

**Companies (Application for Extension of time or Exemption
under sub-section (8) of section 58A) Rules, 1979**

In exercise of the powers conferred by sub-section (8) of section 58A read with sub-section (1) of section 642 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement.-

- (1) These rules may be called the Companies (Application for Extension of Time or Exemption under sub-section (8) of section 58A) Rules, 1979 ;
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Form of application for grant of extension of time or exemption under sub-section (8) of section 58A.-

Every company seeking extension of time or exemption under sub-section (8) of section 58A of the companies Act, 1956 (1 of 1956), shall apply in Form 1 appended to these Rules and furnish the particulars specified therein.

3. Fee to be paid along with the application.-

Every application made under Rule 2 shall be accompanied by a demand draft drawn in favour of the Pay and Accounts Officer, Department of Company Affairs, New Delhi, towards payments of requisite fee as specified in the Companies (Fees on Applications) Rules, 1968.

4. Publication of notice in newspapers before making application.-

Before making an application under rule 2, the company shall publish a general notice to the members of the public at least once in an English daily newspaper and at least once in a newspaper published in the language of the region having wide circulation in the region in which the registered office of the company is situate, in the manner specified in Form 2 appended to these Rules.

FORM I

[See Rule 2 of the Companies (Application for Extension of Time or Exemption under sub-section (8) of section 58A) Rules, 1979]

Information required in respect of application for extension of time or for exemption under sub-section (8) of section 58A of the Companies Act, 1956

PART 'A'

(Basic Data)

- (1) Name of the company and the address of the registered office.
- (2) Date of incorporation.
- (3) Date of commencement of business.
- (4) Financial year of the company.
- (5) Name and address of statutory auditors of the company.
- (6) Name (s) and address(es) of Directors of the company, indicating executive position held, if any, in other companies and in case of nominee Directors, the names of institutions which they represent.
- (7) Whether the company is registered under the M. R. T. P. Act.
- (8) The main business in which the company is engaged indicating the location of factories, etc.
- (9) The date on which the last annual general meeting was held and whether the audited accounts were placed in the annual general meeting.
- (10) Names, designations and addresses of the officers of the company to whom powers have been delegated for acceptance /repayment of deposits.
- (11) Equity/preference shares held by each of the following; indicating separately the percentage of the same bears to the total equity/preference share capital of the company:
 - (a) Controlling block:
 - (i) Shares held by directors and their relatives.
 - (ii) Other companies in the same management.
 - (b) Central/State Government (s)
 - (c) Financial institutions (by individual names)
 - (d) Nationalized Banks by individual name (s)
 - (e) Non-residents :
 - (i) Companies not incorporated in India.
 - (ii) Foreign nationals.
 - (f) Shareholders not covered in (a) to (e) above holding one per cent or more of the equity shares.
 - (g) Others :
 - (i) Companies.
 - (ii) Individuals.
- (12) Names and addresses of brokers/agents appointed by the company for procurement of deposits, together with terms of appointment, the rate of commission paid and copies of agreement, if any.

- (13) Names and addresses of the financial institutions from which the company has accepted long-term loans, the amounts of such loans and the name of the leading financial institution, if any.

PART 'B'

(Financial Data)

- (14) Effective capital employed by the company on the closing date of last balance-sheet (please indicate the date)
- (i) Paid-up capital
 - (ii) Share premium
 - (iii) Reserves & Surpluses
 - (iv) (a) Free reserves
 - (b) Other than Free reserves
 - (v) Long-term loans:
 - (a) Secured
 - (b) Unsecured
- TOTAL
- Less
- Accumulated loss, preliminary expenses or other Intangible Assets.
- Net effective capital employed.

- (15) Working results of the company for the last 3 years.

	Year ending on	Year ending on	Year ending on
--	----------------	----------------	----------------

- (i) Paid-up capital
 - (ii) Effective capital employed (See item No. 14)
 - (iii) Turnover
 - (iv) Net profits under section 198 of the Act.
 - (v) Dividend declared (Rate and quantum).
- (16) Net worth and liquidity position of the company during the last 3 years as in Annexure I.
- (17) A cash flow statement indicating information (as in

Annexure II) in respect of

(a) preceding 3 years

(b) current financial year

(c) the next 3 years,

indicating in particular how the company proposes to generate surplus for payment of deposits.

(18) Please indicate the outstanding liability as on the date of application towards repayments of loans and interest to each of the financial institutions from which money has been borrowed and also the amounts repayable towards principal and interest to each of them in the current financial year and during each of the next 3 financial years.

(19) Please furnish the following information relating to the position of deposits as on the date of application or as near thereto as circumstances may permit, but not earlier than 60 days from the date of application. (The date as on which information is furnished should be indicated)

(A) Information as per Part 'A' and Part 'B' of Form prescribed under Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975.

