

# A STUDY OF INFORMATION TECHNOLOGY AND ITS IMPACT ON GOVERNMENT E -PORTAL: MINISTRY OF CORPORATE AFFAIRS (MCA) INVERSION 3.0

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## ABSTRACT

*This study reveals the effectiveness of the MCA21 version 3.0 [MINISTRY OF CORPORATE AFFAIRS PORTAL] that is used for conducting E-governance and audit functions because it helps to carry out audit functions, balance competing interests of various stakeholders and strengthen institutions for achieving excellence in service delivery. The most important aspect concerned with the ministry is its upgradation over the years and thus it helps in conducting the research in regard to its audit functions which would bring the pros and cons of such upgradation.*

*The study provides insights into the framework of E-governance and easy compliance with continuous Government Process Re-engineering [GPR] with reference to the audit functions. It discusses the major impact on filing of various functions related to the companies with the Registrar of Companies [ROC] by the audit firms. The Government Process Re-engineering [GPR] based on the operations of the MCA 21 v3 portal. It attempts to identify its functionality for the future research of this field. In this analysis, descriptive research design is adopted along with the convenience sampling method. The sample size is taken as 110 and analysis was done based on the data collected from the questionnaire. The tools used for analyzing the data are chi-square, Anova and correlation. In this study, the main emphasis is made on the major upgradation of the MCA21 portal over the years which covers the recent version. Next the emphasis is made on the implementation of the MCA21 portal and its impact with respect to e-filing functions, quality of work, job performance and secured login services. However, the result showed that although there are some issues related to login and other such technical issues the portal provides enough information in resolving the problem or issues faced and its working mechanism is easy and understandable for the employees. It is also suggested that the ministry of corporate affairs will adhere to the related issues and help in better functioning of the MCA21 portal.*

**Keywords:** MCA21 (Ministry of corporate affairs), E- governance, GPR( Government process Re-engineering), ROC (Registrar of Companies).

## 1.1 INTRODUCTION:

Due to its effectiveness and application in numerous fields, e-government has significantly changed and become more relevant in the modern world. One of the e-government services that many industrialised nations have adopted today is consulting and secretarial audit e-filing, where businesses are required to fulfil their obligations to the government using online audit forms that are accessible through the website portal. Researchers contend that despite the widespread use of Consulting and secretarial Audit e-filing capabilities, a viable integrated system has not yet been established, particularly in developing nations. Governments around the world are increasing the use of information and communication technologies to improve the delivery of regulatory services and the dissemination of corporate sectors administration in accordance with the law. One prominent type of e-government is the introduction of the ministry for administering and regulating the corporate sectors that are governed by the professional bodies such as the Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI) and the Institute of Cost and Management Accountants of India (ICMAI) which are constituted under three separate Acts of the Parliament for proper and orderly growth of the professions concerned.



In the recent times, corporate governance has attracted considerable attention over the past decades, leading to recommended codes of practice, conceptual models and empirical studies. Based on a review of the literature, corporate governance is defined for this study as the structure and processes among the board of directors, shareholders, top management and other stakeholders, and involves the roles of the stewardship process and exercising strategic leadership, and the objectives of assuring accountability and improving performance.

#### **SCOPE OF THE STUDY:**

MCA21 is an E- governance initiative measure of the Ministry of Company Affairs (MCA), Government of India that provide an easy and secure access provider of the MCA services to the corporate entities, professionals and citizens of India.

The MCA21 application offers the following:

- It provide business communities to register a company and file related statutory documents such as incorporation, appointment of directors and other services in a more easier and efficient way.
- It enables easy accessible data of public documents
- It helps to adhere to the resolution of public grievances in a more effective way.
- It also helps registration and verification of charges
- It ensures to keep in pace in compliance with the corporate laws
- It ensures secured login to its users.

#### **OBJECTIVES OF THE STUDY:**

- To know the effective functionality of MCA21 v3 [MINISTRY OF CORPORATE AFFAIRS] E-filing portal in consulting, secretarial and audit functions.
- To find out the functional E-filing operations of the MCA portal.
- To find out the overall usage satisfaction of the MCA E-filing portal and its ministry's administration by the professional bodies.
- To analyze the major impact of the MCA's version 3.0 compared to the old version.
- To analyze reliability of the MCA portal.

