

**Model Code
for
Meetings of
Non-Corporate Entities**



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

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PREFACE

Companies deals with more stringent regulations as compared to Non-corporate Entities which majorly pursue common objectives or formed to provide benefits/services to its members. Non-corporate Entities may be incorporated in the form of society, trust, club, welfare association, civic bodies etc.

Usually the Governing Body/Council of Non-corporate Entities comprises of members chosen from among the members of such entities or in some cases, nominee appointed by the Government. The affairs of Non-corporate Entities are managed by the Governing Body/Council by taking appropriate decisions at its meeting. To achieve the objectives of any entity, the effective decision making is inevitable and the same equally applies to Non-corporate Entities.

The legal principles and procedures with respect to Non-corporate Entities are laid down in the respective laws applicable to such entities or enshrined in their Bye-laws. In addition to applicable legal requirements, this Model Code provides essential governance practices in convening and conducting the Meetings of the Governing Council/ Management Committee of such entities and aims to harmonise the prevalent diverse practices.

This model code does not seek to substitute or supplant any existing laws applicable to Non-corporate Entities. It strives to supplement such laws for promoting better governance in convening and conducting the Meetings of such entities.

I place on record my sincere thanks to CS Pavan Kumar Vijay, former Chairman-Secretarial Standards Board (SSB) and all

Members of the SSB for their tireless efforts and contribution made during the preparation and finalisation of this Model Code for Meetings of Non-corporate Entities.

I also wish to place on record my appreciation for the efforts put in by CS Rakesh Kumar, Assistant Director under the leadership of CS Banu Dandona, Joint Director, Directorate of Corporate Laws & Governance and under the overall guidance of CS Ashok Kumar Dixit, Officiating Secretary of the ICSI, in bringing out this Model Code.

I urge upon the readers of this Model Code to voluntarily adopt and disseminate the best practices in convening and conducting the Meetings of Non-corporate Entities, so as to promulgate good governance.

Improvement is a continuous process and therefore, suggestions of the readers to improve this Model Code are most welcome.

Place: New Delhi
Date: 20th March, 2019

CS Ranjeet Pandey
President, ICSI

C O N T E N T S

	Pg. No.
INTRODUCTION	1
DEFINITIONS	1
MODEL CODE	3
1. Convening a Meeting	3
2. Frequency of Meeting	8
3. Quorum	8
4. Attendance at the Meeting	9
5. Chairman	10
6. Adjournment of Meeting	11
7. Passing of Resolution by Circulation	12
8. Modification or cancellation of resolutions/decisions	13
9. Minutes of the Meeting	13
<i>Annexure-A</i>	
Specimen Notice of Meetings	17
<i>Annexure-B</i>	
Standard List of Agenda Item	18
<i>Annexure-C</i>	
Specimen Attendance Register of Members	19
<i>Annexure-D</i>	
Specimen Minutes Book	20

MODEL CODE FOR MEETINGS OF NON-CORPORATE ENTITIES

INTRODUCTION

This code seeks to prescribe a set of principles for convening and conducting Meetings of the Governing Council/ Management Committee of Non-corporate Entities and matters related thereto.

The principles with respect to Meetings of Non-corporate Entities are laid down in the respective laws applicable to such entities or enshrined in their Bye-laws. This model code provides essential governance practices in convening and conducting the Meetings of the Governing Council/ Management Committee of such entities and aims to harmonise the prevalent diverse practices.

This model code does not seek to substitute or supplant any existing laws applicable to Non-corporate Entities. It strives to supplement such laws for promoting better governance in convening and conducting the Meetings of such entities.

The Non-corporate Entities are free to adopt the provisions of this code voluntarily. If any of the provisions of this code are or become inconsistent with the applicable laws to Non-corporate Entities, the provisions of such applicable laws shall prevail.

DEFINITIONS

In this code, unless the context otherwise requires –

“Chairman” means a person, by whatever name called, elected under the bye-laws of the Non-corporate Entity or appointed by a competent authority or by the members of the Governing Council.