(B) (1) Total number of outstanding deposits.

(2) The amount of outstanding deposits.

(3) The break-up of outstanding deposits as per following tables.

(i) Amount of deposits which are overdue

No. Amount

(a) for 2 years and more

(b) for one year and more but less than 2 years

(c) 6 months and more but less than 1 year

(d) for 3 months and more but less than 6 months

(e) for less than 3 months

Total : Overdue deposits

(ii) Break-up of overdue deposits as follows:

No. Amount

Particulars :

Less than Rs. 1,000

More than Rs. 1,000 but

Less than Rs. 5,000

Rs. 5,000 or more

(iii) Deposits which are not overdue

No. Amount

(a) Amount of deposits which will become repayable by 31st March next

(b) Amounts of deposits which will become

repayable by 31st March next

(c) Amounts of deposits which will become repayable in each of the next half years from April to September and October to March during the next 3 years.

(c) Amounts of deposits which will become due for repayment after the third year mentioned in (b) above.

Total deposits

(Overdue and not overdue)

(20) Please furnish the following information about payment of interest on deposits as on the date for which information is furnished against item 19.

(a) Amounts of interest already due for payment but remaining unpaid.

(i) for 2 years and more

(ii) for one year and more but less than 2 years

(iii) for 6 months and more but less than one year

(iv) for 3 months and more but less than 6 months

(v) for less than 3 months.

(b) Amounts of interest on deposits payment of which will become due

(i) by 31st March next

(ii) in each of the next half years from April to September and October to March during the next three years.

(21) Please furnish one copy each of the return filed with the Registrar of Companies under rule 10 of the Companies (Acceptance of Deposits) Rules, 1975, as on 31st March, 1975, onwards.

(22) Reasons for reduction in turnover, if any, during the last 3 years, and losses, if any, during the last 3 years. The anticipated turnover and net profits (pre-tax/post-tax) during the next 3 years may be furnished.

Notes:

(i) The company should give up-to-date information in respect of all questions in this part.

(ii) In case the last date of the financial year for which the audited accounts are available is more than 12 months prior to the filing of this form, the information as on the next financial year on the basis of the pro-forma accounts of the company may be furnished even though they may

not be audited.

(iii) In case the company has prepared quarterly or half yearly balance-sheet/profit and loss accounts, the information should be furnished as on the latest available date in the current financial year as per such accounts.

PART 'C' PROPOSAL (S) AND REASONS

(23) Proposal (s) for exemption/extension

- (a) Please indicate in detail exemption from what and/or extension for which is/are sought quoting the relevant provisions of the Companies Act, 1956, and Companies (Acceptance of Deposits) Rules, 1975.
- (b) Please indicate the period for which exemption/extension is sought
- (c) Please furnish a detailed time bound scheme of repayment of deposits during the period for which exemption/extension is sought.
- (d) Please give detailed justification for seeking exemption/extension.
- (e) If the question of granting exemption/extension is considered, is the company agreeable to pay the entire amount of interest already due, as indicated in item 20(a) within 3 months from the date of granting, if any, of the exemption/extension?
- (f) If exemption/extension is granted will the company agree to give an undertaking for repayment of interest in future on due dates?

(24) Has the proposal for exemption/extension been approved by the Board of Directors ? If so, please furnish a copy of the resolution. (If not, the company should take immediate steps to obtain such approval. It is suggested that this form duly

filled-in-draft may be placed before the Board of Directors for consideration).

(25) If extension is sought for repayment of deposits accepted before 1.2.1975, i.e., the repayment of deposits mentioned in sub-section (3)(a) of section 58A, please furnish the following details:-

(i) Amounts of such deposits repayment of which has become overdue as on the date of application.	No. Amount (Rs.)
(a) for 3 years and more	
(b) for 2 years and more but less than 3 years	
(c) for 1 year and more but less than 2 years	
(d) for 6 months and more but less than 1 year	
(e) for 3 months and more but less than 6 months	
(f) for less than 3 months	

Total :

(ii) Deposits which are not overdue	No. Amount (Rs.)
(a) Amount of deposits which will become payable by 31st March next.	
(b) Amount of deposits which will become repayable in each of the next half years from April to September and October to March during the next three years.	
(c) Amount of deposits which will become due for repayment after the 3rd year mentioned in (b) above.	

(iii) Amount of interest which has already become repayable on such deposits and has remained unpaid on the date of application.	No. (Amount) (Rs.)
(a) for 3 years and more	
(b) for 2 years and more but less than 3 years	
(c) for 1 year and more but less than 2 years	
(d) for 6 months and more but less than 1 year	
(e) for 3 months and more but less than 6 months	
(f) for less than 3 months	

(iv) Reasons for which the deposits and interest thereon, if any, could not be repaid.

