



RAAM & ASSOCIATES LLP

COMPANY SECRETARIES & TRADEMARK AGENT &
IP ATTORNEYS

PRIVATE COMPANY – BORROWING FROM DIRECTOR , RELATIVES , MEMBERS & COMPANY

LOAN FROM DIRECTORS & RELATIVES

DIRECTORS & RELATIVES

RULE 2(c)(viii) OF
CHAPTER V _ THE
COMPANIES
(ACCEPTANCE OF
DEPOSITS) RULES, 2014

- It is applicable to **Private Limited Co;**
- No Limit on borrowings from Directors and relatives;
- **Declaration** in writing at the time of giving the money from **Director or relative** that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others ;
- Disclosure in **Board's Report** for such acceptance;
- Loan can be **with or without interest;**
- Generally an **unsecured debt** in nature;
- It can be borrowed for a **fixed tenure or can be repayable on demand;**

LOAN FROM MEMBER / SHAREHOLDER

LOAN FROM MEMBER / SHAREHOLDER

NOTIFICATION COMPANIES
(ACCEPTANCE OF DEPOSITS)
SECOND AMENDMENT RULES,
2017- DATED 19TH SEPTEMBER,
2017.

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

LOAN FROM COMPANY

LOAN FROM COMPANY

RULE 2(c)(vi) OF
CHAPTER V _ THE
COMPANIES
(ACCEPTANCE OF
DEPOSITS) RULES,
2014

- any amount received by a company from any other company;
- Provision of Section 73 & 76 not applicable;
- Being Private Limited; the provision of Section 180 is also not applicable;
- the company can take loan by passing Board Resolution under section 179 of the Act;

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Thank You!