

# Meetings of Board and its Committees

## Lesson 15

### KEY CONCEPTS

- Meeting ■ Notice ■ Quorum ■ Agenda ■ Chairman ■ Circulation ■ Attendance ■ Leave of absence
- Minutes

### Learning Objectives

#### To understand:

- The legal provisions relating to meetings of the Board and committees along with procedural aspects
- Roles and responsibilities of the officers and directors thereunder
- Meaning and procedure of Board meeting through video or audio-visual means

### Lesson Outline

- Introduction
- Frequency, Convening and Proceedings of Board and Committee meetings
- Agenda Management
- Meeting Management
- Resolution by circulation
- Types of Resolutions
- Duties of Company Secretary before, during and after Board/Committee Meeting
- Virtual Meetings: Technological Advancement in conduct of Board Committee
- Need and Scope of Secretarial Standards
- Secretarial Standard- 1
- Drafting of Notice, Agenda and Minutes of Board and Committee Meetings
- Lesson Round-Up
- Glossary
- Test Yourself
- List of Further Readings
- Other References

## REGULATORY FRAMEWORK

- The Companies Act, 2013(Sections 108, 173-175, 118)
- The Companies (Meetings of Board & Powers) Rules, 2014
- The Companies (Management and Administration) Rules, 2014
- The SEBI (LODR) Regulations, 2015
- SS-1- Secretarial Standard on Meetings of the Board of Directors

## INTRODUCTION – BOARD AND COMMITTEE MEETINGS

### Meaning of Board and Committee:

As per section 2(10) of the Companies Act, 2013, “Board of Directors” or “Board”, in relation to a company, means the collective body of the directors of the company.

On the other hand, Board can set up committees with particular terms of reference when it needs assistance (for example a new project sub-committee) or when an issue requires more resources and attention (review of effect of legislative changes on organisational programs). They can be set up for a specific purpose or to deal with general issues such as ‘development’. They can be established on a short-term or temporary basis, or they can be formed as a permanent body for ongoing work.

### ***What is a Board Meeting?***

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



The meetings play an important role in a corporate democracy. A Board Meeting is a formal meeting of the board of directors of an organization and invitees, wherever required, held at definite period of time and as and when needed to review performance, consider policy issues, address major problems and perform the legal business of the board. Directors of the Company have to exercise most of their powers or duties at periodical meetings of the Board or Committee of the Board. Therefore, Companies Act, 2013 and the rules framed thereunder contained detailed provisions relating to frequency, convening and conduct of the meeting.

Meetings of the Board are significant in the light of running of the company more efficiently and effectively. the Companies Act, 2013, mandates a company to hold minimal number of meetings of the Board for its proper functioning.

Board meetings are crucial for a company’s development as these formal meetings are held to devise policies, drive the management, strategize and evaluate the expectations of the stakeholders.

**Essentials for an effective board meeting are:**

Meeting has a purpose;

Members of the board have been provided with adequate notice and appropriate materials in advance;

Meeting is chaired effectively;

It follow proper meeting procedures and respect the time of board members;

Availability clear supporting documents such as an agenda with detailed notes, minutes and other reports;

Agenda has separate section wherein progress of ongoing matters is covered from meeting to meeting till that matter gets closed. Agenda also has section of action taken reports on items of previous meeting;

To be documented with Minutes.

***As per Guidance Note on SS -1, "A mere coincidental physical presence of all Directors at one place cannot constitute a board meeting."***

**MEETINGS OF BOARD AND ITS COMMITTEES****Meetings of the Board [Section 173]**

Section 173 of the Act deals with Meetings of the Board and Section 174 deals with quorum. Further, as per Section 118(10) of the Act, 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 by the Central Government. As such, it is important to refer to Secretarial Standard on Board Meetings (SS-1) along with provisions of the Companies Act, 2013 to ensure proper compliance to the statutory requirements regarding Board Meetings.

The Board of Directors of a company shall exercise certain powers on behalf of the company only by means of Resolutions passed at a Meeting of the Board and not by a Resolution passed by circulation. Further, certain powers of the Board shall be exercised by Resolutions passed at Meetings, with the consent of all the Directors present at the Meeting.

**Frequency, Convening and Proceedings of the Meetings of the Board**

Section 173 of the Act provides that the first board meeting should be held within thirty days of the date of incorporation. Thereafter, there shall be minimum number of four board meetings every year and not more than one hundred and twenty days shall intervene between two consecutive Board meetings.

*The Board of directors of Equity Listed Company shall meet at least four times in a year, with a maximum time gap of one hundred and twenty days between any two meetings. [Regulation 17(2) of SEBI (LODR) Regulations, 2015]*

Further, in this context Secretarial Standard on Board Meetings (SS-1) issued by ICSI clarifies that 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.

Furthermore, SS-1 states that the company shall hold first meeting of its Board within thirty days of the date of incorporation. It shall be sufficient if subsequent Meetings are held with a maximum interval of one hundred and twenty days between any two consecutive Meetings.

**Illustration:**

If a company is incorporated on 15th June, the first Meeting should be held within thirty days i.e. latest by 14th July. If the meeting is held say on 10th July, then the next Meeting should be held within 120 days from 10th July.

In case of one person company (OPC), small company, dormant company and private company which is recognized as start-up, **at least one Board meeting should be conducted in each half of the calendar year** and the gap between two meetings should not be less than ninety days. However, this provision would not apply to a one person company in which there is only one director on its Board.

The term “start-up” means a private company incorporated under the Act and recognised as start-up in accordance with the notification issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

**Illustration:**

In case a small company holds the first meeting of the Calendar Year 2024 on 1st June, 2024, it would be sufficient if it holds one more Meeting on any day before 31st December, 2024, but on or after 30th August 2024. If it holds the next Meeting on 30th July, 2024, it should hold at least one more Meeting on or after 30th August, 2024, but before 31st December, 2024.

