

**REVISED EXPOSURE DRAFTS OF SECRETARIAL STANDARDS WITH RESPECT TO GENERAL AND BOARD MEETINGS FOR PUBLIC COMMENTS**

***(Last Date for comments: June 30, 2014)***

The Secretarial Standards Board (SSB) of the Institute of Company Secretaries of India (ICSI) had revised its Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) as per the new Act and Rules thereunder and hosted the Exposure Drafts thereon for public comments on its website.

Many stakeholders expressed their inability to comment on the Standards owing to the busy season in the financial year & implementation of new law and requested SSB / ICSI to extend the time-frame for comments.

In the light of this and based on the public comments and suggestions already received from various quarters on the earlier Exposure Drafts, SSB has now once again brought out Revised Exposure Drafts of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

Based on further public comments received, these two Standards would be finalised and sent to the Central Government for their consideration and subsequent notification u/s 118(10) of the Companies Act, 2013.

Once it is approved by the Central Government, these Standards would become the law of the country and corporates & professionals would be responsible for compliance and implementation of these Standards.

While every effort has been made by SSB to address multiple grey areas in the law and incorporate best practices being followed by the corporates in the country; simultaneously facilitating the professionals and benefitting the industry, your comments, views and suggestions on the same is vital in order to bring out effective and acceptable Standards.

In the light of the above, your specific comments or suggestions are solicited on the Revised Exposure Drafts on:

- Secretarial Standard on Meetings of the Board of Directors (SS-1) and
- Secretarial Standard on General Meetings (SS-2)

Comments should be sent electronically (Instructions for giving comments electronically are placed below by way of a Note) under the following heads:

**1. Drafting Errors or Improvements**

Under this, we are concerned with deviations from the standard use of English as understood by a company. If you feel that the communication at any place is not effective or the standard is not clear and concise and can be improved kindly suggest the manner in which it should be expressed.

**2. Areas not covered in law suggested to be covered in the Standard**

Under this, we are concerned with situations where neither the Act nor the rules make provision to cover a given situation or the rules have not provided to make an exception where it is otherwise warranted.

**3. Contradictions with the Act or Rules**

Under this, you may point out any aspect of the standard which is not consistent with or contradicts any of the provisions of the Companies Act or Rules or Forms thereunder.

**4. Contradictions with any other law**

Under this, you may point out any aspect of the standard which is not consistent with or contradicts any of the provisions of any other Act or Regulations or Rules.

**5. Multiple or diverse Interpretations of any part of the standard**

The attempt of the standard is to have only one interpretation i.e. the endeavour is to make the standard unambiguous. Kindly point out in this section, if you find any part of the standard which is capable of multiple or diverse interpretations or ambiguity.

**6. Conflict with Judicial Pronouncements**

Under this, you may point out if any part of the standard differs from or contradicts or is conflicting with any judgement of either the Supreme Court or High Court or any clarification by a regulatory authority like MCA, SEBI, stock exchange, etc.

**7. Best Secretarial/ Industry Practices**

Under this, you can share any good practices being followed by your organisation or industry, in respect of any of the areas which the standard seeks to cover, which removes the barriers that might have been hindering industry from complying with any of the provisions of the Act or Rules and/or facilitates better corporate governance.

**8. Typical Situations/Scenarios not addressed in the Standard**

Under this, you can list any critical issues or special circumstances encountered by you, which you consider are not addressed in the standard and which could be added.

**9. Any other Suggestions not covered above**

If you have any other suggestions or if you feel that the standard is not accurate or complete, you may respond under this. Otherwise, please confine your suggestions under the points enumerated above.

The texts of the Exposure Drafts are placed below.

The last date for giving comments is Monday, June 30, 2014.

Chairman  
Secretarial Standards Board

*Issue Date: May 30, 2014*

*Note:*

1. *Instructions for log-in for giving comments:*

- *Visit <http://www.icsi.edu/ssb>*
- *Sign up by creating your own user id and password by filling up your e-mail addresses and requisite details. (While doing so, please select appropriate occupation from the drop-down menu)*
- *Once you receive an e-mail confirmation of your registration, you can log-in to <http://www.icsi.edu/ssb> with your user-id and password and give your comments at any time on or before the last date.*
- *Users who had created user id and password last time may log-in with the same user-id and password this time to submit their comments.*

2. Please do not wait for the last date to give your comments.

**SECRETARIAL STANDARD**  
**ON**  
**MEETINGS OF THE BOARD OF DIRECTORS**

The following is the text of the Secretarial Standard-1 (SS-1) issued by the Council of the Institute of Company Secretaries of India, on "Meetings of the Board of Directors".

Adherence by a company to this Secretarial Standard is mandatory, as per the provisions of the Companies Act, 2013.

***(In this Secretarial Standard, the Standard portions have been set in bold type. These shall be read in the context of the background material which has been set in normal type, and in the context of the 'Preface to the Secretarial Standards'. Both the Standard portions and the background material have equal authority).***

### **INTRODUCTION**

This Standard prescribes a set of principles for convening and conducting Meetings of the Board of Directors and matters related thereto.

All the powers vested in the Directors are exercisable by them only collectively as a Board. Except in the case of One Person Company, in which there is only one Director on its Board, no individual Director has the power to act on behalf of the company unless such power has been delegated to such Director by the Board.

### **SCOPE**

This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except One Person Company (OPC). The principles enunciated in this Standard for meetings of the Board of Directors are also applicable to meetings of Committee(s), unless otherwise stated herein or stipulated by any other applicable guidelines, Rules or Regulations.

### **DEFINITIONS**

The following terms are used in this Standard with the meaning specified:

"Act" means the Companies Act, 2013 (Act No. 18 of 2013) or any previous enactment thereof, or any statutory modification thereto or re-enactment thereof and includes any Rules and Regulations framed thereunder.

"Articles" means the Articles of Association of a company, as originally framed or as amended from time to time, including, where they apply, the Regulations contained in the Tables in Schedule I to the Act."

"Chairman" means the Chairman of the Board, or the Chairman appointed or elected for a Meeting.

"Committee" means a Committee of Directors constituted by the Board.

"*Electronic Mode*" means electronic medium of communication including video conferencing or other audio-visual means or other electronic communication facility capable of being recorded, as may be applicable.

"*Interested Director*" means a Director who is in any way, whether by himself or through any of his relatives or firm, body corporate or other association of individuals in which he or any of his relatives is a partner, director or a member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of a company.<sup>1</sup>

"*Maintenance*" means keeping of registers and records either in physical or electronic form, as may be permitted under any law for the time being in force, and includes the making of appropriate entries therein, the authentication of such entries and the preservation of such physical or electronic records.

"*Meeting*" means a duly convened, constituted and conducted meeting of the Board or any Committee thereof.

"*Minutes*" or "*Minutes Book*" means Minutes or Minutes Book maintained in physical or in electronic form.

"*National Holiday*" means and includes a day declared as National Holiday by the Central Government.

"*Non-interested Director*" means a Director who is not an Interested Director.

"*Original Director*" means a Director in whose place the Board has appointed any other individual as an Alternate Director.

"*Quorum*" means the minimum number of Directors whose presence is necessary for holding of a Meeting.

Words and expressions used and not defined herein shall have the meaning respectively assigned to them under the Act.

## **SECRETARIAL STANDARDS**

### **1. Convening a Meeting**

#### **1.1 Authority**

**1.1.1 Any Director of a company may, at any time, summon a Meeting of the Board, and the Manager or Secretary on the requisition of a Director, shall convene a Meeting of the Board, unless the Articles provide otherwise.**

**1.1.2 The Chairman may, with the consent of the majority of Directors present at a Meeting at which a Quorum is present, adjourn the Meeting for any reason, at any stage of the Meeting.**

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<sup>1</sup> As per Clause 2 (49) of the Companies Act, 2013

## **1.2 Time, Place and Mode of Meeting**

### **1.2.1 A Meeting may be held at any time and place, on any day.**

The place of a Meeting held through Electronic Mode shall be deemed to be in India. Notice of the Meeting in such cases shall clearly mention a place in India, whether registered office or otherwise, to be the place of the Meeting and it shall be the place where the Chairman would be present.

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

### **1.2.2 A Meeting may be held by Physical or through Electronic Mode, unless the Act or any other law specifically requires any items of business not to be dealt through Electronic Mode.**

Approval of the annual financial statements, Board's report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover shall not be dealt with in a Meeting through Electronic Mode.

Similarly, Meetings of the Audit Committee for consideration of accounts of the company shall not be held through Electronic Mode.

## **1.3 Notice**

### **1.3.1 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 at his address registered with the company or by any other Electronic Mode.**

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

Where a Director specifies a particular mode, the Notice shall be given to him by such mode.

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

### **1.3.3 In case the facility of participation through Electronic Mode is being made available, the Notice shall inform the Directors about the availability of such facility and provide them necessary information to access such facility.**

Where such facility is provided, the Notice shall seek advance confirmation from the Directors as to whether they will attend the Meeting through Electronic Mode. The Notice shall also contain the contact number or e-mail address (es) of the Chairman or Secretary or any other authorised person, to whom the Director shall confirm in this regard. In the absence of an advance communication or confirmation from the Director as above, it shall be presumed that he will physically attend the Meeting.

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

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

In case of a listed company, a period of seven days shall exclude the date of Notice and the Meeting.

Notice of an adjourned Meeting shall be given to all Directors including those who did not attend the Meeting on the originally convened date and unless the date of adjourned Meeting is decided at the Meeting, Notice thereof shall also be given not less than seven days before the Meeting.

**1.3.6 The Agenda, setting out the business to be transacted at the Meeting, and Notes on Agenda shall be given to the directors at least five days before the date of the Meeting.**

In case of a listed company, a notice of seven days, excluding the date of Notice and the Meeting shall be given in respect of a Meeting wherein periodic financial results or financial statements are proposed to be considered.

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. These shall be sent to the postal address in India or e-mail address or any other electronic address registered by the Director with the company separately or in the absence of such details or any change thereto, to any of such addresses appearing in the Director Identification Number (DIN) registration of the Directors.

Where a Director specifies a particular mode, these papers shall be sent by such mode.

The Notice, Agenda and Notes on Agenda shall be given to the Original Director also, even if they have been given to the Alternate Director.

Supplementary Notes on any of the Agenda Items may be circulated at or prior to the Meeting.

