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INTRODUCTION

- Secretarial Standard-2 (SS-2) seeks to prescribe a set of principles for the convening and conducting of General Meetings and matters related thereto.

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

- **Introductory:** Not given in the Law; Introduced.
- **Descriptive:** Given in the Law; More described.
- **Clarifactory:** Not clarified in the Law; Clarified.
- **Explanatory:** Not explained in Law; Explained.
SCOPE OF SS-2

Except One Person Company (OPC) and class or classes of companies which are exempted by the Central Government through notification, applicable to:

- All types of General Meetings of all companies incorporated under the Act;
- Mutatis-mutandis to Meetings of debenture-holders and creditors; {similar to section 170 of the Companies Act, 1956}; {introductory}
- Meeting of the 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) {introductory}
DEFINITIONS

- “Calendar Year” means calendar year as per Gregorian calendar, i.e., a period of one year which begins on 1st January and ends on 31st December. \{similar to section 3 of the General Clauses Act, 1897\};

- “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 necessary entries therein, the authentication of such entries and the preservation of such physical or electronic records \{introductory\};

- “Meeting” or “General Meeting” or “Annual General Meeting” or “Extra-Ordinary General Meeting” means a duly convened, held and conducted Meeting of Members \{introductory\};
DEFINITIONS (CONT.)

- “Meeting” or “General Meeting” or “Annual General Meeting” or “Extra-Ordinary General Meeting” means a duly convened, held and conducted Meeting of Members. {introductory}

- “Minutes” means a formal written record, in physical or electronic form, of the proceedings of a Meeting. {introductory}

- “Minutes Book” means a Book maintained in physical or in electronic form for the purpose of recording of Minutes. {introductory}

- National Holiday” includes Republic Day, i.e., 26th January, Independence Day, i.e., 15th August, Gandhi Jayanti, i.e., 2nd October and such other day as may be declared as National Holiday by the Central Government. {More Described}
"Ordinary Business" means business to be transacted at an Annual General Meeting relating to

- the consideration of financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors;
- the declaration of any dividend;
- the appointment of Directors in the place of those retiring; and
- the appointment or ratification thereof and fixing of remuneration of the Auditors.
DEFINITIONS (cont.)

“Secretarial Auditor” means a Company Secretary in Practice appointed in pursuance of the Act to conduct the secretarial audit of the company;

"Timestamp" means the current time of an event that is recorded by a Secured Computer System and is used to describe the time that is printed to a file or other location to help keep track of when data is added, removed, sent or received.
CONVENING A MEETING

- A General Meeting shall be convened by or on the authority of the Board.
- The Board may, whenever it deems fit or on a valid requisition by members shall, call an Extra-ordinary General Meeting of the company.
- Explanatory statement need not be annexed to the Notice of an Extra-ordinary General Meeting convened by the requisitionists and the requisitionists may disclose the reasons for the Resolution(s) which they propose to move at the Meeting.
CONVENING A MEETING (CONT.)

- Requisition shall not pertain to any item of business that is required to be transacted mandatorily through postal ballot.

- **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 persons.
CONVENCING A MEETING (CONT.)

- In the case of Members, Notice shall be given at the address registered with the Company or depository. In the case of shares or other securities held jointly by two or more persons, the Notice shall be given to the person whose name appears first as per records of the Company or the depository, as the case may be. In the case of any other person who is entitled to receive Notice, the same shall be given to such person at the address provided by him.

- Where the company has received intimation of death of a Member, the Notice of Meeting shall be sent:
  - If securities are held singly, to the Nominee of the single holder;
  - If securities are held by more than one person jointly and any joint holder dies, to the surviving first joint holder;
  - If securities are held by more than one person jointly and all the joint holders die, to the Nominee appointed by all the joint holders;
CONVENCING A MEETING (CONT.)

- 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;
- In case the Member is a company or body corporate which is being wound up, Notice shall be sent to the liquidator.
CONVENING A MEETING (CONT.)

