



SECRETARIAL STANDARDS

By

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WELCOME

Coverage



- Introduction

- Structuring of Secretarial Standard

- Analysis

- Aptitude Test

SCOPE OF THE STANDARD:

- Applicable to all Meetings of Board of Directors of all Companies including Private Companies
- Applicable to meetings of Committee(s)
- Not applicable to One person companies

BOARD MEETINGS

Act

Rules

Table F (Articles of Association)

Standard

RECOGNITION THROUGH ACTS

SECRETARIAL STANDARDS

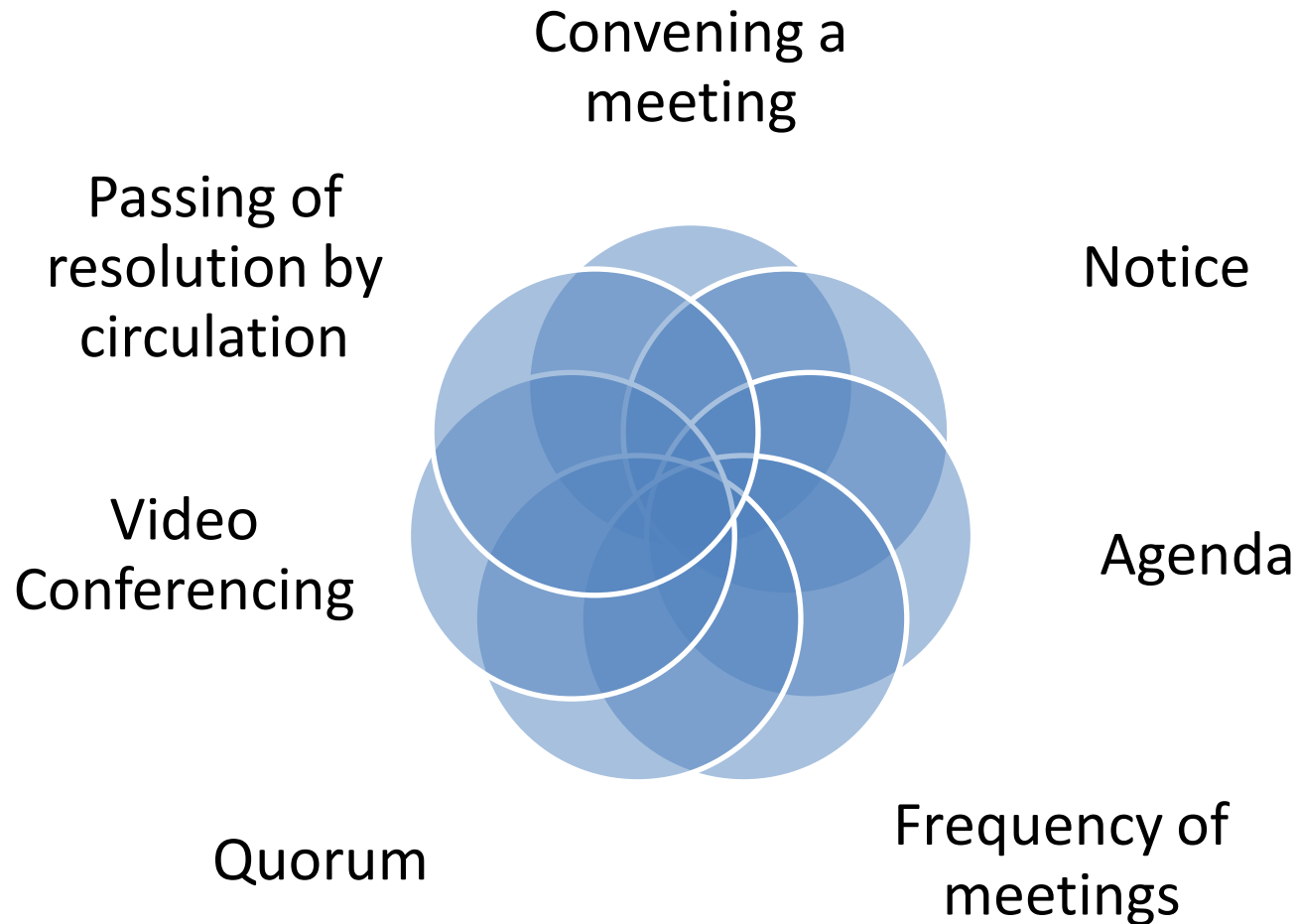
LIKE WE GOT
RECOGNITION FOR
SECRETARIAL
STANDARDS

RELEVANT PROVISIONS/ COMPANIES ACT 2013

118(10) Every company shall observe *secretarial standards* with respect to general and Board meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980, and approved as such by the Central Government.

