



I-CUBE NEWSLETTER

WEDNESDAY, 30 OCTOBER



WHO CAN AUTHENTICATE DOCUMENTS / CONTRACTS / REGULATORY FILINGS ON BEHALF OF A COMPANY?

As per Section 21 of Companies Act, 2013 [CA,2013]:

- a. a document or proceeding requiring authentication by a company; or
- b. contracts made by or on behalf of a company, may be signed by any Key Managerial Personnel ["KMP"] or an Officer or Employee of the company duly authorised by the Board in this behalf.

As per Section 2(59) of CA,2013 "officer" includes any director, manager or KMP or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act

As per Section 2(51) of CA, 2013 "KMP", in relation to a company, means:

- a. the Chief Executive Officer or the managing director or the manager;
- b. the Company Secretary;
- c. the Whole-time director;
- d. the Chief Financial Officer
- e. such other officer, not more than one level below the directors who is in whole-time employment, designated as KMP by the Board

From the abovementioned definitions, prima facie we come to a conclusion that the following persons can authenticate documents, contracts and proceedings on behalf of the Company:

- a. Directors
- b. Manager
- c. Chief Executive Officer
- d. Chief Financial Officer



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- e. Company Secretary
- f. Any officer reporting to a whole-time director being designated as KMP
- g. Any employee duly authorized by the Board.

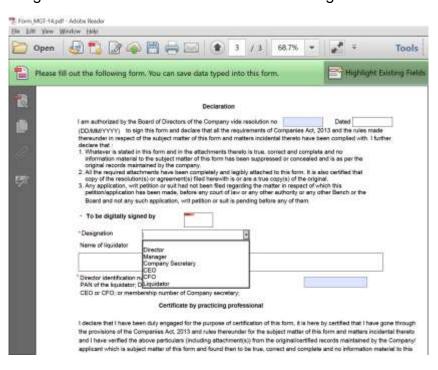
Hence, it can be said that Directors and KMPs are deemed signatories for signing or executing documents and contracts in the name of a company without any further authorization by the Board. Whereas if an "officer" other than a Director or KMP were to sign or execute a document or a contract, then express authorization to that effect is required by the Board to enable that "officer" to be an "Authorized Signatory".

The question is whether all or any of the abovementioned persons can then also authenticated all regulatory filings?

As per fifth proviso to Rule 7 of The Companies (Registration Offices and Fees) Rules, 2014 – any correspondences (physically or electronically) and documents to be filed through the portal of the Registrar/Central Government by any person shall contain name, designation, address, **Membership number or Director Identification Number**, as the case may be, of the person signing such document and make sure correctness thereof and <u>in no case</u>, <u>correspondence</u>, <u>merely with signature and writing authorised signatory shall be acceptable</u>.

Further Rule 8 of the aforesaid rules, about Authentication of documents clarifies that "the electronic forms required to be filed under the Act or the rules thereunder shall be authenticated on behalf of the company by the Managing Director or Director or Secretary of the Company or other KMP."

It is therefore made very clear that **not any "Authorised Signatory"** nor "**any Employee" despite having Board authorisation**; can authenticate regulatory filings. As per the present dispensation in authenticating e-forms, the process enables only "deemed signatories" to sign and file. There is no enablement for an "Authorised Signatory" to sign and file despite express Board authorisation, in spite of provision having been made in the e-forms for mentioning the Board resolution date.







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Further it is noted that despite the provisions for enablement of **persons other than** Managing Director or Whole Time Director or Manager or Chief Financial Officer or Company Secretary, **to be designated as KMP**, there is no provision to file Form DIR 12 for such persons. Neither there is an e-form prescribed to notify the MCA as to the authority provided to an "officer" to sign and execute documents and contracts. Due to this inability, such an "officer" is not recognised on MCA portal as a Signatory. Form MGT 14 can however be filed for applicable companies. This however doesn't identify them as KMP on MCA portal.

In case of a Chief Executive Officer or Chief Finance Officer [not being a member of ICAI or ICSI or ICAI (Cost Accountants)], being non-director but being an Authorised Signatory, PAN can be mentioned instead of membership number and signature can be affixed for filing forms.

Therefore a person being a Director or KMP executing a document or contract or filing a form should mention their actual designation and if the executant is an authorized officer of the Board, in addition to mentioning their designation, should also provide reference to the Board resolution vesting authority and shall attach a certified copy of such resolution to the document or contract executed. Merely mentioning "Authorized Signatory" without the above should be desisted.

CENTRAL OFFICE	BRANCH OFFICE	BRANCH OFFICE
Indus Chamber	Flat No.1, 26/27, Venkatesham Flat,	S-311, 3 rd Floor, South Block,
No.101, Govt Arts College Road,	Gopal Street,	Manipal Centre,
Coimbatore – 641018.	T-Nagar,	No.47, Dickenson Road.
Tel No: - (0422)2302868, 4952868	Chennai – 600 017.	Bangalore – 560042,
Email: info@ksrandco.in	Tel No: - (044)24337620,	Tel No: - (080)25323232
Linked in: gene@ksrandco.in	Email: chennai@ksrandco.in	Email: bangalore@ksrandco.in