- Notice shall be sent by hand or by ordinary post or by speed post or by registered post or by courier or by facsimile or by e-mail or by any other electronic means. ‘Electronic means’ means any communication sent by a company through its authorised and secured computer programme which is capable of producing confirmation and keeping record of such communication addressed to the person entitled to receive such communication at the last electronic mail address provided by the Member.

- If notice has been sent through e-mail then, The company shall ensure that it uses a system which produces confirmation of the total number of recipients e-mailed and a record of each recipient to whom the Notice has been sent and copy of such record and any Notices of any failed transmissions and subsequent re-sending shall be retained by or on behalf of the company as “proof of sending”.
CONVENING A MEETING (CONT.)

- In case of companies having a website, the Notice shall be hosted on the website;

- Notice shall specify the day, date, time and full address of the venue of the Meeting.

- Notice shall contain complete particulars of the venue of the Meeting including route map and prominent land mark for easy location. In case of companies having a website, the route map shall be hosted along with the Notice on the website.

- A Meeting called by the requisitionists 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.
CONVENING A MEETING (CONT.)

- A Meeting called by the requisitionists 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.
CONVENING A MEETING (CONT.)

- In all cases relating to the appointment or re-appointment and/or fixation of remuneration of Directors including MD or WTD or Manager or variation of the terms of remuneration, details of each such Director or Manager, including age, qualifications, experience, terms and conditions of appointment or re-appointment along with 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.
CONVENING A MEETING (CONT.)

- In case of appointment of Independent Directors, the justification for choosing the appointees for appointment as Independent Directors shall be disclosed and in case of re-appointment of Independent Directors, performance evaluation report of such Director or summary thereof shall be included in the explanatory statement.

- For the purpose of reckoning twenty-one days clear Notice, the day of sending the Notice and the day of Meeting shall not be counted. Further in case the company sends the Notice by post or courier, an additional two days shall be provided for the service of Notice.
CONVENING A MEETING (CONT.)

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

- Meeting may be convened on a shorter notice, but request for consenting to shorter Notice and accompanying documents shall be sent together with the Notice and the Meeting shall be held only if the consent is received prior to the date fixed for the Meeting from not less than ninety-five per cent. of the Members entitled to vote at such Meeting.
CONVENING A MEETING (CONT.)

- No items of business other than those specified in the Notice shall be taken up for consideration at the Meeting, except the following:-
  - 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.
CONVENING A MEETING (CONT.)

- Any amendment to the Notice, including the addition of any item of business, can be made provided the Notice of amendment is given to all persons entitled to receive the Notice of the Meeting at least twenty-one clear days before the Meeting;

- Notice shall be accompanied, by an attendance slip and a Proxy form with clear instructions for filling, stamping, signing and/or depositing the Proxy form.
CONVENING A MEETING (CONT.)

- 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, to transact the same business as specified in the original Notice, 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.
Quorum shall be present not only at the time of commencement of the Meeting but also while transacting business.

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

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 present in person for the purpose of Quorum. However, to constitute a Meeting, at least two individuals shall be present in person. Thus, in case of a public company having not more than 1000 members with a Quorum requirement of five Members, an authorised representative of five bodies corporate cannot form a Quorum by himself but can do so if at least one more Member is personally present.
QUORUM (Cont.)

- Members who have voted by Remote e-voting have the right to attend the General Meeting and accordingly their presence shall be, counted for the purpose of Quorum.

- A Member who is not entitled to vote on any particular item of business being a related party, if present, shall be counted for the purpose of Quorum.

- The stipulation regarding the presence of a Quorum does not apply with respect to items of business transacted through postal ballot.
PRESENCE OF DIRECTORS AND AUDITORS ETC.

- Directors shall attend every Meeting and if any directors 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 to attend on his behalf, shall attend the General Meeting.

- Directors who attend General Meetings of the company and the Company Secretary shall be seated with the Chairman.
PRESENCE OF DIRECTORS AND AUDITORS ETC. (CONT.)

