

**MOST IMMEDIATE
TIME BOUND**

No. 27011/01/2014-Coord
Government of India
Ministry of Corporate Affairs

5th Floor, Shastri Bhavan, New Delhi
16th June, 2014

OFFICE MEMORANDUM

Subject: Action points arising out of Hon'ble Prime Minister's meeting with Secretaries on 4th June, 2014

Cabinet Secretary vide his letter dated 5th June, 2014 has informed that the Prime Minister had stressed upon ensuring an improved work culture and environment including hygiene and cleanliness of the work space. Accordingly, Cabinet Secretary has requested to undertake immediate action on the points specified in the letter.

2. Ministry has already forwarded to Cabinet Secretariat Plan of Action in connection with the points raised in the letter of Cabinet Secretary. Additional Secretary has also taken a meeting on 10th June, 2014 with the officers concerned and discussed the Plan of Action sent to the Cabinet Secretariat.

3. To facilitate time bound action on the Action Points as discussed in the meeting taken by Additional Secretary, the following documents are enclosed for information and perusal.

- i) Letter dated 5th June 2014 from Cabinet Secretary to Secretary, Ministry of Corporate Affairs.
- ii) Letter dated 9th June, 2014 from Additional Secretary, Ministry of Corporate Affairs to Cabinet Secretary along with Plan of Action.
- iii) Minutes of the meeting held on 10th June, 2014 by Additional Secretary, Ministry of Corporate Affairs.

4. You are requested to take necessary action in a time bound manner as the same are required to be reflected in the monthly d.o. letter from Secretary, Ministry of Corporate Affairs to the Cabinet Secretary.

Encl: As above


(J.S. AUDHKHASI)
DEPUTY SECRETARY TO THE GOVT. OF INDIA
Tel: 23381615

1. JS (B)
2. JS (M)
3. JS (SP)
4. EA
5. DII (UCN)
6. DII (RCM)
7. Adviser (Cost)
8. Administrative Heads of IICA/CCI/CLB
9. RDs/ROCs/OLs/SFIO

Copy for information to:

- 1) PSO to Secretary, MCA
- 2) PPS to Additional Secretary

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IMMEDIATE

पत्रिनिंडल सचिव
CABINET SECRETARY
NEW DELHI

June 5, 2014

Dear Secretary,

Please recall the discussions during the interaction Hon'ble Prime Minister had with all Secretaries to Government of India at Panchayati, 7 Race Course Road on 4th June, 2014 at 6.00 PM onwards.

2. The Prime Minister had stressed upon ensuring an improved work culture and work environment including hygiene and cleanliness of the work space. You are, therefore, requested to undertake the following on an urgent basis:-

- a) In each Government building, work space of your department should be cleared and spruced up. Passages and stairs should be cleaned up to make it unobstructed and no office material / almirah etc. should be found in these spaces. Inside the rooms too, the files / papers etc. should be neatly stacked so that a positive work environment is created.
- b) Every Department should identify and repeal at least 10 rules or processes, and even archaic Acts, that are redundant and would not lead to any loss of efficiency.
- c) Every Department should identify forms that are in vogue and shorten them, where possible, to one page only. (Seeking of unnecessary or irrelevant information should be discouraged).
- d) Every Department should encourage use of ICT in submission of information and eventually universalize it.
- e) Decision making layers should be reduced, to a maximum of four layers.
- f) Files and papers should be weeded out in accordance with the rules of record keeping including digitization, wherever necessary. This exercise should be completed within 3 – 4 weeks.
- g) Collaborative decision making and frequent consultation between departments must be done. Where issues remain unresolved, Cabinet Secretariat / PMO should be apprised for resolution.
- h) Effective and timely resolution of public grievances must be ensured and monitored by the Secretaries of the Departments concerned.
- i) Each Department should workout modalities of fulfilling promises made to the people.
- j) Entire Department should work as a team with every level should be encouraged to provide inputs and value addition in the exercise.
- k) Goals set for the period 2009-2014, and the present status thereof, should be analysed. [This information should also be included in the presentation to be made before the Hon'ble Prime Minister].