**Exemptions:**

In case of Section 8 Company, after MCA exemptions Notification Dated 05.06.2015, the provisions of Section 173(1) shall apply only to the extent that the Board of Directors, of such companies shall hold at least one meeting within every six calendar months.

Specified IFSC Public & Private Company shall hold the first meeting of the Board of Directors within sixty days of its incorporation and thereafter hold at least one meeting of the Board of Directors in each half of a calendar year. (Notification Dated 04.01.2017).

The Act does not contain any provision conferring on the Directors the right to appoint a proxy to attend Board Meetings. A Director cannot appoint another person as his proxy to attend a Board Meeting since the right to appoint a proxy is not a common law right and can only be given by statute.

**Aspects to be considered while fixing the Venue:**

A Meeting may be held at the Registered Office of the company or at any other place, including a remote place. A Meeting may be held in India or abroad.

Notice of the Meeting shall clearly mention a venue, whether registered office or otherwise, to be the venue of the Meeting and all the recordings of the proceedings of the Meeting, if conducted through Electronic Mode, shall be deemed to be made at such place.

With respect to every Meeting conducted through Electronic Mode, the scheduled venue of the Meeting as set forth in the Notice convening the Meeting, shall be deemed to be the venue of the said Meeting and all recordings of the proceedings at the Meeting shall be deemed to be made at such place. [Rule 3(6) of the Companies (Meetings of Board and its Powers) Rules, 2014]

### Board Meeting through Video Conferencing:

The board members can make their participation in meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.

However, the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

#### CASE LAW

The New Delhi bench of NCLAT held in the case of *Achintya Kumar Barua alias Manju Baruah Vs. Ranjit Barthkur (2018)* that Order passed by Tribunal permitting director of company to attend board meeting through video-conferencing could not be interfered on apprehension that it would not be possible to ensure that no person other than concerned director was attending said meeting.

As Section 173 (2) gives right to a director to participate in the meeting through video-conferencing or other audio-visual means and it would be in the interest of the companies to comply with the provisions in public interest. The Tribunal took note of the fact that the company in this matter had all the necessary infrastructure available. The Tribunal came to the conclusion that the provisions of section 173 (2) of the 2013 Act are mandatory and the companies not be permitted to make any deviations therefrom.

### Meetings of the Board – The SEBI (LODR) Regulations, 2015

**Regulation 29:** The listed entity shall give prior intimation of at least two working days in advance, excluding the date of the intimation and date of the meeting, to stock exchange about the meeting of the board of directors in which any of the following proposals is due to be considered:

- (a) financial results, viz., quarterly, half yearly, or annual, as the case may be;
- (b) proposal for buyback of securities;
- (c) proposal for voluntary delisting by the listed entity from the stock exchange(s);
- (d) Fund raising by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/Global Depository Receipts/Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method and for determination of issue price;

Provided that intimation shall also be given in case of any annual general meeting or extraordinary general meeting or postal ballot that is proposed to be held for obtaining shareholder approval for further fund raising indicating type of issuance.

Provided further that intimation for determination of issue price in a qualified institutions placement is not required if such placement is done in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- (e) Declaration/ recommendation of dividend, issue of convertible securities including convertible

debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend;

- (f) The proposal for declaration of bonus securities.
- (g) any alteration in the form or nature of any of its securities that are listed on the stock exchange or in the rights or privileges of the holders thereof;
- (h) any alteration in the date on which, the interest on debentures or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable.

The intimation required under sub-regulation (1) shall mention the date of such meeting of board of directors.

### Meetings of Committees

A board committee is a small working group identified by the board, consisting of board members, for the purpose of supporting the board's work. Committees are generally formed to perform some expertise work. Members of the committee are expected to have expertise in the specified field. Committees are usually formed as a means of improving board effectiveness and efficiency, in areas where more focused, specialized and technical discussions are required. These committees prepare the groundwork for decision-making and report at the subsequent board meeting. However, the Board of Directors are ultimately responsible for the acts of the committee. Board is responsible for defining the committee role and structure.

If authorized by articles, the directors have power to delegate their authority to a committee unless prohibited or limits prescribed in the Act. A company may adopt Regulations of Table F to Schedule I which reads as under:

#### Regulation 71 states:

- (1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or a member of its body as it thinks fit;
- (2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

For transacting business of the company, the committee meetings can be conducted in accordance with Regulations 72 to 75 of Table F to Schedule I of the Act or other corresponding provisions of the company's articles. These regulations read as under:

#### Regulation 72 provides:

- (1) A committee may elect a chairperson of its meetings;
- (2) If no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.

#### Regulation 73 provides:

- (1) A committee may meet and adjourn as it thinks fit;
- (2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the chairperson shall have a second or casting vote.

#### Regulation 74 provides:

All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be

as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**Regulation 75 provides:**

Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be as valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

According to SS-1 (Secretarial Standard on Board Meetings) 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.

**Frequency of Meetings of a Committee**

Committees should meet as often as required and at least as often as stipulated by the Board while constituting the Committee. Guidelines, Rules and Regulations framed under the Act or by any statutory/regulatory authority may contain provisions for frequency of Meetings of a Committee and such stipulations should be followed.

**Preparation of Notices for meetings of Board/Committees of Board**

- (1) Section 173 (3) requires that not less than seven days' notice in writing shall be given to every director at the registered address (whether in India or outside India) as available with the company and such notice shall be sent by hand delivery or by post or by electronic means.

Provided that 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.



- (2) SS-1 provides exhaustive guide for the meetings of Board/committees. Accordingly, it provides that Notice convening a Meeting shall be given at least seven days before the date of the Meeting, unless the Articles prescribe a longer period.