- The Auditors, unless exempted by the company, shall, either by themselves or through their authorised representative, attend the 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 Secretarial Auditor, unless exempted by the company shall, either by himself or through his authorised representative, attend the Annual General Meeting and shall have the right to be heard at such Meeting on that part of the business which concerns him as Secretarial Auditor and Chairman may invite the Secretarial Auditor or his authorised representative to attend any other General Meeting, if he considers it necessary. The authorised representative who attends the General Meeting of the company shall also be qualified to be a Secretarial Auditor.
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;

In case of public companies, the Chairman shall not propose any Resolution in which he is deemed to be concerned or interested nor shall he conduct the proceedings for that item of business.
If the Chairman is interested in any item of business, without prejudice to his Voting Rights on Resolutions, he shall entrust the conduct of the proceedings in respect of such item to any Dis-Interested Director or to a Member, with the consent of the Members present, and resume the Chair after that item of business has been transacted.
PROXIES

- 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;
- In case of companies with charitable objects etc. and not for profit registered under the specified provisions of the Act a Proxy shall be a Member;
- A Proxy can act on behalf 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.
- 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 as valid.
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;

The Proxy-holder shall prove his identity at the time of attending the Meeting.

Undated Proxy and a Proxy form which does not state the name of the Proxy shall not be considered valid;

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.
PROXIES (Cont.)

- 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;
- 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.
- A Proxy later in date revokes any Proxy/Proxies dated prior to such Proxy.
- A Proxy is valid until written notice of revocation has been received by the company 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) who had signed the Proxy, in the case of joint Membership.
PROXIES (CONT.)

- A Proxy need not be informed of the revocation of the Proxy issued by the Member.
- When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy stands automatically revoked.
- All Proxies received by the company shall be recorded chronologically in a register kept for that purpose.
- In case any Proxy entered in the register is rejected, the reasons thereof shall be entered in the remarks column.
Voting

- Every Resolution shall be proposed by a Member and seconded by another Member.
- Every company shall, at the Meeting, put every Resolution, except a Resolution which has been put to Remote e-voting, to vote on a show of hands at the first instance, unless a poll is validly demanded.
- Every company having its equity shares listed on a recognized stock exchange other than companies whose equity shares are listed on SME Exchange or on the Institutional Trading Platform and other companies having not less than one thousand Members shall provide e-voting facility to their Members to exercise their Voting Rights;
- Every company, which has provided e-voting facility to its Members, shall also put every Resolution to vote through a ballot process at the Meeting.
VOTING (Cont.)

- A Member who is a related party is not entitled to vote on a Resolution relating to approval of any contract or arrangement in which such Member is a related party;

- Unless otherwise provided in the Articles, in the event of equality of votes, whether on show of hands or electronically or on a poll, the Chairman of the Meeting shall have a second or casting vote.

- *Where the Chairman has entrusted the conduct of proceedings in respect of an item in which he is interested to any Dis-interested Director or to a Member, a person who so takes the chair shall have a second or casting vote.*
E-VOTING

- Provisions under the SS are in line with the Rule 20 of Chapter VII {as amended on March 19, 2015}.
- Every company providing e-voting facility shall offer such facility to all Members, irrespective of whether they hold shares in physical form or in dematerialized form.
- The facility for Remote e-voting shall remain open for not less than three days.
- The voting period shall close at 5 p.m. on the day preceding the date of the General Meeting.
Notice for e-voting

- Notice of the Meeting, wherein the facility of e-voting is provided, shall be sent either by registered post or speed post or by courier or by e-mail or by any other electronic means.
- Notice shall inform the Members about procedure of Remote e-voting, availability of such facility and provide necessary information thereof to enable them to access such facility.
- Notice shall also be placed on the website of the company, in case of companies having a website, and of the Agency.
Content of Notice for e-voting

In addition to all other information

- Notice shall also contain contact details of the official responsible to address the grievances connected with voting by electronic means.
- Notice shall clearly specify that any Member, who has voted by Remote e-voting, cannot vote at the Meeting.
- Notice shall also specify the mode of declaration of the results of e-voting.
E-VOTING (Cont.)

