भारत सरकार /Government of India

कॉर्पोरेट कार्य मंत्रालय /Ministry of Corporate Affairs

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Dated the 06Nov, 2015

No. HQ/101/2007-Computerisation

To
The Chief Controller of Accounts
Ministry of Corporate Affairs
3rd Floor, LokNayakBhawan, Khan Market
New Delhi-110003

Subject: - Manual for Reversal and Refunds of payment of statutory fees Under MCA 21 Project

With reference to subject cited, I am directed to forward herewith a copy of the Revised Manual approved under Rule 269 of the General Financial Rules, 2005 for your ready reference and further necessary action. The manual prescribed the procedure to be followed for the reversal and refund of payments under MCA21 eGovernance system.

This issues with the approval of competent authority.

Encl. As above

(Ashish Kushwaha)
Director

Copy to:
Sh. Sushil Kumar, Infosys
All RoC(s)/RD(s)

Manual for Reversal and Refunds of payment of statutory fees
Under MCA 21 Project

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Under MCA 21 Project

Contents

1. Introduction:

1.1 The Ministry of Corporate Affairs (MCA) has implemented MCA21, an ambitious e-Governance initiative, involving modernization and computerization of the Ministry's operations. This program has been accorded National Mission Mode status. A service oriented approach drives this program with technology being used as an enabler. It is a well-conceived program with a holistic approach encompassing all tasks, from conceptualization to roll-out, such as stakeholder analysis, process re-engineering, interoperable solution architecture and security roadmap (that have gone through extensive peer reviews) & change management to co-opt various stakeholders.

1.2 The program provides citizens easy and secure access to MCA services through the country's e-Governance infrastructure, any time and from any place and in a manner that best suit the citizen. The focus of the program 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 & have been succinctly articulated as under:

a) **Business** enabled to register a company/Limited Liability Partnership (LLP) and file statutory documents quickly and easily

b) **Public** to get easy access to relevant records and get their grievances redressed effectively

c) **Professionals** to be able to offer efficient services to their client companies/LLPs

d) **Financial Institutions** to find registration and verification of charges easy

e) **MCA** to ensure proactive effective compliance of relevant laws and corporate governance

f) **Employees** enabled to deliver best of breed services

2. Process of Service Delivery and Receipt of Payments on account of statutory fees and charges:

2.1 All services under MCA21 are delivered on-line through electronic filing (e-filing). For availing any service under the MCA21, the service seeker will do e-filing through the MCA Portal (i.e. website) accessible through the Internet.

2.2 E-filing involves downloading the specified e-form from the MCA portal – where all these forms have been made available free of cost. These e-forms, duly filled and signed by the designated person(s) using digital signatures (that provides the necessary authentication as per IT Act, 2000), are submitted to the MCA portal.

2.3 The MCA21 system checks for the completeness of the e-forms electronically online, using a set of pre-defined rules in the process of performance of 'pre-scrutiny' function. In case of any discrepancies in the e-form in respect of the mandatory fields, the service seeker is prompted to make necessary correction. The response to the service seeker is provided on-line. This is done repetitively until the form is complete in all respects.

2.4 Once the form is accepted by the MCA21 system, the MCA21 system generates a Service Request Number (SRN) and indicate fee to be paid for services and prompts the user to make the payment. The fee calculation for the service is made programmatically on the basis of the form type, date of submission and authorized capital. This is done internally based on parameters that are stored within the system and kept up to date.

2.5 For the payment of fees, the MCA21 system prompts the user to opt for one of the following payment methods:

a. Off-line

   i. Challan Payment – remittance at the Bank counter

   ii. Money Transfer through National Electronic Fund Transfer (NEFT)

b. On-line

    i. Credit/Prepaid/Debit Card (Visa/ Master Card)

    ii. Internet Banking

2.6 In the case of item (a)(i), a pre-filled challan, as per the prescribed format (GAR 7), is generated by the system, which is complete in all respects. The service seeker takes a print out of this Challan to make the necessary remittance in any one of the authorised Bank branches.

2.7 In case of item (a)(ii), MCA21 system generates a challan indicating fee to be paid and expiry date, for payment through NEFT. The user transfers the fee from the Internet banking facility provided by bank in which he/she holds the account to the Ministry's notified identified account of NEFT payment. Currently the identified accounts for NEFT payments are held in HDFC Bank and Punjab National Bank (PNB). Upon successful funds transfer, the transferor bank will provide a Unique Transaction Number (UTN) for the NEFT transaction. In the meanwhile, the MCA designated banks (HDFC Bank & PNB) upon realisation of fund in the identified account, electronically share the NEFT payment confirmation with MCA21 system. Once the details are updated in the MCA21 system, the MCA21 system prompts the user to link the payment details (UTN) with the SRN on the MCA21 portal (after login). Thereafter the service request will be processed further by the system. In case of failure to link the UTN with the SRN within prescribed time of making payment, the Bank auto-reverse the amount to the User's account. This auto-reversal facility is enabled since 22nd June, 2012.

2.8 In the case of item (b)(i) & (b)(ii) after the fee is calculated in the MCA21 system, the control is transferred to the Bank's computer system, which in turn enables the transaction. After the service-seeker has authorised the on-line payment, the system generates a receipt for the payment so authorised.

2.9 For each Offline/ on-line payment, MCA21 system generates Service Request Number (SRN), which is unique. Each transaction can be traced and tracked in the MCA21 system by the SRN.

