

22/11/19

# DEBT CAPITAL OF COMPANY.

## Debentures.

Sec 2(30) defines deb. as including

deb stock

any other bond instrument

Guidancing a debt.

It may or may not constitute

charge on assets of co.

They are considered as

moveable property.

Secured deb  
 (Sec 71) Conditions of issue of Debentures

## Rule 18 of Co's (Share Cap + Deb) Rules 2014.

Date of redemption of deb shall not exceed 10 years.

### Exception

Co engage in infra projects

Infra Finance Co.

Infra Debt Fund Non-Banking Financial Co.

Issue shall be secured by a charge on asset of co of sufficient value.

D. Trustee shall be appointed before issue of prospectus (public) or L.O. (private placement)

D. Trust Deed shall be executed not later than 60 days from allotment.

# N7 Sec. 76 Acceptance of dep. from Public

An eligible Co. may accept dep. from persons other than member's

It shall obtained credit rating from a recognized credit rating agency

Threshold Limits

↓  
• Eligible Co.  
Mem's → 10%  
Public → 25%  
L of P.S. Cap.  
+ FR + SP Alc.

• Not eligible Co.  
mem's → 35% of P.S. Cap  
+ FR + SP Alc.

• Govt. Co. Public → 35% of P.S. Cap + FR + SP Alc

NOTE: Deposits shall be accepted or renewed for a period of min 6 mths. Max 36 mths

NOTE: - Co. may accept or renew deposits for a period of less than 6 mths. for its short term purposes if following condition is fulfill:

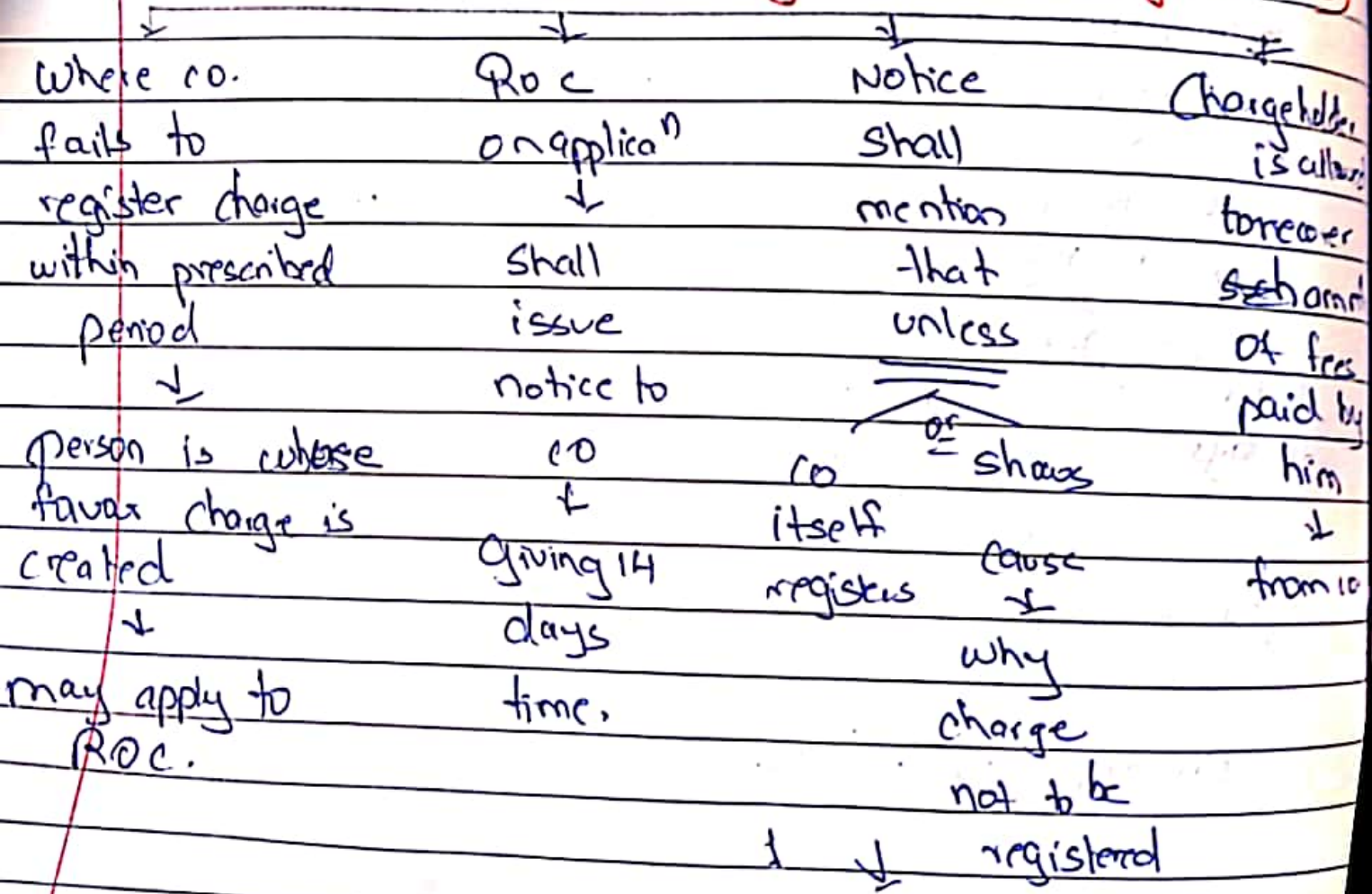
- i. Deposits shall be not exceeding 10% of P.S. Cap. and FR
- ii) Such deposits shall only be renew or repaid after <sup>min</sup> 3 months

