

## **Secretarial Standard – 2**

### **1. Convening a Meeting**

#### 1.1 Authority

A General Meeting shall be convened by or on the authority of the Board.

#### 1.2 Notice

1.2.1 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.

1.2.2 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.

1.2.3 In case of companies having a website, the Notice shall simultaneously be hosted on the website till the conclusion of the Meeting.

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

1.2.5 Notice shall clearly specify the nature of the Meeting and the business to be transacted thereat. In respect of items of Special Business, each such item shall be in the form of a Resolution and shall be accompanied by an explanatory statement which shall set out all such facts as would enable a Member to understand the meaning, scope and implications of the item of business and to take a decision thereon. In respect of items of Ordinary Business, Resolutions are not required to be stated in the Notice.

1.2.6 Notice and accompanying documents shall be given at least twenty-one clear days in advance of the Meeting.

1.2.7 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 percent of the Members entitled to vote at such Meeting.

1.2.8 No business shall be transacted at a Meeting if Notice in accordance with this Standard has not been given.

1.2.9 No items of business other than those specified in the Notice and those specifically permitted under the Act shall be taken up at the Meeting.

1.2.10 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.

1.2.11 A Meeting convened upon due Notice shall not be postponed or cancelled.

### **2. Frequency of Meetings**

#### **2.1 Annual General Meeting**

##### 2.2 Extra-Ordinary General Meeting

Items of business other than Ordinary Business may be considered at an Extra-Ordinary General Meeting or by means of a postal ballot, if thought fit by the Board.

### **3. Quorum**

3.1 Quorum shall be present throughout the Meeting.

3.2 A duly authorised representative of a body corporate or the representative of the President of India or the Governor of a State is deemed to be a Member personally present and enjoys all the rights of a Member present in person.

### **4. Presence of Directors and Auditors**

#### 4.1 Directors

4.1.1 If any Director is unable to attend the Meeting, the Chairman shall explain such absence at the Meeting.

4.1.2 Directors who attend General Meetings of the company and the Company Secretary shall be seated with the Chairman.

## **4.2 Auditors**

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.

## **4.3 Secretarial Auditor**

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.

## **5. Chairman**

### **5.1 Appointment**

The Chairman of the Board shall take the Chair and conduct the Meeting.

If the Chairman is not present within fifteen minutes after the time appointed for holding the Meeting, or if he is unwilling to act as Chairman of the Meeting, or if no Director has been so designated, the Directors present at the Meeting shall elect one of themselves to be the Chairman of the Meeting. If no Director is present within fifteen Minutes after the time appointed for holding the Meeting, or if no Director is willing to take the Chair, the Members present shall elect, on a show of hands, one of themselves to be the Chairman of the Meeting, unless otherwise provided in the Articles.

5.2 The Chairman shall explain the objective and implications of the Resolutions before they are put to vote at the Meeting.

5.3 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.

## **6. Proxies**

### **6.1 Right to Appoint**

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.

### **6.2 Form of Proxy**

6.2.1 An instrument appointing a Proxy shall be in the Form prescribed under the Act.

6.2.2 An instrument of Proxy duly filled, stamped and signed, is valid only for the Meeting to which it relates including any adjournment thereof.

### **6.3 Stamping of Proxies**

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.

### **6.4 Execution of Proxies**

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

6.4.2 An authorised representative of a body corporate or of the President of India or of the Governor of a State, holding shares in a company, may appoint a Proxy under his signature.

### **6.5 Proxies in Blank and Incomplete Proxies**

6.5.1 A Proxy form which does not state the name of the Proxy shall not be considered valid.

6.5.2 Undated Proxy shall not be considered valid.

6.5.3 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.

### **6.6 Deposit of Proxies and Authorisations**

6.6.1 Proxies shall be deposited with the company either in person or through post not later than forty-eight hours before the commencement of the Meeting in relation to which they are deposited and a Proxy shall be accepted even on a holiday if the last date by which it could be accepted is a holiday.