“Clear days” means days excluding the day of the dispatch of notice/notes on agenda and the day of the Meeting, and includes Sundays and holidays;

“Governing Council” means the body of Members, by whatever name called, for governing the affairs of the Non-corporate Entity;

“Government” means the Central or State Government, as the case may be;

“Head Office” means the principal office of a Non-corporate Entity.

“Interested Member” means a Member having personal or financial interest, either directly or indirectly, in any matter placed before a Meeting of the Non-corporate Entity;

“Member” means a member of the Governing Council.

“Meeting” means a meeting of the Governing Council of the Non-corporate Entity.

“Minutes” means a formal written record, in physical or electronic form, of the proceedings of a Meeting;

“Non-corporate Entity” is any entity other than a company, body corporate, firms and includes a society, co-operative society, club, trust, civic bodies.

“Secretary” means a person elected, appointed, authorised or otherwise discharging the function of a secretary of the Non-corporate Entity, by whatever name called;

MODEL CODE**1. CONVENING A MEETING****1.1 Authority**

- 1.1.1 The Secretary shall convene a Meeting on the direction of the Chairman or any other competent authority, if any, appointed for this purpose.
- 1.1.2 If a Meeting is statutorily required to be convened within a prescribed period, the Secretary shall convene such Meeting in consultation with the Chairman or any other competent authority, if any.
- 1.1.3 The Secretary, on requisition by the majority of the Members, shall consult the Chairman or the competent authority, if any, for convening the Meeting.
- 1.1.4 The Chairman or the competent authority may, whenever thought fit, and shall, upon the written request of the majority of the Members, require the Secretary to call a Meeting within the prescribed period from the date of receipt of such request and to take such steps as may be necessary to convene the Meeting.
- 1.1.5 In case the Chairman or the competent authority fails to call a Meeting, then the vice-chairman or any other person authorised for this purpose may call such Meeting and require the Secretary to give notice to the Members and to take such steps as may be necessary to convene the Meeting.

1.2 Time, Place and Serial Number of Meeting

- 1.2.1 A Meeting may be convened on any day,

preferably between 8 am and 8 pm, at any place within the area of the Head Office or at such other place as may be approved by the Members or as prescribed in the Bye-laws of the Non-corporate Entity.

1.2.2 Every Meeting shall be serially numbered for ease of reference.

1.2.3 Serial number of the original Meeting and the adjourned Meeting, if any, should be the same.

[Illustration: If serial number of the original Meeting is 10th, the serial number of the adjourned Meeting should be 10th Meeting (Adjourned)]

If, currently, the Non-corporate Entity is not following the practice of giving serial numbers, it shall start numbering its Meetings from the date of adoption of this Model Code.

1.3 Notice

1.3.1 Notice of the Meeting shall be served within such clear days as prescribed under the applicable laws or in the Bye-laws of the Non-corporate Entity or at least seven days before the date of the Meeting.

1.3.2 For considering any urgent matter as decided by the Chairman, a Meeting may be convened at any time, subject to consent of the majority of the Members.

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

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

- 1.3.5 Notice of the Meeting shall be issued by the Secretary or by such other officer as may be prescribed in the Bye-laws of the Non-corporate Entity for this purpose and in their absence, the Chairman or any other Member, authorised by the Non-corporate Entity for this purpose may issue the notice of the Meeting.
- 1.3.6 Notice in writing of every Meeting shall be given to every Member and such other officer as may be prescribed by the Government, either by hand or by post or by e-mail or by any other mode as may be prescribed.
- 1.3.7 In order to facilitate effective and timely communication, the notice of a Meeting may also be given through SMS or other software/telecommunication means, if any, used by the Non-corporate Entity, followed by a copy of the Notice in writing as stated above.
- 1.3.8 The Notice shall also be affixed on the notice board, if any, of the Non-corporate Entity. In case of pre-determined dates, a general notice specifying the serial number, date, day, time and full address of the venue of the Meetings shall be kept affixed during such period.
- 1.3.9 The Notice shall be sent on the letter head of the Non-corporate Entity containing the contact details and authority of the person issuing the Notice.
- 1.3.10 Notice shall be sent at the registered address of the Member or such other address, if any, provided by the Member for the purpose.
- 1.3.11 The Non-corporate Entity shall maintain proof of sending notice and its delivery for such period

as may be decided by the Non-corporate Entity, which shall not be less than three years from the date of the Meeting.