**1.3.7 Each item of business requiring approval at the Meeting shall be supported by a note setting out the details of the proposal, relevant material facts that may enable the directors to understand the meaning, scope and implications of the proposal and the nature of concern or interest of any Director in the proposal, if any, which the Director had earlier disclosed. Where approval by means of a Resolution is required, the draft of such Resolution shall be either set out in the note or placed at the Meeting.**

Unpublished Price Sensitive Information such as financial results may be tabled at the Meeting, if agreed to by the majority of Independent Directors. "Unpublished Price Sensitive Information" means any information which is material and is generally not known or is not published by the company for general information but which, if published or known, is likely to materially affect the price of the securities of the company. Such information includes periodic financial results, intended recommendation of dividend, announcement of bonus shares, rights issue and other corporate benefits, issue of securities, buy back of securities, any major expansion plans or execution of new projects, amalgamation, merger and takeovers, disposal of the whole or substantial part of the

undertaking, any significant changes in policies, plans or operations of the company, and such other information as may affect the earnings of the company.<sup>2</sup>

The items of business that are required by the Act or any other applicable law to be considered at a Meeting of the Board shall be placed before the Board at its Meeting. An illustrative list of such items is given at Annexure 'A'.

There are certain items which shall be placed before the Board at its first Meeting. An illustrative list thereof is given at Annexure 'B'.

### **1.3.8 Each item of business to be taken up at the Meeting shall be numbered.**

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

### **1.3.9 Any item not included in the Agenda may be taken up for consideration with the permission of the Chairman and with the consent of a majority of the Directors present in the Meeting, which shall include atleast one Independent Director, if any.**

In case of absence of Independent Directors, if any, at such Meeting, the Minutes shall be final only after atleast 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 decision taken in respect of such item shall be final only on ratification thereof by a majority of the Directors of the company.

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

The proposal to hold a Meeting at a shorter notice shall be stated in the Notice.

At least one Independent Director, if any, shall be present at such Meeting. 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.

## **2. Frequency of Meetings**

### **2.1 Meetings of the Board**

**The Board shall hold its first Meeting within thirty days of the date of its incorporation and thereafter shall hold at least four Meetings in each calendar year with a maximum interval of one hundred and twenty days between any two consecutive Meetings.**

In the calendar year of incorporation, it shall be sufficient if, after the first Meeting, one Meeting is held in each quarter, subject to a maximum interval of one hundred and twenty days between two consecutive Meetings.

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<sup>2</sup> Adapted from SEBI's definition



Further, it shall be sufficient if One Person Company, Small Company and Dormant Company hold one Meeting of the Board in each half of a calendar year and the gap between the two Meetings is not less than ninety days.

An adjourned Meeting being a continuation of the original Meeting, the interval period in such a case, shall be counted from the date of the adjourned Meeting.

## ***2.2 Meetings of Committees***

Committees shall meet at least as often as stipulated by the Board or as prescribed by any law or authority.

## **3. Quorum**

### **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.

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 in physical or electronic form, during discussions on such item. An Interested Director shall before the consideration of such item at the Meeting, disclose to the Board his interest in the transaction.

A Director shall not be deemed to be interested in a contract or arrangement if his interest in the other company is by virtue of solely shareholding and he himself alongwith two or more Directors holds not more than two percent of the paid-up share capital in the other company.

### **3.2 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.**

Such restricted items of business include approval of the annual financial statements, Board's Report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover and consideration of accounts of the company by the Audit Committee.

Directors shall not participate through Electronic Mode in the discussion on such restricted items.

## ***3.3 Meetings of the Board***

### **3.3.1 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.**

Any fraction contained in the above one-third shall be rounded off to the next one.

Where the Quorum requirement provided in the Articles is higher than one-third of the total strength, the company shall conform to such higher requirement.

Total strength for this purpose, shall not include Directors whose places are vacant.

If the number of Interested Directors exceeds or is equal to two-thirds of the total strength, the remaining Directors present at the Meeting, being not less than two, shall be the quorum during such time.

If a Meeting of the Board could not be held for want of Quorum, then, unless the Articles otherwise provide, the Meeting shall automatically stand adjourned to the same day in the next week, at the same time and place or, if that day is a National Holiday, to the next succeeding day which is not a National Holiday, at the same time and place.

If there is no Quorum at the adjourned Meeting also, the Meeting shall stand cancelled.

**3.3.2 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.**

The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the Quorum, the continuing Directors or Director may act only for the purpose of increasing the number of Directors to that fixed for the Quorum, or for summoning a general meeting of the company for this purpose.

#### ***3.4 Meetings of Committees***

**3.4.1 The presence of all the members of any Committee constituted by the Board is necessary to form the Quorum for Meetings of such Committee unless otherwise stipulated in the Act or any other law or the Articles or by the Board.**

Regulations framed under any other law may contain provisions for the Quorum of a Committee and such stipulations shall be followed.

### **4. Attendance at Meetings**

#### ***4.1 Attendance registers***

**4.1.1 Every company shall maintain an attendance register of the Meetings of the Board and Committees. Separate registers shall be maintained for Board Meetings and for Committee Meetings.**

If an attendance register is maintained in loose-leaf form, it shall be bound periodically.

**4.1.2 The register shall contain the following particulars: date of the meeting; in case of a Committee Meeting name of the Committee; place of the Meeting; time of the Meeting; names of the Directors and signature of each Director present; name and signature of any other person in attendance and preferably also of persons attending the Meeting by invitation.**

**4.1.3 Every Director, every person in attendance and every invitee who attends a meeting of the Board or Committee thereof shall sign the attendance register at that Meeting.**

In case of Directors participating through Electronic Mode, the Chairman shall confirm the attendance of such Directors. For this purpose, at the commencement of the Meeting, the Chairman/ Secretary shall take a roll call. The Chairman/ Secretary shall request the Director participating through Electronic Mode to state his full name and location from where he is participating and shall record the same in the Minutes. The proceedings of such Meetings shall be recorded through any electronic recording mechanism and the details of the venue, date and time shall be mentioned.

The Attendance Register shall be deemed to have been signed by the Directors participating through Electronic Mode, if their attendance is recorded by the Chairman or the Secretary in the Attendance Register and the Minutes of the Meeting.

"Invitee" for this purpose would mean a person, other than a Director or a Key Managerial Personnel, who attends a Meeting of the Board by invitation or with the permission of the Chairman.

**4.1.4 The register shall be maintained at the Registered Office of the Company or such other place as may be approved by the Board.**

The register may be taken to any place where a Meeting of the Board or committee is held.

**4.1.5 The register is open for inspection by the Directors.**

A Member of the company is not entitled to inspect the register.

The Practising Company Secretary appointed by the company or the Secretarial Auditor or the Statutory Auditor of the company can inspect the register in the course of audit.

Officers of the Registrar of Companies, or other Government or regulatory bodies, if so authorised by the Act or any other law, during the course of an inspection, can also inspect the Minutes.

**4.1.6 Entries in the register shall be authenticated by the Secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each page.**

**4.1.7 The register shall be preserved for a period of at least eight financial years and may be destroyed thereafter with the approval of the Board.**

The recording of proceedings of Meetings through Electronic Mode shall be preserved for at least eight financial years and may be destroyed thereafter with the approval of the Board.

**4.1.8 The register shall be kept in the custody of the Secretary of the Company or any other person authorized by the Board for the purpose.**

**4.2 Leave of absence shall be granted to a Director only when a request for such leave has been received by the Secretary or by the Chairman.**

The office of a Director shall become vacant in case the Director is absent from all the Meetings of the Board for a continuous period of twelve months with or without seeking Leave of Absence of the Board.

## **5. Chairman**

### **5.1 *Meetings of the Board***

**The Chairman of the Board shall conduct the Meetings of the Board. If no person has been so designated or if the designated Chairman is unable to attend the Meeting, the Directors present at the Meeting shall elect one of them to chair and conduct the Meeting of the Board, unless the Articles provide otherwise.**

It would be the duty of the Chairman to see that the Meeting is duly convened, constituted and conducted in accordance with the Act or any other applicable guidelines, Rules and Regulations before proceeding to transact business. The Chairman shall then conduct the Meeting. The Chairman shall encourage deliberations and debate and assess the sense of the Meeting.

If the Chairman is interested in any item of business, he shall entrust the conduct of the proceedings in respect of such item to any Non-interested Director and resume the Chair after that item of business has been transacted. The Chairman shall also not be present at the meeting during discussions on such items.

In case some of the Directors participate through Electronic Mode, the Chairman and the Secretary shall safeguard the integrity of the Meeting by ensuring sufficient security and identification procedures. The Chairman and the Secretary shall ensure that no person other than the Director concerned has access to the proceedings of the Meeting through Electronic Mode, except a Director who is differently abled, provided such Director requests the Board to allow a person to accompany him and ensures that such person maintains confidentiality of the matters discussed at the Meeting.

If the Articles so provide, the Chairman shall have a casting vote.

### **5.2 *Meetings of Committees***

**A member of the Committee elected by the Board or by the Committee as Chairman of the Committee shall conduct the Meetings of the Committee. If the elected Chairman is unable to attend the Meeting, the Committee shall elect one of its members present to chair and conduct the Meeting of the Committee, unless the Articles provide otherwise.**

## **6. Passing of Resolution by Circulation**

The Act requires certain business to be approved only at Meetings of the Board. However other business that does not require detailed discussion or requires urgent decisions can be approved by means of resolutions passed by circulation. Resolutions passed by circulation are deemed to be passed at a duly convened Meeting of the Board and have equal authority.

### **6.1. Authority**

**6.1.1 The Chairman of the Board or the Managing Director or in his absence, the Whole-time Director shall decide whether the approval of the Board for a particular business shall be obtained by means of a resolution by circulation.**

If the resolution is proposed by any other Director, the approval of any of the aforesaid Directors, if there is one, shall be obtained before the draft resolution is circulated to all the Directors.

An illustrative list of such items which shall be placed before the Board at its Meeting and shall not be passed by circulation is given at Annexure 'A'

**6.1.2 Where there is no Chairman or Managing Director, any Director shall decide whether the approval of the Board for a particular business shall be obtained by means of a resolution by circulation.**

**6.1.3 Where not less than one-third of the total number of Directors for the time being require the resolution under circulation to be decided at a Meeting, the Chairman shall put the resolution for consideration at a Meeting of the Board.**

Interested Director shall not be excluded for the above purpose.

## **6.2. Procedure**

**6.2.1 A resolution proposed to be passed by circulation shall be sent in draft, together with the necessary papers, individually to all the Directors on the same day.**

The resolution together with all papers shall be sent to all Directors including Interested Directors and Directors who are usually residing abroad.

**6.2.2 The draft of the resolution to be passed and the necessary papers shall be circulated amongst the Directors by hand, or by post or by courier, or by email or by any other Electronic Mode.**

The draft Resolution and the necessary papers shall be sent to the postal address in India 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.

If the draft Resolution and the necessary papers are circulated by hand or by post or by courier, these shall be sent to all the Directors at their addresses in India as registered with the company.

**6.2.3 Each business proposed to be passed by way of resolution by circulation shall be explained by a note setting out the details of the proposal, relevant material facts that may enable the directors to understand the meaning, scope and implications of the proposal and the draft of the resolution proposed. The note shall also indicate how a Director shall signify assent or dissent to the resolution proposed and the date by which the Director shall respond.**

Each Resolution shall be separately explained.

