

INTRODUCTION

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

SCOPE

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.

However, Section 8 companies need to comply with the applicable provisions of the Act relating to Board Meetings. The principles enunciated in this Standard for Meetings of the Board of Directors are also applicable to Meetings of Committee(s) of the Board, unless otherwise stated herein or stipulated by any other applicable Guidelines, Rules or Regulations.

DEFINITIONS

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

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

“**Articles**” means the Articles of Association of a company, as originally framed or as altered from time to time or applied in pursuance of any previous company law or the Companies Act, 2013.

“**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.

“**Chairman**” means the Chairman of the Board or its Committee, as the case may be, or the Chairman appointed or elected for a Meeting.

“**Committee**” means a Committee of Directors mandatorily required to be constituted by the Board under the Act.

“**Electronic Mode**” in relation to Meetings means Meetings through video conferencing or other audio-visual means. “Video conferencing or other audiovisual means” means audio-visual electronic communication facility employed which enables all the persons participating in a Meeting to communicate concurrently with each other without an intermediary and to participate effectively in the Meeting.

“**Invitee**” means a person, other than a Director and Company Secretary, who attends a particular Meeting by invitation.

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

“**Meeting**” means a duly convened, held and conducted Meeting of the Board or any Committee thereof.

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

“**Minutes Book**” means a Book maintained in physical or in electronic form for the purpose of recording of Minutes.

“**National Holiday**” means 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.

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

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

“**Secretarial Auditor**” means a Company Secretary in Practice or a firm of Company Secretary(ies) in Practice appointed in pursuance of the Act to conduct the secretarial audit of the company.

“**Secured Computer System**” means computer hardware, software, and procedure that –

- (a) are reasonably secure from unauthorized access and misuse;
- (b) provide a reasonable level of reliability and correct operation;
- (c) are reasonably suited to performing the intended functions; and
- (d) adhere to generally accepted security procedures.

“**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.

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

SECRETARIAL STANDARD

1. CONVENING A MEETING

1.1 AUTHORITY

1.1.1 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.

1.1.2 The Chairman may, unless dissented to or objected by the majority of Directors present at a Meeting at which a Quorum is present, adjourn the Meeting for any reason, at any stage of the Meeting.

1.2 DAY, TIME, PLACE, MODE AND SERIAL NUMBER OF MEETING

1.2.1 Every Meeting shall have a serial number.

1.2.2 A Meeting may be convened at any time and place, on any day.

1.2.3 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.

1.3 NOTICE

1.3.1 Notice in writing of every Meeting shall be given to every Director by hand or by speed post or by registered post or by facsimile or by e-mail or by any other electronic means.

1.3.2 Notice shall be issued by the Company Secretary or where there is no Company Secretary, any Director or any other person authorised by the Board for the purpose.

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

1.3.4 The Notice shall inform the Directors about the option available to them to participate through Electronic Mode and provide them all the necessary information.

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

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

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, unless the Articles prescribe a longer period.

1.3.8 Each item of business requiring approval at the Meeting shall be supported by a note setting out the details of the proposal, relevant material facts that enable the Directors to understand the meaning, scope and implications of the proposal and the nature of concern or interest, if any, of any Director in the proposal, which the Director had earlier disclosed.

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

1.3.10 Any item not included in the Agenda may be taken up for consideration with the permission of the Chairman and with the consent of a majority of the Directors present in the Meeting.

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

2. FREQUENCY OF MEETINGS

2.1 MEETINGS OF THE BOARD

The company shall hold at least four Meetings of its Board in each Calendar Year with a maximum interval of one hundred and twenty days between any two consecutive Meetings.

2.2 MEETINGS OF COMMITTEES

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

2.3 MEETING OF INDEPENDENT DIRECTORS

Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall meet at least once in a Calendar Year.

3. QUORUM

3.1 Quorum shall be present throughout the Meeting.

Quorum shall be present not only at the time of commencement of the Meeting but also while transacting business.

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.

3.3 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.

3.4 MEETINGS OF THE BOARD

3.4.1 The Quorum for a Meeting of the Board shall be one-third of the total strength of the Board, or two Directors, whichever is higher.

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.