1.3.12 In case of delivery of notice by hand, the signature of the recipient should be obtained and be kept as record of proof of delivery.

1.3.13 In case of notice sent through e-mail, the proof of sending may be maintained in soft copy.

(A sample format of Notice is placed at *Annexure-A*)

1.4 Notice of an Adjourned Meeting

1.4.1 Notice of an adjourned Meeting shall be given to all Members including those who did not attend the Meeting on the originally convened date.

1.4.2 If the date of the adjourned Meeting is decided at the Meeting itself where all the Members are present, the Notice should be given forthwith at the Meeting.

1.4.3 Notice of every Meeting so adjourned shall be affixed on the Notice Board of the Non-corporate Entity.

1.5 Agenda of the Meeting

1.5.1 The Secretary shall finalise the Agenda and Notes on Agenda of every Meeting in consultation with the Chairman. In the absence of the Chairman, the Agenda and Notes thereon shall be finalised in consultation with any other competent authority for this purpose.

1.5.2 Each item of business to be taken up at the Meeting shall be serially numbered.

1.5.3 Agenda setting out the business to be transacted

at the Meeting and Notes on Agenda shall be given to all the Members along with the Notice of the Meeting, unless otherwise provided in the applicable laws or Bye-laws.

- 1.5.4 The Notes on Agenda shall specify details about the business to be transacted at the Meeting.
- 1.5.5 The Notes on Agenda may be sent separately after issuing the Notice, but at least 3 clear days before the Meeting, unless otherwise provided in the applicable laws or Bye-laws.
- 1.5.6 For considering any urgent matter as decided by the Chairman, the Agenda and Notes thereon may be given at any time before the Meeting, subject to consent of the majority of the Members.
- 1.5.7 Agenda and Notes on Agenda of the Meeting shall be sent by the Secretary or by such other person as may be authorised for this purpose.

(A list of Standard Agenda Items is placed at *Annexure-B*)

1.6 Consideration of any other item of business

- 1.6.1 No item of business other than those included in the Agenda shall be considered at a Meeting.
- 1.6.2 However, items of urgent nature may be taken up for consideration with the permission of the Chairman and with the consent of the majority of the Members present. The decision taken in respect of such item shall be final only on its ratification by the majority of Members, unless it was approved at the Meeting itself by the majority of Members.

2. FREQUENCY OF MEETING

- 2.1 Members of the Governing Council of a Non-corporate Entity shall meet for the transaction of business as often as may be necessary.
- 2.2 Unless otherwise provided under the applicable laws, the Members shall meet at least once in every three months.

3. QUORUM

3.1 Quorum for the Meeting of the Non-Corporate Entity

- 3.1.1 Quorum for a Meeting shall be two members or one third of the total number of Members of the Governing Council for the time being, whichever is higher or such minimum number of Members as prescribed under the applicable laws or the Bye-laws.
- 3.1.2 Quorum shall be present throughout the Meeting.
- 3.1.3 If the required quorum is not present at any stage of the Meeting, the remaining item(s) of business shall not be taken up for consideration.

3.2 Disclosure of interest

- 3.2.1 All Members present at the Meeting shall be counted for the purpose of quorum and entitled to participate and vote in respect of items considered at the Meeting, unless otherwise provided in the applicable laws or the Bye-laws. An Interested Member shall disclose his interest before discussion and voting on the item in which he is interested. After disclosure of interest, the Interested Member may participate and vote in respect of such item.

- 3.2.2 If the Chairman is interested in any item of business, such fact shall be disclosed by him at the Meeting before the consideration of such item. After disclosure of interest, he may Chair the Meeting, participate and vote in respect of such item.
- 3.2.3 If disclosure of interest is already communicated to the Secretary before circulation of the Agenda and Notes on Agenda, then such disclosure shall be indicated in the Notes on Agenda in respect of such item.
- 3.2.4 The disclosure of interest by Interested Member(s) in a matter considered at the Meeting and the fact that they abstained/participated in the discussion and voting at the Meeting on the said matter shall be recorded in the Minutes.

4. ATTENDANCE AT THE MEETING

4.1 Attendance

- 4.1.1 Every Non-corporate Entity shall maintain a separate attendance register for the Meetings.
- 4.1.2 The attendance register shall contain the following particulars: Serial number and date of the Meeting; place of the Meeting; time of the Meeting; name and signature of the Members, the Secretary and of other person(s) attending the Meeting by invitation.
- 4.1.3 The attendance register shall be maintained at the Head Office or such other place as may be approved by the Non-corporate Entity.
- 4.1.4 The attendance register shall be open for inspection by the Members of the Governing Council.

- 4.1.5 Entries in the attendance register shall be authenticated by the Chairman or the Secretary or in their absence, by any other person authorised for this purpose.
- 4.1.6 Attendance register shall be kept in the custody of the Secretary or any other person authorised for this purpose.
- 4.1.7 The attendance register shall be preserved for a period of eight financial years from the date of the last entry therein or for such other period as may be specified in the Bye-laws of the Non-corporate Entity.
- 4.1.8 The attendance register or any other records shall not be destroyed except in accordance with the applicable laws or Bye-laws of the Non-corporate Entity.

(A sample format of attendance register is placed at *Annexure-C*)

4.2 Leave of Absence

- 4.2.1 Leave of absence shall be granted to the Member(s) only when a request for such leave has been received by the Secretary or Chairman or any other person who issued the Notice of the Meeting.
- 4.2.2 The request for leave of absence received shall be placed / announced at the Meeting.

5. CHAIRMAN

- 5.1 The Chairman of the Non-corporate Entity shall be the Chairman of the Meeting. If there is no such Chairman, then the Chairman shall be appointed by

the majority of Members of the Governing Council or in accordance with the applicable laws or the Bye-laws of the Non-corporate Entity.

- 5.2 Where the Chairman is not able to attend the Meeting or unwilling to Chair the Meeting, the Members of the Governing Council may elect any of the Member to Chair and conduct the Meeting unless otherwise provided in the Bye-laws.
- 5.3 It would be the duty of the Chairman to check, with the assistance of Secretary, that the Meeting is duly convened and constituted in accordance with the applicable laws before proceeding to transact business. The Chairman shall then conduct the Meeting.
- 5.4 The Chairman shall read out the Agenda at the Meeting and explain the objective, need and implications of the matters / resolutions before they are put for discussion and voting at the Meeting.
- 5.5 The Chairman shall encourage deliberations and debate on the matters and assess the sense of the Meeting.
- 5.6 Unless otherwise provided in the Bye-laws, in case of an equality of votes, the Chairman shall have a second or casting vote.

6. ADJOURNMENT OF MEETING

6.1 Adjournment of the Meeting for want of quorum

- 6.1.1 If, at the appointed time for the Meeting, a quorum is not present, the Meeting shall be adjourned to any future day at such time and place as the Chairman or in his absence, the Members present at the Meeting may decide in accordance with the applicable laws or the Bye-laws of the Non-corporate Entity.

6.1.2 In case, if at the adjourned Meeting no quorum is present, the Members present, not being less than two, shall form the quorum.