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

Notice of an adjourned Meeting shall be given to all Directors including those who did not attend the Meeting on the originally convened date and unless the date of adjourned Meeting is decided at the Meeting, Notice thereof shall also be given not less than seven days before the Meeting.

As per Guidance Note on SS-1, the date of notice need not be excluded but the date of meeting is to be excluded while computing the period of seven days.

- (3) 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. It will not be given by ordinary post.

*Notice cannot be given by ordinary post since proof of delivery or acknowledgement is not available. Notice should also be given to Directors who have gone abroad or who usually reside abroad and who do not have an address in India.*

- (4) The notice shall contain contact number or e-mail address (es) of the chairman or the company secretary or any other person authorised by the Board, to whom the Director shall confirm in this regard. . In the absence of an advance communication or confirmation from the Director as above, it shall be assumed that he will attend the Meeting physically
- (5) 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. Where a Director specifies a particular means of delivery of Notice, the Notice shall be given to him by such means. However, in case of a Meeting conducted at a shorter Notice, the company may choose an expedient mode of sending Notice.

**Illustration:**

The Articles of Association of XYZ Ltd. provides that all Notices of the Meetings of the Board and Committees thereof shall be sent to all the members of the Board/Committees by e-mail or through speed post or registered post with acknowledgment. Accordingly, the company is sending Notices through speed post to all Directors.

However Mr. A, Independent Director on the Board of XYZ Ltd. requested the company to send all such Notices to him through courier at his office.

Since Mr. A has specified a particular means of delivery of Notice, the company should send Notice of the Meetings through such means to him.

- (6) Proof of sending Notice and its delivery shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the Meeting.
- (7) 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. The Notice shall specify the serial number, day, date, time and full address of the venue of the Meeting. Where approval by means of a Resolution is required, the draft of such Resolution shall be either set out in the note or placed at the Meeting.
- (8) The Notice shall inform the Directors about the option available to them to participate through Electronic Mode and provide them all the necessary information.
- (9) The Notice of a Meeting shall be given even if Meetings are held on pre-determined dates or at pre-determined intervals.

If notice of meeting is not given to one of its directors, meeting of board of directors is invalid and resolution passed at such meeting are inoperative. *Parmeshwari Prasad Gupta v. Union of India* [1974] 44 Comp Cas 1 (SC)

Board meeting to transact urgent business, the Notice, Agenda and Notes on Agenda may be given at shorter period of time than stated above, subject to following conditions:

- (a) If the company is required to have independent director:
  - Presence of at least one Independent director is required.
  - In case of absence of independent director, decision taken at such meeting shall be circulated to all the directors, and shall be final only on ratification thereof by at least one Independent director.
- (b) If the company does not require appointing independent director, meeting can be called up at a shorter notice without any conditions to be complied with.

As per SS-1, 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, unless such decisions were approved at the Meeting itself by a majority of Directors of the company. The fact that the meeting is being held at a shorter notice shall be stated in the notice.

**Illustration:**

- 1) If the Meeting is proposed to be held on 14th November, the last date for giving the Notice would be 7th November.
- 2) In case Notice is being sent by facsimile or by e-mail or by any other electronic means to the Directors, Notice should be sent latest by 7th November.
- 3) In case any of the Director does not have an e-mail id and therefore the Notice is being sent to him solely by post, Notice should be sent to all Directors latest by 5th November.

**CASE LAW**

*Sanjiv Kothari v. Vasant Kumar Chordia (2005) 66 CLA 45 (CLB)*

Notice of meeting sent to a Director contrary to the mode specified by him cannot be a conclusive proof of service of notice.

**AGENDA MANAGEMENT**

As per SS-1, 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.

**What is an Agenda?**

*The list of items of business to be transacted at a Meeting is known as the "Agenda". The Agenda draws attention to the relevant matters where deliberation is required. The Notes on Agenda explain each item of the Agenda in an endeavor to provide an understanding of points for discussion by the Board.*

*The Agenda should be accompanied or followed by Notes thereon explaining the proposal in brief, in easily understandable language and setting out the points for decision of the Board.*

Agenda and Notes on Agenda shall be sent to all Directors by hand or by speed post or by registered post or by e-mail or by any other electronic means. These shall be sent to the postal address or e-mail address or any other electronic address registered by the Director with the company or in the absence of such details or any change thereto, to any of such addresses appearing in the Director Identification Number (DIN) registration of the Directors.

The Articles of the company may prescribe a longer period for sending the Agenda and Notes thereto, in which case the Articles should be complied with. However, the period of seven days cannot be reduced by the company in its Articles.

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

Where a Director specifies a particular means of delivery of Agenda and Notes on Agenda, these papers shall

be sent to him by such means. However, in case of a Meeting conducted at a shorter Notice, the company may choose an expedient mode of sending Agenda and Notes on Agenda.

Proof of sending Agenda and Notes on Agenda and their delivery shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the Meeting.

The Notice, Agenda and Notes on Agenda shall be sent to the Original Director also at the address registered with the company, even if these have been sent to the Alternate Director. However, the mode of sending Notice, Agenda and Notes on Agenda to the original director shall be decided by the company.

Notes on items of business which are in the nature of Unpublished Price Sensitive Information may be given at a shorter period of time than stated above, with the consent of a majority of the Directors, which shall include at least one Independent Director, if any.

Where the company has Independent Director(s) and, if none of the Independent Directors consents to the giving of Notes on items of Agenda which are in the nature of Unpublished Price Sensitive Information (UPSI) at a shorter Notice, the said Notes should not be given at shorter Notice-*Guidance Note on SS-1*.

For this purpose, "Unpublished Price Sensitive Information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- (v) changes in key managerial personnel.

