

Ministry of corporate affairs may levy annual duty on registered companies

The ministry of corporate affairs ((MCA)) is contemplating introducing an annual charge on all registered companies in the new Companies Bill with the twin aim of boosting its revenue and creating a system to track companies. The charge will most likely be based on the capital size of the company.

The other details are yet to be finalised. "Right now it's just a suggestion , but if gets implemented it will be included in the new Companies bill," a government official told ET.

The Companies Bill is being debated after which a final draft will be sent to the cabinet for approval . "This (annual charge) will be a minimum basic cost every company will be obliged to pay to the registrar of companies," an official told ET.

The annual fee will also help the government keep a tab on companies - by providing an early warning for the ones that disappear - apart from enhancing government's revenue. "In spite of various early exit schemes, there are many dormant companies that do not deregister themselves," the official said. "This charge is to help with that (encourage companies to deregister)," he added. "As long as the charge is really very nominal, it's a good idea because there can be a lot of ghost companies, and this will help identify them," said Rajiv Kumar , secretary, Ficci, an industry chamber.