The decision of the Directors shall be sought for each Resolution separately.

A maximum of seven days from the date of circulation of the draft of the resolution may be given to the Directors to respond and the last date shall be computed accordingly.

### **6.3. Approval**

**6.3.1 The resolution is passed when it is approved by a majority of the directors entitled to vote on the resolution, unless not less than one-third of the total number of Directors for the time being requires the resolution under circulation to be decided at a Meeting.**

If any special majority or the affirmative vote of any particular Director or Directors is specified in the Articles, the resolution shall be passed only with the assent of such special majority or such affirmative vote.

For this purpose, a Director whose interest in a contract or arrangement is by virtue of solely shareholding in the other company and he himself alongwith two or more Directors holds not more than two percent of the paid-up share capital in the other company, shall be entitled to vote.

**6.3.2 The resolution 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 have been received, whichever is earlier, and shall be effective from that date, if no other effective date is specified in such Resolution.**

Directors shall signify their assent or dissent by signing the resolution to be passed by circulation or by e-mail or any other Electronic Mode.

Directors shall append the date on which they have signed the resolution. In case a Director does not append a date, the date of receipt by the company of the signed resolution shall be taken as the date of signing.

In cases where the interest of a Director is yet to be communicated to the company, the concerned Director shall disclose his interest before the last date specified for the response and abstain from voting.

In case any of the Directors wishes the matter to be discussed and decided at a Meeting, the concerned Director shall communicate the same before the last date specified for the response.

In case the Director doesn't respond on or before the last date specified for signifying assent or dissent, it shall be presumed that the Director has abstained from voting.

If the approval of the majority of Directors entitled to vote is not received by the last date specified for receipt of such approval, the resolution shall be considered as not passed.

Giving Retrospective effect to a resolution shall be avoided unless permitted by law.

### **6.4. Recording**

**6.4.1 Resolutions passed by circulation shall be noted at the next Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the minutes of such Meeting.**

Minutes shall also record the fact that the Interested Director did not vote on the resolution.

## **6.5. Validity**

### **6.5.1 Passing of resolution by circulation shall be considered valid as if it had been passed at a duly convened Meeting of the Board.**

This would not dispense with the requirement for the Board to meet at the specified frequency.

## **7. Minutes**

Every company is required to keep Minutes of all Meetings. Minutes kept in accordance with the provisions of the Act evidence the proceedings recorded therein. Minutes help in understanding the deliberations and decisions taken at the Meeting.

### **7.1. Maintenance of Minutes**

#### **7.1.1 Minutes shall be recorded in books maintained for that purpose.**

#### **7.1.2 A distinct Minutes Book shall be maintained for Meetings of the Board, each of its Committees, members of the company, creditors and others as may be required under the Act.**

#### **7.1.3 Minutes may also be maintained in electronic form in such manner as may be prescribed under the Act.**

The Secretary or Managing Director or any other Director or Officer of the company as the Board may decide shall be responsible for the maintenance and security of Minutes in electronic form.

#### **7.1.4 The pages of the Minutes Books shall be consecutively numbered.**

This shall be followed irrespective of a break in the Book arising out of periodical binding.

In the event any page in the Minutes Book is left blank, it shall be scored out and initialled by the Chairman who signs the Minutes.

#### **7.1.5 Minutes shall not be pasted or attached to the Minutes Book, or tampered with in any manner.**

#### **7.1.6 Minutes of the Board Meetings, if maintained in loose-leaf form, shall be bound periodically depending on the size and volume and coinciding with one or more financial years of the company.**

There shall be a proper locking device to ensure security and proper control and to prevent removal or manipulation of the loose leaves.

#### **7.1.7 Minutes of the Board Meeting may be kept at the Registered Office of the company or such other place as may be approved by the Board.**

### **7.2. Contents of Minutes**

#### ***7.2.1 General Contents***

**7.2.1.1 Minutes shall begin with the type of the Meeting, name of the company, day, date, venue and time of commencement.**

In case a Meeting is adjourned, the Minutes shall be entered in respect of the original Meeting as well as the adjourned Meeting. In respect of a Meeting convened but adjourned for want of quorum, a statement to that effect shall be recorded by the Chairman or any Director present at the Meeting in the Minutes.

**7.2.1.2 Minutes shall record the names of the Directors present in physical and Electronic Mode and the Secretary in attendance at the Meeting.**

The names of the Directors shall be listed in alphabetical order or in any other logical manner, but in either case starting with the name of the person in the Chair followed by the name of the Vice-Chairman, if any.

**7.2.1.3 Minutes shall contain a record of all appointments made at the Meeting.**

Where the Minutes have been kept in accordance with the Act and all appointments have been recorded, then until the contrary is proved, all appointments of Directors, Key Managerial Personnel, Secretarial Auditors, Practising Company Secretary or Auditors, shall be deemed to have been duly approved by the Board.

***7.2.2 Specific Contents***

**7.2.2.1 Minutes shall inter-alia contain:**

- (a) Record of appointment, if any of the Chairman of the meeting.**
- (b) Record of presence of quorum**
- (c) The names of officers in attendance and invitees, if any, for specific items and mode of their attendance if through Electronic Mode.**

The capacity in which an invitee attends the Meeting and where applicable, the name of the entity such invitee represents and the relation, if any, of that entity to the company shall also be recorded.

- (d) The names of Directors who were not present at the Meeting and whether with or without leave of absence.**
- (e) If any Director has participated only for a part of the Meeting, the agenda items in which he did not participate.**
- (f) The mode of attendance of every Director whether personally or through Electronic Mode.**
- (g) In case of a Director joining through Electronic Mode, his particulars, the location from where and the agenda items in which he participated.**
- (h) The fact that an Interested Director was not present during the discussion and did not vote.**



- (i) The fact of the dissent and the name of the Director who expressly dissented or abstained from the decision.**
- (j) The views of Independent Director, if specifically insisted upon by the respective Independent Director, provided these, in the opinion of the Chairman, are not defamatory of any person, not irrelevant or immaterial to the proceedings or not detrimental to the interests of the company.**
- (k) The text of the resolution(s) passed by circulation since the last Meeting, including dissent or abstention, if any.**
- (l) Noting of the Minutes of the last Meeting.**
- (m) Ratification by Independent Director or majority of Directors, as the case may be, in case of Meetings held at a shorter notice and the transacting of any item other than those included in the Agenda.**
- (n) Record of the qualifications, observations or comments on the financial statements or matters which have any adverse effect on the company, as mentioned in the reports of the Secretarial Auditors and Auditors.**

**7.2.2.2. Apart from the Resolution or the decision, Minutes shall mention the brief background of all proposals and summarise the deliberations thereof. In case of major decisions, the rationale thereof shall also be mentioned.**

The decisions shall be recorded in the form of resolutions, where it is statutorily or otherwise required. In other cases, the decisions can be recorded in a narrative form.

Where a resolution was passed pursuant to the Chairman of the Meeting exercising his second or casting vote, the Minutes shall record the same and also refer to the Articles which empowers the Chairman to exercise the second or casting vote.

### **7.3. Recording of Minutes**

#### **7.3.1 Minutes shall contain a fair and correct summary of the proceedings of the Meeting.**

The Secretary or any other authorised person of the company shall record the proceedings of the Meetings.

The Chairman shall ensure that the proceedings of the Meeting are correctly recorded and, in doing so, he may include or exclude any matter as he deems fit.

The Chairman has absolute discretion to exclude from the Minutes, matters which in his opinion are defamatory of any person, irrelevant or immaterial to the proceedings or which are detrimental to the interests of the company.

#### **7.3.2 Minutes shall be written in clear, concise and plain language.**

Minutes shall be written in third person and in the past tense.

Minutes need not be an exact transcript of the proceedings at the Meeting.

In case any Director requires his views or opinion on a particular item to be recorded verbatim in the Minutes, the decision of the Chairman whether or not to do so shall be final.

**7.3.3 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.

**7.3.4 Any document, report or notes placed before the Board and referred to in the Minutes may be identified by initialling of such document, report or notes by the Secretary or the Chairman or the concerned Director.**

Wherever any approval of the Board is taken on the basis of certain papers laid before the Board, proper identification may be made by initialling of such papers by the Secretary or the Chairman or any other Director and a reference thereto shall be made in the Minutes.

**7.3.5 Where an earlier resolution or decision is superseded or modified, Minutes shall contain a reference to the earlier resolution or decision.**

**7.3.6 Minutes of the preceding Meeting shall be noted at the next Meeting.**

**7.3.7 Minutes of the Meetings of any Committee shall be noted at a Meeting of the Board held immediately following the date of signing of such Minutes.**

**7.4. Finalisation of Minutes**

**7.4.1 Within fifteen days from the date of the conclusion of the Meeting of the Board, the draft Minutes thereof shall be circulated in physical mode or by e-mail or by any other Electronic Mode to all the members of the Board for their comments.**

Where a Director communicates in writing to the Chairman or Board or to the Secretary to send him the draft Minutes in a particular mode, they shall be sent to him by such mode.

The Directors, whether present at the Meeting or not, shall communicate their comments in writing on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalised and entered in the Minutes Book within the specified time limit of thirty days.

If the draft Minutes are sent in physical mode, two days may be added for the purpose of reckoning the prescribed period of seven days.

If any Director communicates his comments after the expiry of the said period of seven days, the Chairman shall have the discretion to consider such comments.

In the event a Director does not comment on the draft Minutes, the draft Minutes shall be deemed to have been approved by such Director.

The decision of the Chairman whether or not to record the comments of the Directors in the Minutes shall be final.

In case a Meeting of the Board was held at a shorter notice and no Independent Director, if any, was present at the Meeting, the Minutes shall be final only after atleast one Independent Director, if any, ratifies the decisions taken at such Meeting. In case the company is not required to have an Independent Director, the decisions shall be final only on ratification thereof by a majority of the Directors.

A Director, who ceases to be a Director after a Meeting of the Board is entitled to receive the draft Minutes of that particular Meeting and to offer comments thereon, irrespective of whether he attended such Meeting or not. Such Director shall communicate his comments, if any, in writing on the draft Minutes within seven days from the date of circulation thereof.

## **7.5. Entry in the Minutes Book**

### **7.5.1 Minutes shall be entered in the Minutes Book within thirty days from the date of conclusion of the Meeting.**

In case a Meeting is adjourned, the Minutes in respect of the original Meeting as well as the adjourned Meeting shall be entered in the Minutes Book within thirty days from the date of the respective Meetings.

### **7.5.2 The date of entry of the Minutes in the Minutes Book shall be recorded by a Director or the Secretary.**

### **7.5.3 Minutes, once entered in the Minutes Book, shall not be altered. Any alteration in the Minutes as entered, other than grammatical or minor corrections, shall be made only by way of express approval of the Board at its subsequent Meeting in which such Minutes are sought to be altered.**

Such alteration and correction shall be supported by initial or signature of the Chairman.