General consent for giving Notes on items of Agenda which are in the nature of Unpublished Price Sensitive Information at a shorter Notice may be taken in the first Meeting of the Board held in each financial year and also whenever there is any change in Directors. Where general consent as above has not been taken, the requisite consent shall be taken before the concerned items are taken up for consideration at the Meeting. The fact of consent having been taken shall be recorded in the Minutes.

Consent to circulate Agenda items which are in the nature of UPSI at a shorter Notice from the new Directors appointed during a financial year may be obtained on an individual basis-*Guidance Note on SS-1*.

**Illustration:**

- 1) Assume there are 9 Directors and 5 have given their general consent at the beginning of the financial year to give Notes on items of Agenda which are in the nature of UPSI at shorter Notice. If 1 new Director is appointed, consent from the new Director to circulate Agenda items which are in the nature of UPSI at a shorter Notice may be obtained individually. If this Director gives his consent, no fresh consent from the Board would be needed. In case, this Director dissents or does not give his consent, fresh consent should be taken from the Board.
- 2) Assume there are 9 Directors and 5 have given their general consent at the beginning of the financial year to give Notes on items of Agenda which are in the nature of UPSI at shorter Notice. If, out of these 5 who consented, 2 resign, it means that out of the remaining 7 Directors only 3 have given their consent. In such case, fresh consent is required.

Supplementary Notes on any of the Agenda items may be circulated at or prior to the Meeting but shall be taken up with the permission of the Chairman and with the consent of a majority of the Directors present in the Meeting, which shall include at least one Independent Director, if any.

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.

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

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.

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.

Office copies of Notices, Agenda, Notes on Agenda and other 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.

*Where approval by means of a Resolution is required, the draft of such Resolution shall be either set out in the note or placed at the Meeting. However, any other decision taken at the Meeting may also be recorded in the Minutes in the form of Resolution. Resolutions drafted and circulated to Directors in advance, along with the Agenda saves time at the Meeting, clarifies the subject matter, facilitates discussion, simplifies preparation of Minutes of the Meeting and enables issuance of certified copies of Resolution, wherever required, after the Meeting and before the Minutes thereof are finalized.*

**Illustration:**

Company XYZ Ltd. has 9 Directors out of which 6 Directors are present at the Meeting. An item not included in the Agenda is proposed to be taken up at a Meeting. Following are the scenarios and their effect:

1. Consent for taking up such item is obtained from only 3 Directors present in the Meeting, including the Chairman.

**Effect:**

Such item should not be taken up at the Meeting as majority of Directors present at the Meeting have not given their consent.

2. Consent for taking up such item is obtained from 4 Directors present at the Meeting, including the Chairman.

**Effect:**

Such item should be taken up as majority of Directors present at the Meeting have given their consent.

3. Consent for taking up such item is obtained from 4 Directors out of 6 Directors present at the Meeting, including the Chairman. However, out of 6 Directors only 4 approved the decision. Majority of Directors of the company is 5 Directors.

**Effect:**

Such item should be taken up, as majority of Directors present at the Meeting have given their consent. The decision should be final only on ratification by majority of Directors of the Company, which is 5 Directors. The said decision approved by 4 Directors at the Meeting should be circulated to all the Directors along with relevant supporting documents, specifically highlighting the requirement of ratification by majority of Directors of the Company.

Any item not included in the Agenda and Notes thereon may either be circulated to the Directors before the Meeting or tabled at the Meeting, but can only be taken up with the requisite consent.

**Sample of Important Agenda Items for Board Meeting****Agenda Items of Board Meeting**

<b>Item No.</b>	<b>Particulars</b>	<b>Frequency</b>
1.	To grant leave of absence, if any.	Every meeting
2.	Appointment of Chairperson of the Meeting.	Every meeting.
3.	To take note of minutes of last Board/ Committee Meeting held in a financial year.	Every meeting.
4.	To take note of Disclosure of Interest by Directors pursuant to section 184(1).	Disclosure to be given at first meeting : (i) after appointment in which an individual participates as a director; (ii) in every Financial Year; (iii) Whenever there is any change in the disclosures already made, then at the first Board meeting held after such change.
5.	To take note of entries made in register of contracts pursuant to section 189.	Every meeting. In case of no entry, mention that.
6.	To take note of Declaration given by Independent Director to meets the criteria of Independence under section 149 (7) of the Companies Act, 2013.	Disclosure to be given at first meeting : a. After appointment as Independent Director; b. In every financial year; or c. After change in circumstances.
7.	Matters arising out of previous minutes.	All matters that are continuing or require update in next meeting should be clubbed in this agenda and updates given in every notes on agenda till further reporting is not required.

<i>Item No.</i>	<i>Particulars</i>	<i>Frequency</i>
8.	Report on investments, borrowings, corporate guarantees, sale of assets, sources & application of funds etc.	Event based.
9.	<ul style="list-style-type: none"> <li>● To consider and approve policy (Name of the Policy).</li> <li>● Alternative agenda when any policy needs some change due to many factors.</li> <li>● To consider amendment in the policy (Name of the Policy).</li> </ul>	On adoption of new policy. Whenever any amendment becomes necessary.
10.	To take note of statement containing investor complaints under regulation 13(3) of the SEBI (LODR) Regulations, 2015.	On quarterly basis, placed before the board of directors of the listed entity.
11.	To take note of Compliance Report on corporate governance under regulation 27(2) of SEBI (LODR) Regulations, 2015.	Review periodically.
12.	Appointment of Secretarial Auditor of the Company for the financial year _____ (if applicable).	Concerned meeting.
13.	Appointment of Internal Auditor of the Company for the financial year (if applicable).	Concerned meeting.
14.	To Approve & consider Audited Financial Statements for the year ended.....	Concerned meeting.
15.	To Take note of Statutory Auditors Report on the Financial Statements of the Company for the year ended 31st March.....	Concerned meeting.
16.	Related Party Transactions.	Omnibus approvals, related party transactions, report on related party transactions during the quarter.
17.	Progress Report.	In case of any ongoing projects, a detailed progress report.
18.	Any other item(s) with the permission of Chair.	As and when required.

