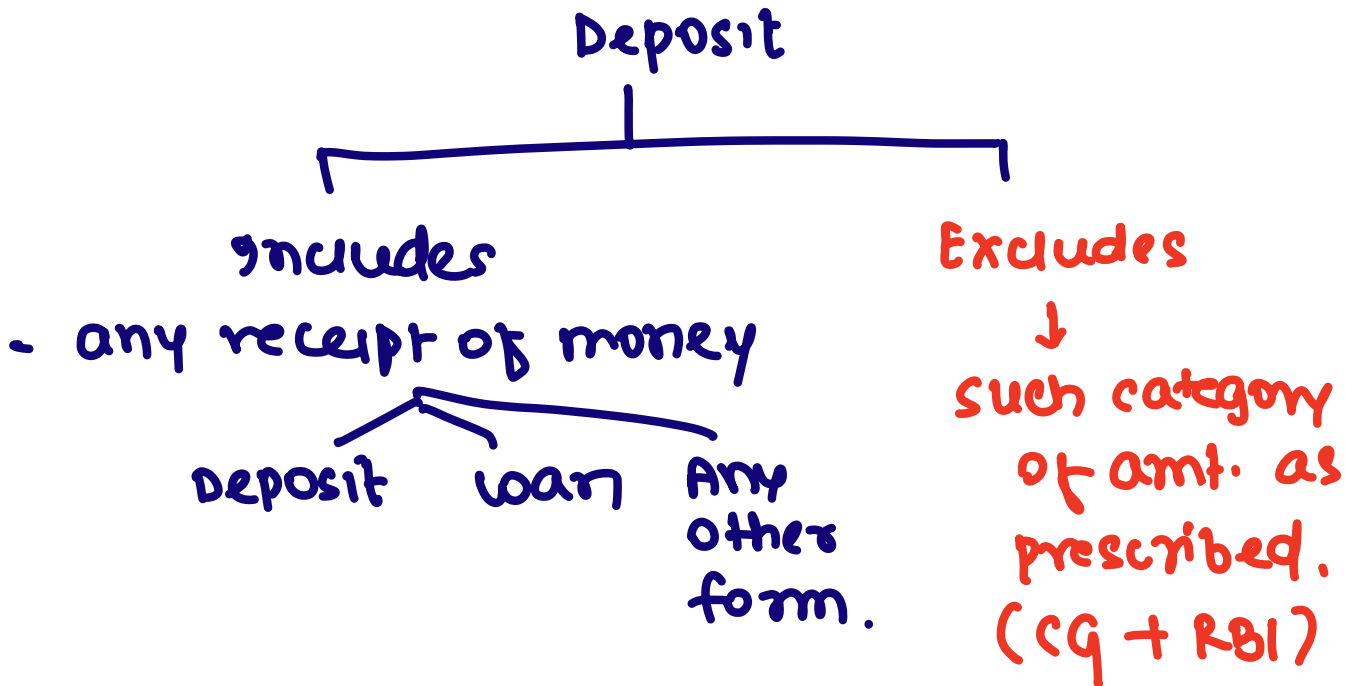


Chapter 5: Acceptance of Deposit

What is deposit? [2(31)]



Deposit shall not include the following:

- ① money received from government
 - CG/SG
 - Local auth.
 - Stat. auth.
- ② Foreign source (subject to FEMA)
 - foreign govt
 - Foreign banks
 - MFI → multilateral fin. inst. (world bank)
- ③ Banking co. / SBI / PFI.

④ Issue of Commercial paper

⑤ Inter-corporate loan

⑥ Application money:

- Amount received as application money is not deposit.