205(1) (b) to ensure that the company complies with the applicable *secretarial standards*

OVERALL COVERAGE OF BOARD MEETINGS WITH STANDARDS



SECRETARIAL STANDARDS

1.Convening a Meeting



2.Frequency of Meeting



3.Quorum



4.Attendance at Meeting



5.Chairman



6.Passing of Resolution by Circulation



7.Minutes

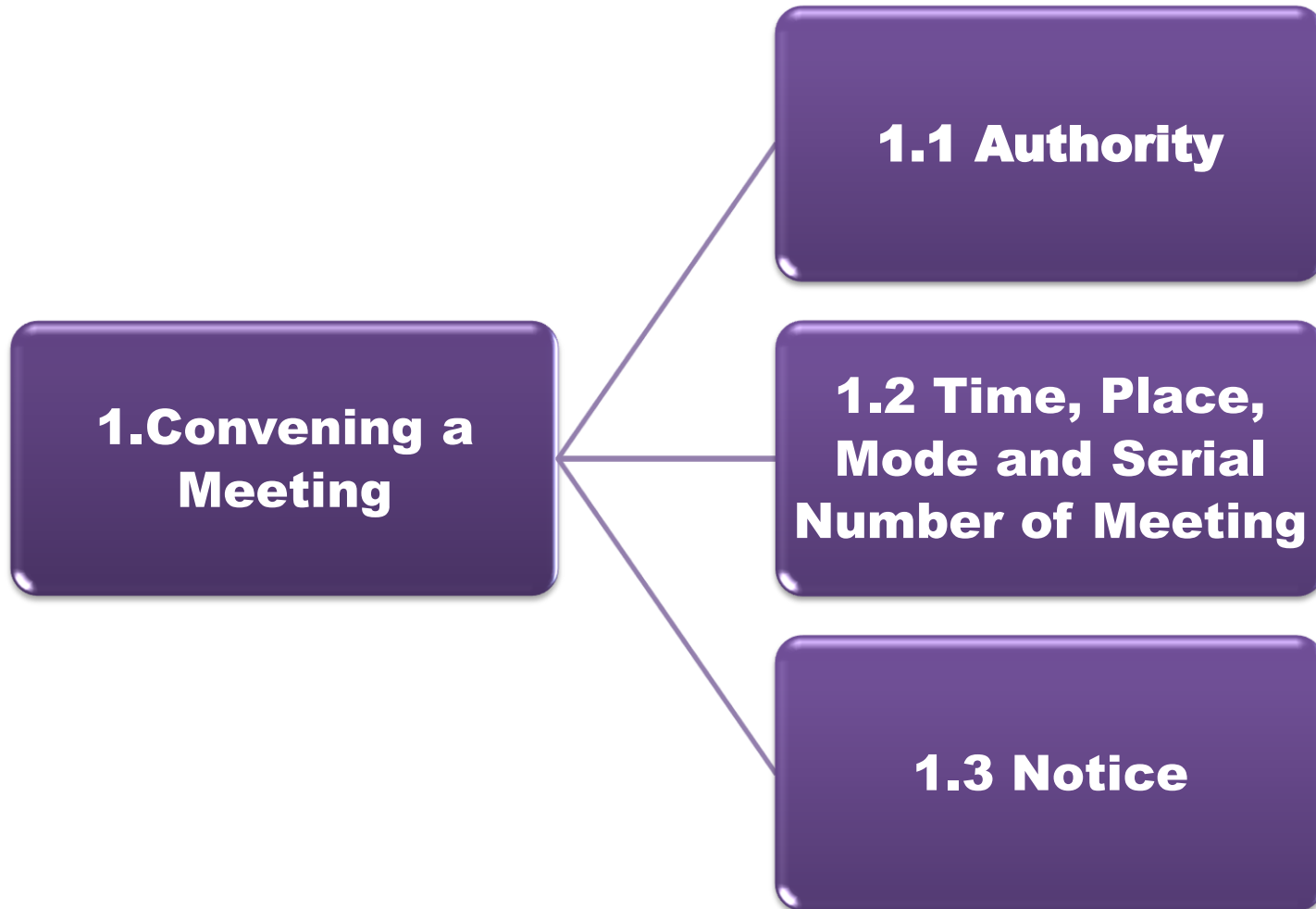


8.Preservation of Minutes and other Records

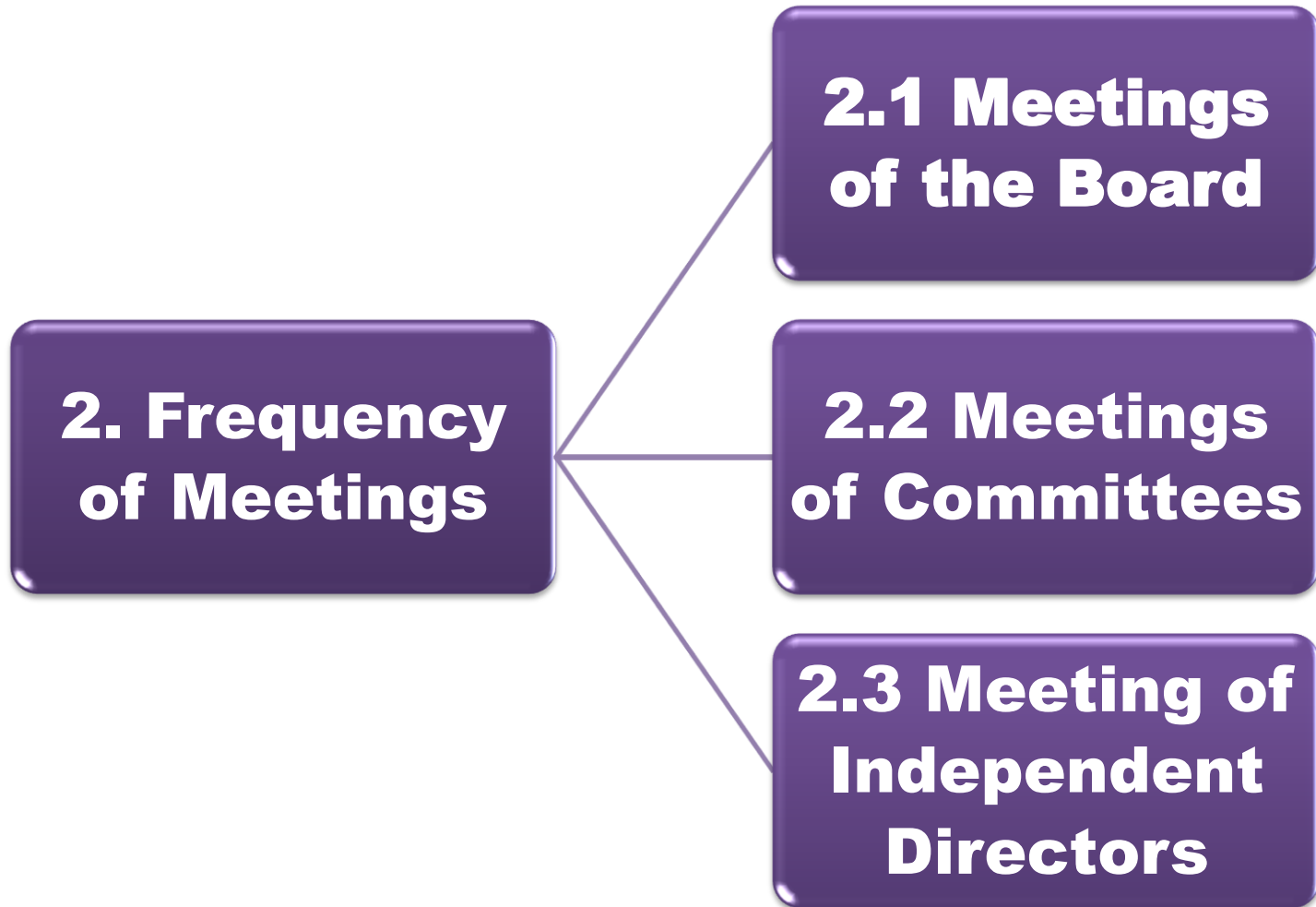


9.Disclosure

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3. QUORUM

3.1 Presence of Quorum

3.2 Interested Quorum

3.3 Directors participating through Electronic Mode

3.4 Meetings of the Board

3.5 Meetings of Committees

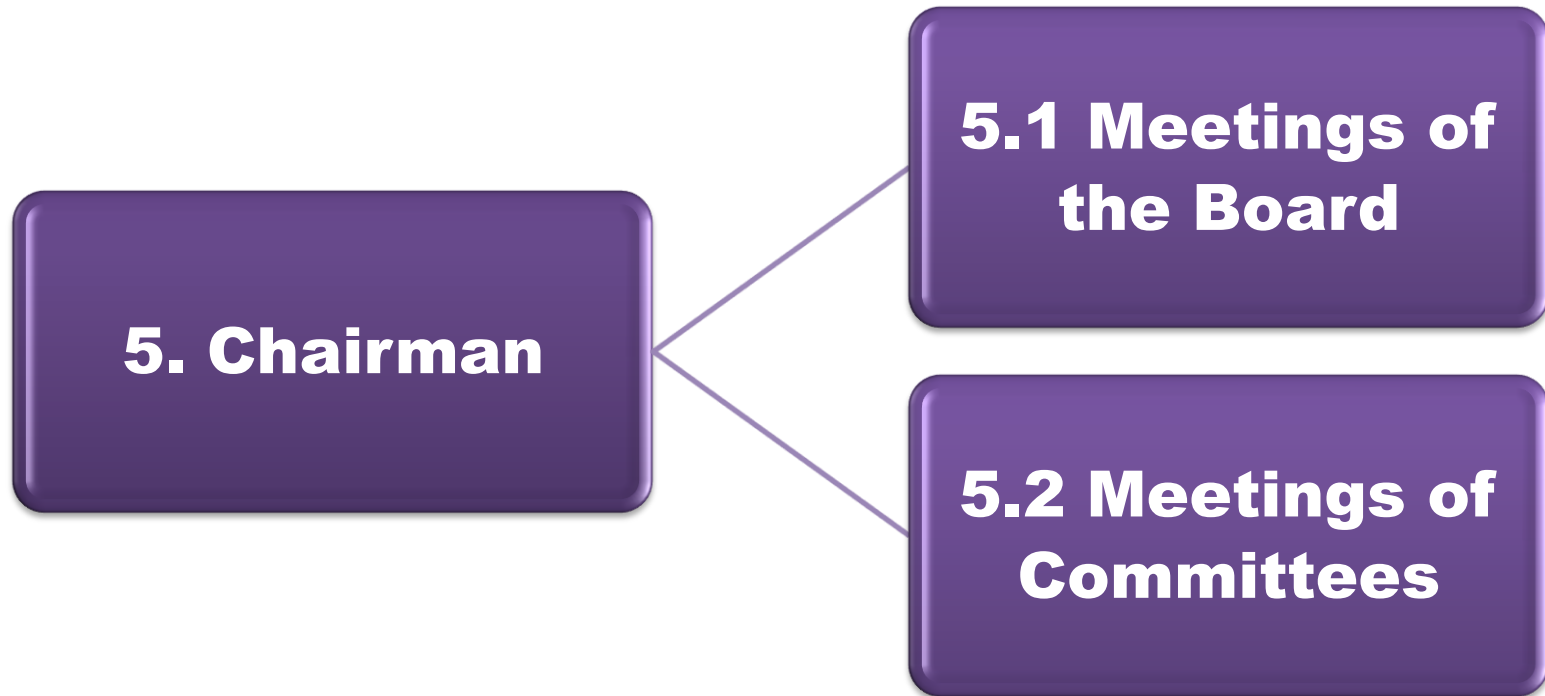
SECRETARIAL STANDARDS

4.Attendance at Meetings

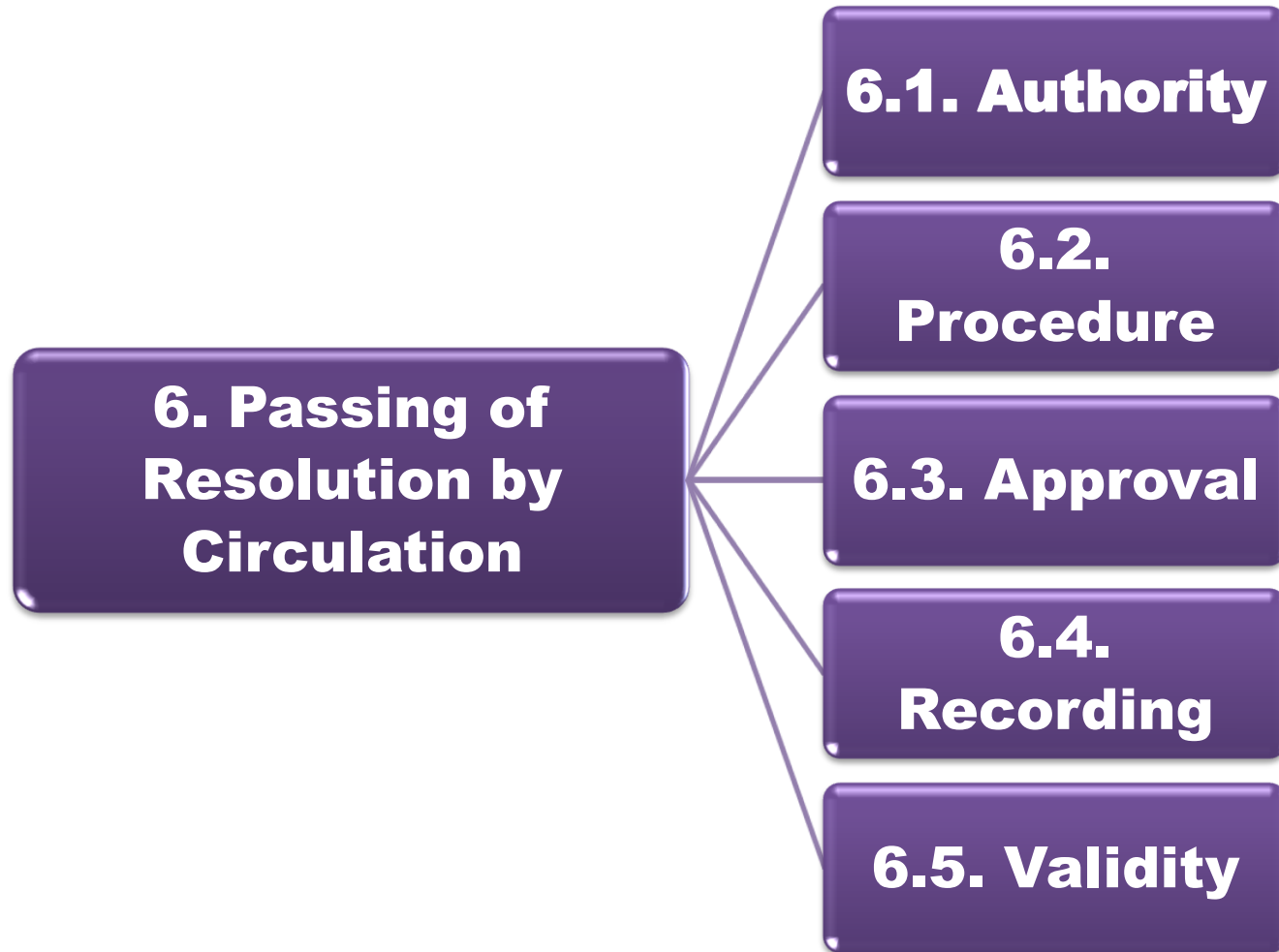
4.1 Attendance registers

4.2 Leave of absence

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7. Minutes

**7.1.
Maintenanc
e of Minutes**

**7.2.
Contents of
Minutes**

**7.3.
Recording
of Minutes**

**7.4.
Finalization
of Minutes**

**7.5. Entry in
the Minutes
