

# Corporate Law

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## **MCA Circular No. 04/2015 dated 10th March 2015 – Clarification with regard to Sec.185 and Sec.186 of Companies Act, 2013**

MCA has clarified that Secs. 185 and 186 of the Companies Act, 2013 will not be applicable to loans and advances made to employees other than whole time and managing directors provided these are made in accordance with the conditions of service or the remuneration policy. For a complete text of this circular, please refer the link: [http://www.mca.gov.in/Ministry/pdf/Circular\\_04\\_10032015.pdf](http://www.mca.gov.in/Ministry/pdf/Circular_04_10032015.pdf).

## **MCA Circular No. 05/2015 dated 30th March 2015 – Clarification with regard to applicability of Companies (Acceptance of Deposits) Rules 2014.**

MCA has clarified that amounts received by private companies prior to 1st April, 2014 shall not be treated as 'deposits' under the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 subject to the condition that the relevant private company shall disclose, in the notes to its financial statements for the financial year commencing on or after 1st April, 2014 the quantum of such amounts and the accounting head in which such amounts have been shown in the financial statement. Further it is also clarified that any renewal or acceptance of fresh deposits on or after 1st April, 2014 shall, however, be in accordance with the provisions of Companies Act, 2013 and rules made thereunder. For a complete text of this circular, please refer the link: [http://www.mca.gov.in/Ministry/pdf/General\\_Circular\\_5-2015.pdf](http://www.mca.gov.in/Ministry/pdf/General_Circular_5-2015.pdf).

## **MCA Notification No. GSR (E) dated 31st March 2015 – Amendment of Companies (Acceptance of Deposit) Rules, 2014**

MCA has amended the aforesaid rules to provide for certain relaxation in regard to acceptance and repayment of deposits by companies. The amendment provides extension up to 30th June 2015 to repay the application monies for securities accepted by the companies between 1st April 2014 and 31st March 2015. Certain amendments w.r.t rating for deposits accepted by the companies have also been made. For a complete text of this notification, please refer the link:[http://www.mca.gov.in/Ministry/pdf/Acceptance\\_Deposits\\_AmendmentRules\\_01042015.pdf](http://www.mca.gov.in/Ministry/pdf/Acceptance_Deposits_AmendmentRules_01042015.pdf).