Explanation: If securities are not allotted within **60 days** of appin money

⑦ not refunded **within 15 days** thereafter

↓

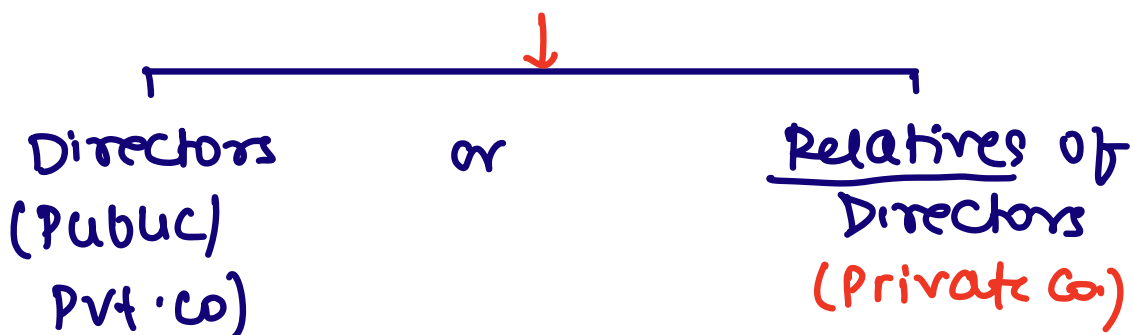
consider such amt = Deposit

Note: Adjustment other than what is allowed for application money = Not considered as refund

#

⑦ Directors.

Amount received from:



Provided that:

① Declaration by director / relative

↳ That such amt is not being given out of loan/borrowing.

(AND)

② co. to disclose amt so accept: — BOD report.

Public Co.

Director
Not deposit

relative
Not exclude from deposit

Private Co.

Not-deposit

Not deposit

TINA Ambani relative Mukesh Ambani

E.g.

Tina (relative) — loan —> RIL (Public)
↓
Not excluded from deposit

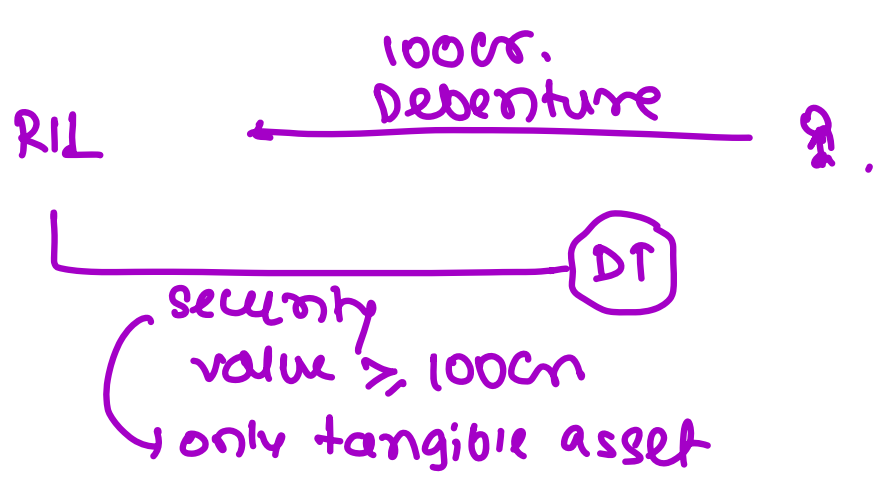
#

8. Bonds or debenture:

① Secured — Bonds
— Debentures.

→ First charge / pari passu charge } Assets (excluding intangible asset)

Amnt of such debt ≤ mkt value of asset.



② convertible (within 10 years) — Debentures
— Bonds

③ Non convertible — Debentures
— ~~Bonds~~ } Listed in RSE

↓
+ unsecured

④ Security deposit → Employees → Amount < Annual Salary

↓
Non-interest bearing

(Revise sec 67 if you have time)

10. Non-interest bearing deposit → Held in Trust

11. In OCOB:

Following amt. shall not be considered as deposit:

Q (i) Advance for supply of $\left\{ \begin{array}{l} \text{Goods} \\ \text{Services} \end{array} \right\}$ } Appropriated in 365 days
(Arkhant led → medicine)

I (ii) Advance towards consideration for an **immovable prop.**
(Jio Garden - HU)

P (iii) Security deposit for performance of contract
(Gokhwar → Sunder)