Book**

**7.6. Signing
and Dating
of Minutes**

**7.7.
Inspection
and
Extracts of
Minutes**

SECRETARIAL STANDARDS

8. Preservation of Minutes and Other Records

8.1 Minutes -Physical /Electronic (Timestamp).

8.2 Office copies of Notices, Agenda (Eight financial years/ Board approval for destroying).

8.3 Custody- Company Secretary

SECRETARIAL STANDARDS

9. DISCLOSURE



Number

Dates of meeting & Committee Meeting

Attendance by each Director

APTITUDE TEST FOR SECRETARIAL STANDARDS

WHO CAN CONVENE THE BOARD MEETING??

- A. Chairman
- B. Managing Director
- C. Whole Time Director
- D. Company secretary
- E. All Of the Above

**CAN COMPANY SECRETARY CAN
CONVENE BOARD MEETING ON HIS
OWN ???**

AS PER THE COMPANIES ACT 2013

173 (4) Every officer of the company whose duty is to give notice under this section and who fails to do so shall be liable to a penalty of twenty-five thousand rupees.

CONVENING OF THE MEETING

➤ Act : -

➤ Rules : -

➤ Table F : Article 67.

(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A **director may, and the manager or secretary** on the requisition of a director shall, at any time, summon a meeting of the Board.

