

Circular No. 17/2011

No 17/95/2011 CL-V
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated: 21.04.2011

All the Regional Directors,
All the Registrar of Companies/ Official Liquidators

Subject: - Green Initiatives in the Corporate Governance -- Clarification regarding service of documents by e-mode instead of Under Posting Certificate (UPC).

Sir,

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies after considering sections 2, 4, 5, and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act through electronic mode.

Section 53 of the Companies Act, 1956 provides service of documents under 'Certificate of posting' as one of the accepted mode of service. Whereas the Department of posts has recently discontinued the postal facility under 'Certificate of posting' vide their letter dated 23.02.2011. The Information Technology Act, 2000 also permits service of documents etc., in electronic mode.

Keeping in view of above, it is hereby clarified that a company would have complied with Section 53 of the Companies Act, if the service of document has been made through electronic mode provided the company has obtained e-mail addresses of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholders to register their e-mail address and changes therein from time to time with the company.

In cases where any member has not registered his e-mail address with the company, the service of document etc will be effected by other modes of service as provided under section 53 of the Companies Act, 1956.

Yours faithfully,


(Kamna Sharma)
Assistant Director

Copy to: All concerned.

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No 17/95/2011-CL.V
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated: 29.4.2011

All the Regional Directors,
All the Registrar of Companies

Subject : Green Initiative in the Corporate Governance- Clarification regarding sending copies of Balance Sheets and Auditors Report etc., to the members of the company as required under section 219 of the Companies Act, 1956 through electronic mode.

Sir,

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies after considering sections 2, 4, 5, and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through electronic mode.

2. The Ministry has been receiving representations from various Industry bodies to dispense with sending physical Annual report of a Company comprising of Balance Sheet, Profit & Loss Account, Director's Report, Auditor's Report etc. to its Members as required under section 219 of the Companies Act, 1956 and in lieu of the same the companies may be permitted to send the aforesaid documents by E-Mail to its Members.

3. Section 4 of the Information Technology Act, 2000, provides as under:

"Where any law provides that information or any other matter shall be in writing or in the typewritten or printed form, then, notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied if such information or matter is- (a) rendered or made available in an electronic form and (b) accessible so as to be usable for a subsequent reference."

4. In the light of the above provisions and circumstances it is hereby clarified that the company would be in compliance of sections 219(1) of Companies Act, 1956, in case, a copy of Balance Sheet etc., is sent by electronic mail to its member subject to the fact that company has obtained --

(a) e-mail address of its member for sending the Notice with Balance sheet, Profit & Loss Account, Auditor's Report, Director's Report, and Explanatory Statement etc through e-mail, after giving an advance opportunity to the member to register his e-mail address and changes therein from time to time with the company or with the concerned depository.

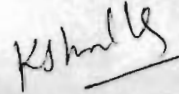
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(b) Company's website display full text of these documents well in advance prior to mandatory period and issue advertisement in prominent newspapers in both vernacular and English stating that the copies of aforesaid documents are available in the website and for inspection at the Registered Office of the company during office hours. Website must be designed in a way so that documents can be opened easily and quickly.

(c) In cases where any member(s) has not registered his e-mail address for receiving the Balance Sheet etc through e-mail, the Balance Sheet etc., will be sent by other modes of services as provided under section 53 of the Companies Act, 1956.

(d) In case any member(s) insist for physical copies of above documents, the same should be sent to him physically, by post free of cost.

Yours faithfully,



(Kamna Sharma)
Assistant Director

Copy to: All concerned.