**Illustrative List of Agenda Items for Board Meeting as per SS 1 in addition to those prescribed under Companies Act:**

**General Business Items:**

1. Noting Minutes of Meetings of Audit Committee and other Committees.

2. Considering the Compliance Certificate to ensure compliance with the provisions of all the laws applicable to the company.
3. Specifying list of laws applicable specifically to the company.
4. The Board is required to take note of the specific list of laws applicable to the company. For example, Banking Regulation Act, 1949 in case of banking companies.
5. Appointment of Secretarial Auditors and Internal Auditors.

#### Specific Items:

1. Approving remuneration of Managing Director, Whole-time Director and Manager.
2. Making political contributions.
3. According sanction for transactions with Related Party which are not in the ordinary course of business or which are not on arm's length basis.
4. Appointment or Removal of Key Managerial Personnel.
5. Approving purchase and sale of material tangible/intangible assets not in the normal course of business.

## MEETING MANAGEMENT

### Convening a Meeting

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.

Directors may participate in the meeting either in person or through video conferencing or other audio visual means as prescribed, which are capable of recording and recognising the participation of the directors and of the recording and storing the proceedings of such meetings along with date and time.

A Meeting may be convened on any day as per the Gregorian calendar, including on a public holiday, unless the Articles provide otherwise.

Being a matter of good practice and as far as possible, the companies should avoid holding of Board Meeting on a National Holiday, as the presence of the employees of the company would be needed for smooth conduct of any such Meeting.

### Penalty

Every officer of the company who is duty bound to give notice under Section 173 of the Companies Act, 2013 and who fails to do so shall be liable to a penalty of twenty five thousand rupees.

### CASE LAW

*Belfin Spa (A Company incorporated Under the laws of Italy) & Ors. (Appellants) v. Cima Shyam Springs Private Limited & Ors. (Respondents) (dated: 10th June, 2019)*

NCLAT held that decisions taken in the Board Meetings, EOGMs and AGM discussed in this Judgment regarding which there was no Notice or short notice to the Appellants, are not binding on the Appellants.

**Quorum for Board Meetings: Section 174**

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

One third of total strength or two directors, whichever is higher, shall be the quorum for a Board meeting. For the purpose of determining the quorum, the participation by a director through Video Conferencing or other audio visual means shall also be counted, unless he is to be excluded for any item of business under any provisions of the Act or the rules - Section 174(1).



*Section 174 is not applicable to One Person Company in which there is only one director.*

**Illustration:**

For instance, if there are 12 directors and 10 of them are interested, remaining 2 directors would not have normally constituted quorum since four directors is the requisite quorum, but, in such event, remaining 2 disinterested directors would constitute quorum.

If at any time the number of interested directors exceeds or is equal to two-thirds of the total strength of the Board of directors, the number of directors who are not interested and present at the meeting, being not less than two shall be the quorum during such time.

Companies Act lays down only minimum number of directors to form a quorum, company by its articles can provide for a higher number of quorum - *Amrit Kaur Puri v. Kapurthala Flour, Oil & General Mills Co (P) Ltd.* [1984] 56 Comp Cas 194 (P & H)

Where due to removal or resignation or for some other reason, the number of directors is reduced below the quorum, then the continuing directors may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.

**CASE LAW**

Where with resignation of one director, number of Directors fell below minimum number of two, subsequent Board meeting convened and conducted by said director by his withdrawal of resignation was patently illegal and consequently, further appointments of directors in such meetings were also illegal and cannot be established. [Held by High Court of Andhra Pradesh in case of *Smt. Dr. Renuka Datla v. Biological E Ltd.* in the year 2015]

The meeting shall be adjourned due to want of quorum, unless the articles of the company otherwise provide, the meeting shall be held on the same day at the same time and same place in the next week or if that day is a National Holiday, on the next succeeding day, which is not a national holiday, at the same time and place.

Sub-section (4) of Section 174 of the Act prohibits holding of Board Meetings adjourned for want of Quorum on National Holidays. However, law is not specifically prohibiting the original meeting to be held on a National Holiday.

If the Board meeting is adjourned for want of quorum and at the adjourned Board meeting also no quorum is present, meeting stands cancelled. Adjourned Board meetings are continuation of the original board meeting. Hence, maximum permissible interval period of 120 days shall be counted from the date of original meeting.

According to SS-1, 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.

Adjournment of a Meeting otherwise than for want of Quorum may be necessitated for paucity of time to complete the Agenda or for any other reason viz. curfew, earthquakes or other events of force majeure etc.

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

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 reckoned for Quorum and entitled to participate in respect of such item after disclosure of his interest.

Additionally, for listed entities the quorum for every meeting of the board of directors of the top 2000 listed entities shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director.

(The words “top 1000 listed entities with effect from April 1, 2019 and of the” omitted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 31.12.2024. The words “with effect from April 1, 2020” omitted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 31.12.2024.)

The participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum.

As per SS-1 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 except for restricted items in which Quorum shall be ascertained on the basis of physical presence of Directors.

(Omitted by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f.31.12.2024.)

**Exemptions:**

In case of section 8 company, either eight members or twenty-five per cent, of its total strength whichever is less” shall form a quorum. However, the quorum shall not be less than two members. Notification dated 5th June, 2015.

In case of Specified IFSC Public Company and Specified IFSC Private Company - Sub-section (3) of section 174 shall apply with the exception that interested director may participate in such meeting provided the disclosure of his interest is made by the concerned director either prior or at the meeting. - Notification Dated 4th January, 2017.

