

Circular No: 11/2013

File No. 17/118/2012 CL V
Government of India
Ministry of Corporate Affairs

5th Floor, Shastri Bhawan
Rajendra Prasad Road
New Delhi - 110001
Dated: 29th May, 2013

To
All Regional Directors,
All Registrar of Companies

Sub: Power of ROCs to obtain declaration/affidavits from subscribers/first directors at the time of incorporation.

Sir,

The matter of protection of interest of investors, including depositors, is very important to ensure healthy corporate capital market environment in the country. The recent instances of raising of monies by companies in a manner which is opaque/convoluted, non-accountable and which does not protect interests of depositors have been taken note of by the Ministry seriously.

Keeping in view the need to protect the interest of investors and ensure that companies raise monies in accordance with the provisions of the Companies Act/Deposit Rules, it is clarified that in exercise of the powers under the Companies Act, the Registrar of Companies may obtain declaration/affidavits from subscribers/first directors first at the time of incorporation and from directors, subsequently whenever company changes its objects, to the effect that company/directors shall not accept deposits unless compliance with the applicable provisions of Companies Act, 1956, RBI Act, 1934 and SEBI Act, 1992 and rules/directions/regulations made there under are duly complied and filed with the concerned authorities.

Yours faithfully

o/c

(Sanjay Shorey)
Joint Director
23389622