

CHAPTER - VII

Towards Interactive and Responsive Administration

7.1 In its pursuit towards a more responsive, transparent and dynamic environment in the Headquarters and in the field offices, the Ministry of Company Affairs has undertaken several innovative measures and mechanisms.

E-Governance

7.2.1 The Ministry of Company Affairs has launched an ambitious e-Governance Project, namely “MCA21 e-Governance Project”. The Project envisages electronic-filing of companies’ documents through an interactive and paperless registration process through internet. It also ensures uniform transmission of information amongst offices of Ministry of Company Affairs across the country.

7.2.2 The project aims at transforming MCA into a paperless, modern, service-oriented, quality conscious and customer centric organisation.

The Project further envisages:-

- Shifting entire business process of Registrar of Companies to e-governance mode.
- Digitisation of legacy data of Companies and Annual Returns & Balance Sheets of two years running into approx. 6.0 crore pages.
- Setting-up of facilitation centers at 53 locations throughout the country. These are known as Physical Front Offices (PFOs) and will remain operational for a period of three years.

7.2.3 After implementation, all services such as registration of new companies, filing of annual returns and balance sheets, filing of event based documents and also viewing of documents etc. will be available to public online through internet. It will ensure speed and certainty in service fulfilment.

Salient features of the Project are:-

- Anywhere, anytime e-Filing.
- Multiple payment options-including electronic payments.
- Digital signature ensures validity of documents in the court of law.
- Stamp duty collections simplified.
- Registration of new companies – from days to hours.
- Online access to public records.
- Easy registration and verification of charges from anywhere in the country.
- Effective compliance management and transparency.
- Environment conducive to promote efficiency and effectiveness.
- It is proposed to be undertaken with an approximate cost of Rs. 350 crore.

7.2.4 M/s. Tata Consultancy Services led consortium have been selected as the Build-Own-Operate-Transfer (BOOT) operator for this project. Services of the Unit Trust of India Technological Services Ltd. (UTITSL) have been engaged to manage and monitor the implementation of the project, and the Department of Information Technology, e-Governance Centre, as Consultants to assist in the implementation of the project. The Department of Information Technology has engaged the National Institute of Smart Government (NISG) as consultant to devise the best approach to modernize MCA using IT as enabler. Standardisation, Testing and Quality Certification (STQC) has been made responsible for the quality assurance of the MCA21 application and for the security of the Data Center and Data Recovery Center.

7.2.5 As per plan, the Project has been drawn up with very strict timelines and has to be implemented within a period of 60 weeks starting 1.3.2005. Digitization of company records running around 6 crore records pertaining to over 6 lakh registered companies has been undertaken.

7.2.6 A Change Management Programme has been taken up to support the ambitious e-governance initiative the success of which lies in wholehearted participation and support of the employees, and which calls for enhanced contribution from all quarters. To recognize the contributions made by the employees towards implementation of 'MCA21'

in addition to their present responsibilities a 'Reward and Recognition Scheme' has been introduced.

7.2.7 This Scheme has been propounded on the principle that "If you work hard & take initiative, your effort will be recognized & rewarded". MCA-21 has already been launched at Coimbatore and Pondicherry and the implementation at other stations will be accomplished by the end of April, 2006.

Investor Grievance Redressal Mechanism

7.3.1 With a view to improving the system of lodging of complaints by investors and processing, a new system for online lodging of complaints by the investors and depositors has been jointly developed by the Ministry of Company Affairs and National Informatics Centre. This system for lodging online complaints of investors and depositors was put on the website of the Ministry of Company Affairs, (<http://dca.nic.in>) in January, 2005 (now website <http://mca.gov.in>). The new system facilitates the complainants to electronically lodge their complaints with the Investor Protection Cell. The system issues complaint numbers online as acknowledgments for future reference. The complainant is able to know the status of his complaint at any time, thus making the system more user friendly and responsive.

7.3.2 In this regard further steps have been taken by the Ministry to educate the investors about the nuances and dynamics of investment to equip them with a better understanding of the system. This will enable them to take well-considered decisions before making any corporate investment.

7.3.3 Since 01.01.2001, the Investor Education and Protection Fund (IEPF) has been working for educating the investors and for creating greater awareness about investments in the corporate sector. So far, it has more than 20 NGOs/Voluntary Organisations (VOs) registered, and funded for the activities like organizing seminars/interactive workshops/awareness programmes, publishing magazines, pamphlets, developing websites etc. A website, www.watchoutinvestors.com which is a national registry of economic defaulters and covering information on convictions by various regulatory bodies, has been created to help the investors protect themselves from unscrupulous promoters, companies and entities. Spots on education and awareness of investors have been telecast on the Doordarshan and private channels. Panel discussions on investor related issues have also been telecast over the Doordarshan. Besides, interactive

workshops with NGOs/Voluntary Organisations(VOs) in this field and “Training the Trainers” programmes have been funded under the Investor Education and Protection Fund window.

Settlement of Grievances of Officers and Staff

7.4 Keeping in view the need for settlement of grievances of officers and staff , a Staff Council is in place in the Ministry, which is an elected body. The Staff Council is headed by the Joint Secretary incharge of Administration. It meets at least once in 2 months and all the grievances and problems are discussed and solved in this fora itself. It has proved to be a very effective mechanism in creating a healthy atmosphere in the Ministry.