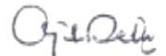
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3. I expect you to act upon these immediately and indicate a plan of action latest by Monday, the 9th June 2014. Interim progress on these points will be reviewed and monitored by me in meetings to be taken with Groups of Secretaries beginning 9th June 2014. A first Action Taken Report in respect of sprucing up the work space / building should reach me by 6th June 2014 positively, so that Hon'ble Prime Minister can also be apprised. A detailed report on achievements under each of the items should also be included in your monthly d.o. letter for the month of June 2014.

With regards,

Yours sincerely,



(Ajit Seth)

Shri Naved Masood
Secretary,
Ministry of Corporate Affairs
New Delhi

श्री ए. जोसफ
अपराधिक
श्री A. Joseph
Additional Secretary



भारत सरकार
कारपोरेट कार्य मंत्रालय
नई दिल्ली
Government of India
Ministry of Corporate Affairs
New Delhi

D.O. No. 27011/01/2014-Coord
Dated: 9th June, 2014

Dear Sir,

Please refer to your D.O. letter dated 5th June, 2014 addressed to Secretary, Ministry of Corporate Affairs indicating Action points arising out of Hon'ble Prime Minister's meeting with the Secretaries on 4th June, 2014.

2. Secretary, Corporate Affairs had to leave station in view of the untimely demise of his mother yesterday. He has approved the enclosed Plan of Action in respect of this Ministry with reference to the issues mentioned in your letter referred above.

With kind regards,

10/6
NAVED MASOOD
SECRETARY

Yours sincerely,
M.J. Joseph
(M.J. Joseph)

Encl: As above.

Shri Ajit Seth,
Cabinet Secretary,
Rashtrapati Bhawan,
New Delhi.

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10/6/2014

M.J. Joseph
10/6
JOSEPH
10/6/2014

Point Wise Plan of Action/Action Taken

- a) **In each Government building, work space of your department should be cleared and spruced up. Passages and stairs should be cleaned up to make it unobstructed and no office material/almirah etc. should be found in these spaces. Inside the rooms too, the files/papers etc. should be neatly stacked so that a positive work environment is created.**

Action Taken

Ministry of Corporate Affairs has been allotted space on 5th Floor of Shastri Bhavan which can be seen to be spotlessly clean – sanitation and cleaning functions have been outsourced to 'Sulabh'.

No items of furniture/ other stores are cluttered in the corridors and the record retention schedule is being scrupulously adhered to. Files are being regularly consigned to the Record Room.

- b) **Every Department should identify and repeal at least 10 rules or processes, and even archaic Acts, that are redundant and would not lead to any loss of efficiency.**

Action Taken

While the Ministry of Corporate Affairs administers nine Acts, the principal legislation dealt by it is the Companies Act. The newly enacted Companies Act, 2013 has been acknowledged to be a very progressive legislation which replaces the voluminous and rather archaic Companies Act 1956. This is a major initiative to replace a somewhat dated law with the new one. A set of 22 rules have been notified under this Act very recently after extensive consultations with stakeholders replacing the old Rules. The spirit of these Rules is to prescribe procedures which facilitate easy transaction of business by the corporates.

The Ministry also proposes to initiate the process to review and repeal the **Companies (Donations of National Funds) Act, 1951** in consultation with the Ministry of Law and Justice.

- c) **Every Department should identify forms that are in vogue and shorten them, where possible, to one page only. (Seeking of unnecessary or irrelevant information should be discouraged).**

Mention has already been made above to state-of-the-art rules under the Companies Act. Forms notified under these Rules have also been finalized following a detailed consultative process. 46 new e-Forms have been introduced afresh or have replaced the earlier forms. The spirit of these forms is to enable companies to proceed with various processes, as far as possible, without any approval by the regulators by self verifying details. As considerable trust and confidence has been reposed in the companies the disclosures that they have to make are necessarily a little elaborate.

-A Forms Committee exists which receives and reviews feedback and suggestions from various stakeholders. This Committee will be strengthened and specifically entrusted the task of looking at possible simplifications for the Forms under Companies Acts and the Limited Liability Partnership Act based on a continuous consultative process which is proposed to be set in motion shortly.

