

File No. Policy-02/02/2022-CL-MCA भारत सरकार /Government of India कॉर्पोरेट कार्य मंत्रालय /Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi 110001

Dated: 30.05.2022

To,

The DGCoA, All Regional Directors, All Registrar of Companies, ROC, CRC, Manesar.

Subject: Micro Finance/Micro Credit as an object in the Object Clause of Memorandum of Association (MoA) of Section 8 companies registered under the Companies Act, 2013-Clarification-reg.

Sir/Madam,

It has been observed that various section 8 companies are altering their object clause for carrying out micro finance activities by way of passing Special Resolution, changing Activity code and subsequently filing of e-form MGT-14 with the concerned ROCs, even though at initial incorporation, the ROC (CRC) is not allowing Section 8 companies to get incorporated with the objects of microfinance activities in view of Ministry's direction letter no. No. 05/33/2017-CL.V dated 10.02.2020 and letter dated 31.8.2020. Copy of the letters are attached with this circular for ready reference.

- 2. Immediate action on the part of RoCs is required as per law, including changing their objects to prevent such companies from carrying out the micro finance activities.
- 3. The Office of DGCoA shall ensure strict compliance by all the ROCs of the instructions contained in the letters issued earlier by the Ministry on this subject. Further, the ROCs shall also circulate these directions to all the officers/officials to ensure due examination in accordance with law, while processing e-forms relating to Incorporation of Companies and Change in Objects.
- 4. This issues with the approval of the Secretary, Corporate Affairs. Encl.: As above.

Yours faithfully,

Deputy Director

Tel.: 011-2338-7263

Copy to:

- e-Governance Section and Web Content officer to place the Circular on MCA 1. Website.
- 2. Guard File



File No. 05/33/2017-CL-V

By Speed Post/URGENT

भारत सरकार /Government of India कॉर्पोरेट कार्य मंत्रालय /Ministry of Corporate Affairs

पांचवीं मंजिल ,ए विंग ,शासी भवन.

5th Floor, A Wing, Shastri Bhawan,

डॉ .राजेन्द्र प्रसाद रोड ,नई दिल्ली110001—

Dr. Rajendra Prasad Road. New Delhi-110001

Dated: 10th Feb, 2020

To:

Shri S.P. Kumar,

ROC, CRC, 5th floor,

Indian Institute of Corporate Affairs, Plot No. 6,7,8,

Sector 5, IMT Manesar,

Gurugram, Haryana 122050

Sir.

Sub: - Application for registration of Micro-Finance Company under Section 8 of the CA, 2013 -reg.

The undersigned is directed to refer to letter no. CRC/Sec. 8/2017/666 dated 30.12.2019 on the captioned subject and directed to convey that incorporation of Micro-finance companies under Section 8 of the Act is not feasible as they do not comply with any stringent criterion of Net owned fund as laid down in the RBI's Non-Banking Financial Company -Micro Finance Institutions (Reserve Bank) Directions of 2011 and therefore, it has been decided with the approval of the competent Authority not to allow name or incorporation of Section 8 containing words "Micro-finance".

2. This issues with the approval of Secretary, MCA.

Yours Faithfully,

Assistant Director

Tel: +91-11-23387263

Copy to:

(i.) JS (MP), e-gov cell, MCA (HQ)..-for information and to ensure that the above directions are complied with by ROC (CRC).

(ii.) Guard File.

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File No. 05/33/2017-CL-V भारत सरकार /Government of India कॉपोरेट कार्य मंत्रालय /Ministry of Corporate Affairs By Speed Post/URGENT

पांचर्वी मंजिल ,ए विंग ,शासी भवन,

5th Floor, A Wing, Shastri Bhawan,

डॉ .गजेन्द्र प्रसाद रोड ,नई दिल्ली 110001-

Dr. Rajendra Prasad Road, New Delhi-110001

Dated: 31st Aug. 2020

To: All ROCs.

All RDs.

Sir,

Sub: - Micro Finance/Micro Credit objects in main objectives of the Section 8 companies -reg.

undersigned is directed refer letter ROC(CRC)/Technical/2020/121 dated 29.07.2020 (copy enclosed) on the captioned subject and directed to convey that this Ministry has already issued directions to CRC vide letter dated 10.02.2020 (copy enclosed) for not allowing incorporation of Microfinance companies under Section 8 of the Act as they do not comply with any stringent criterion of Net owned fund (NOF) as laid down in the RBI's Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions of 2011. However, it is now seen that a practice is being followed wherein companies are being incorporated without including micro-finance activities in main objects and later main objects of the company are being amended by inclusion of micro-finance activities by altering MOA. Therefore, ROCs are hereby directed not to allow any such alteration in the main objects by Section 8 companies for inclusion of micro finance/credit activities in main objects of the company, unless requirements of such NOF and other requirements as laid down by RBI Directions are complied. Similar checks should be done for other types of companies too which seek to include Micro-finance in their objects in the MOA.

2. This issues with the approval of Joint Secretary, MCA.

Yours Faithfully,

(KMS Narayanan)
Assistant Director

Tel: +91-11-23387263

Copy to:

(i.) JS (MP), e-gov cell, MCA (HQ)..-for information.

(ii.) ROC, CRC, Manesar-with ref. to letter dated 29.07.2020.

(iii.) Guard File.