Coverage

- Introduction
- Structuring of Secretarial Standard
- Analysis
- Aptitude Test
SCOPE OF THE STANDARD:

- Applicable to all Meetings of Board of Directors of all Companies including Private Companies
- Applicable to meetings of Committee(s)
- Not applicable to One person companies
BOARD MEETINGS

- Act
- Rules
- Table F (Articles of Association)
- Standard
RECOGNITION
THROUGH ACTS
SECRETARIAL STANDARDS
LIKE WE GOT RECOGNITION FOR SECRETARIAL STANDARDS
118(10) *Every company shall observe secretarial standards with respect to general and Board meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980, and approved as such by the Central Government.*

205(1) *(b) to ensure that the company complies with the applicable secretarial standards*
Overall Coverage of Board Meetings with Standards

Convening a meeting

Passing of resolution by circulation

Video Conferencing

Quorum

Notice

Agenda

Frequency of meetings
1. Convening a Meeting

1.1 Authority

1.2 Time, Place, Mode and Serial Number of Meeting

1.3 Notice
2. Frequency of Meetings

2.1 Meetings of the Board

2.2 Meetings of Committees

2.3 Meeting of Independent Directors
3. QUORUM

3.1 Presence of Quorum

3.2 Interested Quorum

3.3 Directors participating through Electronic Mode

3.4 Meetings of the Board

3.5 Meetings of Committees
4. Attendance at Meetings

4.1 Attendance registers

4.2 Leave of absence
5. Chairman

5.1 Meetings of the Board

5.2 Meetings of Committees
6. Passing of Resolution by Circulation

6.1. Authority
6.2. Procedure
6.3. Approval
6.4. Recording
6.5. Validity
## 7. Minutes

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1.</td>
<td>Maintenance of Minutes</td>
</tr>
<tr>
<td>7.2.</td>
<td>Contents of Minutes</td>
</tr>
<tr>
<td>7.3.</td>
<td>Recording of Minutes</td>
</tr>
<tr>
<td>7.4.</td>
<td>Finalization of Minutes</td>
</tr>
<tr>
<td>7.5.</td>
<td>Entry in the Minutes Book</td>
</tr>
<tr>
<td>7.6.</td>
<td>Signing and Dating of Minutes</td>
</tr>
<tr>
<td>7.7.</td>
<td>Inspection and Extracts of Minutes</td>
</tr>
</tbody>
</table>
8. Preservation of Minutes and Other Records

8.1 Minutes - Physical /Electronic (Timestamp).

8.2 Office copies of Notices, Agenda (Eight financial years/ Board approval for destroying).

8.3 Custody- Company Secretary
You know when to disclose and what to disclose?
9. DISCLOSURE

- Number
- Dates of meeting & Committee Meeting
- Attendance by each Director
APTITUDE TEST FOR SECRETARIAL STANDARDS
Who can convene the board meeting??

A. Chairman
B. Managing Director
C. Whole Time Director
D. Company secretary
E. All Of the Above
CAN COMPANY SECRETARY CAN CONVENE BOARD MEETING ON HIS OWN ???
173 (4) Every officer of the company whose duty is to give notice under this section and who fails to do so shall be liable to a penalty of twenty-five thousand rupees.
Convening of the Meeting

➢ Act : -

➢ Rules : -

➢ Table F : Article 67.

(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
Standard:
Convening the meeting

1.1.1 Any Director of a company may, at any time, summon a Meeting of the Board, and the Company Secretary or where there is no Company Secretary, any person authorised by the Board in this behalf, on the requisition of a Director, shall convene a Meeting of the Board, in consultation with the Chairman or in his absence, the Managing Director or in his absence, the Whole-time Director, where there is any, unless otherwise provided in the Articles.
What are the national holidays as per the Companies Act??

A. Diwali
B. Karva Chauth
C. Independence Day
D. May Day
CAN BOARD MEETING CAN BE CONDUCTED ON NATIONAL HOLIDAY ???
Act: -

96 Explanation.—For the purposes of this sub-section, “National Holiday” means and includes a day declared as National Holiday by the Central Government.

Rules: -

Table F:
Standard:

1.2.2 A Meeting may be convened at any time and place, on any day, excluding a National Holiday. A Meeting adjourned for want of Quorum shall also not be held on a National Holiday.

“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.
What is the notice period for board meeting???

A. 7 Days
B. 7 Clear days
C. 7 working days
D. All
➢ Act:

➢ Sec 173 (3) A meeting of the Board shall be called by giving not less than seven days notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.

➢ Rules:

➢ Table F (Article of Association): -
1.3.6. Standard:

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 or by any other electronic means.**

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

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

In case the company sends the Notice by speed post or by registered post or by courier, an **additional two-days** shall be added for the service of Notice.

The Notice of a **Meeting shall be given even when Meetings are held on pre-determined dates or at pre-determined intervals.**
IS IT SHORTER NOTICE ALLOWED FOR COMPANIES WHERE INDEPENDENT DIRECTOR IS NOT THERE ???
➢ **Act** : A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, 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.

➢ **Rules** : Silent

➢ **Table F (Article of Association)** : Silent
1.3.10 In case of absence of Independent Directors, if any, at such Meeting, the Minutes shall be final only after at least 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 Minutes shall be final only on ratification of the decision taken in respect of such item by a majority of the Directors of the company, unless such item was approved at the Meeting itself by a majority of Directors of the company.
1.3.11 To **transact urgent business**, the Notice, Agenda and Notes on Agenda may be given at shorter period of time than stated above.

