the commission payable in respect of shares or debentures and the number of shares or debentures for which persons have agreed for a commission to subscribe for absolutely or conditionally
9	Form 4C	Return in respect of buy back of securities
10	Form 5	Notice of consolidation, division, etc. or increase in share capital or increase in number of members
11	Form 8	Particulars for creation or modification of charges (other than those related to debentures)
12	Form 10	Particulars for registration of charges for debentures
13	Form 15	Appointment or cessation of receiver or manager
14	Form 17	Particulars for satisfaction of charges
15	Form 18	Notice of situation or change of situation of registered office
16	Form 19	Declaration of compliance with the provisions of section 149(1)(a), (b) and (c) of the Companies Act, 1956

17	Form 20	Declaration of compliance with the provisions of section 149(2)(b) of the Companies Act, 1956
18	Form 20A	Declaration of compliance with the provisions of section 149(2A) or of section 149(2B)
19	Form 20B [Refer Section 159 of the Companies Act, 1956]	Form for filing annual return of a company having a share capital
20	Form 21	Notice of the court or the company law board order
21	Form 21A	Particulars of annual return for the company not having share capital
22	Form 22	Statutory Report
23	Form 22B	Form of return to be filed with the Registrar
24	Form 23	Registration of resolution(s) and agreement(s)
25	Form 23AA	Notice of address at which books of account are maintained
26	Form 23AAA	Application to Central Government for modification in the matters to be stated in the company's balance sheet or profit and loss account
27	Form 23AAB	Application for exemption from attaching the annual accounts of the subsidiary companies
28	Form 23AAC	Application to Central Government for not providing depreciation
29	Form 23AC	Form for filing balance sheet, profit and loss account and other documents with the Registrar
30	Form 23B	Information by auditor to Registrar
31	Form 23C	Form of application to the Central Government for appointment of cost auditor
32	Form 24	Form of application to the Central Government for increase in the number of directors of the company
33	Form 24A	Form for filing application to Central Government (Regional Director)
34	Form 24AB	Form for filing application for giving loan, providing security or guarantee in connection with a loan
35	Form 24B	Form of application to the Central Government for obtaining prior consent for holding of any office or place of profit in the company by certain persons
36	Form 25A	Form of application to the Central Government for approval of appointment and remuneration or increase in remuneration or waive for excess or over payment to managing or whole - time director(s) or manager
37	Form 25B	Form of application to the Central Government for approval to amendment of provisions relating to managing, whole-time or non-rotational directors
38	Form 25C	Return of appointment of managing director or whole-time director or manager

39	Form 32	Particulars of appointment of managing director, directors, manager and secretary and the changes among them or consent of candidate to act as a managing director or director or manager or secretary of a company and/or undertaking to take and pay for qualification shares
40	Form 32 Addendum	Particulars of appointment of managing director, directors, manager and secretary and the changes among them or consent of candidate to act as a managing director or director or manager or secretary of a company and/or undertaking to take and pay for qualification shares- addendum to Form 32.
41	Form 35A	Information to be furnished in relation to any offer of a scheme or contract involving the transfer of shares or any class of shares in the transferor company to the transferee
42	Form 36	Receiver's or manager's abstract of receipt and payments
43	Form 37	Application by an existing joint stock company or by an existing company (not being a joint stock company) for registration as a public limited or private limited or an unlimited company
44	Form 39	Registration of an existing company as a limited company
45	Form 44	Documents delivered for registration by a foreign company
46	Form 49	Return of 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 company
47	Form 52	Notice of (A) alteration in names and addresses of persons resident in India authorised to accept service on behalf of a foreign company (B) alteration in the address of principal place of business in India of a foreign company (C) list of places of business established by a foreign company (D) cessation to have a place of business in India
48	Form 61	Form for filing an application with Registrar of Companies
49	Form 62	Form for submission of documents with the Registrar
50	Form 63	Form for filing application for declaration as Nidhi company
51	Form 64	Form for filing application for opening branch(es) by a Nidhi company
52	Form 65	Form for filing application or documents with Central Government
53	Form II [Pursuant to Rule 2 of the Companies (Appointment of Sole Agents) Rules, 1975]	Form of application for approval of the Central Government for the appointment of sole buying agent by a company

54	Form DD - B [Pursuant to section 274(1)(g) read with rule 5 of Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2001]	Return by a public company
55	Form I [Pursuant to Rule 2 of the Companies (Appointment of Sole Agents)]	Form of application for approval of the Central Government for the appointment of sole selling agents by the company
56	Form DD - C [Pursuant to section 274 read with Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2001]	Form of application for removal of disqualification of directors
57	Form [Pursuant to the Companies (Declaration of Dividend out of Reserve) Rule 1975 for approval for Declaration of Dividend of Reserve Rules, 1975]	Form of application for approval for declaration of dividend out of reserves) Rules, 1975]
58	Form [Pursuant to section 159 of the Companies Act, 1956 and rule 3 of Application of section 159 to Foreign Companies Rules, 1975]	Form of annual return of a foreign company having a share capital
59	Form 1 [Pursuant to Rule 3 of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001]	Statement of amounts credited to investor education and protection fund
60	Form [Pursuant to section 233B(4), 600(3)(b) of the Companies Act, 1956 and rule 2(c) and rule 4 of the Cost Audit (Report) Rules, 2001]	Form for filing cost audit report and other documents with the Central Government
61	Investor Complaint Form	Investor Complaint Form

**Table 2**

**List of Certifying Authorities**

No.	Organisation/Agency	Website
1.	Tata Consultancy Services Ltd.	<a href="http://www.tcs-ca.tcs.co.in">www.tcs-ca.tcs.co.in</a>
2.	National Informatics Centre	<a href="http://www.nic.in">www.nic.in</a>
3.	Institute for Development and Research in Banking Technology	<a href="http://ibrbtca.org.in">ibrbtca.org.in</a>
4.	Mahanagar Telephone Nigam Ltd.	<a href="http://www.mtnltrustline.com">www.mtnltrustline.com</a>
5.	Customs and Central Excise	<a href="http://icert.gov.in">icert.gov.in</a>
6.	n)Code Solutions Ltd.	<a href="http://www.gnvfc.com">www.gnvfc.com</a>
7.	Safescrypt	<a href="http://www.safescrypt.com">www.safescrypt.com</a>