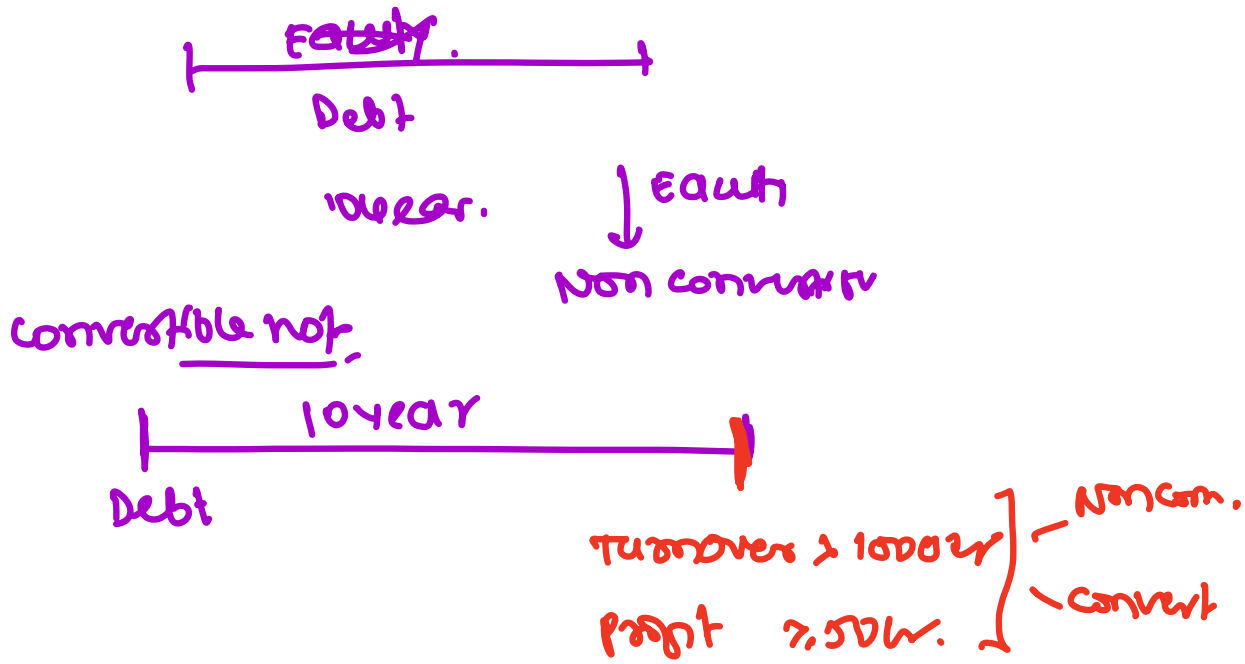
C (iv) Advance for supply of **Capital goods**
under long term project (Tata Motors - types)

S (v) Advance for **future service** $\left\{ \begin{array}{l} \text{warranty} \\ \text{maintenance contracts} \end{array} \right\}$
(mobile phone warranty)
↓
Provided that period:
(AMC)

- 5 years (or)
 - Period as per common business practice.
- ↓

R (vi) Advance as per **sectorial regulator**

P (vii) Advance for subscription of publication $\left\{ \begin{array}{l} \text{print} \\ \text{E-mode} \end{array} \right\}$



- ⑩ Amt received from:
- Alternative Investment Fund (AIF)
 - Domestic VC Fund
 - InvIT
 - REIT
 - Mutual Fund.
- } save for final

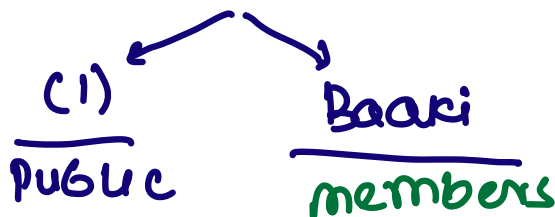
Which company can accept deposit?