## **7.6. Signing and Dating of Minutes**

### **7.6.1 Minutes of the Meeting of the Board shall be signed and dated by the Chairman of the Meeting or by the Chairman of the next Meeting.**

It is not obligatory to wait for the next Meeting in order to have the Minutes of the previous Meeting signed. Such Minutes may be signed by the Chairman of the Meeting at any time before the next Meeting is held.

### **7.6.2 The Chairman shall initial each page of the Minutes, sign the last page and append to such signature the date on which he has signed the Minutes.**

Any blank space in a page between the conclusion of the Minutes and signature of the Chairman shall be scored out.

## **7.7. Inspection and Extracts of Minutes**

### **7.7.1 The Minutes of Meetings of the Board and any Committee thereof can be inspected by the Directors.**

A Director is entitled to inspect the Minutes of the Meetings of the Board held during the period of his directorship, even after he ceases to be a Director.

A Member of the company is not entitled to inspect the Minutes of Meetings of the Board.

The Practising Company Secretary appointed by the company or the Secretarial Auditor or the Statutory Auditor of the company can inspect the Minutes in the course of audit.

Officers of the Registrar of Companies, or other Government or regulatory bodies, if so authorised by the Act or any other law, during the course of an inspection, can also inspect the Minutes.

Inspection of Minutes Book may also be provided in electronic form.

**7.7.2 Extracts of the Minutes shall be given only after the Minutes have been duly entered in the Minutes Book. However, certified copies of any Resolution passed at a Meeting may be issued even earlier, if the draft of that Resolution had been placed at the Meeting.**

Extracts of the duly signed Minutes may also be provided in electronic form.

A Director who has attended a Meeting of the Board is entitled to receive a copy of its signed Minutes, even if he ceases to be a Director.

## **8. Preservation of Minutes and other Records**

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

**8.2 Office copies of Notices, Agenda, Notes on Agenda and other related papers shall be preserved in good order in physical or 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.**

**8.3 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.**

**8.4 Office copies of Notices, Agenda, Notes on Agenda and other related papers of the transferor company, as handed over to the transferee company, shall be preserved in good order in physical or 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.**

**8.5 Minutes Books shall be kept in the custody of the Secretary of the company or any Director duly authorized for the purpose by the Board.**

## **9. Disclosure**

**The Annual Report and Annual Return of a company shall disclose the number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director.**

### **EFFECTIVE DATE**

This Standard shall come into effect from \_\_\_\_\_.

**Illustrative list of items of business which shall be placed before the Board at its Meeting and shall not be passed by circulation**

*General Business Items*

- Noting Disclosure of interest by a Director.
- Noting notice of disclosure of Directors' shareholdings.
- Approving Quarterly and half-yearly financial results.
- Approving annual financial statements and the Board's Report.
- Appointment of Secretarial Auditors and Internal Auditors

*Specific Items*

- Borrowing money otherwise than by issue of debentures.
- Invitation or Acceptance or Renewal of public deposits and related matters and/or review or change in the terms and conditions thereof
- Investing the funds of the company.
- Granting loans or giving guarantee or providing security in respect of loans.
- Making political contributions
- Calls on shareholders in respect of money unpaid on their shares.
- Approving Remuneration of Managing Director, Whole-time Director and Manager
- Appointment or Removal of Key Managerial Personnel
- Noting Appointment or Removal of senior managerial personnel one level below Key Managerial Personnel.
- Appointment of a person as a Managing Director / Manager in more than one company.
- According sanction for related party transactions which are not in the ordinary course of business or which are not on arm's length basis.
- Purchase and Sale of material investments, subsidiaries/assets or which are not in the normal course of business.
- Approve Payment to Director for loss of office

### *Corporate Actions*

- Authorise Buy Back of securities
- Issue of securities, including debentures, whether in or outside India.
- Approving amalgamation, merger or reconstruction.
- Diversify the business
- Takeover another company or acquiring controlling or substantial stake in another company.

**Illustrative list of items of business for the Agenda for the First Meeting of the Board of the Company**

1. To appoint the Chairman of the Meeting.
2. To note the Certificate of Incorporation of the company, issued by the Registrar of Companies.
3. To take note of the Memorandum and Articles of Association of the company, as registered.
4. To note the situation of the Registered Office of the company and ratify the registered document of the title of the premises of the registered office in the name of the company or a Notarized copy of lease / rent agreement in the name of the company.
5. To note the first Directors of the company.
6. To read and record the notices of disclosure of interest given by the Directors.
7. To consider appointment of Additional Directors.
8. To consider appointment of the Chairman of the Board.
9. To consider appointment of the first Auditors
10. To adopt the Common Seal of the company.
11. To appoint Bankers and to open bank accounts of the company.
12. To authorise printing of share certificates and correspondence with the depositories, if any.
13. To authorise the issue of share certificates to the subscribers to the Memorandum and Articles of Association of the company.
14. To approve and ratify preliminary expenses and preliminary agreements.
15. To approve the appointment of the Key Managerial Personnel, if applicable and other senior officers.
16. To authorise Director(s) of the company to file a declaration with the ROC under Section 11 of the Act.



# **SECRETARIAL STANDARD**

## **ON**

### **GENERAL MEETINGS**

The following is the text of the Secretarial Standard-2 (SS-2), issued by the Council of the Institute of Company Secretaries of India, on "General Meetings".

Adherence by a company to this Secretarial Standard is mandatory as per the provisions of the Companies Act, 2013.

***(In this Secretarial Standard, the Standard portions have been set in bold type. These shall be read in the context of the background material which has been set in normal type, and in the context of the 'Preface to the Secretarial Standards'. Both the Standard portions and the background material have equal authority).***

#### **INTRODUCTION**

This Standard seeks to prescribe a set of principles for the convening and conduct of General Meetings and matters related thereto.

The decision-making powers of a company are vested in its Members and the Board of Directors (the Board). Such powers are exercisable through Meetings of the Members and the Board respectively. Except where the law expressly provides that certain powers of a company are to be exercised only by the company in General Meeting, the Board is entitled to exercise all the powers of the company.

Every company other than a One Person Company, is required to hold every year, a Meeting of its Members called the Annual General Meeting and may also hold any other General Meeting, as and when required or on the requisition of Members. The business to be transacted at an Annual General Meeting may consist of items of ordinary business as well as special business. The items of ordinary business specifically required to be transacted at an Annual General Meeting shall not be transacted at any other General Meeting.

If a company defaults in holding its Annual General Meeting in any year, any Member of the company has a statutory right to approach the prescribed authority to call or direct calling of the Annual General Meeting of the company.

A Meeting of its Members or class of Members or debenture-holders or creditors of a company under the directions of the Court or the Company Law Board (CLB) or the National Company Law Tribunal (NCLT) or any other prescribed authority shall be governed by the rules, regulations and directions prescribed for the conduct of such Meeting.

## **SCOPE**

This Standard is applicable to the General Meetings of all companies incorporated under the Act except One Person Company (OPC). The principles enunciated in this Standard for General Meetings are applicable to meetings of Members, debenture-holders and creditors and any class thereof as also meetings convened on the directions of the Court or the CLB or the NCLT or any other prescribed authority, unless the directions themselves prescribe otherwise.

This Standard also deals with conduct of e-voting and postal ballot.

## **DEFINITIONS**

The following terms are used in this Standard with the meaning specified:

"*Act*" means the Companies Act, 2013 (Act No. 18 of 2013) or any previous enactment thereof, or any statutory modification thereto or re-enactment thereof and includes any Rules and Regulations framed thereunder.

"*Agency*" means agency approved by the Ministry of Corporate Affairs and appointed by the company for providing and supervising electronic platform for voting.

"*Articles*" means the Articles of Association of a company, as originally framed or as amended from time to time, including, where they apply, the Regulations contained in the Tables in Schedule I to the Act."

"*Chairman*" means the Chairman of the Board or the Chairman appointed or elected for a Meeting.

"*Maintenance*" means keeping registers and records either in physical or electronic form, as may be permitted under any law for the time being in force, and includes the making of appropriate entries therein, the authentication of such entries and the preservation of such physical or electronic records.

"*Meeting*" or "*General Meeting*" or "*Annual General Meeting*" or "*Extra-Ordinary General Meeting*" means a duly convened Meeting of Members.

"*Minutes*" or "*Minutes Book*" means Minutes or Minutes Book maintained in physical or in electronic form.

"*National Holiday*" means and includes a day declared as National Holiday by the Central Government.

"*Ordinary Business*" means business to be transacted at an Annual General Meeting relating to the (i) consideration of financial statements, consolidated financial statements and the reports of the Board of Directors and Auditors; (ii) declaration of any dividend; (iii) appointment of Directors in the place of those retiring; and (iv) appointment or ratification and fixing of remuneration of the Auditors.

"*Voting by postal ballot*" means voting by physical ballot or electronic means.

*"Proxy"* means an instrument in writing signed by a Member, authorizing another person, whether a Member or not, to attend and vote on his behalf at a Meeting and also means the person so appointed by a Member.

*"Quorum"* means the minimum number of Members whose presence is necessary for holding of a Meeting.

*"Secretarial Auditor"* means a practicing company secretary appointed to conduct secretarial audit of the company.

*"Special Business"* means business other than the Ordinary Business to be transacted at an Annual General Meeting and all business to be transacted at any other General Meeting.

*"Voting right"* means the right of a Member to vote on any matter at a meeting of members or by means of e-voting or postal or physical ballot;

Words and expressions used and not defined herein shall have the meaning respectively assigned to them under the Act.

## **SECRETARIAL STANDARD**

### **1. Convening a Meeting**

#### **1.1 Authority**

##### **1.1.1 A General Meeting shall be convened on the authority of the Board.**

The Board of its own accord or on the requisition of Members who, as on the date of the receipt of the requisition, hold not less than one-tenth of the paid-up share capital carrying voting rights or voting power of the company, shall, convene or authorize convening of an Extra-ordinary General Meeting of the company.

If, on a requisition having been made in this behalf, the Board, within twenty-one days from the date of receipt of a valid requisition, fails to convene a Meeting on any day within forty-five days from the date of receipt of such requisition, the requisitionists may themselves call the Meeting within three months from the date of requisition, in the manner prescribed under the Act.

If the requisition pertains to an item which is required to be passed by means of a postal ballot under the Act or any other law, the Board shall proceed to conduct the voting by postal ballot, within twenty-one days from the date of receipt of such requisition. If the Board does not proceed to conduct the postal ballot, the requisitionists may conduct the postal ballot themselves.