➤ Standard :

Convening the meeting

1.1.1 Any Director of a company may, at any time, summon a Meeting of the Board, and the **Company Secretary** or where there is no Company Secretary, any **person authorised by the Board** in this behalf, on the requisition of a **Director**, **shall convene a Meeting of the Board, in consultation with the Chairman** or in his absence, the **Managing Director** or in his absence, the **Whole-time Director**, where there is any, *unless otherwise provided in the Articles.*

WHAT ARE THE NATIONAL
HOLIDAYS AS PER THE COMPANIES
ACT ??

A. Diwali

B. Karva Chauth

C. Independence Day

D. May Day

CAN BOARD MEETING CAN BE
CONDUCTED ON NATIONAL
HOLIDAY ???

NATIONAL HOLIDAYS

➤ Act : -

96 Explanation.—For the purposes of this sub-section, “National Holiday” means and includes a day declared as National Holiday by the Central Government.

➤ Rules : -

➤ Table F:

➤ Standard :

**1.2.2 A Meeting may be convened at any time and place ,
on any day, excluding a National Holiday.**

A Meeting adjourned for want of Quorum shall also **not**
be held on a **National Holiday.**

“National Holiday” includes Republic Day i.e. 26th January,
Independence Day i.e. 15th August, Gandhi Jayanti i.e. 2nd
October and such other day as may be declared as
National Holiday by the **Central Government.**

WHAT IS THE NOTICE PERIOD FOR BOARD MEETING ???

- A. 7 Days
- B. 7Clear days
- C. 7 working days
- D. All

NOTICE

➤ Act :

➤ Sec 173 (3) A meeting of the Board shall be called by giving **not less than seven days notice in writing** to every director at his address registered with the company and such notice shall be sent by **hand delivery or by post or by electronic means.**

➤ Rules : -

➤ Table F (Article of Association) : -

1.3.6. Standard :

Notice in writing of every Meeting shall be **given to every Director by hand or by post or by courier or by facsimile or by e-mail or by any other electronic means.**

Notice convening a Meeting shall be **given at least seven days** before the date of the Meeting unless the Articles prescribe a longer period.