2.10 Each challan (off-line) has the date of issue and the expiry date mentioned therein, linked with the last date of filing including the grace period, if any. The service seeker has to make payment on or before expiry date of the challan.

2.11 The important point is that the e-form that has been submitted is held in a secure location and upon confirmation of realization of fee amount from the bank, the same will be initiated and authorized for processing by MCA21 system and the documents are then routed electronically to the concerned ROC/RD/HQ office for further processing. After processing of the Form by the Dealing Hand and the Approving Officer, it is pushed to the Document Repository.

2.12 Filing is deemed complete only after the necessary payment for the service is made within the stipulated dates either off-line at a Bank or through on-line means and a receipt obtained. In case of NEFT Payment, filing is complete after successful linking of UTN and SRN for the service in the MCA21 system.

2.13 In on-line payment option, confirmation from the bank is received instantaneously whereas for off-line challan-based payments, confirmation from banks are received within T+3 days through scrolls uploaded to MCA21 system by Focal Point branch of the respective banks. In case of NEFT payments, confirmation is expected within 48 hours of transaction.

2.14 The Ministry introduced e-stamping facility for select MCA services. The select services are: Company incorporation, registration of foreign company and approval of changes in the authorized capital[1]. Based on specific authorisation, the electronic

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[1] As on date, stamp duty is applicable on following forms: (CoA 1956 Forms):- 1, 5, 44; (CoA 2013 Forms) INC-2, INC-7, INC-29, SH-7, FC-1. These may be added or deleted based on notifications and amendments made under the respective laws.

generation of stamp papers has been introduced from September 13, 2009 in 29 major States and UTs. Later, it was extended to all states and UTs in the country.

2.15 In these select MCA services, the MCA21 system prompt payment options for MCA services as well as payment of stamp duty, in series.

2.16 The filing in these select MCA services is deemed to be completed only after the necessary payments for the services are made within the stipulated date either off-line at a Bank or through online means and a receipt is obtained.

2.17 If the service seeker does not make the necessary payment within the expiry date of the challan, the service request will lapse.

3. Glossary of terms (alphabetical order):

3.1 **Competent Authority** means the Secretary, Ministry of Corporate Affairs, Government of India in his capacity as Chief Accounting Authority.

3.2 **Excess payment** means where the service seeker has paid fees in excess of what was actually required to be paid or amount paid in excess due to incorrect fee rule. Excess payment particularly deals with payment against single SRN.

3.3 **Incorrect Payment** means any fee paid by the service seeker through an incorrect option (under Pay Miscellaneous fee) in the MCA21 system.

3.4 **Incorrect Payment via NEFT** means any of the following:

1. Payment of stamp duty fee into account identified for MCA filing fee;
2. Payment of MCA filing fee into account identified for stamp duty fee;
3. Payment after the expiry date of SRN;
4. Single consolidation payment for multiple SRNs;
5. Excess payment than the amount mentioned by MCA21 system;
6. Less payment than the amount mentioned by MCA21 system;
7. Payment made without generating any SRN;

3.5 **Marked For refund** is the status of the SRN in the NEFT transaction, where payment for a SRN falls under any one of the above category and linked by the user.

3.6 **Invalid and Not Be taken on Record (NBTR)** is the status of the document when the same is treated as Invalid due to non rectification of defects within the time prescribed under relevant rules or marked not be taken on record by the Office of MCA.

3.7 **Multiple payment** means where the service seeker has paid the MCA fees more than one time for the same service by filing the same eForm multiple times. (i.e. more than one SRN). For the purpose of this Refund Process, Multiple payment is restricted to eForms[2] filed for incorporation of a company or LLP or for increase in the authorised capital or contribution as the case may be.

3.8 **Pay Miscellaneous Fees** means the functionality available on the MCA21 portal whereby the user can make additional/penal fee payment in case MCA/Court/CLB order informs the user about the same.

3.9 **Refund** means return of fee where service seeker has paid fee on account of a) multiple payments; b) excess payment; and c) incorrect payment. Refund is proposed to be done for those cases where the payment status of the transaction in MCA system is 'Paid' and service is not rendered or is found redundant. In those cases of NEFT transactions, refund is proposed for Payments which are not linked within prescribed time due to incorrect payment as described above.

3.10 **Rule 10** means Rule 10 of Companies (Registration offices and Fees) Rules, 2014. As per the Rule 10, in case, any document filed with the office of the registrar is found to be defective or incomplete in any respect, the registrar shall cause to give a notice to the company to rectify the defect or complete the document or file a revised

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[2] As on day, following forms are prescribed: (CoA 1956 Forms): 1, 5, (CoA 2013 Forms) INC-2, INC-7, INC-29, SH-7 and (LLP Forms): 2LLP and 3LLP. These may be added or deleted based on notifications and amendments made under the respective laws

document and if the defect is not rectified within prescribed time limit, the Registrar shall not take such document on record and shall treat the filing as invalid.

3.11 **Rule 36** means Rule 36 of Limited Liability Partnership Rules, 2009. As per Rule 36 in case, any document filed with the office of the registrar is found to be defective or incomplete in any respect, the registrar shall cause to give a notice to the LLP to rectify the defect or complete the document or file a revised document and if the defect is not rectified within prescribed time limit, the Registrar shall not take such document on record and shall treat the filing as invalid

3.12 **Reversal** means automatic reversal of transactions done through online mode (i.e. Net banking/Credit card/Prepaid card/ Debit Card) where the successful online payment acknowledgement is not received by the MCA21 system but the amount is debited from the stakeholder's bank account. Reversal is done by the MCA21 system for those cases where the payment status of the transaction in MCA21 system is not 'Paid'

4. Incidence of multiple/ excess or incorrect payments and the need for Reversal and Refunds:

4.1 Payments are made by service seeker, as prescribed, for availing various services. In these transactions, a number of instances have been observed involving multiple payments, incorrect payments and excess payments by the users.