## • PUNISHMENT.

- 1. Default in dept of dep. accepted U/S 73/76
- a) Add<sup>n</sup> to Payt of dep + int = Min ₹ 1 Cr, Max ₹ 10 Cr.
- b) officer in default • Impressionment → upto 3 yrs  
• Fine → min 25 L, Max 2 Cr } (OR)
- Both



## Registration by holder of charge. (Sec 72)



(500 moto) ROC shall allow such registration

## ⇒ INDEPENDENT DIRECTOR Sec. 149

### 1. Applicability.

- a) At least  $\frac{1}{3}^{\text{rd}}$  of BoD shall be I.D. → If Listed Co.
- b) At least 2 I.D.s → If public Co. having:
  - i) P.S. Cap. ₹ 10 cr or more or;
  - ii) Tlo ₹ 100 cr or more or;
  - iii) Borrowings of ₹ 50 cr or more

### 2. Independent director

- a) Person who in the opinion of BoD is Person of integrity and expertise.
- b) He shall not be promoter of Co. holding, subsidiary, associate.
- c) He shall not be related to promoter or dir. of Co. H, S, A.
- d) His relatives shall not have any Pecuniary relationship with Co. Prom. dir equal to 2% or more of Tlo of Co. or ₹ 50L whichever is lower.
- e) He shall not have any Pecuniary relationship with Co. prom. dir. during immediately 2 preceding FY or
- f) He or his relatives shall not:
  - i) Hold or has been held Kmp position or Empt of Co. H, S, A. for Last 3 FY.



ii) Be or has been proprietor or partner for 3 immediately preceding FY of firm of auditors or CS or CMA or any legal firm contracting with Co. for 10% or more gross T/O

g) He shall not hold together with relatives 2% or more Total V.P of Co.

h) Shall not be CEO or dir. of NPO that receives 25% or more receipts from Co. Holds 2% or more V.P of Co.

i) Any other qualifications prescribed

NOTE:- Qualification of I.O



He shall possess appropriate skills and experience and knowledge in 1 or more fields.

i) Finance ; ii) Management ; iii) Law ; iv) Sales ;  
v) Marketing ; vi) Admin ; vii) Research  
viii) Corporate governance ix) Technical operations.



He shall not be entitled to any stock option (ESOP)



He shall not hold office for more than 2 consecutive terms (one term = 5 consecutive years)



After 2 terms they shall be 3 years cooling period after which he shall be again eligible to be appointed as an IO.



In S.P.C. Co.  
Proxy to be  
apptd needs to  
be the mem.  
of that Co.  
only

Any Mem of Co. Entitled  
to attend and vote in  
the meeting may  
appt a proxy

(Proxy shall  
attend meeting  
on behalf  
of org. mem)

**PROXIES**  
S.P.C. 105

Instrument appts  
proxy shall be in  
writing and signed  
by appointer in  
form. [MGT-11]

Proxy cannot  
vote  
↓  
Except poll &  
they are not  
counted in  
Quorum

It shall be filed with  
Co. at its Ro

Min 48 hrs before  
the date of  
G.M.

If mem holding  
more than 10% of  
Total S.C/V.P.

