

**No.ITPO/CS/Office Order/3/2014**  
**India Trade Promotion Organisation**  
**(Corporate Services Division)**

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Dated, the 5<sup>th</sup> August, 2014

**Sub: Certain powers to be exercised by Board only at meeting**  
**(Matters required to place before the Board)**

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The new Companies Act, 2013 has already become applicable w.e.f. 1.4.2014. The new provision for powers of the Board has been mentioned in section 179 of the New Companies Act, 2013. The earlier provision was section 292 of the Companies Act, 1956. The relevant portion of the section 179 is reproduced below:-

*“179 (3) The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely:—*

- (a) to make calls on shareholders in respect of money unpaid on their shares;*
- (b) to authorise buy-back of securities under section 68;*
- (c) to issue securities, including debentures, whether in or outside India;*
- (d) to borrow monies;*
- (e) to invest the funds of the company;*
- (f) to grant loans or give guarantee or provide security in respect of loans;*
- (g) to approve financial statement and the Board’s report;*
- (h) to diversify the business of the company;*
- (i) to approve amalgamation, merger or reconstruction;*
- (j) to take over a company or acquire a controlling or substantial stake in another company;*
- (k) any other matter which may be prescribed:”*

In addition to the above, Rule (8) – Powers of Board - under the Companies (Meetings of Board and its Powers) Rules, 2014 – Chapter XII, the following powers shall also be exercised by the Board of Directors only by means of resolutions passed at meetings of the Board.-

- (1) to make political contributions;*
- (2) to appoint or remove key managerial personnel (KMP)\*;*
- (3) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;*
- (4) to appoint internal auditors and secretarial auditor;*
- (5) to take note of the disclosure of director’s interest and shareholding;*

- (6) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;*
- (7) to invite or accept or renew public deposits and related matters;*
- (8) to review or change the terms and conditions of public deposit;*
- (9) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.*

\*Under Section 2(51) of the Companies Act, 2013 “key managerial personnel”, in relation to a company, means—

- (i) the Chief Executive Officer or the managing director or the manager#;*
- (ii) the company secretary;*
- (iii) the whole-time director;*
- (iv) the Chief Financial Officer; and*
- (v) such other officer as may be prescribed;*

#“manager” as defined in section 2(53) of the Companies Act, 2013.

In view of the above, any matter falling in the above category needs to be placed before Board **in addition** to any matters which are otherwise required to be placed before the Board as per policy/rules/guidelines of ITPO/DPE etc. All HoDs may kindly take note of the above provisions of the Companies Act, 2013 for information and necessary action accordingly in ITPO.

This issues with the approval of Competent Authority.

(S.R. Sahoo)  
Company Secretary

OSD(MS)  
GM(DS)  
GM(VM)  
GM(RKS)  
GM(SKS)  
GM(VK)  
GM(VS)  
GM(AC)  
GM(JD)

Copy for kind information to:

1. CMD

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