Vigilance

7.5.1 The Vigilance Section of the Ministry of Company Affairs deals with:-

- (i) Complaints involving vigilance angle.
- (ii) Maintenance of ACRs of Group A,B, & C officers at Headquarters and Group A & B officers at the field offices.
- (iii) Conducting disciplinary proceedings under CCS(CCA) rules in all cases involving vigilance or administrative angle.
- (iv) Compliance reports/Permissions/Intimations under CCS (CCA) rules relating to acquisition of movable or immovable assets, acceptance of gifts, employment of relatives in private firms etc. in respect of all officers/officials of the Headquarters and Group A & B officers in field offices.

7.5.2 The week beginning from 7th November, 2005 to 11th November 2005 was observed as Vigilance Awareness Week, at the Headquarters as well as in all the field offices including MRTPC, DGI&R and CLB. A pledge was administered to all the officers and the staff while commencing the week on 7th November. An essay competition, of one-hour duration both in Hindi and English was held on 11th November 2005 at the Headquarters.

Gender Issues

7.6 As regards gender issues, no discrimination is made on the basis of gender while allocating work. The work is allocated on the basis of designation.

Representation of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs)

7.7 As on 31th December 2005, there were 1661 employees working in the Ministry including its subordinate and field offices. Of these, 302 were Scheduled Castes, 112 were Scheduled Tribes and 110 were Other Backward Classes. During the period, vacancies identified to be filled by SCs, STs and OBCs were 10, 4 and 6 respectively. Out of these, vacancies filled by SCs, STs and OBCs were 7, 4 and nil respectively.

Table 7.1

**Statement showing the total number of Government servants and number of SCs, STs and OBCs amongst them for the year 2005-06
(For the period April, 2005 to December, 2005)**

Group	Total No. of employees	No. of employees out of total employees			Total vacancies reserved during the period			Total No. of reserved vacancies filled up during the period		
		SCs	STs	OBCs	SCs	STs	OBCs	SCs	STs	OBCs
A	234	37	12	16	0	0	0	0	0	0
B	229	39	14	8	0	0	0	0	0	0
C	933	137	61	61	9	4	6	7	4	0
D	265	89	25	25	1	0	0	0	0	0
Total	1661	302	112	110	10	4	6	7	4	0

Progressive use of Hindi

7.8.1 The Ministry of Company Affairs deals with the corporate sector with regard to matters relating to the Companies Act, 1956 and MRTP Act, 1969 and other legislation permitting thereto. Majority of staff of the Ministry have a working knowledge of Hindi. Efforts are being made to provide them training to prepare noting and drafting of legal matters in Hindi also. As a result of the efforts made in this regard during the last few

years, there has been an encouraging increase in the progressive use of Hindi. The percentage of correspondence originating from the Ministry at the quarter ending December, 2005 is 60% (overall).

Steps taken during the year 2005 to achieve the targets are as under: -

- (i) The correspondence under Section 3(3) of the Official Language Act is being done bilingually.
- (ii) All the letters received in Hindi are replied to in Hindi only.
- (iii) In addition to earlier specified, three Sections viz. Administration III, General and Cash Sections, two more sections namely Parliament & Library have been specified to do their work in Hindi.

7.8.2 Cash Award Scheme has been introduced to encourage doing of original work in Hindi.

7.8.3 Non Hindi speaking employees have progressively been nominated under the Hindi Teaching Scheme.

7.8.4 Two typists were nominated for Hindi Training during the year.

7.8.5 Many competitions viz. essay competitions, noting-drafting competition, poem recitation and debates were organized in the Ministry during the Hindi fortnight and prizes were awarded to the winners of different competitions by the Hon'ble Minister of Company Affairs on the concluding day of the function i.e. 26th September, 2005. Similar functions were also organized in the field offices of the Ministry spread all over the country.

7.8.6 Meeting of the Official Language Implementation Committee were organized during the year.

7.8.7 The Ministry conducted inspection of 6 subordinate offices of this Ministry regarding progressive use of Official Language Hindi.

Publications

7.9 The Ministry's publications during the year are given below :-

- (a) **Annual Report on the working & Administration of the Companies Act, 1956** : Annual Report on the working and Administration of the Companies Act, 1956 is required to be laid before both Houses of Parliament in pursuance of the provisions of Section 638 of the Act. The 48th Annual

Report as on 31.3.2004 was laid on the Tables of both Houses of Parliament in 2005.

(b) Annual Report on the Working and Administration of the Monopolies and Restrictive Trade Practices Act, 1969 : Annual Report on the Working and Administration of the Monopolies and Restrictive Trade Practices Act, 1969 is required to be laid before both Houses of Parliament in pursuance of the provisions of Section 62 of the Act. The 33rd Report pertaining to the provisions of the MRTP Act, 1969 for the period from 1st January 2003 to 31st December, 2003 was laid in both Houses of Parliament in 2005.

Budget Provisions and Actual Expenditure

7.10 Table given below shows the budget provisions and actual expenditure incurred in respect of the Ministry of Company Affairs and its various field offices for the years 2004-2005 and 2005-2006 (April - December, 2005) and the fees realised under the Companies Act, 1956 and the Monopolies and Restrictive Trade Practices Act, 1969 during the period.

Budget Provisions and Actual Expenditures

(Rs. in Crore)

Sl. No.	Year	Sanctioned Budget	Actual Expenditure	Revised Estimates	Fee realised under Companies Act and MRTP Act
1	2004-2005	57.50	45.25	54.63	476.98
2	2005-2006 (upto 31.12.2005)	116.27	37.32*	90.00	592.62

Source: The expenditure intimated by the Principal Accounts Office, Ministry of Company Affairs.

*This does not include the amount which was authorised to the Pay and Accounts Office of other Ministries to be accounted by Controller of Accounts (Principal Accounts Office, Ministry of Company Affairs) directly.