4.2 Detailed incidences analyzed and attributed to initiation of refund requirements are as follows:

4.2.1 **Multiple Payments**- In the cases given below, service seeker does multiple filings of eForms for application for incorporation of company/LLP or increase in

authorized capital/Contribution[3] and makes payments more than once (multiple times) for the same service, due to the reasons given under: -

a) Technical problem occurs at the payment gateway and no response is received by the MCA21 system. Under this scenario, it is possible that payee's account is debited but no response is received at MCA21 system for the information of the user.

b) Due to low network bandwidth or network congestion, the response takes some time and the session times out (no acknowledgement conveyed to the user) but amount is debited from payee's account. Though there is a provision to re-generate the receipt, service seeker quite often tends to do multiple filings due to anxiety and precaution ignoring the availability of such facility.

In all these cases, the service seeker unaware of the status of payment, resorts to filing again to make sure that the filing is completed. That is to say, the service seeker ends up paying more than once, though he avails the service only once.

After the introduction of electronic generation of stamp, the services like incorporation of company and change in the authorized capital requires two payments i.e. payment for e-form fee and payment for stamp duty for successful completion of e-filing. However, sometime, the service seeker unaware of the process, pay eForm fee only and fails to pay the corresponding electronic stamp duty fee. Due to incomplete process, the eForm fee SRN is marked as 'Transaction Cancelled' after the lapse of expiry date and work-item not created. Finding failure in his effort, the service seeker attempt, another eForm filed and paid Form fee and stamp duty correctly for incorporation of company or increase in the authorised capital and availed the services.

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[3] As on day, following forms are prescribed: (CoA 1956 Forms): 1, 5, (CoA 2013 Forms) INC-2, INC-7, INC-29, SH-7 and (LLP Forms): 2LLP and 3LLP. These may be added or deleted based on notifications and amendments made under the respective laws

4.2.2 **Incorrect Payments:** The cases of incorrect payment (eForm fee/ stamp fee paid through Pay Miscellaneous fee) where the service seeker could ask refund include:

a) Service seeker has made SRN payment for MCA fee or SRN payment for Stamp duty through an incorrect option under Pay miscellaneous fee facility.

b) Company Law Board (CLB) fee or fee related to other regulatory authorities incorrectly paid in MCA21 system.

4.2.3 **Incorrect Payment via NEFT:** The cases of incorrect payments where the service seeker could ask for refund include any one of the following:

1. Payment of stamp duty fee into account identified for MCA filing fee;
2. Payment of MCA filing fee into account identified for stamp duty fee;
3. Payment after the expiry date of SRN;
4. Single consolidation payment for multiple SRNs;
5. Excess payment than the amount mentioned by MCA21 system;
6. Less payment than the amount mentioned by MCA21 system;
7. Payment made without generating any SRN;

4.2.4 **Excess Payment:** Refund cases may also include the instances of excess payments being done by the service seeker, as stated below:

a) Any excess fee made by the service seeker due to some incorrect data entered by the service seeker in the eForm or incorrect data in MCA21 system due to migration of data from legacy system or absence of some provision viz. extension for holding AGM in the eForm to support the fee calculation logic.

b) The excess fee also includes additional fee paid due to delay in filing on account of technical problems in the MCA21 system.

The Ministry considered that the duplicate payments or excess payments are reversed back or refunded to the customer after due verification, taking into account the specific

exclusions from this process e.g. IEPF payment, etc., where the onus is on the person filing to ensure correctness of all particulars including the fee.

Exceptions where refund is not to be allowed are given in the <u>ANNEXURE III</u>.

5. Reversal and Refund Initiation:

The 'cancellation of fee payment' and 'remittance of money back to service seeker' are defined/categorized respectively as:

- Reversal of Payment
- Refund of Payment

6. Cancellation of Payment Authorisation/ Reversal of Payment made using on-line payment modes:

6.1 In cases of online payment, generally, payment confirmation/ acknowledgement with MCA21 system do happen instantaneously. For cases where the successful online payment acknowledgement is not received by the MCA21 system (i.e. No response or an error response is received) for an online credit card/prepaid/debit card/net banking transaction and the amount is debited from the stakeholders' bank account, automatic reversal advice for crediting back the money to the concerned service seeker is issued.

(i) Action by the Service Seeker

(a) Service seeker opts to use the on-line method of payment of statutory fees for e-filing. The portal responds with SRN number and the amount of fees. The service seeker is requested to keep note of the SRN number for future reference as shown in figure (a). MCA21 portal subsequently passes control to the Bank system. He enters necessary information on the web-page presented by Bank's system for making the payment. The service seeker does not receive any response back from the portal.

Online Payment

You are being redirected to ICICI Payment Gateway site. Please note down your Service Request number: A28346355 for future correspondence with MCA

IMPORTANT NOTIFICATION

In case of communication failure from bank, an online payment receipt may not be displayed. You are advised to verify the payment status before continuing to pay again

1. Click on Track Payment status link given on the home page. Enter the SRN details and find the payment status

2. In case the payment status is PAID, DO NOT PAY AGAIN. Request for reversal of duplicate transactions done in such cases shall not be entertained

3. In case the payment status is NOT PAID resubmit your service request and ensure that the payment status is PAID and online payment receipt for your payment is generated

4. For all SRNs where payment status is shown as NOT PAID and amount has been debited from the account, automatic reversal advice for crediting back the money will be issued to the concerned bank within 48 working hours. We regret the inconvenience caused in such cases.

