

Schedule of Amendments to SS-1

Sl. No.	Para No.	Existing Text of SS-1	Text of Revised SS-1	Rationale
1.	Scope (Para-graph 1 & 2)	<p>This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except One Person Company (OPC) in which there is only one Director on its Board and a company licensed under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.</p> <p>However, Section 8 companies need to comply with the applicable provisions of the Act relating to Board Meetings.</p>	<p>This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except One Person Company (OPC) in which there is only one Director on its Board and a company licensed-registered under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.</p> <p>However, <u>companies registered under Section 8 of the Companies Act, 2013</u> Section 8 companies need to comply with the applicable provisions of the Act relating to Board Meetings.</p> <p><u>The exemption to a company registered under Section 8 of the Companies Act, 2013 as referred above and the specific exemptions given to a private company in this Standard shall be available only if it has not committed any default in filing its Financial Statements or Annual Return with the Registrar of Companies.</u></p>	<p>Amendment in law</p> <p>To reflect the effect of MCA's Exemption Notification dated 13th June, 2017 in respect of Section 8 Company and Private Company. Now, the exemption is compliance based.</p> <p>The exemptions stated under notification dated 5th June, 2015 and 13th June, 2017 shall be available only to those companies which have not committed a default in filing its financial statements under Section 137 or annual return under Section 92 of the Act with the Registrar.</p>
2.	1.2.3	<p>Any Director may participate through Electronic Mode in a Meeting unless the Act or any other law specifically prohibits such participation through Electronic Mode in respect of any item of business.</p> <p>Directors shall not participate through Electronic Mode in the discussion on</p>	<p>Any Director may participate through Electronic Mode in a Meeting unless the Act or any other law specifically prohibits such participation through Electronic Mode in respect of any item of business.</p> <p>Directors shall not participate through Electronic Mode in the discussion on certain restricted items <u>unless there is a Quorum in a Meeting through physical presence of Directors.</u></p>	<p>Amendment in law</p> <p>Companies (Amendment) Act, 2017 and Rules</p> <p>Section 173 (2) - 2nd proviso inserted as under:</p> <p>"Provided further that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means in such meeting on any matter specified under the first</p>

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		<p>certain restricted items. Such restricted items of business include approval of the annual financial statement, Board's report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover. Similarly, participation in the discussion through Electronic Mode shall not be allowed in Meetings of the Audit Committee for consideration of annual financial statement including consolidated financial statement, if any, to be approved by the Board.</p>	<p>Such restricted items of business include approval of the annual financial statement, Board's report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover. Similarly, participation in the discussion through Electronic Mode shall not be allowed in Meetings of the Audit Committee for consideration of annual financial statement including consolidated financial statement, if any, to be approved by the Board.</p>	<p>proviso."</p> <p>In the Companies (Meetings of Board and its Powers) Rules, 2014, in rule 4, the following proviso is inserted:-</p> <p>"Provided that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means."</p>
3.	1.3.4 After 3 rd Paragraph	<p>The Director may intimate his intention of participation through Electronic Mode at the beginning of the Calendar Year also, which shall be valid for such Calendar Year.</p>	<p>The Director may intimate his intention of participation through Electronic Mode at the beginning of the Calendar Year also, which shall be valid for such Calendar Year.</p> <p><u>Such intimation shall not debar him from participation in the Meeting in person provided he gives such intimation sufficiently in advance to the company.</u></p>	<p>Amendment in law</p> <p>Amendment in Companies (Meetings of Board and its Powers) Rules, 2014 (Notification dated 13th July, 2017)</p> <p>Rule 3(3)(e):</p> <p>(e) Any director who intends to participate in the meeting through electronic mode may intimate about such participation at the beginning of the calendar year and such declaration shall be valid for one year</p> <p>Provided that such declaration shall not debar him from participation in the meeting in</p>

