

Now Private Companies can accept loan from Directors Relatives

Companies (Acceptance of Deposits) Second Amendment Rules, 2015

Ministry of Corporate affairs vide its notification dated 15.09.2015 has provided that wef 15.09.2015 a private company can accept unsecured loans apart from director also from a relative of Director provided that relative of director from whom money is received, furnishes to the company at the time of giving the money, a declaration in writing to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others and the company shall disclose the details of money so accepted in the Board's report. The relative need not be a shareholder of the company.

Further Notification has also provided that balance securities premium account will also be included in calculation of eligible amount of deposit which a company can raise earlier Rule 3 has provided only paid up share capital and free reserves.

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)1

**Government of India
Ministry of Corporate Affairs
Notification
New Delhi, Dated- 15th September, 2015**

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. (1) These rules may be called the **Companies (Acceptance of Deposits) Second Amendment Rules, 2015**.
- (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 said rules), in rule 2, in sub-rule (1), in clause (c), for sub-clause (viii), the following shall be substituted, namely:-

“(viii) any amount received from a person who, at the time of the receipt of the amount, was a director of the company or a relative of the director of the private company:

Provided that the director of the company or relative of the director of the private company, as the case may be, from whom money is received, furnishes to the company at the time of giving the money, a declaration in writing to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others and the company shall disclose the details of money so accepted in the Board's report;”.

3. In the said rules, in rule 3, –

(a) 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;

(b) in sub-rule (8), in the Table, for item (c) and entries relating thereto the following shall be substituted, namely:-

“(e) Brickwork Ratings India Pvt Ltd (Brickwork)	BWR FBBB”.
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[File No 1/8/2013-CL-V]

Amardeep Singh Bhatia, Joint Secretary

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 were subsequently modified vide number G.S.R. 386(E), dated the 6th, June, 2014 and G.S.R. 241(E), dated the 31st March, 2015.