Content of Notice for e-voting

In addition to all other information

- Notice shall also clearly mention the cut-off date as on which the right of voting of the Members shall be reckoned and state that a person who is not a Member as on the cut off date should treat this Notice for information purposes only.

- Notice shall provide the details about the login ID and the process and manner for generating or receiving the password and for casting of vote in a secure manner.
Board shall:-

- Appoint one or more scrutinizers for e-voting or the ballot process;
- Decide the **cut-off date** for determining the Members who are entitled to vote through Remote e-voting or voting at the meeting which shall **not be earlier than seven days prior to the date fixed for the Meeting**;
- Authorize the Chairman or in his absence, any other Director to receive the scrutinizer's register, report on e-voting and other related papers with requisite details.
E-VOTING (Cont.)

Newspaper Advertisement for e-voting

- An advertisement shall be published, immediately on completion of dispatch of notices for meeting but at least twenty one days before the date of the General Meeting in a vernacular newspaper and in English language in an English newspaper.
E-VOTING (Cont.)

Contents of Newspaper Notice

- A statement to the effect that the business may be transacted by e-voting;
- The date and time of commencement of remote e-voting;
- The date and time of end of Remote e-voting;
- The cut-off date as on which the right of voting of the Members shall be reckoned;
- The manner in which persons who have acquired shares and become Members after the dispatch of Notice may obtain the login ID and password;
- The manner in which company shall provide for voting by Members present at the Meeting.
E-VOTING (CONT.)

Contents of Newspaper Notice

- Notice shall contain a statement that:-
  - Remote e-voting shall not be allowed beyond the said date and time;
  - a Member may participate in the General Meeting even after exercising his right to vote through Remote e-voting but shall not be entitled to vote again; and
  - a Member as on the cut-off date shall only be entitled for availing the Remote e-voting facility or vote, as the case may be, in the General Meeting;
CONDUCT OF POLL

- 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;

- 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;
CONDUCT OF POLL (CONT.)

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.
CONDUCT OF POLL (CONT.)

- The Chairman shall appoint such number of scrutinsisers, as he deems necessary, who may include a Company Secretary in Practice, a Chartered Accountant in Practice, a Cost Accountant in Practice, an Advocate or any other person of repute who is not in the employment of the company, 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 scrutinsisers shall be a Member who is present at the Meeting, provided such a Member is available and willing to be appointed.

- Based on the scrutinsiser’s report, the Chairman shall declare the result of the poll within two days of the submission of report by the scrutinsiser, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not.
CONDUCT OF POLL (CONT.)

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 Head Office as well as Corporate Office, if any, if such office is situated elsewhere, and in case of companies having a website, shall also be placed on the website.
Withdrawal, rescinding or modifications 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. However, any resolution proposed for consideration through e-voting shall not be withdrawn;
- A Resolution passed at a Meeting shall not be rescinded otherwise than by a Resolution passed at a subsequent Meeting;
- 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 modified Resolution shall be duly proposed, seconded and put to vote.
- No modification to any proposed text of the Resolution shall be made if it in any way alters the substance of the Resolution as set out in the Notice. Grammatical, clerical, factual and typographical errors, if any, may be corrected as deemed fit by the Chairman.
- No modification shall be made to any Resolution which has already been put to vote by Remote e-voting before the Meeting.
READING OF REPORTS

- The qualifications, observations or comments or other remarks 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;

- The qualifications, observations or comments or other remarks if any, mentioned in the Secretarial Audit Report issued by the Company Secretary in Practice, 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;
**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. SS-2 prohibits this practice since it is a discriminatory practice which favours only those who attend.
**Adjournment of Meetings**

- A duly convened Meeting shall not be adjourned unless circumstances so warrant. 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;
- 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;
- 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.
ADJOURNMENT OF MEETINGS (CONT.)

- 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, or 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.