A person can act as proxy  
↓  
on behalf of mem. (Not exceeding  
50 and Not holding more than  
10% of total S.C/V.P. in  
aggregate whichever is ↓

Appt a proxy  
the proxy shall  
act as proxy  
only for him



## REMOVAL OF DIRECTOR - Sec 169.

Special notice	Co. shall	the	vacancy	Removed
<del>is to be</del>	send	dir.	created	dir.
is to be	copy of	shall	shall	cannot
sent for	notice to	have	be	be
meeting	concerned	opportunity	filed	reappointed
in which	directors.	of being	in	by BOD.
dir. is		heard	the	
to be		+ he shall	same	
removed by		make	meeting.	
S.H. to Co.		representation.		

Notice by e-mode  
Rule 18

e-mode means any communication sent by or to through its authorized server  
Computer Program  
which is capable of providing confirmation + Keeping Record

Notice may be sent through email or as an attachment or as a notification providing link or URL for accessing this notice.

Email to be addressed to Person entitled to rec. notice.

subject of mail shall be  
↓  
name of co.    ↓    Type of meeting    ↓    time & date place of scheduled meeting

Notice as attachment shall be in a non-editable or PDF format.

System used shall provide confirmation of total no. of recipients emailed & failed & successful transmissions

Co. shall not be responsible for failure beyond its control

IF mem fails to provide email id  
↓  
co. not responsible for default.

Procedure

Notice shall be in a readable format + shall be posted on website of a simultaneously

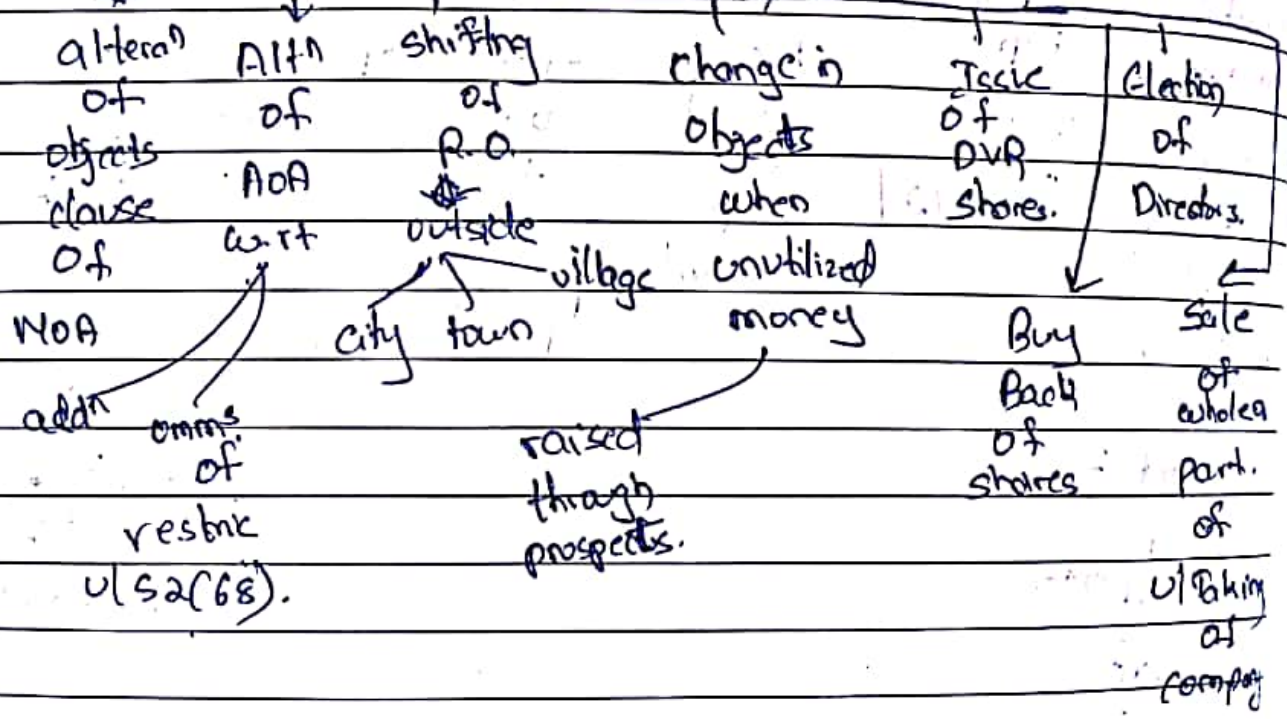


Postal

As per Sec 2(65)

Business to be transacted

Postal Ballot means voting by postal mode instead of voting personally at G.N.



# GENERAL MEETINGS.

G. M.

**AGM**

**EGM**

1st year of incorporation  
9m.

Second + subsequent years

6m + 3m ext by ROC

max gap.  
↓  
15 months between 2 AGM.