In case of Private Company - Sub-Section (3) of Section 174 shall apply with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.” - Notification Dated 13th June, 2017.

**To Sum Up Quorum for Board meeting**

**Requirement:**

- Quorum for Board Meeting = 1/3rd of its Total strength or two directors, whichever is higher;
- A Director participating through video conferencing/audio visual modes will also be counted for quorum;
- Any fraction of a member will be rounded off as one;
- Total strength shall not include directors whose places are vacant.

**Illustrations:**

1. A Meeting is convened on 8th August at 4:00 p.m. at the Registered Office of the company. On that day, the required Quorum is not present. In the absence of any provisions to the contrary in the Articles, the Meeting is automatically adjourned to the same day in the next week, i.e. 15th August, at the same time and place. However, since 15th August is a National Holiday, the adjourned Meeting should be held on 16th August.
2. In ABC Ltd., there are total 12 directors. The quorum for the meeting will be 4 director i.e. 1/3rd of its total strength.
3. In NHS Limited, there are 12 directors and 10 directors are interested as they hold more than 2% shareholding of that body corporate. In a meeting 2 non-interested directors are present. The quorum of the meeting shall be 2 non-interested directors during such time.

**Meetings of Committees**

SS-1 lists hierarchy of stipulations for the quorum of a Committee constituted by the Board that are as following: —

- a. First in hierarchy is the quorum that has been stipulated in the Act, or mentioned in the Articles or is stipulated under any other law;
- b. If no such stipulation exists, the quorum shall be as specified by the board;
- c. If the board has also not specified the quorum for the committee, presence of all the members of the committee shall be necessary to form the quorum.

**Attendance Registers**

Attendance register is a formal evidence of the presence of the persons signing such register. Maintenance of attendance register is a good secretarial practice which helps in keeping proper record of the attendance in the Meeting, enables cross-verification and also protects the interest of individual Directors and the invitees. It contains the signatures of the Directors who are present and other invitees also.

The attendance register is also contemplated under the Model Articles which state that “Every Director present at any Meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose [Regulation 65 of Table F of Schedule I to the Act].

SS-1 provides that every company shall maintain separate attendance registers for the meetings of the Board and meetings of the committee. The pages of the respective attendance registers shall be serially numbered. If an attendance register is maintained in loose leaf form, it shall be bound periodically, at least once in every three years. The attendance register shall be maintained at the Registered Office of the company or such other place as may be approved by the Board. The attendance register may be taken to any place where a Meeting of the Board or Committee is held. 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.

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.

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.

### CASE LAW

In the absence of copy of the Notice convening the Board Meeting and the log book meant to record signatures of Directors attending the Meeting of the Board of Directors and any other proof to show that a Meeting was held, a Meeting of the Board of Directors cannot be accepted to be held [*Dale & Carrington Investment (P) Ltd. v. P. K. Prathapan and Others (2004) Supp (7) SCR 334*].

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. It shall be in the custody of the Company Secretary.

Where there is no Company Secretary, the attendance register shall be in the custody of any other person authorised by the Board for this purpose.

The period of eight financial years should be counted from the end of the financial year to which the last entry in the register pertains to.

In case of equity listed companies, such records should be preserved as per the policy approved by the Board for preservation of documents.

### Illustration:

In case the attendance register contains the attendance record of a Meeting held on 5th May, 2010 as the first entry and 18th March, 2015 as the last entry, the attendance register should be preserved at least up to 31st March, 2023 i.e. for eight financial years from 31st March, 2015 since the last entry therein is 18th March, 2015.

### Leave of Absence

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.

The office of a director shall become vacant in case the director absents himself from all the meetings of the Board held during a period of twelve months with or without seeking leave of absence of the Board.

### Illustration:

Suppose, the Board Meetings of a company were held on 28th March, 2020, 25th June, 2020, 20th September, 2020, 30th December, 2020 and 27th March, 2021. Director X attended the Meeting on 28th March, 2020 and did not attend any Meetings thereafter.

In such a case, the count for Meetings of the Board held during a period of twelve months for the purpose of reckoning his vacation of office should commence from 25th June, 2020. Thus, if he does not attend any of the Meetings held upto end June 2021, he should vacate the office.

### Chairman of the meeting of the Board/Committee

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

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.

### Appointment of Chairman

For a Meeting to be properly constituted, the Chairman of the Board or a validly elected person should be in the chair. The Act does not provide for appointment of a Chairman of the Meeting but the Model Articles provide that the Board may elect a Chairman of its Meetings and determine the period for which he is to hold office [Regulation 70 (i) of Table F of Schedule I to the Act].

While appointing such person, the Board may stipulate a time period for the person to continue as Chairman of the Board. At the end of such period, the Board may either re-appoint the person or appoint any other Director as Chairman of the Board.

In case of committee meeting, 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.

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.

If the Chairman is interested in an item of business, he shall entrust the conduct of the proceedings in respect of such item to any Non-Interested Director, with the consent of the majority of Directors present, and resume the chair after that item of business has been transacted. However, in case of a private company, the Chairman may continue to chair, be reckoned for quorum and entitled to participate in respect of such item after disclosure of his interest.

### Minutes

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

They are the official recording of the proceedings of the Meeting and the business transacted – evidence before Court.

Section 118 provides that every company shall prepare, sign and keep minutes of proceedings of every meeting of Board of Directors or of every committee of the Board within thirty days of the conclusion of every such meeting concerned in books kept for that purpose with their pages consecutively numbered.

In case of meeting of Board of Directors or of a committee of Board, the minutes shall contain:

- (a) Name of the directors present at the meeting; and
- (b) In the case of each resolution passed at the meeting, the names of dissenting director or a director who has not concurred the resolution.