(26) If extension is sought for repayment of deposits accepted before 1.2.1975, in contravention of directions issued by the Reserve Bank of India, which became repayable by 1st

April, 1975, under sub-section (3)(c) of section 58A, please furnish the following information:-

- (i) Period in which such deposit was taken and the total amount of deposits, which was accepted initially in contravention of the directions issued by the Reserve Bank of India.
- (ii) Number and amount of such deposits, repayment of which is outstanding as on the date of application.
- (iii) Amount of interest, if any, due on such deposits but remaining unpaid as on the date of application.

(27) If extension is sought for repayment of deposits accepted after 1.2.1975 in contravention of the Companies (Acceptance of Deposits) Rules, 1975, which became repayable under sub-section (4) of section 58A, please furnish the following information :-

- (i) Please indicate which particular rule has been contravened and when, the circumstances in which the rules have been contravened and the amount involved.
- (ii) If deposits have been accepted in excess of prescribed limit please furnish the following details :

Period in which excess deposits were taken	No. Amount (Rs.)
(a) Deposits taken initially in excess of the limit prescribed in rule 3(2)(i) of the Companies (Acceptance of Deposits) Rules, 1975.	
(b) Amount of such deposits outstanding as on date of application.	
(c) Amount of interest, if any, due on such deposits but remaining unpaid as on the date of application.	
(iii) Deposits taken in excess of the limit prescribed in rule 3(2)(ii) of the Companies (Acceptance of Deposits) Rules, 1975.	

Period in which excess deposits were taken	No. Amount (Rs.)
(b) Amount of such deposits outstanding as on the date of application.	
(c) Amount of interest, if any, due on such deposits but remaining unpaid as on the date of application.	
(iv) Reasons for which excess occurred and why the excess and the interest thereon, if any, could not be repaid.	

- (28) Whether the Company has accepted or renewed any deposits even after the excess mentioned in item 27 above was known? If so, please indicate :-
- (i) The number of deposits since accepted/renewed.
 - (ii) The number and amount accepted/renewed in each month after the excess was known.
 - (iii) The reasons for accepting/renewing deposits in contravention of the Rules.
- (29) Whether the company is presently accepting / renewing such deposits.
- (30) Whether the company had approached the R.B.I. in the past for any exemption from its Directors?
If so, whether such exemption was allowed?
Please give copies of relevant correspondence?
- (31) Full details of the investment made by the company in the shares and debentures of other bodies corporate.
- (32) Is there any scope for disinvestment of such shares, if any?
- (33) Full details of the loans granted by the company to other bodies corporate.
- (34) Why were the loans mentioned in item 33 above not withdrawn for repayment of deposits?
- (35) Full details of the cash and bank balances and easily realisable securities and investments according to the latest balance-sheet of the company.
- (36) Why can't the surplus funds available as per cash flow statement be utilised for repayment of deposits?
- (37) Is there any liquidation proceedings against the company filed by any depositor pending before any High Court? If so, please furnish the details.
- (38) Is there any civil suit against the company filed by any depositor for recovery of deposits pending before any court?

If so, please furnish
the details.

- (39) Is there any scheme of repayment approved by the High Court? If so, please furnish the details.
- (40) Is there any scheme of rehabilitation of the company approved by the financial institutions/bankers? If so, please furnish the details.
- (41) Has any show-cause notice been received by any of the directors for contravention of the provisions of section 58 of the Act? If so, please furnish details thereof.
- (42) Is there any suit pending against the company and/or its directors for contravention for any one or more of the provisions of the Companies Act, 1956? If so, please furnish details thereof.
- (43) Please indicate licensed capacity, the installed capacity and production during each of the last 2 years and estimate of production during the current year and next two financial years.
- (44) Whether the undertaking owned by the company is in full production at present? If not, please give details and reasons thereof.
- (45) Details of interruption in production during the last 3 years such as strike/lock-outs, etc., and reasons thereof.
- (46) Details of expansion plan/investment plan of the company during the next 3 years. Please indicate whether the company has obtained any letters of indent, etc.
- (47) Full details of the mortgages and other encumbrances of the assets of the company..
- (48) Details of the difficulties experienced by the company in achieving the full production and sales and how the company proposes to overcome these difficulties.