6.6.2 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.

6.6.3 In case of remote e-voting:

- (i) the letter of appointment of representative(s) of the President of India or the Governor of a State; or
- (ii) the authorisation in respect of representative(s) of the Corporations; shall be received by the scrutinizer /company on or before close of e-voting.

## **6.7 Revocation of Proxies**

6.7.1 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.

6.7.2 A Proxy later in date revokes any Proxy/Proxies dated prior to such Proxy.

6.7.3 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.

6.7.4 When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy stands automatically revoked.

## **6.8 Inspection of Proxies**

6.8.1 Requisitions, if any, for inspection of Proxies shall be received in writing from a Member entitled to vote on any Resolution at least three days before the commencement of the Meeting.

6.8.2 Proxies shall be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.

6.8.3 A fresh requisition, conforming to the above requirements, shall be given for inspection of Proxies in case the original Meeting is adjourned.

## **6.9 Record of Proxies**

6.9.1 All Proxies received by the company shall be recorded chronologically in a register kept for that purpose.

6.9.2 In case any Proxy entered in the register is rejected, the reasons therefor shall be entered in the remarks column.

## **7. Voting**

7.1 Proposing a Resolution at a Meeting Every Resolution, except a Resolution which has been put to vote through Remote e-Voting or on which a poll has been demanded, shall be proposed by a Member and seconded by another Member.

### **7.2 E-voting**

7.2.1 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 as prescribed shall provide evoting facility to their Members to exercise their Voting Rights.

#### **7.2.2 Voting at the Meeting**

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.

### **7.3 Show of Hands**

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.

### **7.4 Poll**

The Chairman shall order a poll upon receipt of a valid demand for poll either before or on the declaration of the result of the voting on any Resolution on show of hands.

### **7.5 Voting Rights**

7.5.1 Every Member holding equity shares and, in certain cases as prescribed in the Act, every Member holding preference shares, shall be entitled to vote on a Resolution.

7.5.2 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.

In case of a private company, a member who is a related party is entitled to vote on such Resolution.

A member who is a related party is entitled to vote on a Resolution pertaining to approval of any contract or arrangement to be entered into by:

(a) A Government company with any other Government company; or

(b) An unlisted Government company with the prior approval of competent authority, other than those contract or arrangements referred in clause (a).

### **7.6 Second or Casting Vote**

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.

## **8. Conduct of e-voting**

8.1 Every company that is required or opts to provide e-voting facility to its Members shall comply with the provisions in this regard.

8.2 Every company providing e-voting facility shall offer such facility to all Members, irrespective of whether they hold shares in physical form or in dematerialised form.

8.3 The facility for Remote e-voting shall remain open for not less than three days.

## **8.4 Board Approval**

The Board shall:

- (a) appoint one or more scrutinisers for e-voting or the ballot process;
- (b) appoint an Agency;
- (c) decide the cut-off date for the purpose of reckoning the names of Members who are entitled to Voting Rights;

## **8.5 Notice**

8.5.1 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.

8.5.2 Notice shall simultaneously be placed on the website of the company, in case of companies having a website, and of the Agency.

8.5.3 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.

## **8.6 Declaration of results**

8.6.1 The scrutiniser(s) shall submit his report within three days from the date of the Meeting to the Chairman or a person authorised by him, who shall countersign the same and declare the result of the voting forthwith with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not. 8.6.2 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 shall be displayed for at least three days 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. Further, the results of voting alongwith the scrutiniser's report shall also be placed on the website of the company, in case of companies having a website and of the Agency, immediately after the results are declared.

8.6.3 The Resolution, if passed by a requisite majority, shall be deemed to have been passed on the date of the relevant General Meeting.

8.7 Custody of scrutinisers' register, report and other related papers The scrutinisers' register, report and other related papers received from the scrutiniser(s) shall be kept in the custody of the Company Secretary or any other person authorised by the Board for this purpose.

## **9. Conduct of Poll**

9.1 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.

