No company advance any loan, give guarantee or provide security to:

- Director

- Holding Company

- Partner or relative# of director

- Firm in which such director or relative# is a partner

Section 185 – Summary

Any loan, guarantee or security to any person in whom any of the director of the company is interested

Disallowed

Allowed by Special Resolution

**Others:**

- Loan, guarantee or security to holding co. to a wholly owned subsidiary for principal business activities

- Guarantee or security by holding co. to its subsidiary for principal business activities

|  |  |
| --- | --- |
| **Interested Person** | **Relation of such director** |
| Any Pvt Co | Director/Member |
| Any Body Corp | >= 25% voting power by such director or two or more directors |
| Any Body Corp | whose BOD/ MD act on his directions |

**#Relative means -**

1. Members of a HUF;
2. husband and wife; or
3. Father:
4. Mother:
5. Son:
6. Son’s wife.
7. Daughter.
8. Daughter’s husband.
9. Brother:
10. Sister:

Including Step in (iii),(iv),(v),(ix),(x)