3.5 MEETINGS OF COMMITTEES

Unless otherwise stipulated in the Act or the Articles or under any other law, the Quorum for Meetings of any Committee constituted by the Board shall be as specified by the Board. If no such Quorum is specified, the presence of all the members of any such Committee is necessary to form the Quorum.

4. ATTENDANCE AT MEETINGS

4.1 Attendance register

4.1.1 Every company shall maintain attendance register for the Meetings of the Board and Meetings of the Committee.

4.1.2 The attendance register shall contain the following particulars: serial number and date of the Meeting; in case of a Committee Meeting name of the Committee; place of the Meeting; time of the Meeting; names and signatures of the Directors, the Company Secretary and also of persons attending the Meeting by invitation and their mode of presence, if participating through Electronic Mode.

4.1.3 The attendance register shall be deemed to have been signed by the Directors participating through Electronic Mode, if their attendance is recorded in the attendance register and authenticated by the Company Secretary or where there is no Company Secretary, by the Chairman or by any other Director present at the Meeting, if so authorised by the Chairman and the fact of such participation is also recorded in the Minutes.

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

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

Even after a person ceases to be a Director, he shall be entitled to inspect the attendance register of the Meetings held during the period of his Directorship.

4.1.6 The attendance register shall be preserved for a period of at least eight financial years from the date of last entry made therein and may be destroyed thereafter with the approval of the Board.

4.1.7 The attendance register shall be in the custody of the Company Secretary.

4.2 Leave of absence shall be granted to a Director only when a request for such leave has been communicated to the Company Secretary or to the Chairman or to any other person authorised by the Board to issue Notice of the Meeting.

5. CHAIRMAN

5.1 Meetings of the Board

5.1.1 The Chairman of the company shall be the Chairman of the Board. If the company does not have a Chairman, the Directors may elect one of themselves to be the Chairman of the Board.

5.1.2 The Chairman of the Board shall conduct the Meetings of the Board. If no such Chairman is elected or if the Chairman is unable to attend the Meeting, the Directors present at the Meeting shall elect one of themselves to chair and conduct the Meeting, unless otherwise provided in the Articles.

5.2 Meetings of Committees

A member of the Committee appointed by the Board or elected by the Committee as Chairman of the Committee, in accordance with the Act or any other law or the Articles, shall conduct the Meetings of the Committee. If no Chairman has been so elected or if the elected Chairman is unable to attend the Meeting, the Committee shall elect one of its members present to chair and conduct the Meeting of the Committee, unless otherwise provided in the Articles.

6. PASSING OF RESOLUTION BY CIRCULATION

6.1. Authority

6.1.1 The Chairman of the Board or in his absence, the Managing Director or in their absence, any Director other than an Interested Director, shall decide, before the draft Resolution is circulated to all the Directors, whether the approval of the Board for a particular business shall be obtained by means of a Resolution by circulation.

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

6.2. Procedure

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

6.2.2 The draft of the Resolution to be passed and the necessary papers shall be circulated amongst the Directors by hand, or by speed post or by registered post or by courier, or by e-mail or by any other recognised electronic means.

6.2.3 Each business proposed to be passed by way of Resolution by circulation shall be explained by a note setting out the details of the proposal, relevant material facts that enable the Directors to understand the meaning, scope and implications of the proposal, the nature of concern or interest, if any, of any Director in the proposal, which the Director had earlier disclosed and the draft of the Resolution proposed.

The note shall also indicate how a Director shall signify assent or dissent to the Resolution proposed and the date by which the Director shall respond.

6.3. APPROVAL

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

6.3.2 The Resolution, if passed, shall be deemed to have been passed on the earlier of:

- (a) the last date specified for signifying assent or dissent by the Directors, or
- (b) the date on which assent has been received from the required majority, provided that on that date the number of Directors, who have not yet responded on the resolution under circulation, along with the Directors who have expressed their desire that the resolution under circulation be decided at a Meeting of the Board, shall not be one third or more of the total number of Directors; and shall be effective from that date, if no other effective date is specified in such Resolution.

6.4 Recording

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

6.5. Validity

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

7. MINUTES

7.1. Maintenance of Minutes

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

7.1.2 A distinct Minutes Book shall be maintained for Meetings of the Board and each of its Committees.

7.1.3 A company may maintain its Minutes in physical or in electronic form.

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

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

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

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

7.2. Contents of Minutes

7.2.1 General Contents

7.2.1.1 Minutes shall state, at the beginning the serial number and type of the Meeting, name of the company, day, date, venue and time of commencement of the Meeting.

