

SECTION 179 – POWER OF BOARD

1. General Power of Board

- a) Authorised to **exercise all such power** as the Company is authorised to exercise.
- b) Authorised to **do all such acts or things** as the Company is authorised to do.

2. Regulations governing power of Board

1. Power of Board shall be subject to:

- a) Companies Act
- b) MOA
- c) AOA
- d) Regulations made by Company in GM.

2. Board shall not exercise powers or do acts or things which are to be exercised/done by Company in General Meeting as per Companies Act, MOA or AOA.

3. Whether regulation made by Company in General Meeting will invalidate prior acts of the Board?

No regulation made by the company in general meeting shall invalidate any prior act of the Board **which would have been valid if that regulation had not been made.**

4. Power of Board to be exercised only at the meeting of Board.

Memory Technique: A 3B C D E F G H 2I

A	To approve Amalgamation, merger or reconstruction.
B	<ul style="list-style-type: none"> ▪ To authorize Buy-back of securities ▪ To Borrow moneys***** ▪ To approve Boards Report
C	To make Calls on the shareholders for unpaid amount on shares.
D	To diversify business of the Company
E	ETC i.e. any other matter as may be prescribed
F	To approve Financial Statements
G	To grant loan or give Guarantee or provide security in respect of loan

H	Holding Company i.e. to take over or acquire controlling or substantial stake in another Company.
I	<ul style="list-style-type: none"> ▪ To Invest funds of the Company ▪ To Issue securities, including debentures, whether in or Outside India.

Note: Company in General Meeting may impose restriction on any of the above powers.

*******Point B- Borrowing shall not apply to:-**

1. Banking Company for transaction in the ordinary course of business.
2. Shall not apply to borrowings by a banking company from other banking companies or from the RBI, the SBI or any other banks established by or under any Act.

*******Point B - Borrowing** In respect of dealings between a company and its bankers, the exercise by the company of the power shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and

not the actual day-to-day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

5. Any Other matters prescribed??? [Memory Technique: Karo SIP]

- a) To appoint or remove **KMP**
- b) To appoint **Secretarial Auditor**
- c) To appoint **Internal Auditor**
- d) To make **Political Contribution**

6. Delegation of Power by Board by Passing Board Resolution.

What are the powers that can be delegated??

- a) To **Borrow** moneys
- b) To **Invest** funds of the Company
- c) To grant loan or give **Guarantee** or provide security in respect of loan

To whom it can be delegated

- a) Committee of Directors
- b) MD
- c) Manager
- d) Principal Officer
- e) Principal Officer of Branch Office.

Section 8 Company can decide these matters by way of Circular Resolution