

(Application for Declaration prior to the commencement of business or exercising borrowing powers)

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About this Document

The Instruction Kit has been prepared to help you file eForms with ease. This document provides references to law(s) governing the eForms, instructions to fill the eForm at field level and common instructions to fill all eForms. The document also includes important points to be noted for successful submission.

User is advised to refer instruction kit specifically prepared for each eForm.

This document is divided into following sections:

[Part I – Laws Governing the eForm](#)

[Part II – Instructions to fill the eForm](#)

[Part III – Important Points for Successful Submission](#)

Click on any section link to refer to the section.

Part I – Law(s) Governing the eForm

Section and Rule Number(s)

This form is required to be filed pursuant to Section 11 (1) (a) of the Companies Act, 2013 and Rule 24 of the Companies (Incorporation and Incidental) Rules, 2014 which is reproduced for your reference:

Section 11 (1)

(1) A company having a share capital shall not commence any business or exercise any borrowing powers unless—

- a) a declaration is filed by a director in such form and verified in such manner as may be prescribed, with the Registrar that every subscriber to the memorandum has paid the value of the shares agreed to be taken by him and the paid-up share capital of the company is not less than five lakh rupees in case of a public company and not less than one lakh rupees in case of a private company on the date of making of this declaration
- b) the company has filed with the Registrar a verification of its registered office as provided in sub-section (2) of section 12.

(2) If any default is made in complying with the requirements of this section, the company shall be liable to a penalty which may extend to five thousand rupees and every officer who is in default shall be punishable with fine which may extend to one thousand rupees for every day during which the default continues.

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(3) Where no declaration has been filed with the Registrar under clause (a) of subsection (1) within a period of one hundred and eighty days of the date of incorporation of the company and the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may, without prejudice to the provisions of sub-section (2), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII.

Rule 24:

For the purposes of clause (a) of sub-section (1) of section 11, the declaration filed by a director shall be in **Form No. INC-21** along with the fee as and the contents of the form shall be verified by a Company Secretary in practice or a Chartered Accountant or a Cost Accountant in practice.

Provided that in the case of a company requiring registration and/or approval from sectoral regulators including RBI, SEBI etc.

Purpose of the eForm

Company having share capital can commence the business and exercise its borrowing powers only after filing a declaration in eForm INC-21 and particulars of the registered office address with the concerned RoC.

eForm Number as per Companies Act, 1956

Form 19 and 20 as per Companies Act, 1956

Part II – Instructions to fill the eForm

Specific Instructions to fill the eForm INC-21 at Field Level

Instructions to fill the eForm are tabulated below at field level. Only important fields that require detailed instructions to be filled in eForm are explained. Self-explanatory fields are not discussed.

S. No/ Section Name		Field Name	Instructions
1	(a)	Corporate identity Number (CIN) of the company	Enter a valid CIN of the company having share capital. Note: You can search for CIN of a company by entering existing registration number or name of the company in the 'Find (CIN)' service link available under the menu MCA services on the mca website.

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S. No/ Section Name		Field Name	Instructions
		Pre-fill button	<p>Click the Pre-fill button. On clicking the button, system will automatically display the name, registered office address and email ID of the company.</p> <p>In case there is any change in the email ID, you can enter the new valid email ID.</p>
3	(a), (b) & (c)	Specify the name of the regulator	<p>Enter the name of the sectoral regulator in case the affairs of the Company is regulated by any sectoral regulator (like RBI in case of NBFIs activities, IRDA, SEBI or others).</p> <p>In case of others, specify the name of the regulator and mention the registration/letter number and also date of approval/registration.</p>
4		Particulars of the paid up capital	<p>Enter the details of the shares taken up and paid by the subscribers to the MOA.</p> <p>The subscribers to the Memorandum shall ensure that the payment for the total amount of shares subscribed by them is made to the company. The subscribed capital entered in the form will be updated as the paid up capital of the company in its master data.</p> <p>Enter the number of shares, total amount of shares and nominal amount per share for each type of share. At least one type of share capital (Equity/ Preference) should be greater than zero.</p> <p>In case company has shares of multiple nominal amounts per share, then enter multiple nominal values per share separated</p>

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S. No/ Section Name	Field Name	Instructions
		<p>by comma in the field Nominal amount per equity/preference share.</p> <p>Ensure that the minimum paid up capital is one lakh rupees in case of private company or one person company and five lakh rupees in case of public company.</p>
5	Particulars of payment of stamp duty	<p>Enter the relevant details of stamp duty paid under the relevant stamp Act.</p> <p>Enter the state/union territory for which stamp duty is required to be paid. It should be the same state where the registered office of the company is situated.</p> <p>Enter the amount of stamp duty to be paid or already paid. In case stamp duty is not applicable, zero may be entered.</p> <p>Select the mode of payment.</p> <p>Enter the following details in case mode of payment is Manual</p> <ul style="list-style-type: none"> • Name of the vendor selling stamp papers on behalf of the government • Serial number of stamp paper • Registration number of vendor • Date and place of purchase of stamp paper <p>Name of vendor, serial number of stamp paper and registration number of vendor is mandatory to enter if the amount of stamp duty is more than or equal to Rs 50/-</p>
Declaration		Enter the board resolution serial number and date of board meeting where director is authorized to sign and give a declaration under section 11(1) (a) of the Act.

