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IMPORTANCE OF ELECTRONICS IN COMPANY LAW

Every Listed Company (or) Every Company having 1000 Stakeholders or more.

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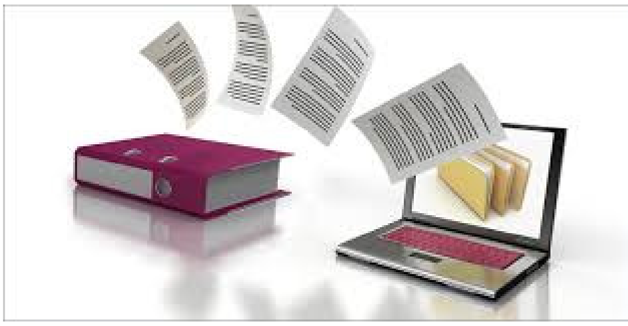
~~Shall~~ may (amended on 24/07/2014) maintain its records in electronic form. {Section 120 of Companies Act, 2013 & rules made thereunder}

NOTE-

- **Stakeholders** includes shareholders, debenture holders and other security holders.
- **Records** means any registers, minutes, agreement or any other document required to maintain under Companies Act, 2013 & rules made thereunder.



After analyse the Proviso of Section 120 of Companies Act, 2013 & rule 27 of Companies (Management &Administrative) Rules, 2014, No Company need to maintain their records in electronic form. But, for the purpose of green initiative & paperless work need to work in Electronic mode. For the purpose of compliance the Companies Act, 2013 regarding records, company has to find the reliable software tool from the market (like Computax, ZEN KDK, SAG Infotech etc.) or use the MS office in proper sense.

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Manner of maintenance of record in Electronic Form-

1.	In same format, prescribed under Companies Act, 2013 & rules made thereunder.
2.	Adequate for future reference.
3.	Must be Capable of being readable & reproduciable in printed form.
4.	Dated & Signed digitally wherever required under Companies Act, 2013 & rules made thereunder.
5.	Not capable of being edited or altered.
6.	Capable of being updated. (when not required to digitally signed).

Following forms have been prescribed under Companies Act, 2013 for maintenance of Statutory records & registers:-

Sr. No.	Relevant Sections and Rules	Form Name	Register Name
1	Section 46(3) and Rule 6(3)(a) of the Companies (Share Capital and Debentures) Rules 2014	**Form No. SH-2**	Register of Renewed and Duplicate Share Certificates
2	Section 54 and Rule 8(14) of the Companies (Share Capital and Debentures) Rules 2014	**Form No. SH-3**	Register of Sweat Equity Shares
3	Section 62 (1)(b) and Rule 12(10) the Companies (Share Capital and Debentures) Rules 2014	**Form No. SH-6**	Register of Employee Stock Options
4	Section 68(9) and Rule 17 (12) of the Companies (Share Capital and Debentures) Rules 2014	**Form No. SH-10**	Register of shares or other securities bought-back
5	section 85 and Rule 10(1) of the Companies (Registration of Charges) Rules, 2014	**Form No. CHG-7**	Register of charges
6	section186(9) & rule 12(1)	**Form MBP - 2**	Register of loans, guarantee, security and acquisition made by the company
7	Section 187(3) and Rule 14(1)	**Form MBP - 3**	Register of investments not held in its own name by the company
8	Section 189(1) and Rule 16(1)	**Form MBP - 4**	Register of contracts with related party and contracts and Bodies etc. in which directors are interested

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9	Section 88 (1)(a) and Rule 3(1) of the Companies (Management and Administration) Rules, 2014	**Form No. MGT-1**	Register of Members
10	Section 88 (1)(b) and(c) and Rule 4 of the Companies (Management and Administration) Rules, 2014	**Form No. MGT-2**	Register of debenture holders/ other securities holders
11	Section 170 & Rule 17 of Companies (Appointment & Qualification of Directors) rule 2014	**Register**	Register of Directors and Key Managerial personnel and their shareholding

MINUTES- The Minutes of each meeting contain a fair and correct summary of the proceedings threat. Every Company shall observe Secretarial Standards (i.e. SS-1 & 2) with respect to general and Board meetings specified by the ICSI and approved by CG.

The drafting and maintenance of minutes of meetings is a core function of the Company Secretary. So, the Company Secretary not only writes minutes, he writes history of the Company.

APPLICABLE PROVISIONS-

a) Section 118 of the Companies Act, 2013
b) Rule-25 of the Companies (Management and Administration) rules, 2014
c) SS-1 & 2 issued by ICSI

KEEPING OF MINUTES BOOK-

- At the registered office of the Company or such other place approved by the board.
- Preserved permanently.
- In the custody of Company Secretary or any director duly authorised by the board.

MAINTAINANCE OF MINUTES BOOK-

1. Maintain in Physical form.
2. Every Listed Company or a Company having 1,000 Stakeholders (Shareholder, Debenture holder or other security holder) may maintain its records in electronic form with **Timestamp**.
3. The Pages of the Minutes books shall be consecutively numbered.
4. If minutes maintained in loose- leaf form, there shall be a proper locking device.
5. Minutes shall be written in third person and **past tense** & resolutions shall be written in **present tense**.
6. Minutes shall be entered in the Minutes book within 30 days from the date of conclusion of the meeting.

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7. The date of entry of the minutes in the Minutes book shall be recorded by CS, if there is no CS by any other person authorised by board.
8. Minutes, once entered in the Minutes book shall not be altered.

<u>NOTE-</u> **"Timestamp"** means the current time of an event that is recorded by a Secured Computer System and is used to describe the time that is printed to a file or other location to help keep track of when data is added, removed, sent or received.

<u>SIGNING ON MINUTES</u>

In Case of Board Meeting or Committee meeting	In Case of General Meeting	In Case of resolution passed by postal ballot
By the Chairman of the meeting or Chairman of the succeeding meeting.	By the Chairman of the meeting within 30 days or in the event of death or inability of that chairman within that period by a director duly authorised by the board for the purpose.	By the Chairman of the board within 30 days or in the event of there being no chairman of the board or the death or inability of that chairman within that period by a director duly authorised by the board for the purpose.

Each page should be signed initialled or signed & the last page of the record of proceedings of each meeting

<u>Agreement-</u> As per Contract Act, 1872 **"Agreement"** means exchange of promise/ set of promise with promise or set of promise. For Example- Rent Agreement, Employment Agreement etc.

<u>Other Documents-</u> Every Electronic form which is need to be filled by Company to Authorities Under MCA21 as per Companies Act, 2013 & rules made thereunder.