7.2.1.2 Minutes shall record the names of the Directors present physically or through Electronic Mode, the Company Secretary who is in attendance at the Meeting and Invitees, if any, including Invitees for specific items.

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

7.2.2 Specific Contents

7.2.2.1 Minutes shall inter-alia contain:

- (a) The name(s) of Directors present and their mode of attendance, if through Electronic Mode.
- (b) In case of a Director participating through Electronic Mode, his particulars, the location from where he participated and wherever required, his consent to sign the statutory registers placed at the Meeting.
- (c) The name of Company Secretary who is in attendance and Invitees, if any, for specific items and mode of their attendance if through Electronic Mode.
- (d) Record of election, if any, of the Chairman of the Meeting.
- (e) Record of presence of Quorum.
- (f) The names of Directors who sought and were granted leave of absence.
- (g) Noting of the Minutes of the preceding Meeting.
- (h) Noting the Minutes of the Meetings of the Committees.
- (i) The text of the Resolution(s) passed by circulation since the last Meeting, including dissent or abstention, if any.

(j) The fact that an Interested Director did not participate in the discussions and did not vote on item of business in which he was interested and in case of a related party transaction such director was not present in the meeting during discussions and voting on such item.

(k) The views of the Directors particularly the Independent Director, if specifically insisted upon by such Directors, provided these, in the opinion of the Chairman, are not defamatory of any person, not irrelevant or immaterial to the proceedings or not detrimental to the interests of the company.

(l) If any Director has participated only for a part of the Meeting, the Agenda items in which he did not participate.

(m) The fact of the dissent and the name of the Director who dissented from the Resolution or abstained from voting thereon.

(n) Ratification by Independent Director or majority of Directors, as the case may be, in case of Meetings held at a shorter Notice.

(o) Consideration of any item other than those included in the Agenda with the consent of majority of the Directors present at the Meeting and ratification of the decision taken in respect of such item by a majority of Directors of the company.

(p) The time of commencement and conclusion of the Meeting.

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

7.3 Recording of Minutes

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

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

7.3.3 Wherever the decision of the Board is based on any unsigned documents including reports or notes or presentations tabled or presented at the Meeting, which were not part of the Notes on Agenda and are referred to in the Minutes, shall be identified by initialling of such documents by the Company Secretary or the Chairman.

7.3.4 Where any earlier Resolution(s) or decision is superseded or modified, Minutes shall contain a specific reference to such earlier Resolution(s) or decision or state that the Resolution is in supersession of all earlier Resolutions passed in that regard.

7.3.5 Minutes of the preceding Meeting shall be noted at a Meeting of the Board held immediately following the date of entry of such Minutes in the Minutes Book.

7.4. Finalisation of Minutes

Within fifteen days from the date of the conclusion of the Meeting of the Board or the Committee, the draft Minutes thereof shall be circulated by hand or by speed post or by registered post or by courier or by e-mail or by any other recognised electronic means to all the members of the Board or the Committee, as on the date of the Meeting, for their comments.

7.5 Entry in the Minutes Book

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

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

7.5.3 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 express approval of the Board at its subsequent Meeting at which the Minutes are noted by the Board and the fact of such alteration shall be recorded in the Minutes of such subsequent Meeting.

7.6. Signing and Dating of Minutes

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

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

7.6.3 Minutes, once signed by the Chairman, shall not be altered, save as mentioned in this Standard.

7.6.4 Within fifteen days of signing of the Minutes, a copy of the said signed Minutes, certified by the Company Secretary or where there is no Company Secretary by any Director authorised by the Board, shall be circulated to all the Directors, as on the date of the Meeting and appointed thereafter, except to those Directors who have waived their right to receive the same either in writing or such waiver is recorded in the Minutes.

7.7. Inspection and Extracts of Minutes

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

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

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.

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.

8.3 Minutes Books shall be in the custody of the Company Secretary.

9. Disclosure

The Report of the Board of Directors shall include a statement on compliances of applicable Secretarial Standards.