The Chairman shall exercise his absolute discretion in respect of inclusion or non-inclusion of the matters which is regarded as defamatory of any person, irrelevant or immaterial to the proceedings; or detrimental to company’s interest in the minutes. Minutes kept shall be evidence of the proceedings recorded in a meeting.

SS-1 contain detailed procedure regarding recording, contents, finalization, entry and signing of minutes which should be ensured.

Every company shall keep Minutes of all Board and Committee Meetings in a Minutes Book. Minutes kept in accordance with the provisions of the Act evidence the proceedings recorded therein. Minutes help in understanding the deliberations and decisions taken at the Meeting.

### CASE LAW

In the case of **Teleone Online Venture Private Limited**, ROC of Delhi & Haryana observed from the e-form AOC-4 filed on MCA portal for the Financial Year ended 31.03.2018 that the notice of Annual General Meeting and Board Report for the concerned years has not been numbered correctly, which amounts to violation of SS-1 and SS-2 of the Companies Act, 2013 and imposed penalty for non-compliance of the provisions under section 118 (1) of the Act, for violation of Secretarial Standard (SS-1) and (SS-2).

### Maintenance of Minutes

- Minutes shall be recorded in books maintained for that purpose. A distinct Minutes Book shall be maintained for Meetings of the Board and each of its Committees. Company may maintain its Minutes in physical or in electronic form. The pages of the Minutes Books shall be consecutively numbered.
- Minutes may be maintained in electronic form in such manner as prescribed under the Act and as may be decided by the Board. Minutes in electronic form shall be maintained with Timestamp.  
*“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.*
- Minutes shall not be pasted or attached to the Minutes Book, or tampered with in any manner. 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.
- Minutes Books shall be kept at the Registered Office of the company or at such other place as may be approved by the Board. [Rule 25(1)(f) of the Companies (Management and Administration) Rules, 2014]

### Contents of Minutes

#### General Contents

- a) 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;

Every Meeting of the Board should be serially numbered for ease of reference.

While numbering serially, the company may choose to follow its existing system of numbering, if any, or any new system of numbering, which should be distinct and enable ease of reference and/or cross reference.

#### Illustrations

- Serially numbering on Calendar Year basis as follows: “1/2015”, “2/2015”, “3/2015” and so on.... In the next year, numbering would be “1/2016”, “2/2016”, “3/2016” and so on.
- Serially numbering on financial year basis as follows: “1/2015-16”, “2/2015-16”, “3/2015-16” and so on....or 1/15-16, 2/15-16, 3/15-16 and so on.....

(iii) Continuous serially numbering across years: 120th Meeting, 121st Meeting, 122nd Meeting and so on .....

Here, a company may choose to either count and give continuous numbering from its incorporation or give continuous numbering from Meetings held on or after 1st July, 2015, this being the date from which SS-1 became effective.

Note: Serial number of the original Meeting and the adjourned Meeting should be the same. For eg: In case the serial number of the original Meeting is 12th Meeting, the serial number of the adjourned Meeting should be 12th Meeting (Adjourned).

- b) 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;
- c) Minutes shall contain a record of all appointments made at the Meeting.

### Specific Contents

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 formed by the Board;
- 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.

In respect of meeting adjourned for want of quorum, a statement to that effect by the chairperson or in his absence, by any other director present at the meeting shall be recorded in the minutes.

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.

### Recording of Minutes

- Minutes shall contain a fair and correct summary of the proceedings of the Meeting.
- Minutes shall be written in clear, concise and plain language.
- 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.
- 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.
- 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.

#### Illustrations:

- 1) A Board Meeting was held on 1st July 2020 and the next Board Meeting is scheduled to be held on 25th July, 2020. If the minutes of the first Board Meeting are entered in the minutes books before the date of next Board Meeting i.e. 25th July, 2020, the same should be placed for noting thereat. If the minutes are yet to be entered in the minutes books, the same should be placed at the subsequent Board Meeting following the entry of minutes in the minutes books.
- 2) In case, the Meeting of a Committee is held on 1st July and the Meeting of the Board is held on 20th July, Minutes of the Meeting of the Committee should be entered in the Minutes Book on or before 30th July.  
  
Say, the Minutes of this Meeting of the Committee are entered in the Minutes Book on 28th July. In such a case, the Minutes of such Meeting should be noted at the Meeting of the Board held immediately following 28th July.  
  
If the Minutes of this Meeting of the Committee are entered in the Minutes Book on 15th July, the Minutes of such Meeting should be noted at the Meeting of the Board held immediately following 15th July, i.e. on 20th July.
- 3) If the Meeting is held and concluded on 1st September, 2020, the Minutes should be circulated latest by 15th September, 2020 and the receipt of the same by the Directors thereafter would be in compliance.

### Finalization 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.

- The Directors, whether present at the Meeting or not, shall communicate their comments, if any, in writing on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalised and entered in the Minutes Book within the specified time limit of thirty days.
- If any Director communicates his comments after the expiry of the said period of seven days, the Chairman, if so authorised by the Board, shall have the discretion to consider such comments.
- In the event a Director does not comment on the draft Minutes, the draft Minutes shall be deemed to have been approved by such Director. A Director, who ceases to be a Director after a Meeting of the Board is entitled to receive the draft Minutes of that particular Meeting and to offer comments thereon, irrespective of whether he attended such Meeting or not.
- Minutes shall be entered in the Minutes Book within thirty days from the date of conclusion of the Meeting.
- The date of entry of the Minutes in the Minutes Book shall be recorded by the Company Secretary.
- 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.

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

- 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. Minutes, once signed by the Chairman, shall not be altered.
- Minutes of the previous Meeting may be signed either by the Chairman of such Meeting at any time before the next Meeting is held or by the Chairman of the next Meeting at the next Meeting.
- 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.
- If the Minutes are maintained in electronic form, the Chairman shall sign the Minutes digitally.
- 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.
- Proof of sending signed Minutes and its delivery shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the Meeting.