#### **1.2 Notice**

**1.2.1 Notice in writing of every Meeting shall be given to every Member of the company. Such Notice shall also be given to the Directors and Auditors of the company, to the Secretarial Auditor, to Debenture Trustees, if any, and, wherever applicable or so required, to other specified recipients.**

Notice shall be given to all persons entitled to receive such Notice, at the address provided by them. In the case of joint-shareholders, the Notice shall be given to the person whose name appears first in the Register of Members or in the records of the depository, as the case may be.

Where the company has received intimation of death of a Member, the Notice of Meeting shall be sent as under:

- a) where securities are held singly, to the Nominee of the single holder;
- b) where securities are held by more than one person jointly and any joint holder dies, to the surviving first joint holder;
- c) where securities are held by more than one person jointly and all the joint holders die, to the Nominee appointed by all the joint holders ;

In the absence of a Nominee, the Notice shall be sent to the legal representative of the deceased Member.

In case of insolvency of a Member, the Notice shall be sent to the assignee of the insolvent Member.

**1.2.2 Notice shall be sent by hand or by post or by courier or by facsimile or by e-mail or by any other electronic mode.**

In case the Notice and accompanying documents are given by electronic mode, these shall be sent to the Members' e-mail addresses, registered with the company or provided by the depository, in the manner prescribed under the Act.

In case of the Directors, Auditors, Secretarial Auditors and others, if any, the Notice and accompanying documents shall be sent at the e-mail addresses provided by them to the company, if being sent by electronic mode.

**1.2.3 In case of public companies, the Notice alongwith the site map of the venue of the Meeting shall be hosted on the website, if any, of the company.**

In case of listed companies, an abridged version of the Notice, listing the items of business and the day, date, time and full address of the venue of the Meeting alongwith the link of the website address where the Notice is hosted, may be published in English in a leading national newspaper.

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

Meetings shall be called during business hours i.e. between 9 a.m. and 6 p.m., on a day that is not a National Holiday. A Meeting on Requisition of Members shall be convened only on a working day.

Annual General Meetings shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated, whereas other General Meetings may be held at any place within India. A Meeting on Requisition of Members shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.

The Notice of a company which has a share capital or the Articles of which provide for voting at a Meeting by Proxy, shall prominently contain a statement that a Member entitled to attend and vote is entitled to appoint a Proxy, or where that is allowed, one or more proxies, to attend and vote instead of himself and that a Proxy need not be a Member. In case of companies where Proxy shall be a Member only, a statement to that effect shall appear in the Notice prominently. A Proxy shall be a Member in case of companies registered under the Act with the object of promotion of commerce, arts, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object, which intends to apply its profits, if any, or other income in promoting its objects and also prohibits the payment of any dividend to its Members.

**1.2.5 The Notice shall clearly specify the nature of the Meeting and the business to be transacted thereat. In respect of items of Special Business, each such item shall be in the form of a Resolution and shall be accompanied by an explanatory statement which shall set out all such facts as would enable a Member to understand the meaning, scope and implications of the item of business and to take a decision thereon. In respect of items of Ordinary Business, Resolutions are not required to be stated in the Notice except where the Auditors or Directors to be appointed are other than the retiring Auditors or Directors, as the case may be.**

The nature of the concern or interest (financial or otherwise), if any, of the following persons, in any item of business or in a proposed Resolution, shall be disclosed in the explanatory statement:

- Directors and Managers,
- Other Key Managerial Personnel and
- Relatives of the persons mentioned above.

In case any item of Special Business to be transacted at a Meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every Promoter, Director, Manager, and of every other Key Managerial Personnel of the first mentioned company shall, if the extent of such shareholding is not less than two percent of the paid-up share capital of that company, also be stated in the explanatory statement.

Where reference is made to any document, contract, agreement, the Memorandum of Association or Articles of Association, the relevant explanatory statement shall state that such documents are available for inspection and such documents shall be so made available for inspection in physical or in electronic form during specified business hours at the Registered Office of the company and copies thereof shall also be made available for inspection in physical or electronic form as prescribed at the head/corporate office of the company, if such office is situated elsewhere, and also at the Meeting.

In all cases relating to the appointment or re-appointment of Directors/Manager or variation of the terms of remuneration, details of each such Director/Manager, including age, qualifications, experience, terms and conditions of appointment/re-appointment including details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable, date of first appointment on the Board, shareholding in the company, relationship with other Directors, Manager and other Key Managerial Personnel of the company, the number of Meetings of the Board attended

during the year and other Directorships, membership/ Chairmanship of Committees of other Boards shall be given in the explanatory statement. In case of re-appointment of Independent Directors, performance evaluation report of such Director or summary thereof shall be included in the explanatory statement.

In case a valid special notice has been received from Member(s), the company shall give notice of the resolution to all its Members at least seven days before the Meeting, exclusive of the day of dispatch of notice and day of the Meeting, in the same manner as a Notice of any General Meeting is to be given.

Where this is not practicable, the notice shall be published a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and in an English newspaper in English language, both having a wide circulation in that district, at least seven days before the Meeting, exclusive of the day of publication of the notice and day of the Meeting. Such notice shall also be hosted on the website, if any, of the company. In case of listed companies, the notice may also be published in a leading national newspaper.

**1.2.6 Notice and accompanying documents shall be given atleast twenty-one clear days in advance of the Meeting.**

**1.2.7 Notice may be given at a shorter period of time if consent in writing is given thereto, by physical or electronic mode, by not less than ninety-five per cent of the Members entitled to vote at such Meeting.**

Consent for shorter Notice shall be obtained before the Meeting.

There is no provision in the Act for sending the Copies of Financial Statements, Directors' Report and Auditors' Report at a shorter period of time.

**1.2.8 No business shall be transacted at a Meeting if Notice in accordance with this Standard has not been given.**

However, any accidental omission to give Notice to, or the non-receipt of such Notice by any Member or other person who is entitled to such Notice for any Meeting shall not invalidate the proceedings of the Meeting.

**1.2.9 No items of business other than those specified in the Notice shall be taken up for consideration at the Meeting, except those specifically permitted under the Act.**

No Resolution shall be valid if it is passed in respect of an item of business not contained in the Notice convening the Meeting or an item specifically permitted under the Act.

Items specifically permitted under the Act which may be taken up for consideration at the Meeting are:

- Proposed Resolutions, the notice of which has been given by Members,
- Resolutions requiring Special Notice, if received with the intention to move
- Candidature for directorship, if any such notice has been received.

Where Special Notice is required of any Resolution and Notice of the intention to move such Resolution is received by the company from the prescribed number of Members, such item of business shall be placed for consideration at the Meeting after giving Notice of the Resolution to Members in the manner prescribed under the Act.

Any amendment to the Notice, including the addition of any item of business, can be made provided the notice of amendment is sent to all persons entitled to receive the Notice of the Meeting and is sent within the time limit prescribed for giving of the original Notice.

**1.2.10 The Notice shall be accompanied, by postal ballot papers in the case of listed companies and, by an attendance slip and a Proxy form with clear instructions for filling, stamping, signing and/or depositing the Proxy form.**

**1.2.11 A Meeting convened upon due Notice shall not be postponed or cancelled.**

If, for reasons beyond the control of the Board, a Meeting cannot be held on the date originally fixed, the Board may reconvene the Meeting after giving not less than three days intimation to the Members. The intimation shall be either sent individually in the manner stated in this Standard or published in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and in an English newspaper in English language, both having a wide circulation in that district.

## **2. Frequency of Meetings**

### **2.1 Annual General Meeting**

**Every company other than a One Person Company shall, in each calendar year hold a General Meeting called the Annual General Meeting.**

Every company shall hold its first Annual General Meeting within nine months from the date of closing of the first financial year of the company and thereafter in each calendar year within six months of the close of the financial year, with an interval of not more than fifteen months between two successive Annual General Meetings. The aforesaid period of six months or interval of fifteen months may be extended by a period not exceeding three months with the prior approval of the Registrar of Companies.

If a company holds its first Annual General Meeting, as aforesaid, it shall not be necessary for the company to hold any Annual General Meeting in the calendar year of its incorporation.

### **2.2 Extra-Ordinary General Meeting**

Items of business of an urgent nature which need to be transacted before the next Annual General Meeting may be considered at an Extra-Ordinary General Meeting or by means of a postal ballot.

## **3. Quorum**

### **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.

Unless the Articles provide for a larger number, the Quorum for a General Meeting shall be:

(a) 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;

(b) in the case of a private company, two Members personally present.

Where the Quorum provided in the Articles is higher than that provided under the Act, the Quorum shall conform to such higher requirements.

Members need to be personally present at a Meeting to constitute the Quorum.

Proxies are to be excluded for determining the Quorum.

A duly authorised representative of a body corporate or the representative of the President of India or the Governor of a State is deemed to be a Member personally present and enjoys all the rights of a Member present in person.

One person can be an authorised representative of more than one body corporate. In such a case, he is treated as more than one Member for the Quorum. However, to constitute a meeting, at least two individuals shall be present in person, e.g., in case of a public company with a Quorum requirement of five Members, an authorised representative of five bodies corporate cannot form a Quorum by himself but can do so alongwith another Member personally present.

Members who have voted by electronic mode have the right to attend the General Meeting, where they shall be counted for Quorum.

#### **4. Presence of Directors and Auditors**

##### **4.1 Directors**

##### **4.1.1 If any Director is unable to attend the Meeting, the Chairman shall explain such absence at the Meeting.**

The Chairman of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee, or any other member of any such Committee authorised by the Chairman of the Committee, shall attend the General Meeting.

##### **4.1.2 Directors who attend the General Meetings of the company shall be seated with the Chairman.**



## **4.2 Auditors**

**The Auditors, unless exempted by the company, shall, either by themselves or through their authorised representative, attend all General Meetings of the company and shall have the right to be heard at such Meetings on that part of the business which concerns them as Auditors.**

The authorised representative who attends the General Meeting of the company shall also be qualified to be an Auditor.

## **4.3 Secretarial Auditor**

**The Secretarial Auditor, unless exempted by the company shall, either by himself or through his authorised representative, attend all General Meetings and shall have the right to be heard at such Meetings on that part of the business which concerns them as Secretarial Auditors.**

The authorised representative who attends the General Meeting of the company shall also be qualified to be a Secretarial Auditor.

## **5. Chairman**

### **5.1 Appointment**

**5.1.1 Where the Articles so provide, the Chairman of the Board shall take the chair and conduct the Meeting. If there is no Chairman either of the Board or appointed for the purpose or if he is not present within fifteen minutes after the time appointed for holding the Meeting, or if he is unwilling to act as Chairman of the Meeting, the Directors present shall elect one of themselves to be the Chairman of the Meeting. If no Director is willing to take the chair or if no Director is present within fifteen minutes after the time appointed for holding the Meeting, the Members present shall elect, on a show of hands, one of themselves to be the Chairman of the Meeting.**

If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the Meeting.

