

MCA21 Version 3.0

The first phase of MCA21 Version 3.0 (V3.0) of the Ministry of Corporate Affairs was launched by the Minister of State for Finance and Corporate Affairs Shri Anurag Singh Thakur on May 24th, 2021.

What is MCA21?

MCA21 is the online portal of the Ministry of Corporate Affairs (MCA) that has made all company-related information accessible to various stakeholders and the general public. It was launched in 2006.

Ministry of Corporate Affairs MCA21

1. MCA21 version 3.0 is the first phase of the digital corporate compliance portal of the Ministry of Corporate Affairs -MCA.
2. It was part of the Union Budget 2021 announcement.
3. Version 3.0 comprises revamped website, new email services for MCA Officers and two new modules, namely, e-Book and e-Consultation.
4. MCA21 is an e-Governance initiative that enables easy and secure access of the MCA services to the corporate entities, professionals and citizens of India.
5. The MCA V3.0 is going to be implemented in two phases. The second and final phase shall be launched from October 2021 onwards.
6. The entire project MCA21 is proposed to be launched within the Financial Year 2021-22.
7. MCA21 will be data analytics, Artificial intelligence and machine learning driven.
8. The project will have Microservices architecture with high scalability and capabilities for advanced analytics.
9. Aligned with global best practices, MCA21 V3.0 is envisioned to transform the corporate regulatory environment in India.
10. It aims to improve the existing services and modules, create new functionalities like e-adjudication, compliance management system, advanced helpdesk, feedback services, user dashboards , self-reporting tools and revamped master data services.
11. MCA21 has been part of Mission Mode projects of the Government of India.
12. The core objective of MCA21 Version 3.0 is to fully automate all processes related to the proactive enforcement and compliance of the legal requirements to help the business community to meet their statutory obligations.
 - o The legal requirements mentioned under the Indian Companies Act, 1956, Limited Liability Partnership Act, 2008 and the New Companies Act, 2013 are to be automated.

Components of MCA21

The key components of MCA21 are -

1. E-adjudication module:

- To manage the increased volume of adjudication proceedings by the Registrar of Companies (RoC) and Regional Directors (RD).
 - It will facilitate end to end digitisation of the process of adjudication, for the ease of users.
 - It will provide a platform for conducting online hearings with stakeholders and end to end adjudication electronically.
2. e-Scrutiny module:
- MCA is in the process of setting up a Central Scrutiny Cell which will scrutinise certain Straight Through Process (STP) Forms filed by the corporates on the MCA21 registry and flag the companies for more in depth scrutiny.
3. e-Consultation Module:
- To automate and enhance the current process of public consultation on proposed amendments and draft rules etc.,
 - It will provide an online platform wherein proposed amendments/draft legislations will be posted on MCA's website for external users/ comments and suggestions pertaining to the same in a structured digital format.
 - Further, the system will also facilitate AI driven sentiment analysis, consolidation and categorization of stakeholders' inputs and creation of reports on the basis thereof, for reference of MCA.
4. Compliance Management System (CMS):
- It assists the Ministry of Corporate Affairs - MCA in identifying non-compliant companies/LLPs, issuing e-notices to the said defaulting companies/LLPs, generating alerts for internal users of MCA.
 - It will serve as a technology platform or solution for conducting rule-based compliance checks and undertaking enforcement drives of MCA wherein e-notices will be issued by MCA for effective administration of corporations.
5. MCA Lab:
- As part of MCA21 V3, a MCA LAB is being set up, which will consist of corporate law experts.
 - The primary function of MCA Lab will be to evaluate the effectiveness of the Compliance Management System, e-consultation module, enforcement module, etc. and suggest enhancements to the same on an on-going basis.
 - The Lab will help MCA in ensuring the correctness of results produced by these key modules in view of the dynamic corporate ecosystem.
6. Additionally, MCA21 V3 will have a cognitive chat bot enabled helpdesk, mobile apps, interactive user dashboards, enhanced user experience using UI/UX technologies, and seamless data dissemination through APIs.

Significance of MCA21

1. It will leverage the use of latest technologies to further streamline the Corporate Compliance and stakeholders experience.

2. It will help in improving Ease of Doing Business in India. You can check the [Ease of Doing Business Report \(EoDBR\)](#) by World, India ranked 63rd out of 190 countries.
3. The data analytics driven MCA21 V3.0 will give new meaning to corporate compliance culture and will further enhance the trust and confidence in the Corporate regulatory and governance system.
4. It will strengthen enforcement, enhance user experience, facilitate seamless integration and data exchange among Regulators.
5. Will enable Easy access to the updated legislations along with a tracking mechanism for historical changes in law.

Government Measures to Improve Ease of Doing Business

1. Insolvency And Bankruptcy Code (IBC 2016) - is the bankruptcy law of India which seeks to consolidate the existing framework by creating a single law for insolvency and bankruptcy. It provides for a time-bound process to resolve insolvency. When a default in repayment occurs, creditors gain control over the debtor's assets and must make decisions to resolve insolvency within 180 days.
2. RUN Scheme - Reserve Unique Name is a web service by the government of India that helps to verify whether the name chosen for the company is unique. RUN is used for reserving a name for a new company or for changing its existing name.
3. Integrated Incorporation Form SPICE+ - SPICE+ is an integrated Web form offering 10 services by 3 Central Govt Ministries & Departments. (Ministry of Corporate Affairs, Ministry of Labour & Department of Revenue in the Ministry of Finance) thereby saving as many procedures, time and cost for Starting a Business in India. SPICE+ is part of various initiatives and commitments of the Government of India towards Ease of Doing Business (EODB).