#### **REVIEW OF THE LITERATURE:**

**Dhingra Pooja; Singh Ajay; Magu Gaurav (2014), " Extensible Business Reporting**

**Language (XBRL): A perceptual study"**, The Extensible Business Reporting Language (XBRL) taxonomy must be used to submit balance sheets and profit & loss accounts for certain corporations in India, according to the Ministry of Corporate Affairs. In India, XBRL awareness is still in its infancy. The accounting community has different perceptions of XBRL's awareness and perceived adoption barriers depending on their level of experience and line of work, but there are no differences in their perceptions of the language's benefits. The study's main objective is to investigate how the registrar of companies (ROC) views e-governance in terms of delivery aspects. The Ministry of Corporate Affairs of the 21st Century (MCA21), a groundbreaking e-government initiative launched in 2006, was questioned to learn how ROC employees felt about it. The study's findings revealed four areas that the participants felt were crucial.

**Amandeep Kaur and Harpreet Kaur (2017), "Exploring E-governance Service Delivery Dimensions: A Study of Registrar of Companies"**, Indian Accounting Standards (Ind-AS), which feature many IFRS carve outs, are the name for the converged IFRS standards. The study examines how firms handle transparency. There are two strategies to achieve convergence with the IFRS set of standards. One is the complete adoption of the IFRS set of standards, and the other is the creation of a convergent set of IFRS standards with carve-outs to address local difficulties specific to the country in question. India adopted IFRS through the second way, and the country's converged standards are referred to as Indian Accounting Standards (Ind-AS), which include a significant number of IFRS carve outs. The Ministry of Corporate Affairs (MCA) has established a roadmap for



Indian enterprises to adopt IFRS converged standards (Ind-AS). The study's findings show that the sample companies' approaches to disclosing their adoption of Ind-AS vary widely.

**Professor (Dr.) Satyajit Dhar (2019), "Mandatory Adoption of Ind AS (Ifrs Converged Standards): A Study on Disclosure Practice of Indian Companies"**, The purpose of the study is to evaluate the value of integrated reporting, the contribution of XBRL to its promotion, and the difficulties associated with doing so. When the Institute of Chartered Accountants of India (ICAI) recognised the value of digital financial reporting in the Indian context, XBRL was developed in India. The Ministry of Corporate Affairs (MCA) mandated the reporting of business and financial information through XBRL in 2011 for a specific class of companies. It is concluded that XBRL significantly contributes to the promotion of integrated reporting, which is currently crucial to the Indian context.

**Dr. M L Ashok; Abhishek N (2019), "Role Of XBRL in promoting the Integrated Reporting in Indian Scenario"**, The study focuses on XBRL, which provides detailed descriptions and contextual information for advanced analysis and gives corporate information structure. It improves the accuracy, timeliness, and dependability of financial data as well as the efficiency of financial reporting. The outcome showed that while interacting with XBRL demands significant mental effort, using it enhances productivity. The Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), and Insurance Regulatory and Development Authority (IRDA) are the primary Indian authorities for the implementation of XBRL. The Industrial and Commercial Taxonomy created by ICAI was mandatory for adoption by companies starting on March 31, 2011, through XBRL reporting (in phases). These results may serve as a theoretical and empirical basis for quickening XBRL adoption in India.

**Vineet Chouhan and Shubham Goswami (2015), "XBRL Acceptance in India: A Behavioral Study"**, the study focuses on XBRL which brings structure to business information with comprehensive description and contextual information for advanced analysis. It enhances the efficiency of financial reporting, accuracy, timeliness and reliability of financial data. The result revealed that using XBRL increases productivity but interacting with the XBRL requires lot of mental efforts. . In India major regulators for XBRL adoption are Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and Insurance Regulatory and Development Authority (IRDA). From 31st March, 2011, Ministry of Corporate Affairs mandated XBRL reporting (in phases) for companies, to adopt the Industrial and Commercial Taxonomy developed by ICAI. These findings can be an empirical and theoretical foundation to accelerate the adoption of XBRL in India.

#### RESEARCH METHODOLOGY:

In order to complete this study, both primary and secondary data have been gathered. The questionnaire, which comprises closed-ended and Likert-scale questions, is used to gather the primary data. The research used in the study is descriptive in nature because it involves fact-finding and surveying. The organisation had never conducted the research before. In the investigation, a straightforward random sample procedure is used. 110 employees from AV Associates, Prole LLP Advisors, and Fileateaze (a one-person business) private limited in Chennai make up the sample size for the project. The use of relevant books, journals, and newspapers helps gather secondary data.

#### SUMMARY OF FINDINGS:

##### PERSONAL BACKGROUND OF RESPONDENTS:

It is inferred that 35.5% of the employees belong to the age group of 31-40 years. 59.1% of the employees are majorly Male employees. Majority of the employees are working in the AV Associates has 2- 5 years of experience in present organization.



