

Procedure for acceptance of Deposit by Public company-

Sec- 76- CS Divesh Goyal

1. Call Board Meeting:
 - To pass resolution for acceptance of deposit from members
 - Approve Draft DPT-1 (Circular)
 - Appoint a Trustee
 - Call General Meeting
 - Authorize Director or Secretary for further process
2. Call General Meeting
 - Pass Ordinary Resolution for acceptance of deposit, if deposit within limit of section 180(1)(c)
3. File form MGT-14 with ROC within 30 days of passing of resolution:
 - Attach Notice, Minute and CTC of Resolution
4. File DPT-1 with ROC at least 30 days before issue of circular, signed by BOD or Person Authorized by Board.
5. Enter into contact with Insurance Company at least 30 days Before issue of Circular.
6. Execute Deposit Trust Deed at least 7 days before issuing of circular.
7. Issue Circular (DPT-1) to members through registered post, courier or through Electronic mode.
8. Issue circular in DPT-1 through advertisement also (in one English News Paper and one Vernacular Language).
9. Put Copy of Advertisement on website of company, if any.
10. Within 21 days of Acceptance of Deposit company will issue receipt of Deposit to Depositor. Receipt will be signed by Person Authorized by Board of Director.
11. Make Entry in register within 7 days of issue of receipt.
12. Company will create charge on assets of company equal to amount of deposit unsecured by insurance.
13. File CHG-1 within 30 days of Creation of Charge.

NOTE:

1. Public Company can accept deposits from members up to 10% of paid-up share capital + Free reserve.
2. Public Company can accept deposits from Public up to 25% of paid-up share capital + free reserve.

3. Company before 30th April each will deposit at least 15% of amount of deposit, whether secured or unsecured, maturing during the year or next financial year in deposit repayment reserve account, maintain with Schedule Bank.
4. Company Before 30th June every year will file DPT-3 with ROC, containing information there in as on 31st March, duly audited by Auditor of company.
5. No trustee can be removed after the issue of circular/advertisement and before the expiry of his term except with the consent of all the Directors Present at a meeting of Board.
6. T & C of Deposit cannot be altered after the issue of circular/ Advertisement or acceptance of Deposit.
7. A panel Rate of Interest 18% shall be payable on non payment of matured deposits.

Regards:

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