- (49) Details of contracts in which directors are interested.
- (50) Details of selling agency arrangements, if any, in which the directors are interested.
- (51) Details of office/place of profits held by the relatives of directors, if any
- (52) What are the conditions which the company is prepared to undertake if exemption/extension is granted, in particular in respect of the following items:-
- (i) Composition of the Board of directors by taking the nominees of depositors or financial institutions.
 - (ii) Restriction on repayment of deposits held by directors and their relatives (give details).
 - (iii) Give protection or security to depositors for repayment of deposits.
 - (iv) Non-acceptance and non-renewal of further deposits.
 - (v) Professionalisation of management.
 - (vi) Any scheme of reorganisation subject to the supervision of the court.
 - (vii) Restriction on declaration of dividend to shareholders during the period of extension, if any, granted.
 - (viii) Immediate payment of interest already due and assurance for payment of interest in future on due dates.
 - (ix) In any other manner.
- (53) Any other information which the company wants to furnish.
- (54) Please furnish the following enclosures:
- (i) One copy each of the articles of association of the company.
 - (ii) One copy of each of the audited accounts of the company together with Directors' report and Auditors' report for the last 3 years of the company.
 - (iii) A copy of the resolution of the Board of directors in support of the proposal.
 - (iv) One copy of each quarterly, half-yearly or other proforma accounts of the company subsequent to the latest audited accounts.

- (v) One copy each of the Advertisement issued in newspapers pursuant to rule 4 of the Companies (Acceptance of Deposits) Rules, 1975.
- (vi) Application fees prescribed (please furnish a crossed demand draft in favour of Pay and Accounts Officer, Department of Company Affairs, New Delhi, drawn at Punjab National Bank, Barakhambha Road, Delhi.)

(55) The newspapers in which the company has published notices regarding the intention to apply to Central Government for exemption as in Annexure-III and date of publication (press cutting should be attached).

Signature
Name of Person (s)
Designation
Date :

ANNEXURE I

Financial and liquidity position of the company according to the balance-sheets of the last three years

	Year ended on	Year ended on	Year ended on
	(Rs.)	(Rs.)	(Rs.)
(1)	(2)	(3)	(4)
Current Assets			
(including investments other than trade investments in subsidiary and/or managed companies)			
Less			
Current liabilities (including short-term loans and liabilities).			
(A) Liquid surplus			
Add			
(a) Fixed assets			
(b) Trade investments and investments in subsidiary and/or			

managed companies.

Less

Long-term loans and liabilities.

(B) Net worth as on

(Date of Balance-sheet)

Note.-I

In making the above computation of net worth, adjustments in respect of the following items shall be made:-

- (i) Intangible assets, e.g., goodwill, etc.
- (ii) Doubtful assets, e.g., doubtful and bad debts, etc.
- (iii) Deferred revenue expenditure.
- (iv) Accumulated losses.
- (v) Arrears of depreciation
- (vi) Arrears of preference shares dividend.
- (vii) Any other amount, appearing in the balance-sheet, required to be deducted in accordance with accounting practices.

Total :

Reconciliation of net worth paid-up capital:

Add:

Reserves
(Please specify details)

Less: Intangible assets and any other amount required to be deducted (vide note above).

Net worth as on:
(Date of Balance-sheet).

NOTE. II-

If the net worth of the company as

indicated in column 4 is less than its paid-up capital, please indicate in details what steps are proposed to be taken to improve the net worth.

ANNEXURE II

Cash flow Statements

	Three previous years			Current year	Next three years		
	Year ended on.....	Year ended on.....	Year ended on.....	Year ended on.....	Year ended on.....	Year ended on.....	Year ended on.....
1	2	3	4	5	6	7	8

A. SOURCE OF FUNDS

Sales and other income

Less cost of sales & other expenditure (excluding depreciation.)

Net profit before

tax and depreciation

Opening balance of cash

Additional capital raised

Increase in secured loans.

Increase in other loans (other than deposits).

Increase in deposits received.

Decrease in current assets (other than cash).

Increase in current liabilities.

Any other item to be specified.

Total :

B. USE OF FUNDS

Increase in capital assets.

Increase in investments.
Secured loans repaid.
Other loans repaid (other than deposits).
Deposits repaid.
Increase in current assets (other than cash)
Decrease in current liabilities
Tax payments.
Dividends
Any other item (to be specified)
Closing balance of cash

TOTAL :

FORM NO. 2

(See Rule 4)

Name of the company

Registered office.

Notice is hereby given that the above named company proposes to apply to the Central Government or extension of time to comply with, or for exemption from all or any of the provisions of section 58A of the Companies Act, 1956, relating to deposits from public. A copy of the application made is available for inspection at the registered office of the company during the working hours. Any interested person may send his objections, if any, to the Central Government by means of letter addressed to the Secretary, Department of Company Affairs, 5th Floor, 'A' Wing, Shastri Bhawan, New Delhi, within thirty days from the date of publication of this notice.