

**MCA Notification – Companies (Meetings of Board and its Powers) Rules, 2014 – 6<sup>th</sup> November 2025**

MCA, vide its notification dated 3<sup>rd</sup> November, 2025 has made amendments in the rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014. These rules shall come into force on immediate basis.

**Summary of the Amendment**

The Companies (Meetings of Board and its Powers) Amendment Rules, 2025 amend Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014.

The amendment clarifies the meaning of the phrase “business of financing industrial enterprises” used in Section 186(11)(a) of the Companies Act, 2013, which provides certain exemptions from the loan and investment restrictions under Section 186.

Under the new substituted sub-rule (2):

1. **For NBFCs (RBI-registered):**
  - The expression covers giving of loans, or providing guarantees or securities for loan repayment in the ordinary course of business.
  
2. **For Finance Companies - IFSCA-registered:**
  - The expression covers lending, guarantee, treasury, or related financial activities as specified under Regulation 5(1)(ii)(a) and (e) of the IFSCA (Finance Company) Regulations, 2021, carried out in the ordinary course of business.

**Impact and Significance**

<b>Aspect</b>	<b>Impact</b>
<b>Regulatory Clarity</b>	Clearly defines what constitutes “business of financing industrial enterprises” for NBFCs and IFSCA finance companies.
<b>Ease of Doing Business</b>	Confirms that routine lending and guarantee activities of NBFCs and IFSCA finance companies are exempt from Section 186(2)–(10) restrictions (loan/investment limits, approvals, etc.).
<b>Regulatory Alignment</b>	Brings parity between entities regulated by RBI (NBFCs) and IFSCA (Finance Companies).

**In Summary**

The amendment provides clarity and compliance relief for financial entities (NBFCs and IFSCA finance companies) by explicitly including their core lending and guarantee activities within the exempt category under Section 186(11)(a) of the Companies Act, 2013, thereby promoting ease of doing business and regulatory consistency.