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				person in which case he shall intimate the company sufficiently in advance of his intention to participate in person.
4.	1.3.7 (8 th Paragraph)	<p>“Unpublished Price Sensitive Information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –</p> <p>(i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; (v) changes in key managerial personnel; and (vi) material events in accordance with the listing agreement*.</p>	<p>“Unpublished Price Sensitive Information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –</p> <p>(i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; <u>and</u> (v) changes in key managerial personnel*;<u>and</u> (vi) material events in accordance with the listing agreement*.</p>	<p>Amendment in law</p> <p>SEBI vide notification dated 31.12.18 amended the definition of “Unpublished Price Sensitive Information”, effective from 01.04.19.</p> <p>The definition of UPSI referred in SS-1 is revised accordingly.</p>
5.	2.1 (2 nd Paragraph)	<p>The company shall hold first Meeting of its Board within thirty days of the date of incorporation. It shall be sufficient if subsequent Meetings are held with a maximum interval of one hundred and twenty days between any two consecutive</p>	<p>The company shall hold first Meeting of its Board within thirty days of the date of incorporation. It shall be sufficient if subsequent Meetings are held with a maximum interval of one hundred and twenty days between any two consecutive Meetings.</p>	<p>Amendment in law</p> <p>MCA Exemption Notifications dated 13th June, 2017 (Exemption to Private Company)</p> <p>For sub-section 173(5), the following sub-section shall be substituted:-</p>

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		<p>Meetings.</p> <p>Further, it shall be sufficient if a One Person Company, Small Company or Dormant Company holds one Meeting of the Board in each half of a Calendar Year and the gap between the two Meetings of the Board is not less than ninety days.</p>	<p>Further, it shall be sufficient if a One Person Company, Small Company, or Dormant Company <u>or a private company which is recognised as (start-up)</u> holds one Meeting of the Board in each half of a Calendar Year and the gap between the two Meetings of the Board is not less than ninety days.</p> <p>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 original Meeting.</p> <p><u>For the purposes of this Standard, the term “start-up” means a private company incorporated under the Act and recognised as start-up in accordance with the notification issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.</u></p>	<p>(5) A One Person Company, small company, dormant company and a private company (if such private company is a start-up) shall be deemed to have complied with the provisions of this section if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is not less than ninety days:</p> <p>Provided that nothing contained in this subsection and in section 174 shall apply to One Person Company in which there is only one director on its Board of Directors.</p> <p>Explanation to Section 2(40) of the Act:</p> <p>For the purposes of this Act, the term “start-up” or “start-up company” means a private company incorporated under the Companies Act, 2013 (18 of 2013) or the Companies Act, 1956 (1 of 1956) and recognised as start-up in accordance with the notification issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.</p>
6.	2.3	<p>Meeting of Independent Directors</p> <p>Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall meet at least once in a Calendar Year.</p>	<p>Meeting of Independent Directors</p> <p>Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall <u>hold meet at least once one Meeting in a Calendar financial year <u>without attendance of Non-Independent Directors</u></u></p>	<p>Amendment in law</p> <p>Amendment in Schedule IV to the Companies Act, 2013 (Notification dated 5th July, 2017) as under:</p> <p>The independent directors of the company shall</p>

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			<u>and members of management.</u>	hold at least one meeting ["in a financial year"], without the attendance of non-independent directors and members of management;
7.	3.2	A Director shall neither be reckoned for Quorum nor shall be entitled to participate in respect of an item of business in which he is interested. However, in case of a private company, a Director shall be entitled to participate in respect of such item after disclosure of his interest.	A Director shall neither be reckoned for Quorum nor shall be entitled to participate in respect of an item of business in which he is interested. However, in case of a private company, a Director shall be <u>reckoned for Quorum and</u> entitled to participate in respect of such item after disclosure of his interest.	<p>Amendment in law</p> <p>MCA Exemption Notifications dated 13th June, 2017 Exemption to Private Company (In partial Modification to Principle exemption notification dated 5th June, 2015)</p> <p>Section 174(3): Quorum for Meetings of Board.</p> <p>Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>Explanation.—For the purposes of this sub-section, “interested director” means a director within the meaning of sub-section (2) of section 184.]</p> <p>In case of private companies, the above shall apply with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.</p> <p>Therefore, in case of a private company, the interested director may also be counted</p>