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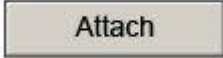


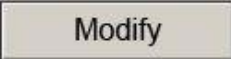
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S. No/ Section Name	Field Name	Instructions
		Ensure that verification of registered office of the company must be filed before this eForm.
To be digitally signed by	DSC	<ul style="list-style-type: none"> Ensure the eForm is digitally signed by the director of the company and is authorized by board resolution to sign the eForm.
	Director identification number	Enter an approved DIN of the director signing the form and also be associated with CIN as a director. Note: DIN of the person signing the eForm should also be associated with CIN under the selected designation.
Attachments		<ul style="list-style-type: none"> Specimen signature of all the subscribers to MOA duly verified by respective bankers in form INC-10.is mandatory in all cases. Certificate of Registration issued by the Reserve Bank of India (Only in case of Non-Banking Financial Companies) /from other regulators. This is mandatory to attach in case the affairs of the Company is regulated by any sectoral regulator. Attach proof of payment of stamp duty in case the same is already paid. Any other information can be provided as an optional attachment(s).

Common Instructions to fill eForm


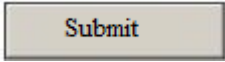
Buttons	Particulars
Pre-Fill 	The Pre-fill button can appear more than once in an eForm. The button appears next to a field that can be automatically filled using the MCA database. Click this button to populate the field. Note: You are required to be connected to the Internet to use the Pre-fill functionality.

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Buttons	Particulars
<p>Attach</p> 	<p>Click this document to browse and select a document that needs to be attached to the eForm. All the attachments should be scanned in pdf format. You have to click the attach button corresponding to the document you are making an attachment.</p> <p>In case you wish to attach any other document, please click the optional attach button.</p>
<p>Remove Attachment</p> 	<p>You can view the attachments added to the eForm in the List of attachment field.</p> <p>To remove any attachment from the eForm, select the attachment in the List of attachment field and click the Remove attachment button.</p>
<p>Check Form</p> 	<ol style="list-style-type: none"> 1. Click the Check Form button after, filling the eForm. System performs form level validation like checking if all mandatory fields are filled. System displays the errors and provides you an opportunity to correct errors. 2. Correct the highlighted errors. 3. Click the Check Form button again and. system will perform form level validation once again. On successful validations, a message is displayed “Form level pre scrutiny is successful”. <p>Note: The Check Form functionality does not require Internet connectivity.</p>
<p>Modify</p> 	<p>The Modify button is enabled, after you have checked the eForm using the Check Form button.</p> <p>To make changes to the filled and checked form:</p> <ol style="list-style-type: none"> 1. Click the Modify button. 2. Make the changes to the filled eForm. 3. Click the Check Form button to check the eForm again.

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Buttons	Particulars
Pre scrutiny 	<ol style="list-style-type: none"> 1. After checking the eForm, click the Prescrutiny button. System performs some checks and displays errors, if any. 2. Correct the errors. 3. Click the Prescrutiny button again. If there are no errors, a message is displayed “No errors found”. <p>The Prescrutiny functionality requires Internet Connectivity.</p>
Submit 	This button is disabled at present.

Part III - Important Points for Successful Submission

Fee Rules

S. No	Purpose of the form	Normal Fee	Additional Fee (Delay Fee)	Logic for Additional Fees		Remarks
				Event Date	Time limit(days) for filing	
1.	Commencement of business and exercising borrowing powers.	The Companies (Fee for filings with Registrar of Companies) Rules, 2014	#N/A	Date of incorporation of company	180 days	

Fees payable is subject to changes in pursuance of the Act or any rule or regulation made or notification issued thereunder.

Processing Type

The eForm will be processed by the office of Registrar of Companies (Non STP).

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SRN Generation

On successful submission of the eForm INC-21, SRN will be generated and shown to the user which will be used for future correspondence with MCA.

Challan Generation

On successful submission of the eForm INC-21, Challan will be generated depicting the details of the fees paid by the user to the Ministry. It is the acknowledgement to the user that the eForm has been filed.

Email

When an eForm is approved by the authority concerned, an acknowledgement of approval with related documents is sent to the user in the form of an email at the end of the day to the email id of the company and the person who is uploading the form.

Acknowledgement

Acknowledgement for Commencement of Business is generated and sent to the user via email.

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Annexure A

The Companies (Fee for filings with Registrar of Companies) Rules, 2014

Fees (In case company having share capital)

Nominal Share Capital	Fee applicable
Less than 1,00,000	Rupees 200
1,00,000 to 4,99,999	Rupees 300
5,00,000 to 24,99,999	Rupees 400
25,00,000 to 99,99,999	Rupees 500
1,00,00,000 or more	Rupees 600

Fee (in case of company not having share capital)

N/A

Additional fee rules

Period of delays	
Up to 30 days	2 times of normal fees
More than 30 days and up to 60 days	4 times of normal fees
More than 60 days and up to 90 days	6 times of normal fees
More than 90 days and up to 180 days	10 times of normal fees
More than 180 days	12 times of normal fees

Note: If a company does not file the declaration in form INC-21 within 180 days of its incorporation then the status of the company shall be changed to “Struck Off(Defunct)”. In case the company files an order of Tribunal and the status of the company is revived to “Active”.

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