

## CSR & Social Governance

### (Chapter 13)

(Total= 20 marks)

Time - 1 Hr

Answer the following question.

#### Case Study 1

Companies deal with more stringent regulations as compared to Non-corporate Entities which majorly pursue common objectives or formed to provide benefits/services to its members. Non-corporate Entities may be incorporated in the form of society, trust, club, welfare association, civic bodies etc. Usually the Governing Body/ Council of Non-corporate Entities comprises of members chosen from among the members of such entities or in some cases, nominee appointed by the Government. The affairs of Non-corporate Entities are managed by the Governing Body/Council by taking appropriate decisions at its meeting. To achieve the objectives of any entity, the effective decision making is inevitable and the same equally applies to Non-corporate Entities.

The legal principles and procedures with respect to Non-corporate Entities are laid down in the respective laws applicable to such entities or enshrined in their Bye-laws. In addition to applicable legal requirements, Model Code for Meetings of Non-corporate Entities issued by ICSI provides essential governance practices in convening and conducting the Meetings of the Governing Council/ Management Committee of such entities and aims to harmonise the prevalent diverse practices. Model code seeks to prescribe a set of principles for convening and conducting Meetings of the Governing Council/ Management Committee of Non-corporate Entities and matters related thereto.

#### Questions:

(5 marks each)

1. Write Short note on: Agenda of the Meeting

Answer

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

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

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

The Notes on Agenda shall specify details about the business to be transacted at the Meeting.

The Notes on Agenda may be sent separately after issuing the Notice, but at least 3 clear days before the Meeting, unless otherwise provided in the applicable laws or Bye-laws.

For considering any urgent matter as decided by the Chairman, the Agenda and Notes thereon may be given at any time before the Meeting, subject to consent of the majority of the Members.

Agenda and Notes on Agenda of the Meeting shall be sent by the Secretary or by such other person as may be authorised for this purpose.

2. While having detail explanation of attendance at the meeting, elaborate the terms attendance and leave of absence.

Answer

#### Attendance

Every Non-corporate Entity shall maintain a separate attendance register for the Meetings.

The attendance register shall contain the following particulars: Serial number and date of the Meeting; place of the Meeting; time of the Meeting; name and signature of the Members, the Secretary and of other person(s) attending the Meeting by invitation.

The attendance register shall be maintained at the Head Office or such other place as may be approved by the Non-corporate Entity.

The attendance register shall be open for inspection by the Members of the Governing Council.

Entries in the attendance register shall be authenticated by the Chairman or the Secretary or in their absence, by any other person authorised for this purpose.

Attendance register shall be kept in the custody of the Secretary or any other person authorised for this purpose.

The attendance register shall be preserved for a period of eight financial years from the date of the last entry therein or for such other period as may be specified in the Bye-laws of the Non-corporate Entity.

The attendance register or any other records shall not be destroyed except in accordance with the applicable laws or Bye-laws of the Non-corporate Entity.

### **Leave of Absence**

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

The request for leave of absence received shall be placed / announced at the Meeting.

### **Case Study 2**

The Chairman of the Non-corporate Entity shall be the Chairman of the Meeting. If there is no such Chairman, then the Chairman shall be appointed by the majority of Members of the Governing Council or in accordance with the applicable laws or the Bye-laws of the Non-corporate Entity.

Where the Chairman is not able to attend the Meeting or unwilling to Chair the Meeting, the Members of the Governing Council may elect any of the Member to Chair and conduct the Meeting unless otherwise provided in the Bye-laws.

It would be the duty of the Chairman to check, with the assistance of Secretary, that the Meeting is duly convened and constituted in accordance with the applicable laws before proceeding to transact business. The Chairman shall then conduct the Meeting.

The Chairman shall read out the Agenda at the Meeting and explain the objective, need and implications of the matters / resolutions before they are put for discussion and voting at the Meeting.

The Chairman shall encourage deliberations and debate on the matters and assess the sense of the Meeting.

**Questions:** (3 marks each)

1. Discuss about all the four points for passing of resolution by circulation.

### **Answer**

#### **Authority**

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

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

#### **Procedure**

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

#### **Approval**

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

#### **Recording**

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

2. In case meeting is convened at shorter notice, minutes shall record the reason for convening the meeting at a shorter notice. Elaborate about signing of minutes.

**Answer**

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

The person signing the Minutes shall initial each page of the Minutes and sign the last page.

The date and place of signing the Minutes shall also be mentioned at the last page of the Minutes.

Minutes once entered in the Minutes Book, shall not be altered. Any alteration in the Minutes as entered shall be made only by way of approval of the Governing Council at its subsequent Meeting and shall be recorded in the Minutes of that Meeting

Q3. **(4 marks)**

Draft a specimen notice for meetings of Governing Council.

**Answer**

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

**Notice for \_\_\_ Meeting of the\_ (Name of the Governing Council/Committee)**

Date:

To

**Name & Address of the Member**

Madam/Sir,

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

(i) .....

(ii) .....

(iii) .....

(iv) .....

The detailed Agenda and Notes on Agenda are enclosed.

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

(Signature)

(Name of Secretary/ Authorised Officer)

**BEST OF LUCK**