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				<p>towards quorum after disclosure of his interest.</p> <p>Earlier, the exemption was provided w.r.t participation ONLY in the meeting by an interested director, after disclosure of interest.</p>
8.	3.3	<p>Directors participating through Electronic Mode in a Meeting 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.</p>	<p>Directors participating through Electronic Mode in a Meeting 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 <u>except for restricted items in which Quorum shall be ascertained on the basis of physical presence of Directors.</u></p>	<p>Amendment in law</p> <p>Companies (Amendment) Act, 2017</p> <p>Section 173 (2) - 2nd proviso inserted as under:— "Provided further that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means in such meeting on any matter specified under the first proviso."</p> <p>This amendment allow participation of directors on certain items at Board meetings through video conferencing or other audio visual means if there is quorum through physical presence of directors.</p>
9.	5.1.2 (3 rd Paragraph)	<p>If the Chairman is interested in an item of business, he shall entrust the conduct of the proceedings in respect of such item to any Non-Interested Director with the consent of the majority of Directors present and resume the chair after that item of business has been transacted. However, in case of a private company, the Chairman may continue to chair and</p>	<p>If the Chairman is interested in an item of business, he shall entrust the conduct of the proceedings in respect of such item to any Non-Interested Director, with the consent of the majority of Directors present, and resume the chair after that item of business has been transacted. However, in case of a private company, the Chairman may continue to chair, <u>be reckoned for quorum</u> and <u>entitled to participate in the Meeting in respect of such item</u> after disclosure of his interest.</p>	<p>Amendment in law</p> <p>MCA Exemption Notifications dated 13th June, 2017 Exemption to Private Company (In partial Modification to Principle exemption notification dated 5th June, 2015) Section 174(3): Quorum for Meetings of Board</p> <p>Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the</p>

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		participate in the Meeting after disclosure of his interest.		<p>number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>Explanation.—For the purposes of this sub-section, “interested director” means a director within the meaning of sub-section (2) of section 184.]</p> <p>In case of private companies, the above shall apply with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.</p> <p>Therefore, in case of a private company, the interested director may also be counted towards quorum after disclosure of his interest.</p> <p>Earlier, the exemption was provided w.r.t participation ONLY in the meeting by an interested director, after disclosure of interest.</p>
10	6.2.2 (3 rd Para- graph)	Proof of sending and delivery of the draft of the Resolution and the necessary papers shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the meeting	Proof of sending and delivery of the draft of the Resolution and the necessary papers shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the Meeting circulation <u>of such Resolution</u> .	<p>Minor/factual change</p> <p>Considering that there is no ‘Meeting’ in case of resolutions passed by circulation, the proposed change is suggested for better clarity and uniformity in practice.</p>
11	After Para-	EFFECTIVE DATE	This Standard shall come into effect from 1st-October, 2017 <u>1st April, 2024</u> .	

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12	Annex-ures	<p><i>Annexure 'A'</i> <i>(Para 1.3.8)</i></p> <p><i>Annexure 'B'</i> <i>(Para 1.3.8)</i></p>	<p><i>Annexure 'A'</i> <i>(Paragraph 1.3.8)</i></p> <p><i>Annexure 'B'</i> <i>(Paragraph 1.3.8)</i></p>	<p>Language improvement</p> <p>Being more appropriate, the term “Paragraph” is used instead of “Para”.</p>
13	Annex-A (Specific items 9 th Bullet point)	In case of a public company, the appointment of Director(s) in casual vacancy subject to the provisions in the Articles of the company.	In case of a public company, the a ppointment of Director(s) in casual vacancy subject to the provisions in the Articles of the company. <u>To be subsequently approved in the immediate next general meeting.</u>	<p>Amendment in law</p> <p>Companies (Amendment) Act, 2017</p> <p>Section 161(4): In the case of a public company If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board <u>which shall be subsequently approved by members in the immediate next general meeting.</u></p>