9.2 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.

9.3 Each Resolution put to vote by poll shall be put to vote separately.

## **9.4 Appointment of scrutinisers**

The Chairman shall appoint such number of scrutinisers, 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.

9.5 Declaration of results 9.5.1 The scrutiniser(s) shall submit his report within seven days from the last date of the poll to the Chairman who shall countersign the same and declare the result of the poll within two days of the submission of report by the scrutiniser, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not.

9.5.2 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 for at least three days 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.

9.5.3 The result of the poll shall be deemed to be the decision of the Meeting on the Resolution on which the poll was taken.

10. Prohibition on Withdrawal 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. Further, any resolution proposed for consideration through e-voting shall not be withdrawn.

### **11. Rescinding of Resolutions**

A Resolution passed at a Meeting shall not be rescinded otherwise than by a Resolution passed at a subsequent Meeting.

### **12. Modifications to Resolutions**

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.

### **13. Reading of Reports**

13.1 The qualifications, observations or comments or other remarks, if any, mentioned in the Auditor's Report on the financial transactions, which have any adverse effect on the functioning of the company 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.

13.2 The qualifications, observations or comments or other remarks if any, mentioned in the Secretarial Audit Report issued by the Company Secretary in Practice, which have any material adverse effect on the functioning of the company, 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.

### **14. 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.

### **15. Adjournment of Meetings**

15.1 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.

15.2 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.

15.3 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.

15.4 If a Meeting, other than an Annual General Meeting and 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 or at such other time and place as may be determined by the Board.

15.5 If, within half an hour from the time appointed for holding a Meeting called by requisitionists, a Quorum is not present, the Meeting shall stand cancelled.

15.6 At an adjourned Meeting, only the unfinished business of the original Meeting shall be considered.

16.2 Every company having its equity shares listed on a recognised 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.

### **16.3 Board Approval**

The Board shall:

(a) identify the businesses to be transacted through postal ballot; (b) approve the Notice of postal ballot incorporating proposed Resolution(s) and explanatory statement thereto;

(c) authorise the Company Secretary or where there is no Company Secretary, any Director of the company to conduct postal ballot process and sign and send the Notice along with other documents;

(d) appoint one scrutiniser for the postal ballot;

(e) appoint an Agency in respect of e-voting for the postal ballot;

(f) decide the cut-off date for reckoning Voting Rights and ascertaining those Members to whom the Notice and postal ballot forms shall be sent.

### **16.4 Notice**

16.4.1 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.

16.4.2 In case of companies having a website, Notice of the postal ballot shall simultaneously be placed on the website.

16.4.3 Notice shall specify the day, date, time and venue where the results of the voting by postal ballot will be announced and the link of the website where such results will be displayed.

16.4.4 Notice of the postal ballot shall inform the Members about availability of e-voting facility, if any, and provide necessary information thereof to enable them to access such facility.

16.4.5 Each item proposed to be passed through postal ballot shall be in the form of a Resolution and shall be accompanied by an explanatory statement which shall set out all such facts as would enable a Member to understand the meaning, scope and implications of the item of business and to take a decision thereon.

16.5 Postal ballot forms

16.5.1 The postal ballot form shall be accompanied by a postage prepaid reply envelope addressed to the scrutiniser.

16.5.2 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.

16.5.3 A postal ballot form shall be considered invalid if:

- (a) A form other than one issued by the company has been used;
- (b) It has not been signed by or on behalf of the Member;
- (c) Signature on the postal ballot form doesn't match the specimen signatures with the company;
- (d) It is not possible to determine without any doubt the assent or dissent of the Member;
- (e) Neither assent nor dissent is mentioned;
- (f) Any competent authority has given directions in writing to the company to freeze the Voting Rights of the Member;
- (g) The envelope containing the postal ballot form is received after the last date prescribed;
- (h) The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;
- (i) It is received from a Member who is in arrears of payment of calls;
- (j) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established;
- (k) Member has made any amendment to the Resolution or imposed any condition while exercising his vote.

