

Announcement

The Companies (Amendment) Bill, 2006

The Ministry of Company Affairs on the recommendations of Department of Information technology is implementing an e-governance initiative through a project named as MCA 21. This project will provide the public, corporate entities and other an easy and secure online access to the corporate information including filing of documents and public access to the information required to be in the public domain under the Statute, at any time and from any where. This would also result in efficiency in statutory supervision of corporate processes and efficient professional services under the Companies Act, 1956.

The filing and registration of documents is a statutory requirement under the Act.

At present, the Act lays down the procedures for filing of various documents in physical form and the processes associated therewith. While, the broad enabling framework for such an initiative is available under the Information Technology Act, 2000 read with Companies Act, 1956, enabling provisions would still be required to support certain online electronic processes, which have since become available due to technological advancement for various detailed procedural requirements under the Companies Act, 1956.

The Companies (Amendment) Bill, 2006 proposed to insert new sections 610B, 610C, 610D and 610E in the Companies Act, 1956 so as to make provision for electronic filing system and for payment of fees through electronic form under the said Act which are essential for the successful implementation of the MCA-21 Project. After the proposed amendments to the Companies Act, 1956

have been enacted, the documents in electronic form duly authenticated with digital signatures shall be accepted under the provisions of that Act. The proposed electronic system also provides for multiple modes of payment of statutory fees.

The Bill also provides for new sections 266A, 266B, 266C, 266D, 266E, 266F and 266G in the Companies Act, 1956 so as to, *inter alia*, provide for allotment of a unique Director Identification Number to any individual, intending to be appointed as a director in a company or to any existing director of a company, for the purpose of his identification as such, through electronic or other form and to provide for penalty for any violation in this regard.

The Companies (Amendment) Bill, 2006 have been passed by the Rajya Sabha on 21st March 2006 and by the Lok Sabha on 15th May 2006. To make the e-governance a reality and to prescribe a legal framework for this flagship programme, this Bill provides for, *inter-alia*;

1. Application for allotment of Director Identification Number.
2. Allotment of Director Identification Number.
3. Provisions relating to filing of application, documents inspection etc. through electronic form.
4. Power to Modify Act in relation to electronic records (including the manner and form in which electronic records shall be filed).

The Bill has been hosted on the Institute's website i.e. www.icaai.org