5. Call your credit card bank's customer care number to verify the payment debit/credit status

Subject to change without prior notice

Credit Card Payment Terms & Conditions

- Acceptance of your service request is subjected to confirmation of payment by ICICI Bank

- User/Compliance seeker will have to bear a transaction charge of 2% of the fee payable

- User/Compliance seeker will have to report any duplicate payments made within 12 hrs of making such payments to epayments.helpdesk@mca.gov.in quoting the duplicate SRNs, amount and the service description for reversal

- User/Compliance seeker shall ensure the correctness of data being filed. No refund/reversal of fee will be entertained in case of incorrect filing

- Any fraudulent transaction or misuse can invite Legal action
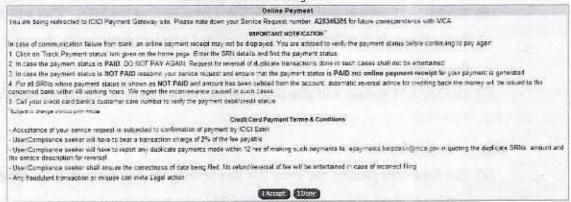
[I Accept] [I Deny]

Figure (a)

(b) The service seeker, not sure about the success of his e-filing in cases mentioned under Para 4 (a) or (b) above, repeats step (a) again. The MCA21 portal presents a screen as shown in figure (b) warning him of possible duplicate. The service seeker, overlooking the alert message, goes ahead with the e-filing again.
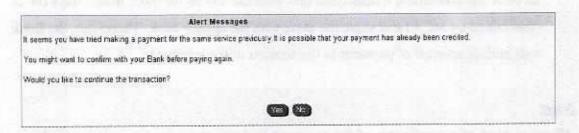
Alert Messages

It seems you have tried making a payment for the same service previously. It is possible that your payment has already been credited.

You might want to confirm with your Bank before paying again.

Would you like to continue the transaction?

[Yes] [No]

Fig (b)

(ii)   Action by the System

(a) At the end of the day, each authorised bank uploads a daily scroll consisting of SRNs of all receipts and receives the corresponding success and error files from MCA21 system (after reconciliation) for all reported transactions. SRN for which successful online payment confirmation was not received by MCA21 system, shall automatically be marked for reversal and reported back to the bank in the error file with error code as 07.

(b) The MCA21 system will cancel the filing done against the SRN. This will ensure that e-forms of the SRNs for which reversal of payment is made does not go to Back Office.

(c) The MCA21 system will also maintain the Audit trail of all transactions reversed.

(iii)   Action by the Bank

(a) The bank will process the error file and reverse the transactions with error code as 07 (i.e. *marked for reversal*) within 24 hours to service seeker account.

(b) As per the approved payment and accounting procedure for MCA21 receipts funds for success SRNs will be transferred through link cell of the bank to CFI, Nagpur.

6.2   In case of unlinked transactions under NEFT payment, MCA21 system will generate an error file containing transactions that were not linked for more than 2 days (or as determined by MCA) and share the same with the agency bank. Thereafter, the Bank will initiate reversal of payment to the account of the originator.

Note:

All other kind of cancellation of fee payment and remitting back to service seeker is placed under category "Refund of Payments" and refund is always processed through the PAO and the amount is refunded through a Bank instrument (including electronic transfer).

7. Process for Refund of fees

Fee refund would be permissible, upon due verification, in case of a) multiple payments; b) incorrect payment; c) excess payment; d) incorrect payment via NEFT.

Creation of Business Process: - To facilitate the Refund process, business process/ business process group for 'AO / JD' for processing of refund requests shall be defined in RoC/ RD

office respectively. RoC/ RD/ BO Admin shall have the facility to assign the defined business process/ business process group to a particular person in the office.

An eForm (**Refund eForm**) shall be available on MCA21 portal for the service seeker to submit his request for refund.

i.   Action by the Refund Service Seeker:

   a.   The service seeker shall have to fill the following information in the eForm-

   o   Details of the company/LLP with CIN/ LLPIN or applicant details

   o   SRN of the transaction for which request for refund is made

   o   SRN of the other transaction [Mandatory in case of multiple filings cases]

   o   Amount of Refund sought [Applicable in case of excess payment]

   o   Reason for refund requirement- Multiple payment, Excess payment, incorrect payment, incorrect payment via NEFT.

   o   In case of excess/less payment, consolidated payment via NEFT and NEFT payment without generating SRNs, user will create a miscellaneous SRN to the amount paid and mention all the SRNs for which the consolidated payment was made.

   o   Details of the case

   o   Details as required for G.A.R. 33 (Bill for Refund of Revenue) like Name of Payee etc.

   o   Address for sending Cheque for refund[4] or Bank account details for direct deposit of the refund amount and email ID for correspondence

   b.   Attachments, if any, like screenshots, stamped challan etc. shall be attached in the eForm by the service seeker.

   c.   Refund eForm shall be digitally signed and signatory role check rules shall be applicable for all cases to verify that the claim is made by the concerned company/LLP only.