The Notice shall specify **the serial number day, date, time and full address** of the venue of the Meeting.

In case the company sends the Notice by speed post or by registered post or by courier, an **additional two-days** shall be added for the service of Notice.

The Notice of a **Meeting shall be given even when Meetings are held on pre-determined dates or at pre-determined intervals.**

IS IT SHORTER NOTICE
ALLOWED FOR COMPANIES WHERE
INDEPENDENT DIRECTOR IS NOT
THERE ???

SHORTER NOTICE

➤ **Act :** A meeting of the Board may be called at **shorter notice** to transact **urgent business** subject to the condition that **at least one independent director**, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only **on ratification thereof by at least one independent director**, if any.

➤ **Rules :** Silent

➤ **Table F (Article of Association) :** Silent

➤ Standard : Any Other Item

1.3.10 In case of absence of Independent Directors, if any, at such Meeting, the Minutes shall be final only after at least one Independent Director, if any, ratifies the decision taken in respect of such item.

In case the company **does not have an Independent Director**, the Minutes shall be final only on ratification of the decision taken in respect of such item by a **majority of the Directors** of the company, unless such item was approved at the Meeting itself by a majority of Directors of the company.

Standard :

1.3.11 To **transact urgent business**, the Notice, Agenda and Notes on Agenda may be given at shorter period of time than stated above.

If no Independent Director is present, decisions taken at such a Meeting shall be circulated to all the Directors and shall be final **only on ratification thereof by at least one Independent Director**, if any.

In case the company does **not have an Independent Director**, the **decisions shall be final only on ratification thereof by a majority of the Directors of the company.**

WHICH ADDRESS OF DIRECTOR NOTICE OF BOARD MEETING NOTICE SHALL SERVE ?

1.3.1 The Notice shall be sent to the postal address or e-mail address, registered by the Director with the company or in the absence of such details or any change thereto, any of such addresses appearing in the Director Identification Number (DIN) registration of the Director.

**WHAT IS THE PROVISION OF THE
COMPANIES ACT WHICH
SPECIFIES THE AGENDA ???**

HOW MANY DAYS BEFORE THE BOARD MEETING, AGENDA SHALL BE CIRCULATED??

- A. 7 Days
- B. 7 Clear days
- C. 7 working days
- D. All

AGENDA

Act : -

Rules : -

Table F (Article of Association) : -

➤ Standard :

- 1.3.7 The Agenda, setting out the business to be transacted at the Meeting, and Notes on Agenda shall be given to the directors **at least seven days before the date of the Meeting.**
- In the case company sends the Agenda and Notes on Agenda by speed post or by registered post or by courier, an additional 2 days shall be added for the service of Agenda and Notes on Agenda.
- Agenda and Notes on Agenda shall be sent to all **Directors by hand or by post or by courier or by e-mail at their address registered with the company or by any other Electronic Mode**
- Notice, Agenda and Notes on Agenda shall be given to the **Original Director also even if these have been sent to the Alternate Director.**

**IS QUARTERLY BOARD MEETING IS
COMPULSORY AS PER THE NEW
ACT ??**

**IF A COMPANY INCORPORATED IN
THE MONTH OF OCTOBER. HOW
MANY MEETING DOES IT NEED TO
CONDUCT FOR THAT YEAR ??**

- A. 4 Meetings**
- B. 3 Meetings**
- C. 2 Meetings**
- D. 1 Meetings**
- E. 5 Meetings**

FREQUENCY OF THE MEETING

➤ Act :

Sec 173

Every company shall hold the **first meeting of the Board of Directors within thirty days of the date of its incorporation** and thereafter hold a **minimum number of four meetings** of its Board of Directors every year in such a manner that **not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board**

➤ Rules : -

➤ Table F (Article of Association) : -

STANDARD :

2.1 The Board shall meet at least once in **every calendar quarter**, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, such that at least four Meetings are held in each Calendar Year.

Committees shall meet as often as necessary subject to the minimum number and frequency stipulated by the Board or as prescribed by any law or authority.

The Board shall hold its first Meeting within thirty days of the date of incorporation of the company. It **shall be sufficient** if **one Meeting** is held in each of the remaining calendar quarters, subject to a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, after the first Meeting.

WHETHER THE CHAIRMAN HAS TO
ENSURE THE QUORUM EITHER AT
COMMENCEMENT OF THE MEETING
OR ENDING OR BOTH ???

QUORUM

➤ Act :

Sec 174

- **one third** of its total strength or **two directors**, whichever is **higher**, and the **participation of the directors by video conferencing** or by other audio visual means
- **Meeting of the Board could not be held for want of quorum, the meeting shall automatically stand adjourned** to the same day at the **same time and place in the next week** . If that day is a national holiday, till the next succeeding day, which is **not a national holiday**, at the same time and place.
- **If Interested directors** exceeds or is **equal to two thirds** , **not interested directors** shall form the quorum.

