

3 Terms and Conditions of Acceptance of Deposits by Companies

(1) On and from the commencement of these rules,—

(a) no company referred to in sub-section (2) of [section 73](#) and no eligible company shall accept or renew any deposit, whether secured or unsecured, which is repayable on demand or upon receiving a notice within a period of less than six months or more than thirty-six months from the date of acceptance or renewal of such deposit:

Provided that a company may, for the purpose of meeting any of its short-term requirements of funds, accept or renew such deposits for repayment earlier than six months from the date of deposit or renewal, as the case may be, subject to the condition that-

(a) such deposits shall not exceed ten per cent. of the aggregate of the [2\[Paid-up share capital, free Reserves and securities premium account\]](#) of the company, and

(b) such deposits are repayable not earlier than three months from the date of such deposits or renewal thereof.

(2) Where depositors so desire, deposits may be accepted in joint names not exceeding three, with or without any of the clauses, namely, "Jointly", "Either or Survivor", "First named or Survivor", "Anyone or Survivor".

(3) No company referred to in sub-section (2) of [section 73](#) shall accept or renew any deposit from its members, if the amount of such deposits together with the amount of other deposits outstanding as on the date of acceptance or renewal of such deposits exceeds [4\[thirty five per cent\]](#) of the aggregate of the [2\[Paid-up share capital, free Reserves and securities premium account\]](#) of the company.

[7\[Provided that a Specified IFSC Public company and 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 Form DPT-3.](#)

[Explanation.- For the purpose of this rule, a Specified IFSC Public company means an unlisted public company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act 2005 \(28 of 2005\) read with the Special Economic Zones Rules, 2006:](#)

[Provided further that the maximum limit in respect of deposits to be accepted from members shall not apply to following classes of private companies, namely:-](#)

[\(i\) a private company which is a start-up, for ⁸\[ten years\] from the date of its incorporation;](#)

[\(ii\) a private company which fulfils all of the following conditions, namely:-](#)

[\(a\) which is not an associate or a subsidiary company of any other company;](#)

[\(b\) the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is less ; and](#)

[\(c\) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under section 73:](#)

Provided also that all the companies accepting deposits shall file the details of monies so accepted to the Registrar in Form DPT-3.]

(4) No eligible company shall accept or renew-

(a) any deposit from its members, if the amount of such deposit together with the amount of deposits outstanding as on the date of acceptance or renewal of such deposits from members exceeds ten per cent. of the aggregate of the ²[Paid-up share capital, free Reserves and securities premium account] of the company;

(b) any other deposit, if the amount of such deposit together with the amount of such other deposits, other than the deposit referred to in clause (a), outstanding on the date of acceptance or renewal exceeds twenty-five per cent. of aggregate of the ²[Paid-up share capital, free Reserves and securities premium account] of the company.

(5) No Government company eligible to accept deposits under [section 76](#) shall accept or renew any deposit, if the amount of such deposits together with the amount of other deposits outstanding as on the date of acceptance or renewal exceeds thirty five per cent. of the aggregate of its ²[Paid-up share capital, free Reserves and securities premium account] of the company.

(6) No company referred to in sub-section (2) of [section 73](#) or any eligible company shall invite or accept or renew any deposit in any form, carrying a rate of interest or pay brokerage thereon at a rate exceeding the maximum rate of interest or brokerage prescribed by the Reserve Bank of India for acceptance of deposits by non-banking financial companies.

Explanation:- For the purposes of this sub-rule, it is hereby clarified that the person who is authorised, in writing, by a company to solicit deposits on its behalf and through whom deposits are actually procured shall only be entitled to the brokerage and payment of brokerage to any other person for procuring deposits shall be deemed to be in violation of these rules.

(7) The company shall not reserve to itself either directly or indirectly a right to alter, to the prejudice or disadvantage of the depositor, any of the terms and conditions of the deposit, deposit trust deed and deposit insurance contract after circular or circular in the form of advertisement is issued and deposits are accepted.

^{1 & 6}“(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.”]

Name of the agency	Minimum investment Grade Rating
(a) The Credit Rating Information Services of India Ltd.	FA- (FA Minus)
(b) ICRA Ltd.	MA- (MA Minus)
(c) Credit Analysis and Research Ltd.	CARE BBB(FD)
(d) Fitch Ratings India Private Ltd	tA-(ind)(FD)
³ [(e) Brickwork Ratings India Pvt Ltd (Brickwork)	BWR FBBS
(f) SME Rating Agency of India Ltd.	SMERA A

Amendments

1. Inserted by the Notification Dated 31st March 2015

2. Substituted by the Notification dated 15th September, 2015.

For the words "paid-up share capital and free reserves", wherever they occur, the words "Paid-up share capital, free Reserves and securities premium account" shall be substituted;

3. Substituted by the Notification dated 15th September, 2015.

In sub-rule (8), in the Table, for item (e) and entries relating thereto,

(e) Brickwork Ratings India Pvt Ltd.	BWRFA
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the following shall be substituted, namely:-

(e) Brickwork Ratings India Pvt Ltd (Brickwork)	BWR FBBB"
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4. Substituted by the Notification Dated 29th June, 2016.

In Rule 3 of the Principal rules, in sub-rule (3),- For the words "twenty five per cent.", the words "thirty five per cent." shall be substituted;

5. Inserted by the Notification Dated 29th June, 2016.

6. Substituted by the Notification Dated 29th June, 2016.

In Rule 3 of the Principal rules,- for sub-rule (8),

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

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."

7. Substituted by The Notification Companies (Acceptance of Deposits) Second Amendment Rules, 2017- Dated 19th September, 2017.

In Rule 3 of the Principal rules,- in sub-rule (3), for the proviso,

"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."

The following shall be substituted:-

"Provided that a Specified IFSC Public company and 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 Form DPT-3.

Explanation.- For the purpose of this rule, a Specified IFSC Public company means an unlisted public company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act 2005 (28 of 2005) read with the Special Economic Zones Rules, 2006:

Provided further that the maximum limit in respect of deposits to be accepted from members shall not apply to following classes of private companies, namely:-

- (i) a private company which is a start-up, for five years from the date of its incorporation;
- (ii) a private company which fulfils all of the following conditions, namely:-
 - (a) which is not an associate or a subsidiary company of any other company;
 - (b) the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is less ; and
 - (c) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under section 73:

Provided also that all the companies accepting deposits shall file the details of monies so accepted to the Registrar in Form DPT-3."

8. Substituted by the Notification Companies (Acceptance of Deposits) Amendment Rules, 2020 Dated 07th September, 2020.

in rule 3, in sub-rule (3), in the second proviso, in clause (i), for the words;

"five years"

the following sub-clause shall be substituted, namely:-

ten years.

Notes:

[Circular related to Clarification regarding the timelines for making applicable/available new Form DPT-3 issued vide the Companies \(Acceptance of Deposits\) Second Amendment Rules, 2017](#)

