

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]
Government of India
Ministry of Corporate Affairs
Notification

New Delhi, dated, the 29th June, 2016

G.S.R. ___ (E). - In exercise of the powers conferred by sections 73 and 76 read with sub-section (1) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Acceptance of Deposits) Rules, 2014, namely:- (1) These rules may be called the Companies (Acceptance of Deposits) Amendment Rules, 2016.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Acceptance of Deposits) Rules, 2014 (hereinafter referred to as the principal rules), in rule 2, in sub-rule (1), in clause (c),-

(i) in sub-clause (ix), for the words "five years" the words "ten years" shall be substituted;

(ii) after sub-clause (ix), the following sub-clause shall be inserted, namely,-

"(ixa) any amount raised by issue of non-convertible debenture not constituting a charge on the assets of the company and listed on a recognised stock exchange as per applicable regulations made by Securities and Exchange Board of India.";

(iii) for sub-clause (xi), the following sub-clause shall be substituted, namely:-

“(xi) any non-interest bearing amount received and held in trust;”;

(iv) in sub-clause (xii),-

(A) after item (d) and before the proviso, the following items shall be inserted, namely:-

“(e) as an advance towards consideration for providing future services in the form of a warranty or maintenance contract as per written agreement or arrangement, if the period for providing such services does not exceed the period prevalent as per common business practice or five years, from the date of acceptance of such service whichever is less;

(f) as an advance received and as allowed by any sectoral regulator or in accordance with directions of Central or State Government;

(g) as an advance for subscription towards publication, whether in print or in electronic to be adjusted against receipt of such publications;”.

(B) in the Explanation, the words “referred to in the proviso” shall be omitted;

(v) in the Explanation, after sub-clause (xiv), for the words “shall be treated as deposits”, the words “shall be considered as deposits unless specifically excluded under this clause” shall be substituted;

(vi) after sub-clause (xiv), the following sub-clauses shall be inserted, namely:-

(xv) any amount received by way of subscription in respect of a chit under the Chit Fund Act, 1982 (40 of 1982);

(xvi) any amount received by the company under any collective investment scheme in compliance with regulations framed by the Securities and Exchange Board of India;

(xvii) an amount of twenty five lakh rupees or more received by a start-up company, by way of a convertible note (convertible into equity shares or repayable within a period not exceeding five years from the date of issue) in a single tranche, from a person.

Explanation.- For the purposes of this sub-clause,-

I. "start-up company" means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 180(E) dated 17th February, 2016 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry;

II. "convertible note" means an instrument evidencing receipt of money initially as a debt, which is repayable at the option of the holder, or which is convertible into such number of equity shares of the start-up company upon occurrence of specified events and as per the other terms and conditions agreed to and indicated in the instrument.

(xviii) any amount received by a company from Alternate Investment Funds, Domestic Venture Capital Funds and Mutual Funds registered with the Securities and Exchange Board of India in accordance with regulations made by it."

3. In Rule 3 of the Principal rules,-

(i) in sub-rule (3),-

(a) for the words "twenty five per cent.", the words "thirty five per cent." shall be substituted;

(b) the following proviso shall be inserted namely:

"Provided that a private company may accept from its members monies not exceeding one hundred per cent of aggregate of the paid up share capital, free reserves and securities premium account and such company shall file the details of monies so accepted to the Registrar in such manner as may be specified."

(ii) for sub-rule (8), the following sub-rule shall be substituted, namely:-

"(8).- (a) Every eligible company shall obtain, at least once in a year, credit rating for deposits accepted by it and a copy of the rating shall be sent to the Registrar of Companies alongwith the return of deposits in Form DPT-3.

(b) The credit rating referred to in clause (a) shall not be below the minimum investment grade rating or other specified credit rating for fixed deposits, from any one of the approved credit rating agencies as specified for Non-Banking Financial Companies in the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, issued by the Reserve Bank of India, as amended from time to time."

4. in rule 4 of the principal rules, for sub-rule (2), the following sub-rule shall be substituted, namely:-

“ (2) Every eligible company intending to invite deposits shall issue a circular in the form of an advertisement in form DPT-1 for the purpose in English language in an English newspaper having country wide circulation and in vernacular language in a vernacular newspaper having wide circulation in the State in which the registered office of the company is situated, and shall also place such circular on the website of the company, if any.”.

5. in rule 5 of the principal rules, in sub-rule (1), for the proviso, the following proviso shall be substituted, namely:-

“Provided that the companies may accept deposits without deposit insurance contract till the 31st March, 2017 or till the availability of a deposit insurance product, whichever is earlier.”.

6. after rule 16 of the principal rules, the following rule shall be inserted, namely:-

“16A. Disclosures in the financial statement.- (1) Every company, other than a private company, shall disclose in its financial statement, by way of notes, about the money received from the director.


(2) Every private company shall disclose in its financial statement, by way of notes, about the money received from the directors, or relatives of directors.”.

7. in the principal rules, in the Annexure, in Form DPT-1, the following para shall be inserted, namely:-

"6. DISCLAIMER.- It is to be distinctly understood that filing of circular or circular in the Form of advertisement with the Registrar should not in any way be deemed or construed that the same has been cleared or approved by the Registrar or Central Government. The Registrar or Central Government does not take any responsibility either for the financial soundness of any deposit scheme for which the deposit is being accepted or invited or for the correctness of the statements made or opinions expressed in the circular or circular in the Form of advertisement. The depositors should exercise due diligence before investing in the deposits schemes."

[File No 1/8/2013-CL-V]


28/06/2016
(Amardeep Singh Bhatia)

 Joint Secretary to the Government of India

Note. - The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section (i) *vide* number G.S.R. 256(E), dated the 31st March, 2014 and subsequently amended *vide* number G.S.R. 386(E), dated the 6th June, 2014, G.S.R. 241(E), dated the 31st March, 2015 and G.S.R. 695(E), dated the 15th September, 2015.