The Chairman shall ensure that the Meeting is duly constituted in accordance with the Act and the Articles or any other applicable laws, before it proceeds to transact business. The Chairman shall then conduct the Meeting in a fair and impartial manner and ensure that only such business as has been set out in the Notice is transacted.

**5.2 The Chairman shall explain the objective and implications of the Resolutions before they are put to vote at the Meeting.**

The Chairman shall provide a fair opportunity to Members who are entitled to vote to seek clarifications and/or offer comments related to any item of business and address the same, as warranted.

### **5.3 The Chairman shall not propose any Resolution in which he is deemed to be concerned or interested.**

If the Chairman is interested in any item of business, he shall entrust the conduct of the proceedings in respect of such item to the Vice-Chairman, if there is one, or to any non-interested Director or to a Member and resume the Chair after that item of business has been transacted.

A person, who so takes the Chair, can exercise his casting vote in the event that a vote on such item of business results in a tie, if the Articles provide for casting vote by the Chairman.

## **6. Voting**

### **6.1 Proposing a Resolution**

**6.1.1 Every Resolution shall be proposed by a Member and seconded by another Member entitled to vote thereon.**

### **6.2 E-voting**

**6.2.1 Every listed company and other companies as prescribed shall provide e-voting facility to its Members to exercise their right of voting at Meetings.**

Companies having not less than one thousand Members are required to provide e-voting facility to its Members as an alternative to exercising their right to vote at a Meeting.

This would not dispense with the requirement of holding a General Meeting by the company.

### **6.3 Physical ballot**

**6.3.1 Every company, which has provided e-voting facility to its Members as above, shall also put every resolution to vote at the Meeting through physical ballot.**

In case any Member, who has voted by electronic mode, votes again at the Meeting, his vote at the Meeting shall be treated as invalid.

### **6.4 Show of Hands**

**6.4.1 Resolutions in respect of companies which are not required to provide e-voting, shall be put to vote on a show of hands, unless a poll is validly demanded.**

A Proxy cannot vote on a show of hands.

### **6.5 Poll**

**6.5.1 Before or on the declaration of the result of the voting on any resolution, a poll shall be taken by the Chairman of the Meeting on a demand made in that behalf by such Members as prescribed under the Act.**

While a Proxy cannot speak at the Meeting, he has the right to demand or join in the demand for a poll.

The poll may be taken by the Chairman, on his own motion also.

## **6.6 Voting Rights**

### **6.6.1 Every Member holding equity shares and, in certain cases as prescribed in the Act, every Member holding preference shares, shall be entitled to vote on a Resolution.**

Every Member entitled to vote on a Resolution and present in person shall, on a show of hands, have only one vote irrespective of the number of shares held by him.

A Member present in person or by Proxy shall, on a poll, have votes in proportion to his share in the paid up equity share capital of the company, subject to differential rights as to voting, if any, attached to certain shares as stipulated in the Articles or by the terms of issue of such shares.

Preference shareholders have a right to vote only in certain cases as prescribed under the Act; their voting rights on a poll shall be in proportion to the share in the paid –up preference share capital of the company.

Proportion of voting rights of equity shareholders to the voting rights of preference shareholders shall be in the same proportion as the paid –up capital in respect of equity shares bears to the paid-up preference share capital of the company.

### **6.6.2 A Director, who is a Member, is entitled to vote on any Resolution in which he is deemed to be concerned or interested, except a Special Resolution in respect of a transaction in which the Director is a related party. In the case of listed companies, a Director who is a Member, is not entitled to vote in respect of concerned material related party transactions.**

## **6.7 Casting Vote**

**If the Articles so provide, the Chairman shall have a casting vote.**

## **7. Proxies**

### **7.1 Right to Appoint**

**A Member entitled to attend and vote is entitled to appoint a Proxy, or where that is allowed, one or more proxies, to attend and vote instead of himself and a Proxy need not be a Member.**

However, a Proxy shall be a Member in case of companies registered under the Act with the object of promotion of commerce, arts, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object, which intends to apply its profits, if any, or other income in promoting its objects and also prohibits the payment of any dividend to its Members.

A Proxy shall act on behalf of a number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

However, a Member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for another person or shareholder.

If a Proxy is appointed for more than fifty Members, he shall choose any fifty Members and confirm the same to the company before the commencement of specified period for inspection. In case, the Proxy fails to do so, the company shall consider only the first fifty proxies received in date as valid.

## **7.2 Form of Proxy**

### **7.2.1 An instrument appointing a Proxy shall be either in the Form specified in the Articles or in the Form set out in the Act.**

The instrument of Proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

### **7.2.2 An instrument of Proxy duly filled, stamped and signed, is valid only for the Meeting to which it relates including any adjournment thereof.**

## **7.3 Stamping of Proxies**

**An instrument of Proxy is valid only if it is properly stamped as per the applicable law. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid.**

## **7.4 Execution of Proxies**

### **7.4.1 The Proxy-holder shall prove his identity at the time of attending the meeting.**

**7.4.2 An authorised representative of a body corporate or of the President of India or of the Governor of a State, holding shares in a company, may appoint a Proxy under his signature.**

## **7.5 Proxies in Blank and Incomplete Proxies**

**7.5.1 A proxy form which does not state the name of the Proxy shall not be considered valid.**

**7.5.2 Undated Proxy shall not be considered valid.**

**7.5.3 If a company receives multiple Proxies for the same holdings of a Member, the proxy which is dated last shall be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple Proxies shall be treated as invalid.**

## **7.6 Deposit of Proxies**

**7.6.1 Proxies shall be deposited with the company either in person or through post not later than forty-eight hours before the commencement of the Meeting in relation to**

**which they are deposited and a Proxy shall be accepted even on a holiday if the last date by which it could be accepted is a holiday.**

Any provision in the Articles of a company which specifies or requires a longer period for deposit of proxy than forty-eight hours before a meeting of the company shall have effect as if a period of forty-eight hours had been specified in or required for such deposit.

**7.6.2 If the Articles so provide, a Member who has not appointed a Proxy to attend and vote on his behalf at a Meeting may appoint a Proxy for any adjourned Meeting, not later than forty-eight hours before the time of such adjourned Meeting.**

## **7.7 Revocation of Proxies**

**7.7.1 If a Proxy had been appointed for the original Meeting and such Meeting is adjourned, any Proxy given for the adjourned Meeting revokes the Proxy given for the original Meeting.**

**7.7.2 A Proxy later in date revokes any Proxy/Proxies dated prior to such Proxy.**

**7.7.3 A Proxy is valid until written notice of revocation has been received by the company before the commencement of the Meeting or adjourned Meeting, as the case may be.**

An undated notice of revocation of Proxy shall not be accepted. A notice of revocation shall be signed by the same Member (s), in the case of joint membership, who had signed the Proxy.

A Proxy need not be informed of the revocation of the Proxy issued by the Member.

**7.7.4 When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy stands automatically revoked.**

## **7.8 Inspection of Proxies**

**7.8.1 Requisitions, if any, for inspection of Proxies shall be received in writing from a Member entitled to vote on any resolution at least three days before the commencement of the Meeting.**

**7.8.2 Proxies shall be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.**

Inspection shall be allowed between 9 a.m. and 6 p.m. during such period .

**7.8.3 A fresh requisition, conforming to the above requirements, shall be given for inspection of Proxies in case the original Meeting is adjourned.**

## **7.9 Record of Proxies**

**7.9.1 All Proxies received by the company shall be recorded chronologically in a register kept for that purpose.**

**7.9.2 In case any Proxy entered in the register is rejected, the reasons therefor shall be entered in the remarks column.**

## **8. Conduct of e-voting**

**8.1 Every company that is required or opts to provide e-voting facility to its Members shall comply with the provisions of the Act in this regard.**

**8.2 The company shall offer e-voting facility, if provided, to all its Members, irrespective of whether they hold shares in physical form or in dematerialised form.**

**8.3. E-voting shall be completed three working days prior to the date of the General Meeting.**

The date of the General Meeting shall be excluded for the purpose.

## **8.4 Board Approval**

**The Board shall:**

- a) appoint one scrutiner, who may be a Practising Company Secretary, Practising Chartered Accountant, Practising Cost Accountant, or an advocate and any other person of repute who can scrutinize the e-voting process in a fair and transparent manner.**

He shall however not be an officer or employee of the company.

- b) appoint an Agency, as prescribed;**
- c) authorise the Chairman to receive the scrutiner's register, report on e-voting and other related papers with requisite details.**

The scrutiner is required to submit his report within a period of not exceeding three working days from the date of conclusion of the e-voting.

## **8.5 Notice**

**8.5.1 Notice of the Meeting shall be sent either by registered post or speed post or by courier or by facsimile or by e-mail or by any other electronic mode.**

The Notice should clearly specify the mode of voting which would be treated as valid in case the Member votes by more than one mode.

Once the vote on a resolution is cast by the Member electronically, he shall not be allowed to change it subsequently.

**8.5.2 Notice shall inform the Members about availability of such facility and provide necessary information thereof to enable them to access such facility.**

The Notice shall also clearly specify the date and time of commencement and end of e-voting and contain a statement that voting shall not be allowed beyond the said date and time. Notice shall also contain contact details of the official responsible to address the grievances connected with the

voting by electronic mode. Notice of an adjourned Meeting need not however specify the above details.

The Notice shall also specify the mode of declaration of the results of e- voting.

An advertisement containing prescribed details shall be published, not less than five days before the date of beginning of the voting period, atleast once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated and atleast once in English language in an English newspaper, both having a wide circulation in that district.

## **8.6 Declaration of results**

### **8.6.1 Based on the scrutiniser's report on e-voting and voting at the Meeting, as the case may be, the Chairman shall declare the result of the voting within two days of the Meeting.**

The results shall be announced by the Chairman or any other person authorised by the Chairman in writing for this purpose.

The results shall be declared on the basis of the results of e-voting and voting at the Meeting.

### **8.6.2 The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall be placed on the website of the company, if any.**

In the case of listed companies, the above, except the scrutiniser's report shall also be published in a leading national newspaper.

### **8.7 The Resolution, if passed by a requisite majority, shall be deemed to have been passed on the date of the relevant General Meeting.**

## **8.8. Custody of scrutiniser's register, report and other related papers**

**The scrutiniser's register, report and other related papers received from the scrutiniser shall be kept in the custody of the Secretary or any other person authorised by the Chairman in writing for this purpose.**

## **9. Passing of Resolutions by Postal Ballot**

### **9.1**

#### **9.1.1 Every company, except a company having not more than two hundred Members, shall transact items of business as may be prescribed, only by means of postal ballot.**

The Illustrative list of items of businesses requiring to be transacted only by means of a postal ballot is given at *Annexure 'A'*.

The Board may however opt to transact any other item of business, not being an ordinary business and any business in respect of which directors or auditors have a right to be heard at the Meeting, by means of postal ballot.

