Loans by Private Limited Companies

Section 180

Loans by Private Limited Companies

Loan Taken:

Loan taken by a Private Limited Company section 180. The company has to call a meeting of the Share Holders and pass a Special Resolution for taking the loan.

For passing the special resolution the Board of directors shall take necessary steps for ceiling the meeting of share holders.

Once the special resolution is passed the board of directors can borrow. The power of borrowing can be delegate to any committee, MD or any principal office of the company. The resolution for borrowing has to be filled with Registrar of Companies.

Exemption:

The earlier exemption available to Private Limited Company no more exists. The Question of passing Special Resolution will arise only if the money to be borrowed exceeds the aggregate of share capital & free reserves, other than temporary loans taken from company's banker in the normal course of business.

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