

Companies (Acceptance of Deposits Amendment) Rules, 1997

In exercise of the powers conferred by section 58-A read with section 642 of the Companies Act, 1956 (1 of 1956), the Central Government in consultation with the Reserve Bank of India, hereby makes the following rules further to amend the Companies (Acceptance Deposits) Rules, 1975 namely :-

- (a) These Rules may be called the Companies (Acceptance of Deposits Amendment) Rules, 1997.
- (b) They shall come into force on the date of its publication in the Official Gazette.

2. In the Companies (Acceptance of Deposits) Rules, 1975,

(i) after sub-rule (1) of rule 3, the following shall be inserted, namely :-

"(1A) On and from 1st day of March, 1997 no company shall accept or renew any deposits in any form if it is in default in the repayment of any deposit or part thereof and any interest thereupon in accordance with the terms and conditions of such deposits :

(ii) after sub-clause

(iii) of clause (k) of sub-rule (2) of rule 4 the following shall be inserted, namely :-

"(iv) that the company is not in default in the repayment of and deposit or part thereof and any interest thereupon in accordance with terms and conditions of such deposits"