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[4] Functionality for issue of refund by Cheque shall be disabled once the direct deposit into the bank account of the applicant through Electronic Clearance System (ECS) facility is available.

d. In cases where filing of any e-form by any non-company person or non-LLP person is permitted[5] refund form shall still be filed by the company or LLP only as the case may be. Role check shall not be applicable in case of filing by applicant and by liquidator.

e. In case of NEFT payments, refund for company filings will be made to company and for non-company filings (ex-View Public Document) refund will be made to the payee.

f. Upon submission of refund eForm on the MCA21 FO portal, work-item shall be created for processing by DDO (MCA, HQ), and status of the same shall be set as 'Pending for processing by DDO' by the system.

g. Once the refund eForm is filed- further processing of the pending SRN(s), in respect of which refund request is made, shall not be allowed. System shall mark the status of the SRN(s) as 'Pending for processing of Refund eForm'. This shall also be applicable to cases where the SRN is in any status like PUCL (Pending User Clarification), RSUB (Re-Submission) etc.

ii. Action by DDO:

a. Following details shall also be displayed by the system in the work-item

o In cases where reason for refund is excess payment, facility to calculate the fee using the fee calculator facility (as per latest fee rule).

o In case where reason for refund is multiple filing of eForm[6] for application for incorporation of company /LLP, then details of reference number of eForm[7] for reservation of name, company name/LLP name etc.

o Amount eligible for refund. The amount will be calculated based on configurable values along with corresponding details submitted by the service seeker.

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[5] Such as ARC in case of Form 8 (CoA 1956) / CHG-1 (CoA 2013) / Form 8LLP (LLP Act); Others in case of Form 21 (CoA 1956) / INC-28 (CoA 2013) / Form 22LLP (LLP Act); These may be added or deleted based on notifications and amendments made under the respective laws.
[6] eForm 1 (CoA 1956) or INC-7 / INC-2 (CoA 2013) or eform 2LLP (LLP Act) or INC-29 (CoA2013)
[7] Form 1A (CoA 1956) or INC-1 (CoA 2013) or eForm 1LLP (LLP Act)
These may be added or deleted based on notifications and amendments made under the respective laws.

b. DDO shall scrutinize the refund request and, in case where some additional details are required from the Operator, he shall have an option available in the work item to send an email to the operator. Email in this respect shall be sent to refunds.helpdesk@mca.gov.in (operator) containing refund eForm as an attachment and DDO shall have facility to mention additional details required from Operator. The internal status of the SRN shall be changed to "Pending for information from external source". The Operator shall reply to the mail at refunds.ddo@mca.gov.in (DDO) containing the response to required additional details. The BO User shall have the facility to attach the mails in the work item for future references if not done by the system automatically.[8] Once the email response is attached automatically by system or manually by the DDO in the workitem, the SRN status will change to "Pending for processing by DDO" and the DDO shall be able to process the same.

c. There shall be a link in the work-item to view the details of SRN(s) and corresponding work item(s) mentioned in the Refund eForm.

d. On the basis of scrutiny of the refund request, DDO may propose to accept the request for refund. He shall have the option to forward the work-item and assign it to the concerned MCA office to which the SRN relates (RoC/ RD/ HQ). Work item status shall be 'Pending for processing by <RoC/ RD/ HQ>'. In case of NEFT refund cases, DDO will decide on the refund request on the details presented in the system and they will not be forwarded to ROC/RD/HQ officials. However, depending on the amount, there will be approval workflow-DDO to DIR (e-gov) or equivalent authority to JS (e-gov).

e. In cases where SRN, in respect of which refund request is made, does not correspond to any e-form work item/ does not relate to any particular RoC/ RD office, then also DDO can assign the refund work-item to any MCA office depending upon the facts of the case.

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[8] Till the time functionality to attach mail directly to the system is developed, the DDO should be able to attach the mails through the attach document.

f. The DDO shall have an option to add comments (if any), noting, enter/ attach the facts of the case and provide any other information/ attachments.

g. In case the DDO wants to reject the request for refund without referring the same to the concerned MCA office, he shall reject the eForm and the work item shall be marked as 'Rejected by DDO'. DDO shall need to enter comments/ reason for rejection. Further processing and closure of pending SRN(s) in respect of which refund request is made shall be allowed and the same shall be marked as Open and assigned to the same previous role.

h. In case the refund work item is to be assigned to MCA HQ, then DDO shall assign the same to All India BO Admin / any other role at US level or above.

iii. Action by concerned MCA office (RoC/ RD/ MCA, HQ):

a. AO / JD / MCA, HQ user shall have an option to assign the work-item to another BO user in the same office, if required.

b. BO user shall scrutinize the refund request.

c. In case the concerned BO office user wants further details/ information w.r.t the work-item from another MCA office, (other RoC/ RD/ MCA, HQ), then he shall send the work-item to such office. However, the user cannot assign it to DDO. Such facility shall be available to AO / JD / MCA, HQ User to assign the work-item to DDO in case any other details are required from DDO.

d. On the basis of scrutiny of the refund request, AO / JD / HQ User shall either finally propose to accept or propose to reject the refund request. He shall need to provide his comments in the work-item. Work item shall be finally sent to DDO for approval/ rejection, by the concerned MCA office only (to which the SRN relates) through the AO / JD / HQ User and work item status shall be set as 'Pending for closure at DDO'.

iv. Final approval/ rejection by DDO:

a. On the basis of the comments entered by the AO / JD / HQ User, the DDO shall mark the work item as 'Eligible for Refund'/ 'Rejected for Refund'. The DDO shall

not be able to mark a refund request as eligible for refund that has been suggested to be rejected by the AO / JD / HQ user and vice versa.

b. DDO shall have an option to send the work-item back to the concerned MCA office in case of any issue and the above process as per point (iii) shall be repeated.

c. In case work item is marked as 'Eligible for refund', G.A.R. 33 shall be generated by the system and attached in the e-mail sent to the service seeker requesting them to provide signed G.A.R. 33 as a physical copy to DDO along-with cancelled cheque. Same shall also be available for viewing and printing at Track Transaction status and related facilities on FO portal.

d. Sending of signed G.A.R 33 along-with cancelled cheque by the service seeker to the DDO shall be outside the system. Refer *Format B* for G.A.R. 33.

e. In case G.A.R 33 received by DDO is found to be defective, DDO shall have the facility to send an intimation to the Applicant through system generated email mentioning details of the defect and requesting him to send fresh G.A.R 33. This can be done multiple times till the Form is signed by DDO for approval.

f. After the signed G.A.R 33 without defect is received by the DDO, he shall enter the date of receipt of signed G.A.R 33 and attach the same in the work item.

g. Thereafter DDO shall sign the eForm for approval.

h. If the form is approved, status of SRN for which refund is approved shall be set as "NTBR" from status 'Pending for processing of Refund e-Form' for and shall not be available in VPD. It shall be treated similar as other NTBR cases. Payment status of the refunded SRN shall be set as 'Approved for Refund'.

i. Once the form is approved, further processing and closure of pending SRN of the other transaction, if any, shall be allowed and the same shall be marked as Open and assigned to the same previous role.

j. For all approved refund cases where signed GAR 33 has been received by DDO, report for 'Approved Challan Refunds by DDO' shall be generated automatically by the system on weekly basis and sent to PAO (mcapao@nic.in) as well as DDO (refunds.ddo@mca.gov.in). Refer *Format A*. For this date of receipt of signed G.A.R 33 as entered in the refund work item shall be considered.

k. Along with ***Format A***, DDO shall send the corresponding signed G.A.R 33 to PAO for further action after filling up the required section. This shall be outside the system. DDO shall change the status of the work-item to 'Pending for refund processing by PAO'.

l. If the refund request is rejected, further processing and closure of pending SRN(s), in respect of which refund request is made, shall be restored and same shall be marked as Open and assigned to the same previous role.

v. Action by PAO

All action by PAO as mentioned below shall be outside MCA21 system.

a. On receipt of G.A.R 33 and Weekly report for approved refunds, PAO shall verify whether the payment in respect of SRN for which refund has been approved had been realized and reported by the Bank to PAO.

b. Following refund details shall also be verified from the COMPACT 2000 on receipt of Weekly report for approved refunds -

    * Challan Number (SRN)
    * Challan date
    * Amount of Challan
    * Bank Code
    * Branch Code
    * Functional Head
    * Object Head

c. After PAO has verified the details, a refund Cheque/ electronic payment order shall be prepared and PAO shall send/ inform the same to DDO along with a copy of corresponding approved G.A.R 33. The PAO shall, after issue of Cheque/ electronic payment, perform a negative entry against the receipt in COMPACT 2000.

d. In case of Cheque payment, on receipt of Cheque from PAO, DDO shall make the corresponding entry in the work-item. The Cheque along with a cover letter shall be forwarded to the service seeker's address and work item shall be marked as 'Closed and Cheque dispatched'.

e. In case the Cheque is received back due to wrong address or any other reason, the DDO shall have the facility to send an intimation to the Applicant through system generated email mentioning details of the defect. This can be done multiple times. Intimation shall also be available for viewing and printing at Track Transaction status and related facilities on FO portal. Status of the SRN shall remain the same.

f. In case of electronic payments, on receipt of intimation of release of payment, DDO shall make corresponding entry in the work-item. A cover letter shall be generated by the system and shall be forwarded to the service seeker's email ID and work item shall be marked as 'Closed and Cheque dispatched'.

g. In case of failure in releasing the amount on account of any reason attributable to the applicant, the DDO shall have the facility to send an intimation to the Applicant through system generated email mentioning details of the defect. This can be done multiple times. Intimation shall also be available for viewing and printing at Track Transaction status and related facilities on FO portal. Status of the SRN shall remain the same.

h. Payment status of the refunded SRN shall now be set as 'Refunded'.

Note: Provision for payment through electronic payment order is made with additional collection of "Bank Account Details" in the Refund e-Form. Till the time, the O/o PAO readied for electronic money transfer, cheque payment would be practised.

8. Default values for deduction in amount to be refunded based on time within which refund application is made

For all the future cases on ongoing basis, default values shall be calculated depending on the time lapsed after the SRN generation date, for which a refund e-form is being filed:

Time within which refund application is made	Default value for deduction
0-90 days	2.5%
91-180 days	5%
181- 270 days	7.5%
271-365 days	10%

>365 days	25%
Filing not to be allowed after period	1095 days

For refund of fee paid via NEFT, there won't be any deduction. However, limit of 1095 days as provided above shall be applicable.

For computing the above time limits, the time shall start as under:

i.   Refund claimed for SRN generated till 30/04/2011 (other than cases specifically mentioned below): From 01/05/2011

ii.   Refund claimed for Incorrect payments via NEFT: From 22/06/2012

iii. Refund claimed for multiple payments in case of Form 1 or Form 5 filed under CoA 1956 wherein corresponding other Form INC-7 or SH-7 or INC-29 is filed under CoA 2013: From date of implementation of the amended refund process in the system

iv.   Refund claimed for payments made for Forms filed under LLP Act 2008: From date of implementation of the amended refund process in the system or SRN generation date whichever is later.

v.   Refund claimed for payments made for Forms filed under CoA 2013: From date of implementation of the amended refund process in the system or SRN generation date whichever is later.

vi.   Refund claimed for payments pertaining to CLB or other regulatory authorities: From date implementation of the amended refund process in the system or SRN generation date whichever is later.

vii. Refund claimed for other cases: From SRN (for which refund request is made) generation date.

9. ANNEXURE I

Weekly Approved Challan Refunds by DDO

- Format A

Ministry of Corporate Affairs

Start Date: **End Date:**

S. No	Challan No.	Challan Date	Challan Amount	Payment Head		Account Refund Payable to	Amount Refundable	Refund Account Head	Bank Account Number	Bank Name	IFSC Code	SRN of Refund Form
				Functional Head	Object Head							
1	2	3	4	5	6	7	8	9	10	11	12	13

Note:

- All columns of the report shall be displayed by the system.
- Challan implies SRN.
- 'Refund payable to' shall be displayed based on Name of payee and bank account number as per GAR 33. The weekly report shall consider all cases where date of receipt of signed G.A.R. 33 from service seeker lies during the week (as entered in the refund work item by DDO).
- In the file name 'DDMMYYYY' will be the date of generation of report correspond.

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- The generated report(s) shall be stored in the system for future retrieval.
- At the time of generation of report 'Weekly Approved Challan Refunds by DDO', in case the amount of paisa in 'Finally approved refund amount' is less than 50, then it shall be rounded off to the lower rupee value and in case the amount of paisa in 'Finally approved refund amount' are 50 or more, then it shall be rounded off to higher rupee value.

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Format B

G.A.R. 33

[See rule 142]

BILL FOR REFUND OF REVENUE

Bill No. (MCA21/92/<SRN of Refund Form>/<Sr.No. of GAR33>/<Year of Generation of GAR33>

CIN/LLPIN/SRN Number: <CIN/LLPIN/SRN>

HEAD OF ACCOUNT FOR REFUND: <Refund Account Head>

In whose name revenue was credited (for electronic payment)	Challan No.	On what account received	Amount realized	Date of payment into the bank	Amount in which included and head to which credited	Pay & Accounts Officers signature in token of verification of credit into the bank	Name of Payee	Bank Name	Bank Account Number	IFSC Code	Amount to be refunded
1	2	3	4	5	6	7	8	9	10	11	12
PAO, MCA	<SRN> *	<Service Description>	<Amount >	<Payment Date>	<Account head>		<Name of Payee >	<Bank Name >	<Bank account number >	<IFSC Code >	<Finally approved Refund amount>

1. Certified that this order of refund has been registered and noted against the original receipt in the departmental accounts under my initials and that refund of the same had not been ordered or made earlier.

2. Sanctioned and passed for payment.

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Cheques may be issued in favour of / Instruction for electronic payment may be issued in favour of <Name of payee>

Signature of the
Sanctioning authority with
Seal.

Signature of the claimant (affixing
revenue stamp wherever necessary)
Date.

Signature of Drawing &
Disbursing Officer.

FOR USE IN PAY AND ACCOUNTS OFFICE

Passed for payment of Rs.................. (Rupees.................................) Payment through Cheque No / ECS reference No............)

Date..................

Pay and Accounts Office

Note:

- All columns of the report shall be displayed by the system except column 7 which shall be signed by the PAO officer.
- Name of Payee shall be as per Refund eForm. In case of Under Liquidation Company, name of payee shall be as updated by DDO during approval of work-item.

Bill number shall be year wise and shall be in running number sequence starting from 2001. *SRN shall be the SRN of the refund form.**

10. ANNEXURE II -Notes and Assumptions

- The Refund process pertains to payments made under MCA21 system. The process can be extended to other similar e-Governance program of the Ministry with the approval of the Secretary, MCA.

- There shall be no fee for Refund eForm.

- Request for refund shall be entertained only if submitted through Refund eForm. In case any email or letter is received, the same shall not be treated as a valid request.

- Refund eForm shall not be a public document for the purpose of VPD.

- Audit trail of all transactions refunded shall be maintained by the system.

- There shall be an approval workflow at DDO (DDO-Dir(eGov) or equivalent authority-JS(eGov)); there could be multiple users assigned to this role.

- If DDO sends the refund request to the operator, then operator shall provide information related to the details of the case only, and shall not provide any recommendation with respect to approval/ rejection of the refund claim.

- System shall check that payment against SRN(s) in respect of which refund request is made is confirmed in MCA21 system.

- System shall not allow filing of refund eform for:
  - Services for which Payment is not applicable
  - SRN(s) in respect of which refund request has already been made and (i) approved or (ii) rejected twice (configurable) or (iii) pending for processing for refund.
  - Management dispute cases

- Email shall be sent to the service seeker on each change in status of refund work item along with the corresponding reason/ details, if any. The status of the work-item shall change on every transfer of work-item from one MCA office to other (including DDO office).

- Service seeker's address shall be provided by the FO user in the Refund eForm in case of individual and in case of company/ LLP under Liquidation. This shall be registered office address in other cases of company/LLP.

- In case the company/LLP is under the jurisdiction of a new RoC at the time of making refund request, same shall then be processed by the new RoC.

- In case of foreign company, Refund cheque shall be send to the address in India only. In case of electronic payment, the same shall be credited to the bank account maintained in India.