Companies	From Public	From Member
① Private Co.	NO	Yes
② Eligible Public Co.	Yes	Yes
③ Non-eligible public Co.	NO	Yes

Eligible Public Co means:

- ① Networth \geq 100 crs (or) To \geq 500 cr. (AND)
- ② such co has passed SR in the GM
↓
OR in case deposit $<$ 180(1)(L) (AND)
- ③ such resolution has been filed with ROC

SECTION 73: Prohibition on acceptance from Public



- (1) No co. shall invite or accept deposit from Public except in the manner provided in chapter V (this chapter)

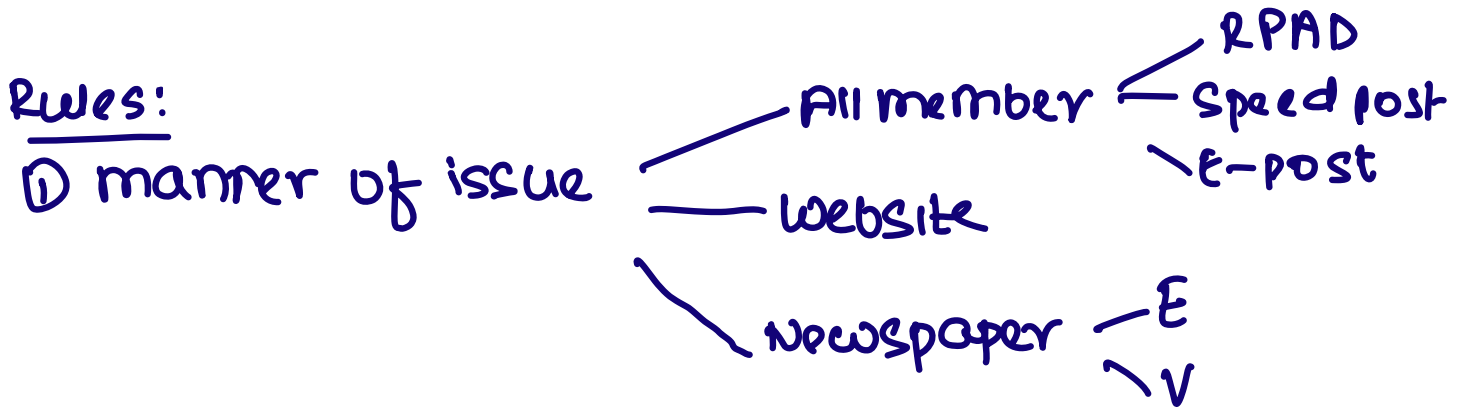
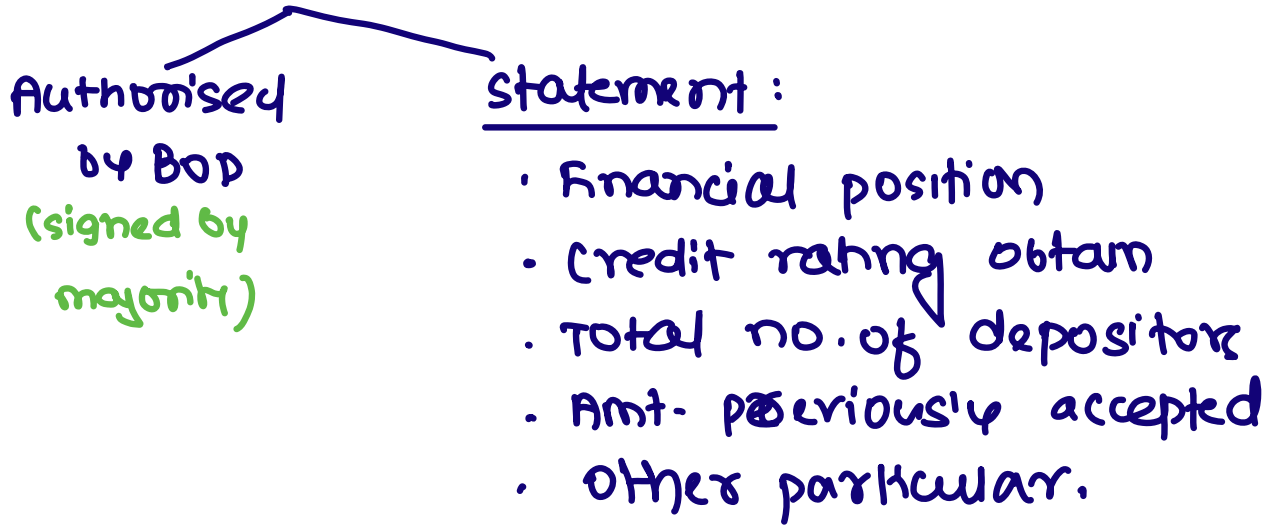
Nothing above shall apply

