



PRESENTATION ON
SECRETARIAL STANDARD-2

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Background-Section 205 of Companies Act, 2013

- Functions of Company Secretary

(a) To report the Board

(i) Compliance of Co. Act. 2013 and Rules.

(ii) Compliance of other law applicable.

(b) Ensure Compliance of Applicable Secretarial Standards.

(c) Discharge such other duties as may be prescribed.

What is Secretarial Standard.

(i) Issued by ICSI

(ii) Approved by Central Govt

- Thus Secretarial Standard are mandatory to all Companies except One Person Company.
- ICSI constituted Secretarial Standard Board.
- ICSI has issued total 10 Secretarial Standards.
- MCA has notified SS-1 & SS-2 on 10.04.2015 and published in Gazette.
- Effective from 01st July, 2015.
- Scope of SS is to supplement such laws, rules and regulations.
- SS are in Bold with background material.

Secretarial Standard-2

(Secretarial Standard on General Meetings)

Authority [SSG-1.1]

- By Board.
- If failed to convene, member may approach Authority.

Notice [SSG-1.2]

- Notice to be signed by Managing Director.
- Notice to be given to members, directors, auditor, secretarial auditor, debenture trustee etc.
- To be sent by hand or by ordinary post or by speed post or by registered post or by courier or by facsimile or by e-mail or by any other electronic means. **(SSG 1.2.2)**
- In case of joint holder: To the person having first name.
- If Company have a website, notice shall be hosted on website till conclusion of the meeting. **(SSG 1.2.3)**
- To specify: Time, day, date and place. **(SSG1.2.4).**
- Notice to specify that every member is entitled to appoint proxy.

- Notice to contain nature of meeting and business to be transacted.
- In case of Special Business: draft resolution with explanatory statement. **(SSG 1.2.5)**
- Notice shall be given at least 21 clear days in advance. **(SSG1.2.6)**
- Special Notice to be published in a news paper atleast 7 days before meeting.
- Can be convened at shorter notice if consent of ninety-five percent members given in writing. **(SSG1.2.7)**
- No business can be transacted if proper notice is not given. **(SSG1.2.8)**
- No business should be taken up if not mentioned in notice. **(SSG1.2.9)**
- Notice to contain attendance slip, proxy form with instructions.
- A meeting convened upon due notice should not be postponed or cancelled. **(SSG1.2.10 & 1.2.11)**
- If meeting can not be held on date originally fixed, it can be reconvened after giving **three days** intimation to the members.
- Intimation to be sent individually or in newspaper.

SS-2 (General Meeting)

Frequency of Meetings [SSG-2]

- **SSG2.1** - Every company should hold an AGM in each calender year.
- First AGM - within 9 months from closing of first F.Y.,
Second or subsequent AGM - in each calendar year
one AGM within 6 months of close of F.Y.
- **SSG 2.2** - Items of business of an urgent nature which need to be transacted before AGM should be considered at EGM.

SS-2 (General Meeting)

Quorum [SSG-3]

- **SSG3.1** - To be present throughout the meeting.
- Quorum for Public Company: 5 (No. of members not more than 1000), 15 (No. of members more than 1000 but up to 5000), 30 (No. of members exceeds 5000)
- For Private Company: 2 Members
- Members personally present to be counted.
- **SSG3.2** - A duly authorized representative of body corporate or representative of the President of India or the Governor of State-considered to be member personally present.
- The stipulation of quorum does not apply in postal ballot transaction.

SS-2 (General Meeting)

Presence of Directors, Auditors & Secretarial Auditor [SSG-4]

SSG 4.1 - DIRECTOR

- Any Director if unable to attend the meeting, the Chairman shall explain such absence.
- The Chairman of the Audit Committee or other committees should attend the AGM.
- Directors who attend the meeting and Company Secretary shall be seated with the Chairman. Company Secretary shall assist the Chairman in conducting the meeting.

SSG 4.2 & 4.3 - Auditor & Secretarial Auditor

- The Auditors and Secretarial Auditor shall attend the General Meeting.
- If there are any reservations, qualifications or adverse remarks in the Auditor's Report, auditor has to present in AGM.

SS-2 (General Meeting)

Chairman [SSG-5]

- **SSG5.1** - The Chairman of the Board should take the chair and conduct the Meeting.
- If the Chairman is not present within 15 minutes, Directors present should elect one of themselves to be the Chairman.
- Chairman's duty to see meeting is convened and constituted in accordance with laws and in impartial manner.
- Only items of agenda to be transacted.
- **SSG5.2** - The Chairman should explain the objective and implications of each Resolution.
- **SSG5.3** - If Chairman is interested in any item, he should not act as Chairman for that item and such proceeding shall be conducted by Non-interested Director or a Member.