6.2 Adjournment of the Meeting otherwise than for want of quorum

6.2.1 The Chairman may, with the consent of majority of the Members present, adjourn a validly convened Meeting.

6.2.2 The facts and reasons of such adjournment shall be recorded in the Minutes of the Meeting.

6.2.3 If at a Meeting where quorum is present a few agenda items remain pending for discussion/ decision due to insufficiency of time, the Meeting may be adjourned to the following day or any other future day to discuss the unfinished agenda of that Meeting.

7. PASSING OF RESOLUTION BY CIRCULATION

The Governing Council may transact any business by means of a Resolution by circulation.

7.1 Authority

7.1.1 The Chairman or any other competent authority shall decide, before the draft Resolution is circulated to all members of the Governing Council, whether approval for the particular business shall be obtained by means of a Resolution by circulation.

7.1.2 Where not less than one-third of the total number of members for the time being require the Resolution under circulation to be decided at a Meeting, the Chairman or any other competent authority shall put the Resolution

for consideration at a Meeting of the Governing Council.

7.2 Procedure

A Resolution proposed to be passed by circulation shall be sent in draft, together with the necessary papers, to all the Members including Interested Members.

7.3 Approval

The Resolution is passed when it is approved by a majority of the members entitled to vote on the Resolution.

7.4 Recording

Resolutions passed by circulation shall be noted at a subsequent Meeting of the Governing Council and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting.

8. MODIFICATION OR CANCELLATION OF RESOLUTIONS/DECISIONS

8.1 No resolution of the Governing Council shall be modified or cancelled except through a resolution duly passed at a subsequent Meeting by a majority or such higher number of the total Members of the Governing Council as prescribed and permitted under the applicable laws.

8.2 Such modification or cancellation of a resolution shall be done within the time prescribed, if any, in the By-laws of the Non-corporate Entity.

9. MINUTES OF THE MEETING

9.1 Recording of Minutes

9.1.1 The proceedings of every Meeting shall be

recorded in the Minutes Book by the Secretary or any other person appointed for this purpose.

- 9.1.2 The draft Minutes shall be circulated to all Members for comments within 15 days of the Meeting. The comments received from the Members shall be placed before the Chairman and minutes shall be finalised by him within 30 days from the date of the Meeting.
- 9.1.3 If the draft minutes are not being circulated for comments of the Members, the summary of the decisions taken at the Meeting shall be read over at the Meeting immediately after the end of the deliberations and the details be recorded accordingly in the Minutes Book.
- 9.1.4 Minutes shall be written in concise and plain language. Minutes shall contain a fair and correct summary of the proceedings of the Meetings including the following:
- a) Minutes shall state, at the beginning, the serial number and type of Meeting, date, day, venue and time of commencement of the Meeting. Minutes shall also state at the end, the time of conclusion of the Meeting.
 - b) Minutes shall record the names of the Members present in the Meeting along with the names of the Secretary and the invitees.
 - c) In case the Meeting is convened at shorter notice, Minutes shall record the reason for convening the Meeting at shorter notice.
 - d) Dissenting views of Member(s), if any, on any matter of the Agenda shall be recorded

in the Minutes with the name of the dissenting member.

- 9.1.5 Any document, report or notes placed before the Meeting and referred to in the Minutes shall be identified by initialling of such document, report or notes by the Secretary or the presiding authority of the Meeting.

9.2 Maintenance of Minutes

- 9.2.1 The Secretary or in his absence any other person present at the Meeting and authorised for this purpose, shall maintain the Minutes.
- 9.2.2 Pages of the Minutes Book shall be consecutively numbered.
- 9.2.3 Minutes shall not be pasted or attached to the Minutes Book or tampered with, in any manner.