- Banking Co.
- HFC
- NBFC
- Other Co.
(CG + RBI)

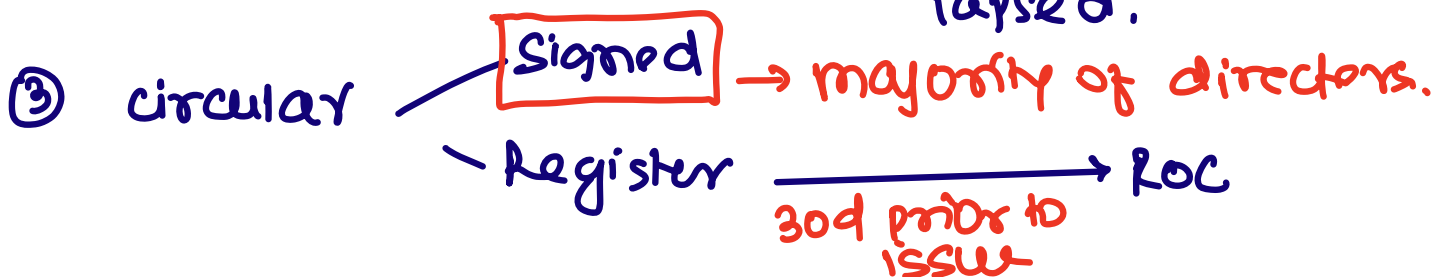
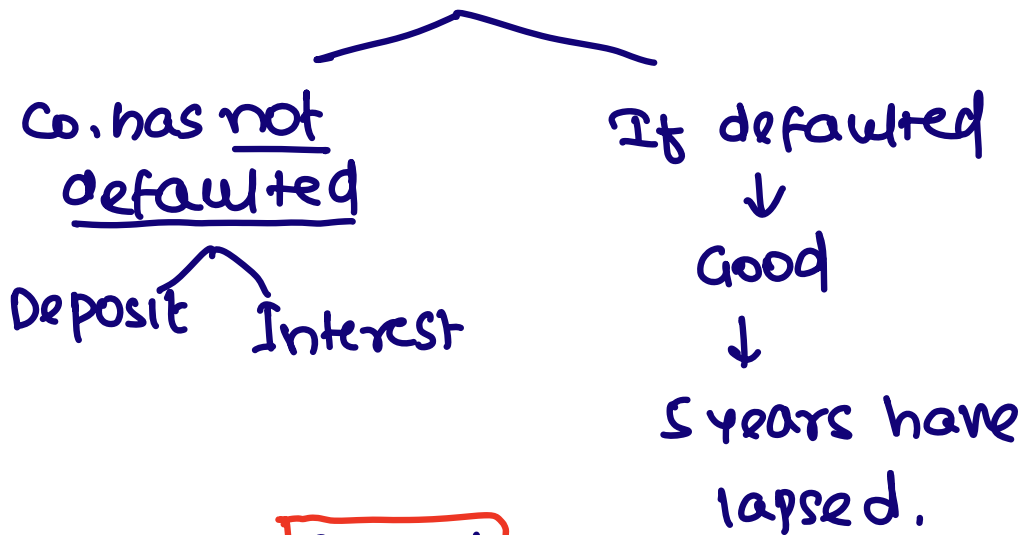
Acceptance of deposit from member

- Pass resolution (or) at the GM.

