MCA: 2014

April 2, 2014

Shri Naved Masood, IAS
Secretary to Government of India
Ministry of Corporate Affairs
Shastri Bhawan, New Delhi

Dear Sir,

Sub.: Precertification of e-forms under the Companies Act, 2013

Ministry has come up with various measures from time to time to improve its services to various stakeholders. It has in the last decade, in particular, leveraged technology with the introduction of MCA 21 and used regulated professionals to share the responsibility through precertification of various e-forms. This has reduced the burden on Ministry officials who are too few to administer the Companies Act for over one million companies, while improving integrity of business operations, compliance, governance and making available quick and accurate information.

The precertification was introduced after detailed deliberations and this has been refined over time through successive circulars. Though it initially aimed at avoiding delays such as delay in registration of documents and charges, its scope was expanded on realization of the benefits from such precertification. Pre-certification means certification of correctness of any document by a practising professional, before the same is filed with the Registrar in terms of the requirements of the Act along with prescribed fees. The professional thoroughly checks the correctness of the particulars stated in the form after due consideration of the provisions of the Companies Act and the relevant Rules made thereunder. He also ensures that the particulars stated in the form are in agreement with the records of the company. If any defect is noticed or any information is found to be incomplete, he takes steps for rectification of the defect or gets the document completed before filing of the same with the Registrar. Thus, the professionals act as extended arm of the MCA. The pre-certification, which applies to all companies, has helped improve compliance and governance.
To our great concern, the various e-forms which were required to be pre-certified by professionals in terms of Companies Act, 1956 do not require such pre-certification under the new Act and the Rules notified thereunder. With the removal of requirement of pre-certification, all the forms would have to be scrutinized by MCA officials. As a consequence, authentic information would not be available, at least promptly, to stakeholders. This would also drastically reduce utility of the MCA 21.

We request you to kindly continue mandatory pre-certification of e-forms in respect of those forms which were required to be pre-certified under the Companies Act, 1956 as it is in the interest of Ministry as well as the public at large. We hope you would consider our request positively. We would be pleased to provide any further information or clarification in the matter, you may so desire.

Yours sincerely,

(CS R. Sridharan)

CC: a. Mr. M. J. Joseph, Additional Secretary, Ministry of Corporate Affairs.
b. Ms. Renuka Kumar, Joint Secretary, Ministry of Corporate Affairs.