- d) **Every Department should encourage use of ICT in submission of information and eventually universalize it.**

'MCA-21' is the first of its kind, state-of-the-art e-Governance Platform under the National e-Governance Plan (NeGP). All the Ministry's services are delivered through MCA-21. This platform is proposed to be further upgraded to provide additional facilities like creation of 'dashboards' specific to the needs of users, more systematic Back-office operations and more analytical data mining by regulators, investigating agencies and researchers.

It is planned to extend E-Governance to the office of Official Liquidator for e-auction, e-accounting and e-administration.

The Ministry will also implement select parts from the NIC's e-office suite during 2014-15, for which a detailed plan is soon to be worked out in consultation with NIC.

- e) **Decision making layers should be reduced, to a maximum of four layers.**

Delegation of powers to officers of US and DS/Director level officers already exists in accordance with the Manual of Office Procedure, and as per the

requirements of various Acts. Routine cases are disposed at these levels. Even at present disposal of cases does not involve more than four tiers even in cases where a matter requires approval of the Minister.

- f) **Files and papers should be weeded out in accordance with the rules of record keeping including digitization, wherever necessary. This exercise should be completed within 3-4 weeks.**

Action Taken

Weeding out is being done as explained at a) above. Keeping in view the emphasis being rightly laid by the Honourable Prime Minister to this important aspect of work efficiency in offices it is proposed to set monthly targets of weeding out at the level of Sections. It is also proposed to put in place a mechanism to identify papers which need to be preserved in the Record Room or to be transferred from the Record Room to the National Archives.

- g) **Collaborative decision making and frequent consultation between departments must be done. Where issues remain unresolved, Cabinet Secretariat/PMO should be apprised for resolution.**

Action Proposed

The Ministry of Corporate Affairs primarily performs regulatory functions within the statutory framework of the Companies Act and to this extent there is relatively less need to consult other Departments/ organizations in performing day to day functions. In fact, it is more often the case that other Ministries require consultations with this Ministry in policy decisions which either relate to companies belonging to the sector dealt by the Ministry concerned or in formulation of policies that affect companies generally as in case of certain policies of the Ministry of Finance or the Reserve Bank.

However, special attention will be paid to have a structured consultative mechanism in the matter of issues dealt with by this Ministry which concern other organizations and sectors.

- h) **Effective and timely resolution of public grievances must be ensured and monitored by the Secretaries of the Departments concerned.**

Action Proposed

All Regional Directors and Registrar of Companies are being asked to hold Lok Adalats once a month in their office for 'spot redressal' of investors and other

stakeholders' grievances. In addition, the grievances registered on the online portal will be monitored on a fortnightly basis in the Ministry.

- i) Each Department should workout modalities of fulfilling promises made to the people.**

Action Proposed

Although in a regulatory Ministry there are not many instances of public promises, wherever commitments are made to the stakeholders, including promises to review procedures in the like of comments received, there will be periodic review of progress at the level of the Secretary.

- j) Entire Department should work as a team with every level should be encouraged to provide inputs and value addition in the exercise.**

Action Proposed

It is proposed to have frequent video-conferencing to give a sense of participation to field offices.

- k) Goals set for the period 2009-2014, and the present status thereof, should be analysed. [This information should also be included in the presentation to be made before the Hon'ble Prime Minister].**

| S.No. | The Goals set for 2009-14: | Achievements |
|-------|---|---|
| (i) | To provide simplified laws governing Corporate Sector and to facilitate effective compliances | Companies Act, 2013 enacted in August 2013. Major provisions of the Companies Act, 2013, came into force w.e.f. 01.04.2014. |
| (ii) | On-line delivery of all registry related services with speed, certainty and transparency | All MCA services are delivered electronically through MCA-21 e-Governance Project. |
| (iii) | Improve the functioning of Official Liquidators (OL) through application of e-Governance | e-Accounting module for maintaining accounts of companies under liquidation developed and operationalized. Network connectivity to OL offices for on-line access to companies' records and establishment functions provided. |
| (iv) | Protection of Investors and Promotion of Investor Education and Awareness for growth of Corporate Sector in the country | Investor awareness programmes are being conducted every year. Companies are mandated to file details of unpaid and unclaimed amount lying |

| | | |
|------|--|---|
| | | with them, with the Ministry. The information is available in the public domain. |
| (v) | To disseminate Corporate Sector Data/Official Statistics | MCA data is shared in the National Data Sharing and Accessibility Policy (NDSAP) gateway. A new tab titled 'Statistics and Reports' has been created on MCA website that provides Corporate Sector data, Monthly Information Bulletin and Master Data on companies incorporated on a monthly basis. |
| (vi) | Developing and strengthening capabilities of SFIO | Digital forensics laboratory has been established in SFIO. Officers of SFIO were trained in cyber forensics. |