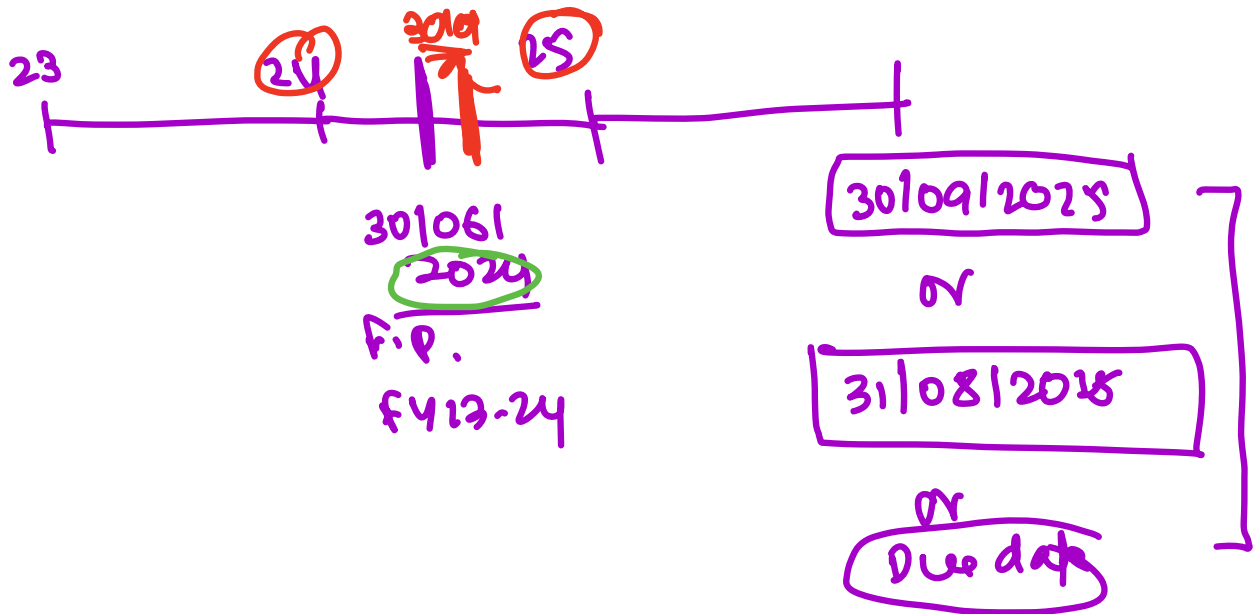
1. Issue circulars to the member (Form DPT-1)



② Attach → Statutory Auditor Certificate



- ④ Validity: → • Until 6m from close of FY (issue)
 • Date on which AGM is held
 • AGM not held → last date



- ⑤ Fresh circulars → Each succeeding FY.

② File circular with ROC → within 30d before issue

③ DRR → Deposit Repayment Reserve
 → Later.

④ Co. to certify → NO default
 → If default → Good → Sy lapsed

⑤ Provide Security (if any) — Principal
 — interest.

Illustration:

	<u>Case 1</u>	<u>Case 2</u>	<u>Case 3</u>	<u>Case 4</u>
	A Ltd	B Ltd (Pvt. Co.)	C Ltd (Startup, 10Y)	D Ltd (Pvt. Co.)
PUSC	100 Cr	100 Cr	100 Cr	100 Cr
FR	100 Cr	100 Cr	100 Cr	100 Cr
SPN	<u>100 Cr</u>	100 Cr.	100 Cr.	100 Cr.
max deposit? (member)	35% ₹ 10 Cr.	100% ₹ 300 Cr.	NO limit	
(1)-(4) exception Hukum mitega?	NO such except	Exception compliance X	compliance X (5 years)	X

Section 76: Acceptance from public



In such case, manner of issue → same as sec 73.

- Circular (DPT) → statement attach $\begin{matrix} \text{FinP} \\ \text{CRA} \\ \vdots \end{matrix}$
- issue $\begin{matrix} \text{all members} \\ \text{website} \\ \text{Newspaper} \end{matrix} \leq \sqrt{}$

• sign - majority + Registration 30d → ROC

• validity + fresh circular.

Credit Rating:

Max. amt of deposit:

