

Statutory filings in MCA go interactive

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Incorporating companies and filing statutory documents under the Companies Act is set to become interactive with the ministry of corporate affairs preparing a new version of its compliance platform for companies in a couple of months.

The new 'company module' in the ministry's compliance portal will have chatbots to assist in filings and will have web forms rather than portable document format (PDF) forms and deploy artificial intelligence to guide the user through the filing process, a person familiar with the project said. The idea is to make the portal more responsive and scale up the ease of doing business, especially for small businesses which may not have the resources to hire professionals for compliance. The ministry, which recently rolled out a similar module for limited liability partnerships (LLPs), expects the new company module will be fully operational in another two months.

A more responsive and interactive technology interface with the regulatory authorities—Registrars of companies (RoCs), Regional Directors and official liquidators—will be hugely useful to businesses and professionals given that over 1.4 million active companies use the ministry's MCA21 portal for statutory compliance. In FY21, over 1.2 million annual returns were filed and more than 3.1 million company records were viewed online, as per official data. The number of companies getting incorporated is also going up with around 12,000-14,000 new companies being formed every month.

"With further improvement in ease of doing business, compliance would require less time and resources, which will help entrepreneurs to focus on their core operations," said a second person, who also spoke on condition of anonymity.

The new filing system will also influence the government's administration of the regulatory framework under the Companies Act given that the new module will use artificial intelligence and data analytics to mine the information to spot the trends in the corporate sector that may warrant the attention of regulators or policy makers. The ministry earlier this month sought bids from private researchers to analyse its database to throw light into corporate behaviour in key areas like the extent of leverage and whether funds raised from the public have been used for the stated purpose.

The ministry already has linked its technology platform with other departments like labour and employment and revenue and with some of the state governments and select banks to offer a host of services including issuance of Permanent Account Number (PAN), tax deduction and collection account number (TAN), and Employees Provident Fund Organisation (EPFO) registration and profession tax registration.

The ministry is also in the process of introducing a centralized facility for processing applications from companies for voluntary closure, which at present is being handled by RoCs in different states, said the second person quoted above. This would make voluntary exits quicker for businesses.

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