- Provision for refund of amount through ECS will be made in the eForm/process. However, the same will be enabled once the O/o PAO readied for it. .

- FIFO logic shall be applicable for all Refund eForm work items.

- BO user cannot modify the refund amount sought by the service seeker in any case. The same can be updated based on resubmission of the Refund eForm only. However, name of payee and address shall be allowed to be updated by DDO in case of an under liquidation company.

- In case of incorrect payment, refund request for all SRNs (other than exceptions mentioned) shall be allowed.

- In case of multiple payments, refund for only eForm[9] for application for incorporation of company or LLP and eForm for increase in authorised capital/ contribution. shall be allowed.

- The check with reference to approval status of SRN of other transaction should not be mandatory for incorrect payment cases as there would not be any other transaction for cases wherein refund is claimed for CLB fee or fee payable to other regulatory authorities paid through Miscellaneous Fee option

- In case of refund request for multiple filing of eForm[10] for incorporation of company or LLP, refund shall be allowed only after the company or the LLP as the case may be, has been incorporated. This implies filing of refund eForm shall be allowed only after the SRN of other transaction has been approved.

- In case of refund request for multiple filing for eForm[11] for increase in authorised capital/ contribution, system shall validate that the purpose of both the SRNs is either Increase in capital/ contribution or the purpose of both the SRNs is Increase in number of members. In this case, filing of refund eForm shall be allowed only after the SRN of other transaction has been approved.

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[9] eForm 1, 5 (CoA 1956), INC-2, INC-7,INC-29 SH-7 (CoA 2013) and 2LLP, 3LLP (LLP Act)
[10] eForm 1 (CoA 1956) or INC-2, INC-7, INC-29 (CoA 2013) or 2LLP (LLP Act)
[11] eForm 5 or SH-7 or 3LLP
These Forms can be added/deleted to give effect to amendments/notifications issued later.

- In 'Excess payment' cases, filing of Refund eForm shall be allowed only after the SRN for which refund is sought has been approved. The system shall calculate fee as per latest fee rule only and not w.r.t date of filing (past date) of the respective eform. BO user shall need to verify the same.

- Refund eForm shall be allowed to be marked as PUCL and RSUB at the time of processing by both DDO **and concerned MCA office user**. Upon resubmission or filing of prescribed Form[12] providing clarification, same shall be displayed in the refund work-item available for processing with DDO/concerned MCA office.

- SRN of Refund eForm as well as SRN(s) in respect of which refund request is made shall always be out of Rule 10 or Rule 36 as the case may be.

- For linked filing cases, refund request shall be allowed to be made SRN-wise.

- Refund shall be allowed only for companies/ LLPs having status as active, under liquidation or amalgamated. In such case, filing shall be allowed by the transferee company/ LLP and CIN-SRN or LLPIN-SRN association shall not be checked.

- In case of under Liquidation Company/LLP, there shall be no role check as refund eForm shall be allowed to be filed by Official Liquidator (OL) only. Name of payee shall be fillable in the eForm and DDO shall have the facility to modify the same as refund amount is to be sent to OL.

- There shall be a new category for Refund eForm at MCA21 FO portal

- Currently, MCA, HQ is allowing condonation of cases marked as NTBR under Regulation 17 or Rule 10 by approving applications under Section 637B of Companies Act, 1956 or Section 460 of Companies Act, 2013 respectively. The same are raised as Tickets for changing the status of the WI to Open. Now, this process shall have to be reviewed as refund process shall be applicable to such cases.

- Following system features shall be underlined configurable and option for same shall be provided in the BO screen. Audit trail for the configurable items shall be maintained. Also, two level workflow for approval of this screen shall be provided.

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[12] eForm GNL-4/ eForm 32 LLP. These may be added or deleted based on notifications and amendments made under the respective laws.

o Number of times a particular refund request shall be allowed to be filed in case it is rejected. This shall be fixed as two times initially including the first application.

o Email ID of operator, DDO & PAO.

o List of exceptions.

o Default values for deduction in amount to be refunded.

11. ANNEXURE III- Exceptions where refund is not to be allowed through MCA21 system:

a) NEFT refund covers all un-linked transactions i.e. there are no exception to NEFT refund requests

b) Following are the exclusions from the refund process

- Public Inspection of documents (VPD)
- Request for Certified Copies
- Payment for transfer deeds
- Stamp duty fee
- Name withdrawn cases
- IEPF payment

A certain group of forms falls under the category of Straight Through Put Process categorized as 'STP Forms'. All STP forms do not require any manual processing by Dealing Hands and Approving Officers and are directly pushed to Document Repository. As the STP e-forms are processed automatically and pushed to Document repository, requests for reversal/refund of fees cannot be entertained for cases other than excess payment. (even for cases when the same were non STP earlier)

Note: In case of refund of stamp duty, service seeker shall directly approach the concerned state. The state shall then forward the refund request to the concerned RoC. This shall be outside MCA21 system.

There shall be a facility in back-office to record the request received from the state against such series of SRN. BO user shall generate correspondence letter to be sent to the state. The letter can be generated in case corresponding eForm SRN is approved or NTBR or no corresponding eForm is filed. However, status of the SRN shall not be changed. The same shall be a two-level process at RoC office. RoC office shall not provide any recommendation as to approval or rejection of the refund request for the stamp duty fee. The letter can be generated multiple times for the same SRN in case when date of receipt of application from state is different.

Sending of the letter to the state shall also be outside MCA System.