

**Clarification for Private Companies: Applicability of Companies (Acceptance of Deposits) Rules, 2014**

MCA has clarified that amount received by private companies from their members, directors or their relatives before 1<sup>st</sup> April 2014 will not be treated as 'deposit' under Companies Act, 2013 (and Rules thereon) subject to appropriate disclosure in notes to its financial statements.

Before today's clarification it was widely understood that amounts accepted prior to 1<sup>st</sup> April 2014 by private companies from its members and relatives of members / directors would have to be repaid on or before 31<sup>st</sup> March 2015 to comply with the Companies Act, 2013.

Any renewal or acceptance of fresh deposits on or after 1st April, 2014 shall, however, be in accordance with the provisions of Companies Act, 2013.

**Disclaimer:**

This document has been prepared as a service to the clients. We recommend you to seek professional advice before taking any action on the specific issues.

In case of any clarification, you may reach us at [nashah@nashah.com](mailto:nashah@nashah.com)