Subject : Minutes of the Meeting held on 10.6.2014 regarding Action points arising out of Hon'ble Prime Minister's meeting with Secretaries on 4th June, 2014 – Action Plan reg.

A meeting was held on 10.6.2014 by Additional Secretary, MCA on the above mentioned subject, that was attended by JS(M), JS(B), JS(SP), EA, DII(UCN), DII(RCM), Adviser (Cost) and US(KK). MCA's Plan of Action sent earlier to Cabinet Secretary was discussed with a view to assigning responsibilities to concerned officers of MCA and its field offices for implementing identified Action Points in the next 100 days.

1. As regards Point (a) of MCA's Plan of Action relating to cleanliness of office space of the Ministry, mention was made of storage problems faced by some sections in Shastri Bhawan and at Paryavaran Bhawan where R&A and Cost Audit Divisions are located. JS(SP) informed that space allocated for a Record Room is available at the Ground Floor of Block 3, CGO Complex. AS directed that the Record Room should be made operational on priority, so that records after being weeded out could be shifted to the CGO Complex at the earliest. JS(SP) will finalise all arrangements in this regard after holding discussions with NBCC.

It was also decided that this Action Point may be sent to all Attached & Subordinate offices of MCA i.e. RDs/ROCs/OLs/SFIO, as well as autonomous/statutory bodies viz. CCI, CLB, COMPAT, as the cleanliness drive of the Government is applicable to all offices of the Ministry. It was also agreed that the concerned Heads of Divisions of MCA should devise a mechanism for inspection of cleanliness standards and for the management of files/records maintained by Sections under their respective administrative charge.

[Action : JS(SP)]

2. In respect of Point (b) regarding identification and repeal of at least 10 Rules or processes, JS(B) informed that a set of 22 Rules has already been notified under the Companies Act, 2013 recently, that replaces earlier Rules notified under the Companies Act, 1956. In addition, action will be initiated for the review and repeal of the Companies (Donation to National Funds) Act, 1951 in consultation with Ministry of Law, as indicated in Secretary, MCA's reply to Cabinet Secretary. Action taken in this regard will be reported in the monthly D.O. letter from Secretary, MCA to Cabinet Secretary for the month of June, 2014.

[Action : JS(B)]

3. As regards Point (C) relating to reducing forms to one page, where possible, JS(B) informed that a Forms Committee has earlier been set up in MCA who receives/reviews feedback and suggestions for simplification from stakeholders. This Committee will be entrusted with the task of looking into further simplification of all e-Forms prescribed under the Companies Act, 2013, and other Acts regulated by the Ministry. Adviser (Cost) was also requested to examine e-Forms relating to Cost Rules for further simplification. JS(M) suggested that IICA, CCI, CLB and the three Professional Institutes under MCA shall also be requested to undertake an exercise for simplifying forms prescribed by them, and identify forms that are in vogue which can be shortened to one page.

**[Action: JS(B)/Adviser(Cost)/JS(M)
Administrative Heads of IICA/CCI/CLB,
and 3 Professional Institutes]**

4. In respect of Point (d) relating to extending e-Governance to the o/o Official Liquidators, AS desired that the e-Governance Cell of MCA should submit a monthly update of progress made of this module. AS also indicated that the existing File Tracking System (FTS) developed by NIC for MCA should be mandatorily implemented by all Sections of MCA with the assistance of the NIC Cell. It was also felt that MCA could introduce an on-line system that supports processing and approvals in respect of leave applications, and other administrative matters replacing file based approvals. Administration Section of MCA will discuss this issue with NIC Cell of MCA and submit a proposal for the introduction of an intra MCA portal that can facilitate on-line processing of routine administrative matters that must be identified.