➤ Rules : –

➤ Table F (Article of Association) : –

➤ Standard :

- 3.1 Quorum shall be present **throughout the Meeting**. Quorum shall thus be present not only at the time of commencement of the Meeting but also while transacting business.
 - 3.2 **A Director shall not be reckoned for Quorum in respect of an item in which he is interested and he shall not be present**, whether physically or through electronic mode, during discussions on such item.
 - 3.3 Directors participating in a Meeting through **Electronic Mode** shall be **counted for the purpose of Quorum, unless they are to be excluded for any items of business under the provisions of the Act or any other law.**
 - 3.4 The Quorum for a Meeting of the Board shall **be one-third of the total strength of the Board, or two Directors, whichever is higher.**
- 3.4.2 Where the number of **Directors is reduced below the minimum** fixed by the Articles, no business shall be transacted unless the number is first made up by the remaining Director(s) or through a general meeting.

Rules: –

Table F : Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

Standard :

Quorum shall be present throughout the Meeting. Unless the Articles otherwise provide

In case of a **public company**,—

- (i) **five Members personally present** if the number of Members as on the date of Meeting is **not more than one thousand**;
- (ii) **fifteen Members** personally present if the number of **Members as on the date of Meeting is more than one thousand but up to five thousand**;
- (iii) **thirty Members personally present** if the number of Members as on the date of the Meeting exceeds five thousand;

In the case of a **private company**, **two Members personally present**.

CAN A CIRCULAR RESOLUTION BE SET ASIDE EVEN IF MAJORITY OF THE DIRECTORS APPROVE???

Sec 175 : Where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

WHAT IS THE REQUISITE MAJORITY FOR PASSING OF CIRCULAR RESOLUTION ??

6.3.2 The Resolution, if passed, shall be deemed to have been passed on the last date specified for signifying assent or dissent by the Directors or the date on which assent from more than two-third of the Directors has been received, whichever is earlier, and shall be effective from that date, if no other effective date is specified in such Resolution.

RESOLUTION BY CIRCULATION

➤ Act : Section 175

- Resolution has been circulated in draft.
- To all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India
- Hand delivery or by post or by courier, or through such electronic means
- **Approved by a majority of the directors or members**
- Not less than **one-third of the total number of directors** of the company require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.
- Shall be **noted at a subsequent meeting of the Board** or the committee

Case study!!

- **A resolution is being circulated for the approval of Director's .**
- **There are 9 director's in a Company**
- **In which of the following situations , resolution is deemed to have been passed???**

Case 1.

- 6 Director's approve
- 3 Director's do not respond

Case 2

- 6 Director's approve
- 3 Director's disapprove

Case 3

- 7 Director's approve
- 2 Director's disapprove

Case 4

- 6 Director's approve
- 3 Director's require meeting

➤ Standard :

6.2.3 Not more than **Seven Days** from the date of circulation of the draft of the Resolution shall be given to the Directors to respond and the **last date** shall be computed accordingly.

6.3.2 The Resolution, if passed, shall be **deemed to** have been passed on the last date specified for signifying assent or dissent by the Directors or the date on which assent from **more than two-third** of the Directors has been received, whichever is earlier, and shall be effective from that date, if no other effective date is specified in such Resolution.

IS CHAIRMAN ENTITLED FOR
CASTING VOTE IF ARTICLES
ARE NOT SPECIFIED CLEARLY ?????

5.1.2 Unless otherwise provided in the Articles, in case of an
equality of votes, the Chairman shall have a second or casting
vote

CASTING VOTE

➤ Act : –

➤ Rules : –

Table F (Article of Association) :

68. (i) *Save as otherwise expressly provided in the Act, questions arising at any*

meeting of the Board shall be decided by a majority of votes.

(ii) *In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. -*

➤ Standard :

5.1.2 Unless otherwise provided in the Articles, in case of an equality of votes, the Chairman **shall have** a second or casting vote

HOW MANY YEARS MINUTES HAS
TO BE PRESERVED WHEN THE
COMPANY IS AMALGAMATED ??

HOW MANY YEARS AGENDA
PAPERS HAS TO BE PRESERVED ??

8. Preservation of Minutes and other Records

8.1 Minutes of all Meetings shall be **preserved permanently in physical or in electronic form with Timestamp.**

Where, under a scheme of arrangement, a company has been merged or amalgamated with another company , Minutes of all Meetings of the transferor company , as handed over to the transferee company, shall be preserved **permanently** by the transferee company, notwithstanding that the transferor company might have been dissolved.