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.
WHICH ADDRESS OF DIRECTOR
NOTICE OF BOARD MEETING
NOTICE SHALL SERVE?

1.3.1 The Notice shall be sent to the postal address 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.
WHAT IS THE PROVISION OF THE COMPANIES ACT WHICH SPECIFIES THE AGENDA ???
HOW MANY DAYS BEFORE THE BOARD MEETING, AGENDA SHALL BE CIRCULATED??

A. 7 Days
B. 7 Clear days
C. 7 working days
D. All
Act : -

Rules : -

Table F (Article of Association) : -
• 1.3.7 The Agenda, setting out the business to be transacted at the Meeting, and Notes on Agenda shall be given to the directors at least seven days before the date of the Meeting.

• In the case company seeds the Agenda and Notes on Agenda by speed post or by registered post or by courier, an additional 2 days shall be added for the service of Agenda and Notes on Agenda.

• 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.

• Notice, Agenda and Notes on Agenda shall be given to the Original Director also even if these have been sent to the Alternate Director.
IS QUARTERLY BOARD MEETING IS COMPULSORY AS PER THE NEW ACT ??
IF A COMPANY INCORPORATED IN THE MONTH OF OCTOBER. HOW MANY MEETING DOES IT NEED TO CONDUCT FOR THAT YEAR ??

A. 4 Meetings
B. 3 Meetings
C. 2 Meetings
D. 1 Meetings
E. 5 Meetings
Act:

Sec 173
Every company shall hold the first meeting of the Board of Directors within thirty days of the date of its incorporation and thereafter hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board

Rules:

Table F (Article of Association):
STANDARD:

2.1 The Board shall meet at least once in every calendar quarter, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, such that at least four Meetings are held in each Calendar Year.

Committees shall meet as often as necessary subject to the minimum number and frequency stipulated by the Board or as prescribed by any law or authority.

The Board shall hold its first Meeting within thirty days of the date of incorporation of the company. It shall be sufficient if one Meeting is held in each of the remaining calendar quarters, subject to a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, after the first Meeting.
WHETHER THE CHAIRMAN HAS TO ENSURE THE QUORUM EITHER AT COMMENCEMENT OF THE MEETING OR ENDING OR BOTH ??
Act:

Sec 174

• **one third** of its total strength or **two directors**, whichever is **higher**, and the **participation of the directors by video conferencing** or by other audio visual means

• **Meeting of the Board could not be held for want of quorum**, the meeting shall **automatically stand adjourned** to the same day at the **same time and place in the next week**. If that day is a national holiday, till the next succeeding day, which is **not a national holiday**, at the same time and place.

• **If Interested directors exceeds or is equal to two thirds**, not interested directors shall form the quorum.

Rules: –

Table F (Article of Association): –
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.

3.2 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 physically or through electronic mode, during discussions on such item.

3.3 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.

3.4 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**.

3.4.2 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.
Rules: –

Table F: Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

Standard:
Quorum shall be present throughout the Meeting. Unless the Articles otherwise provide

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;

In the case of a private company, two Members personally present.
Sec 175 : Where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.
What is the requisite majority for passing of circular resolution??

6.3.2 The Resolution, if passed, 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 has been received, whichever is earlier, and shall be effective from that date, if no other effective date is specified in such Resolution.
Act: Section 175

• Resolution has been circulated in draft.

• To all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India

• Hand delivery or by post or by courier, or through such electronic means

• Approved by a majority of the directors or members

• Not less than one-third of the total number of directors of the company require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

• Shall be noted at a subsequent meeting of the Board or the committee
Case study!!

• A resolution is being circulated for the approval of Director’s.
• There are 9 director’s in a Company

• In which of the following situations, resolution is deemed to have been passed???
Case 1.
- 6 Director’s approve
- 3 Director’s do not respond

Case 2
- 6 Director’s approve
- 3 Director’s disapprove

Case 3
- 7 Director’s approve
- 2 Director’s disapprove

Case 4
- 6 Director’s approve
- 3 Director’s require meeting
6.2.3 Not more than **Seven Days** from the date of circulation of the draft of the Resolution shall be given to the Directors to respond and the **last date** shall be computed accordingly.

6.3.2 The Resolution, if passed, 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 has been received, whichever is earlier, and shall be effective from that date, if no other effective date is specified in such Resolution.
Is chairman entitled for casting vote if articles are not specified clearly???

5.1.2 Unless otherwise provided in the Articles, in case of an equality of votes, the Chairman shall have a second or casting vote.
Table F (Article of Association):

68. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
5.1.2 Unless otherwise provided in the Articles, in case of an equality of votes, the Chairman shall have a second or casting vote
HOW MANY YEARS MINUTES HAS TO BE PRESERVED WHEN THE COMPANY IS AMALGAMATED ??
HOW MANY YEARS AGENDA PAPERS HAS TO BE PRESERVED ??
8. Preservation of Minutes and other Records

8.1 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.

8.2 Office copies of Notices, Agenda, Notes on Agenda and other 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.
<table>
<thead>
<tr>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance of Minutes</td>
</tr>
<tr>
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<tr>
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</tr>
<tr>
<td>Preservation of Minutes</td>
</tr>
</tbody>
</table>
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.

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

Minutes may also be maintained in electronic form in such manner as may be prescribed under the Act.
17.3.1 Minutes shall contain a fair and correct summary of the proceedings of the Meeting.
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 Chairman shall ensure that the proceedings of the Meeting are correctly recorded.

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.
FINALLY WHY WE SHOULD MAINTAIN STANDARDS?
So maintain a Standard while accepting the heads........
Thank you for listening to me guys.