## **16.6 Declaration of results**

16.6.1 The scrutiniser shall submit his report within seven days from the last date of receipt of postal ballot forms to the Chairman or a person authorised by him, who shall countersign the same and declare the result of the postal ballot on the date, time and venue specified in the Notice, with details of the number of votes cast for and against the Resolution, invalid votes and the final result as to whether the Resolution has been carried or not.

16.6.2 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 for at least three days 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.

16.6.3 The Resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the company for receipt of duly completed postal ballot forms or e-voting.

16.7 Custody of scrutiniser's registers, report and other related papers The postal ballot forms, other related papers, register and scrutiniser's report received from the scrutiniser shall be kept in the custody of the Company Secretary or any other person authorised by the Board for this purpose.

16.8 Rescinding the Resolution A Resolution passed by postal ballot shall not be rescinded otherwise than by a Resolution passed subsequently through postal ballot.

## **16.9 Modification to the Resolution**

No amendment or modification shall be made to any Resolution circulated to the Members for passing by means of postal ballot.

## **17.1 Maintenance of Minutes**

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

17.1.2 A distinct Minutes Book shall be maintained for Meetings of the Members of the company, creditors and others as may be required under the Act.

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

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

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

17.1.6 Minutes of Meetings, if maintained in loose-leaf form, shall be bound periodically at least once in every three years.

17.1.7 Minutes Books shall be kept at the Registered Office of the company.

17.2 Contents of Minutes

17.2.1 General Contents

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

17.2.1.2 Minutes shall record the names of the Directors and the Company Secretary present at the Meeting.

### **17.2.2 Specific Contents**

17.2.2.1 Minutes shall, inter alia, contain:

- (a) The Record of election, if any, of the Chairman of the Meeting.
- (b) The fact that certain registers, documents, the Auditor's Report and Secretarial Audit Report, as prescribed under the Act were available for inspection.
- (c) The Record of presence of Quorum.
- (d) The number of Members present in person including representatives.
- (e) The number of Proxies and the number of shares represented by them.
- (f) The presence of the Chairmen of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee or their authorised representatives.
- (g) The presence if any, of the Secretarial Auditor, the Auditors, or their authorised representatives, the Court/ Tribunal appointed observers or scrutinisers.
- (h) Summary of the opening remarks of the Chairman.
- (i) Reading of qualifications, observations or comments or other remarks on the financial transactions, which have any adverse effect on the functioning of the company, as mentioned in the report of the Auditors.
- (j) Reading of qualifications, observations or comments or other remarks, which have any material adverse effect on the functioning of the company, as mentioned in the report of the Secretarial Auditor.
- (k) Summary of the clarifications provided on various Agenda Items.
- (l) 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.
- (m) 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.
- (n) 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.
- (o) The time of commencement and conclusion of the Meeting.

17.2.2.2 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.

### **17.3 Recording of Minutes**

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

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

17.3.3 Each item of business taken up at the Meeting shall be numbered.

### **17.4 Entry in the Minutes Book**

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

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

17.4.3 Minutes, once entered in the Minutes Book, shall not be altered.

### **17.5 Signing and Dating of Minutes**

17.5.1 Minutes of a General Meeting shall be signed and dated by the Chairman of the Meeting or in the event of death or inability of that Chairman, by any Director who was present in the Meeting and duly authorised by the Board for the purpose, within thirty days of the General Meeting.

17.5.2 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.

### **17.6 Inspection and Extracts of Minutes**

17.6.1 Directors and Members are entitled to inspect the Minutes of all General Meetings including Resolutions passed by postal ballot.

17.6.2 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.

**18. Preservation of Minutes and other Records**

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

18.2 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.

18.3 Minutes Books shall be kept in the custody of the Company Secretary.

**19. Report on Annual General Meeting****20. Disclosure**

The Annual Return of a company shall disclose the date of Annual General Meeting held during the financial year.