

Circular No. 6 - Reference No. 1(12)RCP/SEC/2000
Appointment of directors/chief executive under the Leasing Companies
(Establishment and Regulation) Rules, 1996

May. 07, 2000

Attention is invited to rule 6(2) (b) of the Leasing Companies (Establishment & Regulation) Rules, 1996 under which no change can be made in the directors/chief executive etc. of the leasing companies without prior written authorization of the Commission.

2. It has been noticed that some of the leasing companies change their directors and the chief executive without prior approval of the Commission. Such a violation, apart from any other penal action against the management, may result in cancellation of licence granted and disqualification of defaulting persons from becoming and continuing a director of a company for a period upto three years.

3. The leasing companies are, therefore, cautioned to abide by the conditions and desist from making any changes in the directors/chief executive without prior approval of the Commission. It may also be noted that, in future, incomplete applications for approval of change in the management shall not be considered by the Commission and in case any information/deficiency/shortcoming as pointed out, by the Commission is not supplied within ten days of the issue of memo, the matter shall be treated as having been closed. The applications so made shall not be treated complete unless the information/documents as required under Annexure to Form 1 of the above said Rules are furnished. In order to facilitate the leasing companies, a [form containing all such information](#) in case of directors other than nominee directors, has been designed. The form should be enclosed with the application and the information must be substantiated with documentary evidence.

4. It may be clarified that in case of nominee directors only, their names, addresses and affidavit as per para 10 of [Annexure to Form-I](#) of Leasing Companies (Establishment & Regulation) Rules, 1996, needs to be furnished.

(Atta Mohammad Khan)
Registrar of Companies (Reg)

Distribution:

All leasing companies.