SS-2 (General Meeting)

Proxies [SSG-6]

- **SSG6.1** - *Every Member entitled to attend and vote is entitled to appoint a proxy for the same.* Proxy need not be a member.
- Proxy shall be Member in case of Companies with Charitable Objects.
- Proxy can act on behalf of Members *not exceeding fifty* and holding in the aggregate not more than ten percent of total share capital of the company carrying Voting Rights.
- Member holding more than ten percent of the total share capital of the company carrying Voting Rights may appoint a single person as proxy for his entire shareholding.
- *If a proxy is appointed for more than fifty members, he shall choose any fifty members.*
- **SSG6.2 & 6.3** - An instrument of Proxy duly filled, *stamped and signed*, is valid only for the Meeting to which it relates including any adjournment.
- **SSG6.4** - A proxy holder shall prove his identity at the time of meeting.

- **SSG6.5** - Blank, Incomplete & undated proxies not to be considered valid.
- If a company receives multiple Proxies for the same shareholding of member, the proxy which is dated last shall be considered valid.
- **SSG6.6** - Proxies should be deposited with company before 48 hours of meeting.
- A member who has not appointed proxy may appoint proxy for the adjourned meeting of the same before 48 hours of such meeting.
- **SSG6.7** - A Proxy later in date revokes any Proxy/Proxies dated prior to such Proxy.
- A Proxy is valid until written notice of revocation has been received by the company for relevant meeting.
- **SSG6.8** - Inspection of Proxies are permitted to member by giving application atleast 3 days before commencement of meeting.
- Proxies should be made available for inspection during the period beginning twenty-four hours before Meeting.
- All Proxies should be recorded Chronologically in a register, if rejected then register it with reason.

SS-2 (General Meeting)

Voting [SSG-7]

- **SSG7.1** - Every resolution to be proposed by one member and seconded by another member.
- **SSG7.2** - *Every Company Listed on Recognized Stock Exchanges & having members not less than 1000 shall provide **E-Voting**.*
- Company which has provide e-voting, shall also put every Resolution to vote through ballot process.
- **SSG7.3** - Every Resolution should, in the first instance, be put to vote on a show of hands. Proxy cannot vote by show of hands.
- **SSG7.4** - A member or proxy having differential voting rights has the right to demand or join the demand for poll.
- **SSG7.5** - A member who is related party is not entitled to vote on Resolution relating to approval of Contract
- If the Articles so provide, the Chairman shall have a casting vote in the event of equality of votes.

SS-2 (General Meeting)

Conduct of E-Voting (SSG-8)

- **SSG 8.1, 8.2 & 8.3**– Every company shall provide e-voting facility to all the members and it shall remain open for not less than three days.
- **SSG8.4** - The Board has to appoint CS, CA, Cost Accountant (all in Practice) or advocate or other person of repute as a Scrutinizer for e -voting or postal ballot process.
- The Board may decide the cut off date for reckoning the members who are entitled to vote.
- **SSG8.5** - Notice of the meeting where facility of e-voting is provided shall be sent to each member, published in newspaper and also to be placed on the website of the company.
- Notice shall inform the Members about procedure of Remote e-voting.

- **SSG8.6** – The scrutinizer shall submit his report within 3 days to the Chairman or any other authorised Director to countersign the Scrutinizers Report and declare the Result.
- The Results to be displayed for atleast 3 days on the Notice board of the company at its Registered office, Head office, Corporate office and shall also be placed on the Website.
- The resolution if passed by requisite majority, shall be deemed to have been passed on the date of general meeting.
- **SSG8.7** - The Scrutinizer's Report, registers and other related papers to be kept in the custody of Company Secretary.

SS-2 (General Meeting)

Conduct of poll [SSG-9]

- **SSG9.1** - If poll is demanded on any Resolution, the Chairman should order the poll after get the validity of the demand verified.
- Poll should be taken forthwith if the question is related to appointment of Chairman or adjournment of the meeting, and in any other case within 48 hours of demand for poll.
- **SSG9.2** - In case poll is not taken forthwith, Chairman should announce the date, venue and time of poll.
- **SSG9.3** - Each Resolution on which a poll is demanded should be put to vote separately.
- **SSG9.4** - The Chairman should appoint such scrutinizers as he deems necessary to ensure that the scrutiny of the votes is done fairly, accurately and properly.
- **SSG9.5** - The Chairman should declare the result within 2 days of submission of report by Scrutinizer (within 7 days).
- The result should be displayed at notice board of the company at its Registered Office, placed on website and news paper.

SS-2 (General Meeting)

Resolutions [SSG-10,11,12]

- **SSG10** - Resolutions which affects the market price of securities and any resolution proposed for consideration through e-voting shall not be withdrawn.
- **SSG11** - A Resolution passed at a Meeting should not be rescinded other than by a Resolution passed at a subsequent Meeting.
- **SSG12** - Modifications to any Resolution which do not change the purpose of the Resolution materially may be adopted by the requisite majority at the Meeting and, thereafter amended Resolution duly proposed, seconded and put to vote.

Reading of Report/Certificate [SSG-13]

- Auditor's Report and Statement pursuant to CARO (Company Auditor Report Order, 2016) should be read at AGM.
- The Secretarial Auditors Report should be read at AGM.
- Attention of members should be brought to any qualifications or comments given by auditors in their respective reports and also about the explanations given by Board of Directors in Board's report.

SS-2 (General Meeting)

Distribution of Gifts [SSG-14]

- No gifts, gift coupons, or cash in lieu of gifts should be distributed to members in meeting.

