General Circular no. 04 /2014

No. 1/32/2013- CL V (Pt. File)
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhavan,
Dr. R P Road, New Delhi-110001.
Dated:25/03/2014

To

All Regional Directors,
All Registrar of Companies,
All the Stakeholders,

Subject: Clarification with regard to section 180 of the Companies Act, 2013.

Sir,

This Ministry has received many representations regarding various difficulties arising out of implementation of section 180 of the Companies Act, 2013 with reference to borrowings and/or creation of security, based on the basis of ordinary resolution. The matter has been examined in the Ministry and it is hereby clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.

Yours faithfully,

(KMS Narayanan)
Assistant Director (Policy)
Ph. no. 23387263

Copy to: Guard File