

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 221
ANSWERED ON- 02.12.2025
Digital reforms and ease of doing business

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Will the Minister of Corporate Affairs be pleased to state:

- (a) the status of implementation of MCA21 Version 3.0 and its impact on reducing compliance timelines;
- (b) the extent to which artificial intelligence tools are being used to simplify company registration and filings;
- (c) whether start-ups and MSMEs have benefited from recent decriminalization of procedural offences; and
- (d) the manner in which reforms contribute to improving India's business environment and global investment competitiveness?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS; MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
(SHRI HARSH MALHOTRA)

- (a) Version-3 of MCA21 (MCA21 V3) has been launched to promote Ease of Doing Business, strengthen compliance and enhance transparency. Through MCA21 V3, functionalities like Web filings, LLP Module, Company module, e-Enforcement, e-Adjudication, e-Consultation, e-Book Learning Management System have already been implemented. All filings are now being made through V3. The V3 portal provides for real time validation with pre-filled master data reducing manual errors, re-submissions and compliance timelines. Additionally, the e-Adjudication module has helped companies in responding to the notices online and ensure timely compliances as per statutorily prescribed timelines.
- (b) AI and Machine Learning (ML) are applied in the helpdesk solution and feedback analysis for providing actionable insights on stakeholder grievances. AI tools are also used in process of incorporation of Companies and LLPs through fuzzy matching of the proposed name with the existing names.
- (c) & (d) In keeping with the Government's objective of incentivizing compliance with law and providing greater ease of doing business to law abiding corporates, de-criminalization of technical & procedural violations under Companies Act, 2013 (Act) has been done through amendments in the Act. Offences have been converted into civil defaults to be adjudicated by levy of monetary penalties, and these have reduced the burden on criminal courts & National Company Law Tribunal.
Apart from freeing up the criminal courts, this reform has also sent out a message to the law-abiding corporates at large, about the government's commitment to promote ease of doing business in India around trust and improve compliance requirements, specifically for start-ups, small companies and MSMEs.
Section 446B, which provide for lesser penalties for one person companies, small companies, startups and producer companies is aimed at ensuring lesser compliance burden on these companies.