- At an adjourned Meeting, only the unfinished business of the original Meeting shall be considered.
PASSING OF RESOLUTIONS BY POSTAL BALLOT

- Every company, except a company having less than or equal to two hundred Members, shall transact items of business as prescribed, only by means of postal ballot instead of transacting such business at a General Meeting:

- **Ordinary Business shall not be transacted by means of a postal ballot;**

- Every company having its equity shares listed on a recognized stock exchange other than companies whose equity shares are listed on SME Exchange or on the Institutional Trading Platform and other companies which are required to provide e-voting facility shall provide such facility to its Members in respect of those items, which are required to be transacted through postal ballot.
The Board shall appoint one scrutiniser for the postal ballot who may be a Company Secretary in Practice, a Chartered Accountant in Practice, a Cost Accountant in Practice, an Advocate or any other person of repute who is not in the employment of the company and, who can in the opinion of the Board, scrutinise the postal ballot process in a fair and transparent manner;

The scrutiniser shall however not be an officer or employee of the company;

Prior Consent to act as a scrutiniser shall be obtained from the scrutiniser and placed before the Board for noting;
Notice of the postal ballot shall be given in writing to every Member of the company. Such Notice shall be sent either by registered post or speed post, or by courier or by e-mail or by any other electronic means at the address registered with 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;

In case of companies having a website, Notice of the postal ballot shall also be placed on the website.
PASSING OF RESOLUTIONS BY POSTAL BALLOT (CONT.)

- The postal ballot form shall be accompanied by a postage prepaid reply envelope addressed to the scrutiniser.
- 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.
PASSING OF RESOLUTIONS BY POSTAL BALLOT (CONT.)

A postal ballot form shall be considered invalid if:
- A form other than one issued by the company has been used;
- It has not been signed by or on behalf of the Member;
- Signature on the postal ballot form doesn’t match the specimen signatures with the company;
- It is not possible to determine without any doubt the assent or dissent of the Member;
- Neither assent nor dissent is mentioned;
- Any competent authority has given directions in writing to the company to freeze the Voting Rights of the Member;
PASSING OF RESOLUTIONS BY POSTAL BALLOT (CONT.)

A postal ballot form shall be considered invalid if:

- The envelope containing the postal ballot form is received after the last date prescribed;
- The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;
- It is received from a Member who is in arrears of payment of calls;
- It is defaced or mutilated in such a way that its identity as a genuine form cannot be established;
- Member has made any amendment to the Resolution or imposed any condition while exercising his vote.
- Postal ballot lodged within the prescribed time limit but is undated shall be considered valid.
PASSING OF RESOLUTIONS BY POSTAL BALLOT (CONT.)

- 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, along with the scrutiniser’s report shall be displayed on the Notice Board of the company at its Registered Office and its Head Office as well as Corporate Office, if any, if such office is situated elsewhere, and also be placed on the website of the company, in case of companies having a website.
PASSING OF RESOLUTIONS BY POSTAL BALLOT (cont.)

- The postal ballot forms, other related papers, register and scrutiniser’s report received from the scrutineer shall be kept in the custody of the Company Secretary or any other person authorised by the Board for this purpose;

- In case of postal ballot:
  - A Resolution passed by postal ballot shall not be rescinded otherwise than by a Resolution passed subsequently through postal ballot;
  - No amendment or modification shall be made to any Resolution circulated to the Members for passing by means of postal ballot;
**MINUTES**

- A company may maintain its Minutes in physical or in electronic form with **Timestamp**.
- Every company shall, however, follow a uniform and consistent form of maintaining the Minutes. Any deviation in such form of maintenance shall be authorised by the Board;
- The pages of the Minutes Books shall be consecutively numbered and this shall be followed irrespective of a break in the Book arising out of periodical binding in case the Minutes are maintained in physical form. This shall be equally applicable for maintenance of Minutes Book in electronic form with Timestamp;
- In the event any page or part thereof in the Minutes Book is left blank, it shall be scored out and initialled by the Chairman who signs the Minutes.
Minutes shall not be pasted or attached to the Minutes Book, or tampered with in any manner;

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

Minutes shall state, at the beginning the Meeting, name of the company, day, date, venue and time of commencement and conclusion of the Meeting.

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.
Minutes (Cont.)

