

E-Governance

Question 1

The Board of Directors of DJA Ltd. seek your advice about the procedure to be followed for 'Electronic filing and Authentication of Documents' with the Registrar of Companies, Mumbai. Advise the Board about the procedure to be followed in this regard and explain the manner in which the 'E' filing is regulated by the Central Government

(CA Final, New Course, November 2010)

Answer

Procedure:

1. When the business or the registered users access the My MCA portal, they enter their username and authentication details – Password/ Digital Certificate.
2. The user will be shown a list of eForms category-wise under **eForms** tab.
3. At any time, the users can read the related instruction kit, available under **Help** menu, to authorized themselves with the procedures.
4. The users can then fill the appropriate eForm for the service required. There is an option of pre-fill facility in the eForms, where the static details such as name and address of the company will be pre-filled by the system automatically on entering the Corporate Identity Number (CIN).
5. The users attach the necessary documents to the eForm.
6. The users may avail the pre-scrutiny service of the eForm. The documents will be verified (pre-scrutinised) by the system. In case of any inadequacies, for example, if a mandatory column in the eForm is not filled in, the user will be asked to rectify before the document is ready for execution (signature).
7. The applicant or a representative of the applicant will then submit the duly signed documents electronically through Digital Signatures.
8. The system will calculate the fee, including late payment fees, if applicable.
9. Payments will have to be made through appropriate mechanisms – electronic (credit card, Internet banking) or traditional means (at the bank counter).
 - (a) Electronic payments can be made at the Virtual Front Office (VFO).

- (b) If the user selects the traditional payment option, the system will generate a pre-filled challan in the prescribed format. Traditional payments through cash, cheques can be done at the designated network of banks using the system generated challan. There will be five banks with estimated 200 branches authorized for accepting challan payments.
10. The payment will be exclusively confirmed for all online (Internet) payment transactions using payment gateways.
 11. Acceptance or rejection of any transaction will be explicitly communicated to the applicant (including facility to print a receipt for successful transactions).
 12. MCA 21 will provide a unique transaction number, which can be used by the applicant for enquiring status pertaining to that transaction.
 13. Filing will be complete only when the necessary payments are made.
 14. In case of a rejection, helpful remedial tips will be provided to the applicant.
 15. The applicants will be provided an acknowledgement through e-mail or alternatively they can check the MCA portal.

Question 2

Explain when a Public Limited Company is necessarily required to appoint a managing Director under the Companies Act, 1956. Draft a Board resolution for the appointment of Mr. Intelligent as the managing Director of Smart Limited on a salary of ₹5 Lakhs per month along with other usual perquisites.
(May 2011)

Answer

Appointment of Managing Director:

According to Section 269 of the Companies Act, 1956 every public company or a subsidiary of a public company having a paid up share capital of ₹ 5 crores or more is required to appoint a Managing Director or Whole Time Director or a Manager.

In the given case, the remuneration exceeds ₹ 4 Lakhs, therefore, as per Schedule XIII Part II-C special resolution at a general meeting of the company is also required.

Draft of Board Resolution

Resolved that Mr. Intelligent be and is hereby appointed as Managing Director of the Company subject to the approval of the Central Government for a period of 5 years effective from 1-4-2011 and that he may be paid remuneration as follows:

- (i) Salary: ₹ 5 lakhs per month plus annual increment of ₹ 2.5 lakhs.
- (ii) Commission: 1% of the net profits of the company subject to a maximum of ₹ 10 lakhs.
- (iii) Perquisites: Housing, car, etc. as applicable to the Senior Executive of the company.

29.3 Corporate and Allied Laws

Resolved further that the Secretary of the Company be and is hereby authorized to make an application to the Central Government seeking their approval to the above appointment.

Sd/-

For the Board of Directors

Note: It is assumed that the remuneration proposed to be paid to Mr. Intelligent exceeds the limits that down in Schedule XIII to be the Companies Act, 1956, in which case passing of special resolution in general meeting and the approval of the Central Government is required.