[Action : JS(B)/JS(SP)]

5. With regard to Point (e) relating to reducing decision making to four layers, all Divisional Heads were requested to identify and submit the existing and proposed four levels of submission of files in respect of matters dealt with by their respective Divisions. These proposals should be sent by June 25, 2014 to Coordination Section for consolidation and submission to Secretary, MCA.

**[Action : All Divisional Heads/
JS(SP)]**

6. In respect of Point (f) relating to weeding of records including its digitization, it was agreed that a drive for improved records management is required to be undertaken at the Section level of MCA. All Sections will identify those records that require to be weeded out as per prescribed record retention norms, and unwanted records should be shifted at the earliest to Records Room. A separate exercise for

transferring identified important files/records maintained in MCA to the National Archives will be undertaken by Administration Section. While general administrative records will be maintained as per norms prescribed under the Manual of Office Procedure, other records required to be maintained as per the Companies Act should be dealt with as per the Records Retention Rules issued by the Policy Section, MCA. It was also agreed that Officers at the level of DS/Director should be entrusted with the responsibility of ensuring that redundant records are identified and weeded out through a Special Drive to be completed in a month. All Sections will identify important records that require to be digitized and referred to e-Governance Cell for necessary action. The Record Management Drive will also be undertaken by all Regional Directors, ROCs, SFIO and OL offices. A monthly report will be sent by all Divisional Heads to the Co-ordination Section of MCA indicating monthly targets and achievements of files identified to be weeded out and moved to the Record Room. Coordination Section will issue a General Circular prescribing a format for the monthly report to be sent by all Sections/Offices. The first Report in the matter will be sent to the Coordination Section by 25th June, 2014.

**[Action : All Heads of Divisions/JS(SP)
/RDs/ROCs/OLs/SFIO]**

7. As regards Point (g) relating to consultation with all Departments, all Divisional Heads informed that action in this regard will be taken by them.

[Action : All Heads of Divisions of MCA]

8. As regards Point (h) relating to effective and timely resolution of public grievances, DII(UCN) informed that IGM Section of the Ministry is monitoring

grievances received from investors and other stakeholders received through the MCA portal and CPGRAMS. He also informed that all RDs/ROCs have been directed to hold Lok Adalats once in a month. AS directed the following measures should be put in place immediately :

- (a) A Suggestion/Complaint Box shall be kept at appropriate places in MCA, including in the R&I section located at Ground Floor of MCA for receipt of complaints. The Box must be opened once a week by the identified Nodal officer who will be responsible for recording and processing of the complaint till its disposal.
- (b) Receipt and disposal of complaints will be reported through Secretary's monthly DO letter to Cabinet Secretary.
- (c) Nodal officers for MCA(HQ) and Field Offices should be designated immediately, if not already done.
- (d) The format for reporting status of Public Grievances should include opening balance, complaints received during the month, pendency, cases disposed of, closing balance etc.
- (e) The report should be monitored fortnightly by the Incharge of IGM Section of MCA. The first report should be sent by 25th June, 2014 to the Coordination Section for inclusion in the monthly D.O. from Secretary to the Cabinet Secretary for June, 2014.

[Action : DII(UCN)]

9. As regards Point (i) relating to modalities for fulfilling promises made to the people, it was observed that the Ministry has recently received representations from stakeholders seeking clarifications and simplification of the Rules notified under the Companies Act. It was agreed that clarifications issued by MCA during every month will be included in the Report to be sent to Cabinet Secretary. In this regard, Policy Section will send required information to Coordination Section by the end of every month.

[Action : JS(B)]

10. In respect of Point (j) regarding use of video-conferencing with field offices, JS(B) informed that video conferencing is being held with ROCs/OLs periodically on the e-Governance matters. Details of video conferences held by Heads of Divisions during the month of June, 2014 should be sent to Coordination Section by the end of every month. All Divisional Heads were encouraged to utilize this facility available in MCA for greater interaction with field offices.

**[Action : JS(B)/
e-Governance Cell]**