Adoption of accounts of the company, declaration of dividend by the company and appointment of auditors and directors of the company shall not be transacted by means of a postal ballot.

**9.1.2 Every listed company shall provide e-voting facility to its Members in respect of those items, which are required to be transacted through postal ballot**

## **9.2 Board Approval**

### **9.2.1 The Board shall:**

- a) identify the businesses to be transacted through postal ballot;**
- b) approve the notice of postal ballot incorporating proposed resolution(s) and explanatory statement therefor;**
- c) authorise the Secretary or any Director of the Company to conduct postal ballot process and sign and send the Notice along with other documents ;**
- d) appoint an Agency, as prescribed, in respect of e-voting for the postal ballot;**
- e) appoint a scrutiniser for the postal ballot.**

Scrutiniser shall be a Practising Company Secretary or a Practising Chartered Accountant or a Practising Cost Accountant or an Advocate, or any other person of repute who is not in employment of the company and, who can scrutinize the postal ballot process in a fair and transparent manner.

- f) decide the record date for reckoning voting rights and ascertaining those Members to whom the Notice and postal ballot forms should be sent.**
- g) decide on the calendar of events.**
- h) authorise the Chairman or any other person to receive the scrutiniser's register, report on postal ballot and other related papers with requisite details.**

The scrutiniser is required to submit his report within seven days from the last date of receipt of postal ballot forms.

## **9.3 Notice**

**9.3.1 Notice of the postal ballot shall be given in writing to every Member of the company. Such Notice shall also be given to the Directors and Auditors of the company, to the Secretarial Auditor, to Debenture Trustees, if any, and, wherever applicable or so required, to other specified recipients.**

**9.3.2 The Notice shall be sent either by registered post or speed post, or by courier or by e-mail at the address registered with the company.**



An advertisement shall be published at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having dispatched the ballot papers.

In case of listed companies, the Notice may also be published in a leading national newspaper.

**9.3.3 The Notice of the postal ballot shall also be placed on the website of the company forthwith after Notice is sent to the Members and such Notice shall remain on such website till the last date for receipt of the postal ballot forms from the Members.**

**9.3.4 The Notice shall specify the day, date, time and venue where the results of the voting by postal ballot will be announced and the link of the website where such results will be displayed.**

The Notice and the advertisement should, inter alia, the following matters:

- i. a statement to the effect that the business is to be transacted by postal ballot which includes voting by electronic means;
- ii. the date of completion of dispatch of notices;
- iii. the date of commencement of voting (physical and e-voting);
- iv. the date of end of voting (physical and e-voting);
- v. the statement that any postal ballot forms received from the member will not be valid after thirty days from the date of dispatch of Notice;
- vi. a statement to the effect that members who have not received postal ballot forms may apply to the company and obtain a duplicate thereof;
- vii. contact details of the person responsible to address the queries/grievances connected with the voting by postal ballot including voting by electronic means; and
- viii. day, date, time and venue of declaration of results.

The Notice should also clearly mention record date as on which the right of voting of the Members has been reckoned and state that a person who is not a Member as on the record date should treat this Notice for information purposes only.

The Notice should also specify the mode of voting which would be treated as valid in case the Member votes by more than one mode.

**9.3.5 Notice shall inform the Members about availability of such facility and provide necessary information thereof to enable them to access such facility.**

The Notice shall also clearly specify the date and time of commencement and end of e-voting and contain a statement that voting shall not be allowed beyond the said date and time. Notice shall also contain contact details of the official responsible to address the grievances connected with the e-voting for postal ballot.

The Notice shall also specify the mode of declaration of the results of postal ballot.

**9.3.6 In respect of items of Special Business, each such item shall be in the form of a Resolution and shall be accompanied by an explanatory statement which shall set out all such facts as would enable a Member to understand the meaning, scope and implications of the item of business and to take a decision thereon.**

#### **9.4 Postal ballot forms**

**9.4.1 The postal ballot form shall be accompanied by a postage prepaid reply envelope addressed to the scrutiniser.**

A single postal ballot Form may provide for multiple items of business to be transacted.

**9.4.2 The postal ballot form shall contain instructions as to the manner in which the form is to be completed, assent or dissent is to be recorded and its return to the scrutiniser.**

The postal ballot form may specify instances in which such Form shall be treated as invalid or rejected and procedure for issue of duplicate postal ballot Forms.

**9.4.3 A postal ballot form shall be considered invalid if:**

- a) A form other than one issued by the company has been used;**
- b) It has not been signed by or on behalf of the Member;**
- c) Signature on the postal ballot form doesn't match the specimen signatures with the company**
- d) It is not possible to determine without any doubt the assent or dissent of the Member;**
- e) Neither assent nor dissent is mentioned;**
- f) Any competent authority has given directions in writing to the company to freeze the voting rights of the Member;**
- g) The envelope containing the postal ballot form is received after the last date prescribed;**
- h) the postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;**
- i) It is received from a Member who is in arrears of payment of calls;**
- j) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established;**
- k) It is not filled in accordance with the instructions for filling and executing the form.**

**l) Member has made any amendment to the Resolution or imposed any condition while exercising his vote.**

A postal ballot form which is otherwise complete in all respects and is lodged within the prescribed time limit but is undated should be considered valid.

**9.5 Declaration of Results**

**9.5.1 Based on the scrutiniser's report, the Chairman shall declare the results of the postal ballot, with details of the number of votes cast for and against the Resolution, invalid votes and the final result as to whether the Resolution has been carried or not on the date, time and venue specified in the Notice.**

The result shall be announced by the Chairman or any other person authorised by the Chairman in writing for this purpose.

**9.5.3 The result of the voting with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not alongwith the scrutiniser's report shall also be placed on the website of the company, if any.**

In the case of listed companies, the above, except the scrutiniser's report shall also be published in a leading national newspaper.

**9.5.4 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 or e-voting, unless a General Meeting is held in that behalf.**

**9.6 Custody of scrutiniser's registers, report, Postal Ballot forms, and other related papers**

**9.6.1 The postal ballot forms, other related papers, register and scrutiniser's report received from the scrutiniser shall be kept in the custody of the Secretary or any other person authorised by the Chairman in writing for this purpose.**

**9.7. Rescinding the Resolution**

**9.7.1 A Resolution passed by postal ballot should not be rescinded otherwise than by a Resolution passed subsequently through postal ballot.**

**10. Conduct of Poll**

**10.1 When a poll is demanded on any Resolution, the Chairman shall get the validity of the demand verified and, if the demand is valid, shall order the poll forthwith if it is demanded on the question of appointment of the Chairman or adjournment of the Meeting and, in any other case, within forty-eight hours of the demand for poll.**

**10.2 In the case of a poll, which is not taken forthwith, the Chairman shall announce the date, venue and time of taking the poll to enable Members to have adequate and convenient opportunity to exercise their vote. The Chairman may permit any Member who so desires to be present at the time of counting of votes.**

If the date, venue and time of taking the poll cannot be announced at the meeting, the Chairman shall inform the Members, the modes and the time of such communication, which shall in any case be within twenty four hours of closure of the Meeting.

A Member who did not attend the Meeting can participate and vote in the poll in such cases.

**10.3 Each Resolution put to vote by poll shall be put to vote separately.**

One ballot paper may be used for two or more items.

**10.4 The Chairman shall appoint such number of scrutinisers, as he deems necessary, who may include a Practising Company Secretary, Practising Chartered Accountant, Practising Cost Accountant, or an Advocate or any other person of repute, to ensure that the scrutiny of the votes cast on a poll is done in a fair and transparent manner.**

At least one of the scrutinisers shall be a Member who is present at the Meeting and is not an officer or employee of the company.

**10.5 Based on the scrutiniser's report, the Chairman shall declare the result of the poll, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not.**

The result shall be announced by the Chairman or any other person authorised by the Chairman in writing for this purpose.

The Chairman of the Meeting shall have the power to regulate the manner in which the poll shall be taken and shall ensure that the poll is scrutinised in the manner prescribed under the Act.

**10.6 The result of the poll with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall be displayed on the notice board of the company at its Registered Office and its Corporate/Head Office, if such office is situated elsewhere, and also placed on the website of the company, if any.**

In the case of listed companies, the result of the poll as above except the scrutiniser's report shall also be published in a leading national newspaper.

The result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.

## **11. Withdrawal of Resolutions**

**Resolutions for items of business which are likely to affect the market price of the securities of the company shall not be withdrawn.**

## **12. Rescinding of Resolutions**

**A Resolution passed at a Meeting shall not be rescinded other than by a Resolution passed at a subsequent Meeting.**

## **13. Modifications to Resolutions**

**Modifications to any Resolution which do not change the purpose of the Resolution materially may be proposed, seconded and adopted by the requisite majority at the Meeting and, thereafter, the amended Resolution shall be duly proposed, seconded and put to vote.**

No amendment to any proposed Resolution shall be made if it in any way alters the substance of the Resolution as set out in the Notice. Grammatical, clerical and factual errors, if any, may be corrected or converted into more formal language and, if the precise text of the Resolution was not included in the Notice, it may be corrected into a formal Resolution, provided there is no departure from the substance as stated in the Notice.

## **14. Reading of Reports**

**14.1 The qualifications, observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company, if any, mentioned in the Auditor's Report shall be read at the Annual General Meeting and attention of the Members present shall be drawn to the explanations / comments given by the Board of Directors in their report.**

**14.2 The qualifications, observations or other remarks if any, mentioned in the Secretarial Audit Report issued by the Practising Company Secretary, shall be read at the Annual General Meeting and attention of Members present shall be drawn to the explanations / comments given by the Board of Directors in their report.**

## **15. Distribution of Gifts**

**No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting.**

## **16. Adjournment of Meetings**

**16.1 A duly convened Meeting shall not be adjourned arbitrarily by the Chairman. The Chairman may adjourn a Meeting with the consent of the Members, at which a Quorum is present, and shall adjourn a Meeting if so directed by the Members.**

Meetings may be adjourned for want of requisite Quorum. The Chairman may adjourn a Meeting in the event of disorder or other like causes, where it becomes impossible to conduct the Meeting and complete its business.

**16.2 If a Meeting is adjourned sine-die or for a period of thirty days or more, a Notice of the adjourned Meeting shall be given in accordance with the provisions contained hereinabove relating to Notice.**

**16.3 If a Meeting is adjourned for a period of less than thirty days, the company shall give not less than three days' notice specifying the day, date, time and venue of the Meeting, to the members either individually or by publishing an advertisement in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and in an English newspaper in English language, both having a wide circulation in that district. In the case of listed companies, notice thereof specifying the day, date, time and venue of the Meeting shall also be published simultaneously in a leading national newspaper.**

**16.4 If a Meeting, other than a requisitioned Meeting, stands adjourned for want of Quorum, the adjourned Meeting shall be held on the same day, in the next week at the same time and place or on such other day, not being a National Holiday, and at such other time and place as may be determined by the Board.**

If, at an adjourned Meeting, Quorum is not present within half an hour from the time appointed, the Members present, being not less than two in number, will constitute the Quorum.