**FAVORIBILITY AND ACCESSIBILITY OF DATA TOWARDS MCA21 PORTAL:**

**CHI-SQUARE TEST:**

**Null Hypothesis (H0):** There is no significant relationship between favorable attitude of the work in the MCA21 portal and accessing data through MCA21 portal.

**Alternative Hypothesis (H1):** There is significant relationship between favorable attitude of the work in the MCA21 portal and accessing data through MCA21 portal.

**TABLE 5.2.2.2 CASE PROCESSING SUMMARY**

ases

Valid			Missing		Total	
N	Percent	N	Percent	N	Percent	
Favourable attitude * Access data	110	100.0%	0	0.0%	110	100.0%

**Favourable attitude \* Access data Cross tabulation**

Access data					Total
yes		no			
Favourable attitude	Yes	Count	70	0	70
		Expected Count	47.1	22.9	70.0
	No	Count	4	36	40
		Expected Count	26.9	13.1	40.0
Total		Count	74	36	110

**INFERENCE:**

Since the calculated p value greater than 0.009 (Null hypothesis rejected and alternate hypothesis is accepted). Hence there is a significant relationship between favorable attitude of the work in the MCA21 portal and accessing data through MCA21 portal. Thus MCA21 portal have been useful in accessing data and has a favorable attitude on the employees.

**ONE-WAY ANOVA TEST**

**Null Hypothesis (H0):** There is no significant difference between comparison of version 3.0 over the old version and facing issues in filing up forms in the MCA21 portal.

**Alternative Hypothesis (H1):** There is significant difference between comparison of version 3.0 over the old version and facing issues in filing up forms in the MCA21 portal.



**TABLE 5.2.3.3 DESCRIPTIVE OF ANOVA TABLE**

**Descriptives**

Filing issues

N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	
				LowerBound	UpperBound			
Strongly agree	36	1.00	.000	.000	1.00	1.00	1	1
Agree	57	1.84	.368	.049	1.74	1.94	1	2
Neutral	10	2.00	.000	.000	2.00	2.00	2	2
Disagree	3	2.00	.000	.000	2.00	2.00	2	2
Strongly agree	4	2.00	.000	.000	2.00	2.00	2	2
Total	110	1.59	.494	.047	1.50	1.68	1	2

**ANOVA**

Filing issues

Sum of Squares		df	Mean Square	F	Sig.
Between Groups	19.012	4	4.753	65.849	<.001
Within Groups	7.579	105	.072		
Total	26.591	109			

**INFERENCE:**

Since the calculated p value greater than 0.001 (Null hypothesis rejected and alternate hypothesis is accepted). Hence there is significant difference between comparison of version 3.0 over the old version and facing issues in filing up forms in the MCA21 portal. Thus MCA21 portal have a major impact of facing issues while filing up forms in the portal.

**SUGGESTIONS:**

- MCA21 portal is not used for conducting audit functions and other services it also helps in administering and governing the companies.
- MCA21 portal brings in much effective change in the organization but due its migration from the old version to the newer version, the process of filing through e-forms, incur huge server login and technical issues.
- MCA21 portal is not much suitable for annual return filings of big companies, and in order to make annual return filing of the big companies tools like XBRL (eXtensible Business Reporting Language) which helps in saving up costs and it is more flexible and adaptable to the



requirements.

- Due to its mere upgradation, the server may be low and caused major issues. However, necessary constant working of the portal by the ministry of corporate affairs can help to solve major technical glitches and can enable better and more efficient working of the portal.
- MCA21 portal has served the employees to breed the best services and also ensure to keep in pace with the corporate governance.

#### **ENDING REMARKS:**

From the study it can be concluded that MCA21 portal have been satisfied for the employees in the companies.. Though the respondents revealed it openly, it is understood that MCA21 portal has been well and good for the employees. Employee Strongly Agree on working in MCA21 portal as it is very important because it increases productivity, easy access to public data and documents, and helps in resolving public grievances. So the ministry should upgrade more features and strategies which would benefit the employees who in turn will satisfy the firm. The ministry has been taking necessary actions in resolving the problems and make effective use of latest techniques to resolve the issues. Traditional methods include manual filing of e-forms cannot be made as it will still have foothold in most of the administrative work, such as public documents, telephone communication for client details, and information distribution to ROC (Registrar of companies), but master data of the companies/ LLP's can be processed and analyzed which will be processed in the future by sophisticated software. As we look into the future, automated e-filings becomes more involved in small and large organizations.

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