

The Companies Act, 2013

Chapter-V Acceptance of Deposits by Companies

Section 73: Prohibition on acceptance of deposits from public.

*73. (1) On and after the commencement of this Act, no company shall invite, accept or renew deposits under this Act from the public except in a manner provided under this Chapter:

Provided that nothing in this sub-section shall apply to a banking company and non-banking financial company as defined in the Reserve Bank of India Act, 1934 and to such other company as the Central Government may, after consultation with the Reserve Bank of India, specify in this behalf.

(2) A company may, subject to the passing of a resolution in general meeting and subject to such rules [as may be prescribed](#) in consultation with the Reserve Bank of India, accept deposits from its members on such terms and conditions, including the provision of security, if any, or for the repayment of such deposits with interest, as may be agreed upon between the company and its members, subject to the fulfilment of the following conditions, namely:—

(a) issuance of a circular to its members including therein a statement showing the financial position of the company, the credit rating obtained, the total number of depositors and the amount due towards deposits in respect of any previous deposits accepted by the company and such other particulars in such form and in such manner [as may be prescribed](#);

(b) filing a copy of the circular along with such statement with the Registrar within thirty days before the date of issue of the circular;

¹[(c) depositing, on or before the thirtieth day of April each year, such sum which shall not be less than twenty per cent. of the amount of its deposits maturing during the following financial year and kept in a scheduled bank in a separate bank account to be called deposit repayment reserve account;]

(d) ²[***]

(e) certifying that the company has not committed any default in the repayment of deposits accepted either before or after the commencement ³[such deposits and where a default had occurred, the company made good the default and a period of five years had lapsed since the date of making good the default;] and

(f) providing security, if any for the due repayment of the amount of deposit or the interest thereon including the creation of such charge on the property or assets of the company:

Provided that in case where a company does not secure the deposits or secures such deposits partially, then, the deposits shall be termed as “unsecured deposits” and shall be so quoted in every circular, form, advertisement or in any document related to invitation or acceptance of deposits.

(3) Every deposit accepted by a company under sub-section (2) shall be repaid with interest in accordance with the terms and conditions of the agreement referred to in that sub-section.

(4) Where a company fails to repay the deposit or part thereof or any interest thereon under sub-section (3), the depositor concerned may apply to the Tribunal for an order directing the company to pay the sum due or for any loss or damage incurred by him as a result of such non-payment and for such other orders as the Tribunal may deem fit.

(5) The deposit repayment reserve account referred to in clause (c) of sub-section (2) shall not be used by the company for any purpose other than repayment of deposits.

Reference

*[Effective from](#) 01.04.2014.

1. Substituted by the [Companies \(Amendment\) Act, 2017](#), w.e.f. 15.08.2018[S.O. 3300(E) dated 05.07.2018], for the clause:

“(c) depositing such sum which shall not be less than fifteen per cent. of the amount of its deposits maturing during a financial year and the financial year next following, and kept in a scheduled bank in a separate bank account to be called as deposit repayment reserve account;”.

2. Omitted by the [Companies \(Amendment\) Act, 2017](#), w.e.f. 15.08.2018[S.O. 3300(E) dated 05.07.2018], the clause:

“(d) providing such deposit insurance in such manner and to such extent [as may be prescribed](#);”.

3. Substituted by the [Companies \(Amendment\) Act, 2017](#), w.e.f. 15.08.2018[S.O. 3300(E) dated 05.07.2018], for the words “*such deposits*;”.

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