(A sample format of Minutes Book is placed at *Annexure-D*)

9.3 Signing of Minutes

- 9.3.1 Minutes of the Meeting shall be signed and dated by the Chairman of that Meeting or the next Meeting.
- 9.3.2 The person signing the Minutes shall initial each page of the Minutes and sign the last page.
- 9.3.3 The date and place of signing the Minutes shall also be mentioned at the last page of the Minutes.
- 9.3.4 Minutes once entered in the Minutes Book, shall not be altered. Any alteration in the Minutes as entered shall be made only by way of approval of the Governing Council at its subsequent Meeting and shall be recorded in the Minutes of that Meeting.

9.4 Inspection of Minutes

The Minutes of the Meeting of the Governing Council shall be open for inspection by any member of the Governing Council, at the Head Office of the Non-corporate Entity and a certified copy of the Minutes or an extract thereof shall be issued to a member of the Governing Council on his request, in accordance with the applicable laws or Bye-laws of the Non-corporate Entity.

9.5 Preservation of Minutes

- 9.5.1 Minutes Book shall be kept in the custody of the Secretary or any other person authorised for this purpose.
- 9.5.2 Minutes Book shall be preserved permanently in physical or electronic form.
- 9.5.3 The Minutes Book shall be kept at the Head Office of the Non-corporate Entity.

ANNEXURE-A

Specimen Notice for Meetings of Governing Council

(On the letter head of the Non-corporate Entity)

**Notice for ___ Meeting of the_ (Name of the
Governing Council/Committee)**

Date:

To

Name & Address of the Member

Madam/Sir,

This is to inform you that the Meeting of
..... (name of the Governing Council /
Committee) is scheduled to be held on (Day &
Date) from (time) onwards at
(place) to discuss and transact the following matters:

- (i)
- (ii)
- (iii)
- (iv)

The detailed Agenda and Notes on Agenda are enclosed.

You are requested to kindly make it convenient to attend the Meeting.

Yours faithfully

(Signature)

(Name of Secretary/ Authorised Officer)

ANNEXURE-B**Standard List of Agenda Item**

The following items shall invariably be included in the Agenda of Meetings:

- To grant Leave of Absence
- To take note of the Minutes of the previous Meeting
- Follow up and Action Taken Report (ATR) on the decisions of the Previous Meetings
- To take note of the Minutes of the Meetings of Committee/Sub-Committee(s) of the Governing Council
- Statement of Income and Expenditure and the reasons for fluctuations in the financial statements, if any
- Item(s) placed for consideration /approval of Governing Council
- Review of deployment/utilisation of funds in the sanctioned project, if any.
- Any other matter with the permission of the Chair and majority of members present at the Meeting

ANNEXURE-C**Specimen Attendance Register of Members**

(Name of the Non-corporate Entity)

Attendance at the ___ Meeting of the
Governing Council/Committee

Day & Date of the Meeting:

Place:

Time:

Type of Meeting (Ordinary/ Urgent)

<i>Sl. No.</i>	<i>Name of member present</i>	<i>Sign/Thumb impression</i>	<i>In time</i>	<i>Out time</i>	<i>Attested by Secretary/ Chairman (in case of thumb impression)</i>
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

ANNEXURE-D**Specimen Minutes Book of Non-corporate Entity Meeting**

(Name of the Non-corporate Entity)

Minutes of the ___ Meeting of the Governing Council/
Committee

Day & Date of the Meeting:

Place:

Time:

Type of Meeting (Ordinary/ Urgent)

Members Present

<i>Sl. No.</i>	<i>Name</i>	<i>Designation</i>	<i>Representing (Ward No. / Region – if applicable)</i>
1.			
2.			
3.			
4.			
5.			
6.			

Minutes/Record of Proceedings:**Item No. 1**

.....

.....

.....

Issue discussed:

Decision:

Item No. 2

.....
.....
.....

Issue discussed:

Decision:

Item No. 3

.....
.....
.....

Issue discussed:

Decision:

Item No. 4

.....
.....
.....

Issue discussed:

Decision:

Meeting concluded at ____ (time) with a Vote of Thanks to the Chair.

Date: _____ (Signature)

Place: _____ (Name of Chairman/Presiding Authority)