8.2 Office copies of Notices, Agenda, Notes on Agenda and other related papers

shall be preserved in good order in physical or in electronic form for as long as

they remain current or for **eight financial years, whichever is later and may be destroyed thereafter with the approval of the Board.**

MINUTES

Maintenance of Minutes

Contents of Minutes

Recording of Minutes

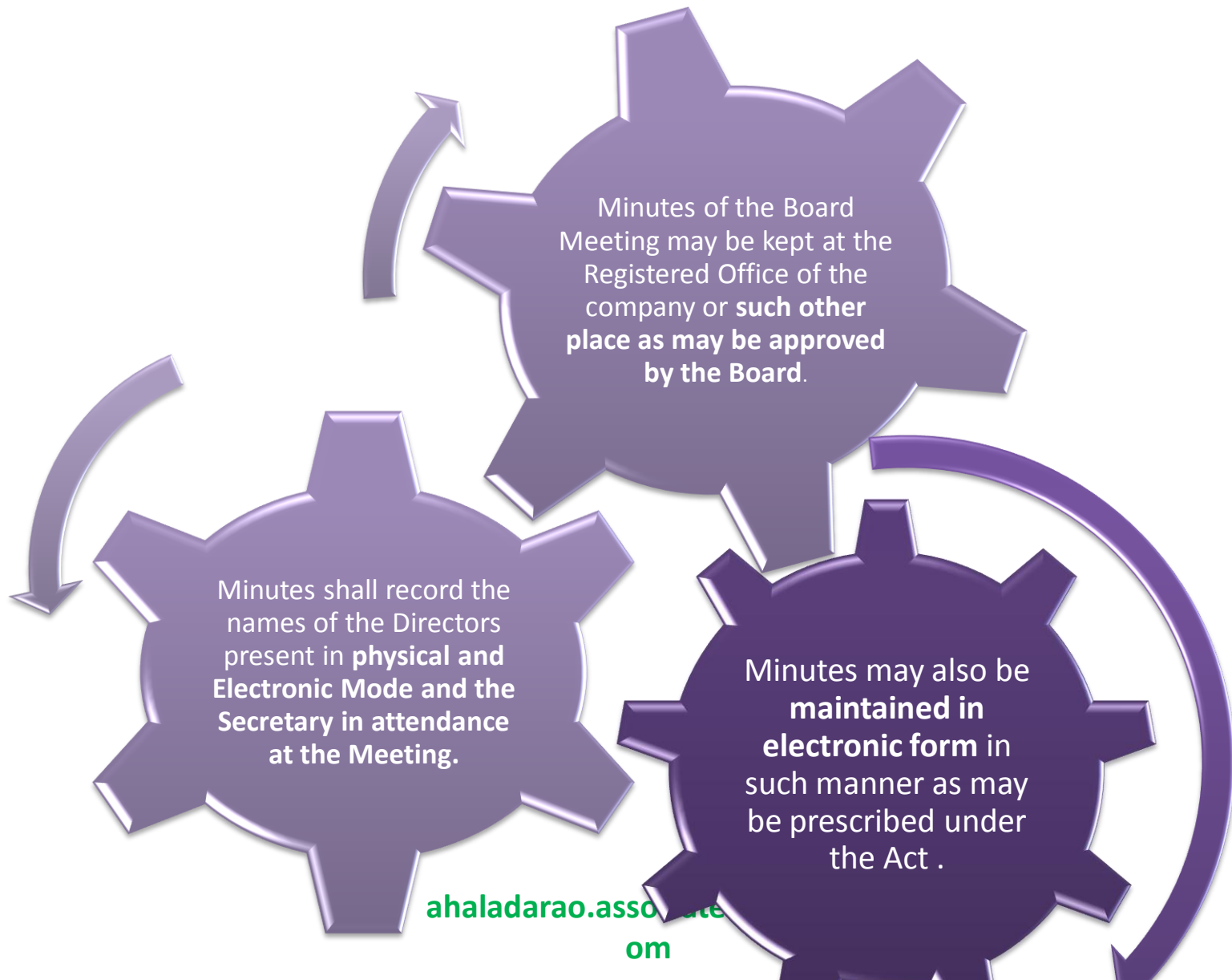
Entry in Minutes Book

Signing and Dating of minutes

Inspection and Extracts of Minutes

Preservation of Minutes

➤ Standard :



RECORD OF MINUTES

17.3.1 Minutes shall contain a fair and correct summary of the proceedings of the Meeting.

The Company Secretary shall record the proceedings of the Meetings. Where there is no Company Secretary, any other person authorised by the Board or by the Chairman in this behalf shall record the proceedings. The Chairman shall ensure that the proceedings of the Meeting are correctly recorded.

17.3.2 Minutes shall be written in clear, concise and plain language.

Minutes shall be written in third person and past tense. Resolutions shall however be written in present tense. Minutes need not be an exact transcript of the proceedings at the Meeting.

17.3.3 Each item of business taken up at the Meeting shall be numbered.

Numbering shall be in a manner which would enable ease of reference or cross-reference.

FINALLY WHY WE
SHOULD MAINTAIN
STANDARDS ?

So maintain a Standard while
accepting the heads.....

Thank you for
listening to me

gu