

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:2837

ANSWERED ON:18.08.2011

REGISTRATION OF A COMPANY

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**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether the Government proposes to introduce registration of a company within 24 hours;
- (b) if so, the details thereof; and
- (c) the steps taken to prevent the registration of fake companies under this new computerised system?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R.P.N. SINGH)

(a) & (b) The Ministry of Corporate Affairs has simplified procedures under MCA-21 to enable registration of a company within 24 to 48 hours where there is no difficulty about availability of name etc. The various elements of this process are;

(i) Director Identification Number is allotted online on the basis of verification certificate given by the practicing Chartered Accountant or Company Secretary or Cost Accountant.

(ii) New "Name Guidelines, 2011" have been issued whereby the name can be obtained online from the MCA 21 system if the application is certified by the practicing professionals that the proposed name is in conformity with the Name Guidelines.

(iii) Application and payment of fees is made online.

(c) In order to prevent the registration of companies by fake promoters, the Companies Act, 1956 mandates obtaining of Director Identification Number (DIN) by an individual before becoming a director of the company. For obtaining DIN, one has to apply in an e-form giving his full identification such as name, father's name, address, date of birth and permanent account number (PAN) etc with copy of documentary proof. The application has to be further certified by a professional. There are inbuilt checks in the system such as checking of given particulars with PAN database to prevent fake promoters from obtaining the DIN.

In addition to above, after allotment of DIN and name online, all such approvals are further re-checked manually by the "back office" and in case any discrepancies are found later on, the process of revocation of DIN and/or company's name are initiated.

All incorporation e-forms are filed online but checked and approved manually by the Registrar of Companies.