Adjournment of Meetings [SSG-15]

- **SSG15.1** - Meeting should not be adjourned arbitrarily by the Chairman, except with the decision of members or consent of the members taken.
- Adjourned for want of requisite Quorum.
- Chairman can adjourn meeting if disorder or other causes comes and impossible to conduct and complete business.
- **SSG15.2** - If a Meeting is adjourned sine-die or for a period of thirty days or more, a Notice of the adjourned Meeting should be given.
- **SSG15.3** - If a Meeting is adjourned for less than thirty days, the company shall give not less than 3 days Notice thereof specifying the day, date, time and venue of the Meeting & should be published immediately in a newspaper.

- **SSG15.4** - If meeting is adjourned for want of quorum, the meeting shall held at the next week at same time and place or on such other day as determined by BOARD.
- At adjourned meeting also quorum not present then members present, being not less than two, will constitute the quorum.
- **SSG15.5** - A meeting called on requisition - If quorum is not present within half an hour , the Meeting shall stand dissolved.
- **SSG15.6** - At an adjourned Meeting, only the unfinished business of the original meeting should be considered.

Passing of Resolution by Postal Ballot [SSG-16]

- **SSG16.1** - Every Company, except the company having less than or equal to two hundred members, shall transact items of business as prescribed through postal ballot instead of GM, not ordinary business.
- **SSG16.2** - Every Company Listed on Recognized Stock Exchanges & companies having not less than 1000 members shall provide E-Voting.

SSG16.3 – Board Approval

The Board shall:

- identify the business to be transacted through postal ballot
- Approve the notice of postal ballot
- Authorizes CS and if no CS then any other Director to conduct process
- appoint one scrutinizer
- Appoint Agency for e-voting
- decide the record date
- decide on calendar of Events
- Authorize the Chairman or if no Chairman to any other Director to receive scrutinizers Report, Register etc.

- **SSG16.4** - Notice of postal ballot to be given to every member of the company.
- If Company has a website, then put notice on website
- Specify day, date, time and venue where results will be announced
- Notice shall specify the availability of E-voting
- Each item to be in the form of Resolution accompanied by an explanatory statement
- **SSG16.5** - The postal ballot forms shall be accompanied by a postage prepaid reply envelope addressed to scrutinizer.
- Postal ballot form shall contain instructions.
- Based on the scrutinizer's report, Chairman to declare result
- Result to be displayed for at least 3 days on Notice Board.
- The Resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the company for receipt of duly completed postal ballot forms for E-voting.
- Scrutiniser's register, report & other papers kept in custody of CS.

SS-2 (General Meeting)

Minutes [SSG-17]

SSG17.1 – Maintenance of Minutes

- Minutes shall be recorded in books maintained for that purpose.
- A distinct Minutes Book shall be maintained for Meeting of the Members of the Company, Creditors and others as may be required under the Act in *physical or electronic form*.
- In electronic form (with timestamp) or as may be decided by Board , uniform practice to be followed.
- Pages of minute book to be consecutively numbered, minutes shall not be pasted or tampered in any manner.
- If maintained in loose-leaf form, shall be bound periodically at least once in every 3 years.
- Minutes kept at the Registered Office of the Company.

SSG17.2 – Contents of Minutes

- In beginning - name of company, day, date, venue and time of the meeting. In case of AGM also serial number of meeting.
- Record the name of Directors and CS present at the meeting.
- Resolutions passed by e-voting or postal ballot, result of the voting to be recorded in Minutes book and signed by Chairman within 30 days and inability of Chairman, any Director duly authorised by Board.

SSG17.3 & 17.4 – Recording of Minutes

- Fair and correct summary
- Clear, Concise, and plain language
- Each items to be serially numbered
- Entry in Minutes book within 30 days of conclusion of the meeting.
- The date of entry shall be recorded by CS
- Minutes should not be altered.
- However, minor errors may be corrected and initialed by the Chairman.

SSG17.5 – Signing & dating of Minutes

- Signed by Chairman within 30 days
- Chairman to initial each page and sign last page with date. In electronic form sign digitally.

SSG17.6 – Inspection & Extracts of Minutes

- Directors and members are entitled to inspect the Minutes
- Auditors can also inspect the minutes.
- Extract of the minutes can be given only after it is duly signed.
- When a member requests in writing for a copy of minutes, which he is entitled to inspect, the company shall furnish the same within 7 working days of receipt of his request, subject to payment of such fees as may be prescribed.

SS-2 (General Meeting)

Preservation of Minutes & other records [SSG-18]

- Minutes of all meetings to be preserved permanently.
- Office copies of Notices, scrutiniser's report and related papers shall be preserved as long as they remain current or for 8 F.Y.
- Kept under Custody of CS
- No CS, in the custody of any Director authorised by Board.

Report on Annual General Meeting [SSG-19]

- Every Listed company shall prepare a report on the Annual General Meeting in the prescribed form.

Disclosure [SSG-20]

- The Annual Return of a Company shall disclose the date of Annual General Meeting held during the Financial year



Thank You