- Minutes shall record the names of the Directors and the Company 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.
- Minutes shall, inter alia, contain:
  - The Record of election, if any, of the Chairman of the Meeting.
  - The fact that certain registers, documents, the Auditor’s Report and Secretarial Audit Report, as prescribed under the Act were available for inspection.
  - The Record of presence of Quorum.
  - The number of Members present in person including representatives.
  - The number of proxies and the number of shares represented by them.
  - The presence of the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee or their authorised representatives.
The presence if any, of the Secretarial Auditor, the Auditors, or their authorised representatives, the Court/Tribunal appointed observers or scrutinisers.

Summary of the opening remarks of the Chairman.

Reading of qualifications, observations or comments or other remarks 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.

Reading of qualifications, observations or comments or other remarks as mentioned in the report of the Secretarial Auditor.

Summary of the clarifications provided on various Agenda Items.

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.
MINUTES (CONT.)

- 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.
- 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.
- 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.
- The time of commencement and conclusion of the Meeting.
- In respect of Resolutions passed by e-voting or postal ballot, a brief report on the e-voting or 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 any Director duly authorised by the Board for the purpose, within thirty days from the date of passing of Resolution by e-voting or postal ballot.
Minutes shall be written in third person and past tense. Resolution shall however be written in present tense.

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

The date of entry of the Minutes in the Minutes Book shall be recorded by the Company Secretary.

Where there is no Company Secretary, it shall be entered by any other person authorised by the Board or the Chairman.
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 by any Member 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 Company Secretary in Practice appointed by the company, the Secretarial Auditor, the Statutory Auditor, the Cost Auditor or the Internal Auditor of the company can inspect the Minutes as he may consider necessary for the performance of his duties.

Inspection of Minutes Book may be provided in physical or in electronic form.
**MINUTES (Cont.)**

- Extract of the Minutes shall be given only after the Minutes have been duly signed. However, any Resolution passed at a Meeting may be issued even pending signing of the Minutes, provided the same is certified by the Chairman or any Director or the Company Secretary.

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

- Where, under a scheme of arrangement, a company has been merged or amalgamated with another company, Minutes of all Meetings of the transferor company, as handed over to the transferee company, shall be preserved permanently by the transferee company, notwithstanding that the transferor company might have been dissolved.
Office copies of Notices, scrutiniser’s report, and related papers shall be preserved in good order in physical or in electronic form for as long as they remain current or for eight financial years, whichever is later and may be destroyed thereafter with the approval of the Board.

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 and permission of the Central Government, where applicable.
**REPORT ON ANNUAL GENERAL MEETING**

- Confirmation with respect to compliance of the Act and Standards with respect to calling, convening and conducting the Meeting;

- Business transacted at the Meeting and result thereof with a brief summary of the discussions;

- Particulars with respect to any adjournment, postponement of Meeting, change in venue; and

- Any other points relevant for inclusion in the report.
OVERALL IMPACT AND IMPLICATION

BENEFIT FOR PROFESSIONALS

- Codification of things which was no the part of law;
- Reducing ambiguity in the provisions of Law
- Better governance
- Consolidated procedures for easier reference
OVERALL IMPACT AND IMPLICATION (CONT.)

**Benefit for Stakeholders**

- Participation of the investors.
- Increased accountability of the Company
- Enhance role of stakeholders
- Consolidated procedures for easier reference
- Greater emphasis on protection of shareholder rights
OVERALL IMPACT AND IMPLICATION (CONT.)

BENEFIT FOR GOVERNMENT AUTHORITIES

- Less Government more Governance;
- Stringent disclosures
- Strengthening enforcement powers and prescribing stringent penalties;
- Increased Accountability of officers of the company
- Segregating procedural aspects from substantive law;
OVERALL IMPACT AND IMPLICATION (CONT.)

BENEFIT FOR COMPANIES

- Identify/Fix duties of personnel
- Strengthening Board framework - Board Composition
- Decrease in litigations and litigation cost
- Confidence of Stakeholders’
- Easy to understand law
- Adoption of best global practices