**16.5 If, within half an hour from the time appointed for holding a requisitioned Meeting, a Quorum is not present, the Meeting shall stand dissolved.**

**16.6 At an adjourned Meeting, only the unfinished business of the original Meeting shall be considered.**

Any Resolution passed at an adjourned Meeting would be deemed to have been passed on the date of the adjourned Meeting and not on any earlier date.

## **17. Minutes**

### **17.1 Maintenance of Minutes**

**17.1.1 Minutes shall be recorded in books maintained for that purpose.**

**17.1.2 A distinct Minutes Book shall be maintained for Meetings of the Board, each of its Committees, Members of the company, creditors and others as may be required under the Act.**

Resolutions passed by postal ballot shall be recorded in the Minute books of General Meetings if these were passed in the General Meeting.

**17.1.3 Minutes may be maintained in electronic form in such manner as may be prescribed under the Act.**

Every listed company or a company having not less than one thousand shareholders, debenture holders and other security holders, may maintain its Minutes in electronic form in such manner as decided by the Board.

Every company shall however follow a uniform and consistent system of maintaining the Minutes. Any deviation in such maintenance shall be authorised by the Board.

The Managing Director or Company Secretary or any other Director or Officer of the company as the Board may decide shall be responsible for the maintenance and security of Minutes in electronic form.

**17.1.4 The pages of the Minutes Books shall be consecutively numbered.**

This shall be followed irrespective of a break in the Book arising out of periodical binding.

In the event any page in the Minutes Book is left blank, it shall be scored out and initialled by the Director who signs the Minutes.

**17.1.5 Minutes shall not be pasted or attached to the Minutes Book, or tampered with in any manner.**

**17.1.6 Minutes of Meetings, if maintained in loose-leaf form, shall be bound periodically depending on the size and volume.**

There shall be proper locking device to ensure security and proper control to prevent removal or manipulation of the loose leaves.

**17.1.7 Minutes Books shall be kept at the Registered Office of the company.**

**17.2 Contents of Minutes**

**17.2.1 Minutes shall begin with the type of the Meeting, name of the company, day, date, venue and time of commencement.**

In case a Meeting is adjourned, the Minutes shall be entered in respect of the original Meeting as well as the adjourned Meeting. In respect of a Meeting convened but adjourned for want of quorum a statement to that effect shall be recorded by the Chairman or any Director present at the Meeting in the Minutes.

**17.2.2 Minutes shall record the names of the Directors and the Secretary present at the Meeting.**

The names of the Directors shall be listed in alphabetical order or in any other logical manner, but in either case starting with the name of the person in the Chair followed by the name of the Vice-Chairman, if any.

**17.2.3 Minutes shall, *inter alia*, contain:**

- (a) The Record of appointment of the Chairman of the Meeting.**
- (b) The fact that certain registers, documents and qualifications, observations or comments, if any, in the Auditor's Report and Secretarial Audit Report, were available for inspection.**
- (c) The number of members present in person including representatives.**
- (d) The Record of presence of Quorum.**
- (e) The number of proxies and the number of shares represented by them.**

- (f) The presence of the Chairmen of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee or their authorised representatives.**
- (g) The presence if any, of the Secretarial Auditor, the Auditors, or their authorised representatives, the Court/Tribunal appointed observers or scrutinisers.**
- (h) Reading of qualifications, observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company, as mentioned in the report of the Auditors.**
- (i) Reading of qualifications, observations or other remarks as mentioned in the report of the Secretarial Auditor.**
- (j) Summary of the opening remarks of the Chairman.**
- (k) Summary of the clarifications provided on various Agenda Items.**
- (l) In respect of each resolution, the type of the resolution, the names of the persons who proposed and seconded and the majority with which such resolution was passed.**

Where a motion is moved to modify a proposed resolution, the result of voting on such motion shall be mentioned. If a resolution proposed undergoes modification pursuant to a motion by shareholders, the Minutes shall contain the details of voting for the modified resolution.

- (m) In the case of poll, the names of scrutinisers appointed and the number of votes cast in favour and against the resolution and invalid votes.**
- (n) If the Chairman vacates the Chair in respect of any specific item, the fact that he did so and in his place some other Director or Member took the Chair.**

**17.2.4 In respect of Resolutions passed by e-voting / postal ballot, a brief report on the e-voting / postal ballot conducted including the Resolution proposed, the result of the voting thereon and the summary of the scrutiniser's report shall be recorded in the Minutes Book and signed by the Chairman or in the event of death or inability of the Chairman, by the Vice Chairman or any Director duly authorised by the Board for the purpose, within thirty days from the date of declaration of the result of the e-voting / postal ballot.**

Where the Minutes have been kept in accordance with the Act then, until the contrary is proved, the Resolutions passed by postal ballot shall be deemed to have been duly passed.

### **17.3. Recording of Minutes**

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



The Secretary or any other authorised person of the company shall record the proceedings of the Meetings.

The Chairman shall ensure that the proceedings of the Meeting are correctly recorded and, in doing so, he may include or exclude any matter as is deemed fit.

The Chairman has absolute discretion to exclude from the Minutes, matters which in his opinion are defamatory, irrelevant or immaterial or which are detrimental to the interests of the company.

#### **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.

### **17.4. Entry in the Minutes Book**

#### **17.4.1 Minutes shall be entered in the Minutes Book within thirty days from the date of conclusion of the Meeting.**

In case a Meeting is adjourned, the Minutes in respect of the original Meeting as well as the adjourned Meeting shall be entered in the Minutes Book within thirty days from the date of the respective Meetings.

#### **17.4.2 The date of entry of the Minutes in the Minutes Book shall be recorded by a Director or the Secretary.**

**17.4.3 Minutes, once entered in the Minutes Book, shall not be altered. However, minor errors may be corrected and initialled by the Chairman even after the Minutes have been signed.**

### **17.5. Signing and Dating of Minutes**

**17.5.1 Minutes of a General Meeting shall be signed and dated by the Chairman of the Meeting or in the event of death or inability of that Chairman, by the Vice-Chairman or by any Director who was present in the Meeting and duly authorised by the Board for the purpose, within thirty days of the General Meeting.**

**17.5.2 The Chairman shall initial each page of the Minutes, sign the last page and append to such signature the date on which he has signed the Minutes.**

Any blank space in a page between the conclusion of the Minutes and signature of the Director shall be scored out.

If the Minutes are maintained in electronic form, the Chairman shall sign the Minutes digitally.

## **17.6. Inspection and Extracts of Minutes**

### **17.6.1 Directors and Members are entitled to inspect the Minutes of all General Meetings including Resolutions passed by postal ballot.**

Minutes of all General Meetings shall be open for inspection during business hours of the company, without charge, subject to such reasonable restrictions as the company may, by its articles or in general meeting, impose, so, however, that not less than two hours in each business day are allowed for inspection.

The Practising Company Secretary appointed by the company or the Secretarial Auditor or Statutory Auditor of the company can inspect the Minutes in the course of audit.

Officers of the Registrar of Companies, or other Government or regulatory bodies, if so authorised by the Act or any other law, during the course of an inspection, can also inspect the Minutes.

Inspection of Minutes Book may also be provided in electronic form.

### **17.6.2 Extracts of the Minutes shall be given only after the Minutes have been duly signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting.**

Extracts of the duly signed Minutes may also be provided in electronic form.

When a member requests in writing for a copy of any Minutes, which he is entitled to inspect, the company shall furnish the same within seven working days of receipt of his request, subject to payment of such fee as may be specified in the Articles of the company. In case a Member requests for the copy of the Minutes in electronic form, in respect of any previous General Meetings held during a period immediately preceding three financial years, the company shall furnish the same without any fee.

## **18. Preservation of Minutes and other Records**

### **18.1 Minutes of all Meetings shall be preserved permanently in physical or electronic form.**

**18.2 Office copies of Notices, scrutiniser's report, and related papers shall be preserved in good order in physical or 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.**

**18.3 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.**

**18.4 Office copies of Notices, scrutiniser's report, and related papers of the transferor company, as handed over to the transferee company, shall be preserved in good order in physical or 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.**

**18.5 Minutes Books shall be kept in the custody of the Secretary of the company or any Director duly authorised for the purpose by the Board.**

## **19. Report of the Annual General Meeting**

**Every listed company shall prepare a report of the Annual General Meeting in the prescribed form, including a confirmation that the Meeting was convened, held and conducted as per the provisions of the Act.**

Such report which shall be a fair and correct summary of the proceedings of the Meeting shall contain:

- i) the day, date, time and venue of the Annual General Meeting;
- ii) confirmation with respect to appointment of Chairman of the Meeting;
- iii) number of members attending the meeting;
- iv) confirmation of quorum;
- v) confirmation with respect to compliance of the Act and Standards with respect to calling, convening and conducting the Meeting;
- vi) business transacted at the Meeting and result thereof;
- vii) particulars with respect to any adjournment, postponement of Meeting, change in venue; and
- viii) any other points relevant for inclusion in the report.

It shall be signed and dated by the Chairman of the Meeting or in case of his inability to sign, by any two directors of the company, one of whom shall be the Managing Director, if there is one and Secretary of the company.

Such report shall be filed with the Registrar of Companies within thirty days of the conclusion of the Annual General Meeting.

## **20. Disclosure**

**The Annual Return of a company shall disclose the date of Annual General Meeting held during the financial year.**

### **EFFECTIVE DATE**

This Standard shall come into effect from \_\_\_\_\_.

**Items of business which shall be passed only by postal ballot**

1. alteration of the objects clause of the memorandum and in the case of the company in existence immediately before the commencement of the Act, alteration of the main objects of the memorandum
2. alteration of articles of association in relation to insertion or removal of provisions which, under sub-section (68) of section 2, are required to be included in the articles of a company in order to constitute it a private company
3. change in place of registered office outside the local limits of any city, town or village as specified in sub-section (5) of section 12
4. change in objects for which a company has raised money from public through prospectus and still has any unutilized amount out of the money so raised under sub-section (8) of section 13
5. issue of shares with differential rights as to voting or dividend or otherwise under sub-clause (ii) of clause (a) of section 43
6. variation in the rights attached to a class of shares or debentures or other securities as specified under section 48
7. buy-back of shares by a company under sub-section (1) of section 68
8. election of a director under section 151 of the Act
9. sale of the whole or substantially the whole of an undertaking of a company as specified under sub-clause (a) of sub-section (1) of section 180
10. giving loans or extending guarantee or providing security in excess of the limit specified under sub-section (3) of section 186
11. any other resolution prescribed under any applicable law, rules or regulations