

Companies Act, 1956

Section 234 - Power of Registrar to Call for Information or Explanation

(1) Where, on perusing any document which a company is required to submit to him under this Act, the Registrar is of opinion that any information or explanation is necessary [1](#) [with respect to any matter to which such document] purports to relate, he may, by a written order call on the company submitting the document to furnish in writing such information or explanation, within such time as he may specify in the order.

(2) On receipt by the company of an order under sub-section (1), it shall be the duty of the company, and of all persons who are officers of the company, to furnish such information or explanation to the best of their power.

(3) On receipt of a copy of an order under sub-section (1), it shall also be the duty of every person who has been an officer of the company to furnish such information or explanation to the best of his power.

[2](#) [(3A) If no information or explanation is furnished within the time specified or if the information or explanation furnished is, in the opinion of the Registrar, inadequate, the Registrar may by another written order call on the company to produce before him for his inspection such books and papers as he considers necessary within such time as he may specify in the order; and it shall be the duty of the company, and of all persons who are officers of the company, to produce such books and papers.]

(4) If the company, or any such person as is referred to in sub-section (2) or (3), refuses or neglects to furnish any such information or explanation [2](#) [or if the company or any such person as is referred to in sub-section (3A) refuses or neglects to produce any such books and papers], -

[3](#) [(a) the company and each such person shall be punishable with fine which may extend to [4](#) [five thousand rupees] and in the case of a continuing offence, with an additional fine which may extend to [5](#) [five hundred rupees] for every day after the first during which the offence continues; and

(b) the court trying the offence may, on application of the Registrar and after notice to the company, make an order on the company for production before the Registrar of such books and papers as in the opinion of the court, may reasonably be required by the Registrar for the purpose referred to in subsection (1).]

[6](#) [(5) On receipt of any writing containing the information or explanation referred to in sub-section (1), or of any book or paper produced whether in pursuance of an order of the Registrar under sub-section (3A) or of an order of the court under sub-section (4), the Registrar may annex that writing, book or paper, or where that book or paper is required by the company, any copy or extract thereof to the document referred to in sub-section (1); and any writing or any book or paper or copy or extract thereof so annexed shall be subject to the like provisions as to inspection, the taking of extracts and the furnishing of copies, as that document is subject.]

[7](#) [(6) If such information or explanation is not furnished within the specified time or if after perusal of such information or explanation or of the books and papers produced whether in pursuance of an order of the Registrar under sub-section (3A) or of an order of the court under sub-section (4), the Registrar is of opinion that the document referred to in sub-section (1), together with such information or explanation or such books and papers discloses an unsatisfactory state of affairs or does not disclose a full and fair statement of any matter to which the document purports to relate, the Registrar shall report in writing the circumstances of the case to the Central Government.]

(7) If it is represented to the Registrar on materials placed before him by any contributory or creditor or any other person interested that the business of a company is being carried on in fraud of its

creditors or of persons dealing with the company or otherwise for a fraudulent or unlawful purpose, he may, after giving the company an opportunity of being heard by a written order, call on the company to furnish in writing any information or explanation on matters specified in the order, within such time as he may specify therein; and the provisions of sub-sections (2), (3), 2 [(3A)], and (4) and (6) of this section shall apply to such order.

If upon inquiry the Registrar is satisfied that any representation on which he took action under this sub-section was frivolous or vexatious, he shall disclose the identity of his information to the company.

(8) The provisions of this section shall apply mutatis mutandis to documents which a liquidator, or a foreign company within the meaning of section 591, is required to file under this Act.

-
1. Substituted by Act 65 of 1960, Section 72, for certain words (w.e.f. 28-12-1960).
 2. Inserted by Act 65 of 1960, Section 72 (w.e.f. 28-12-1960).
 3. Substituted by Act 65 of 1960, Section 72, for clause (a) and (b) (w.e.f. 28-12-1960).
 4. Substituted by Act 53 of 2000, Section 114, for "five hundred rupees" (w.e.f. 13-12-2000).
 5. Substituted by Act 53 of 2000, Section 114, for "fifty rupees" (w.e.f. 13-12-2000).
 6. Substituted by Act 65 of 1960, Section 72, for sub-section (5) (w.e.f. 28-12-1960).
 7. Substituted by Act 65 of 1960, Section 72, for sub-section (6) (w.e.f. 28-12-1960).
-