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

- The Minutes of Meetings of the Board and any Committee thereof can be inspected by the Directors. 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.
- A Director is entitled to inspect and receive, a copy of the Minutes of a Meeting held before the period of his Directorship. A Director is entitled to inspect and receive a copy of the signed Minutes of a Meeting held during the period of his Directorship, even if he ceases to be a Director.

- 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.
- While providing inspection of Minutes Book, the Company Secretary or the official of the company authorised by the Company Secretary to facilitate inspection shall take all precautions to ensure that the Minutes Book is not mutilated or in any way tampered with by the person inspecting.
- A Member of the company is not entitled to inspect the Minutes of Meetings of the Board.

### Preservation of Minutes

- The minutes books of the Board and committee meetings shall be preserved permanently and kept in the custody of the company secretary of the company or any director duly authorized by the Board.
- 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.

### Penalty

- If any default is made in complying with the provisions of Section 118 of the Companies Act, 2013 in respect of any meeting, the company shall be liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default shall be liable to a penalty of five thousand rupees.
- If a person is found guilty of tampering with the minutes of the proceedings of meeting, he shall be punishable with imprisonment for a term which may extend to two years and with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.

## TYPES OF RESOLUTIONS

### Board Resolution:

A board resolution is a recorded form of decisions made by the Board of Directors during a board meeting. It is maintained along with the Board meeting minutes. The Board resolution is a formal written motion, which is used to track company's significant decisions.

The Board of Directors of a company shall exercise certain powers on behalf of the company only by means of Resolutions passed at a Meeting of the Board and not by a Resolution passed by circulation, such as:

- To make calls on shareholders in respect of money unpaid on their shares;
- To authorise buy-back of securities;
- To issue securities, including debentures, whether in or outside India;
- To borrow monies;
- To invest the funds of the company;
- To approve financial statement and the Board's report;
- To diversify the business of the company;
- To grant loans or give guarantee or provide security in respect.

**Unanimous Resolution:**

Unanimous consent board resolution is a form of voting used by boards to take decisions on certain matters. A unanimous resolution is the agreement of all of the directors on the agenda who are present at a duly convened meeting of Board of Directors i.e.100% of the directors present in the meeting will required to be in favour of the particular matter for it to pass. The terms of the company's constitution documents, shareholders agreement or the Companies Act, 2013 determines what type of resolution required to be passed in particular case.

Certain powers of the Board shall be exercised by Resolutions passed at Meetings, with the consent of all the Directors present at the Meeting. A list of powers of the Board to be exercised by Unanimous Consent is as under:

- Power to appoint or employ a person as its Managing Director under Section 203 of the Act if he is the Managing Director or Manager of one and not more than one other company;
- Power to invest or to give loans or guarantee or security under Section 186(5) of the Act.
- Power to remove trustees for the depositors after issue of circular or advertisement and before expiry of his term [Rule 7(4) of the Companies (Acceptance of Deposits) Rules, 2014]

**Resolution by Circulation:**

The Act requires certain business to be approved only at Meetings of the Board. However, other business that requires urgent decisions can be approved by means of Resolutions passed by circulation. Resolutions passed by circulation are deemed to be passed at a duly convened Meeting of the Board and have equal authority. The detailed version of resolution by circulation is discussed in below paragraphs.

**RESOLUTION BY CIRCULATION****Passing of Resolution by Circulation: Section 175**

A company may pass the resolutions through circulation. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the directors or members of committee at their address registered with the company in India by hand delivery or by speed post or by courier or through electronic means which may include e-mail or fax.

The said resolution must be passed by majority of directors or members entitled to vote. 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.

The resolution passed through circulation be noted at a subsequent meeting and made part of the minutes of such meeting.

Matters covered by section 179(3) and rule 8 of the Companies (Meetings of Board and its powers) Rules, 2014 are required to be passed at a meeting of Board and cannot be passed by circulation.

Further SS-1, requires that each item of business proposed to be passed by way of resolution by circulation shall be explained by a note setting out 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 of 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.

Each resolution shall be separately explained. The decision of the directors shall be sought for each resolution separately.

A single note containing more than one Resolution may be circulated but the note should enable the signifying of the decision by a Director on each Resolution separately.

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. An additional two days shall be added for the service of the draft Resolution, in case the same has been sent by the company by speed post or by registered post or by courier.

Passing of resolution by circulation shall be considered valid as if it had been passed at a duly convened meeting of the Board. This shall not dispense with the requirement for the Board to meet at the specified frequency.

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.

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.

#### Procedure for Passing Resolution by Circulation as stated in Secretarial Standards issued by ICSI

1	<p><b>Authority for passing resolution by circulation (6.1.1)</b></p> <p><b>Following persons have authority to decide whether the item to be discussed through a resolution by circulation:</b></p> <ul style="list-style-type: none"> <li>● The Chairman of the Board or in his absence,</li> <li>● The Managing Director or in his absence,</li> <li>● Any Director other than an Interested Director.</li> </ul>
2	<p><b>Requirement of majority of 1/3rd of directors for circulation of a resolution (6.1.2)</b></p> <p>In case the 1/3rd (i.e. not less than one-third) of the total number of Directors for the time being require that the resolution under circulation should be decided at a Board Meeting, then the Chairman shall put the resolution for consideration at a meeting of the Board, instead of circulation of the same.</p> <p><b>Calculation of the 1/3rd Number:</b></p> <p>While calculating such 1/3rd number, the interested directors shall not be excluded for the purpose of determining the total number of directors.</p>
3	<p><b>Procedure (6.2)</b></p> <ol style="list-style-type: none"> <li>(i) A resolution proposed to be passed by circulation shall be sent in draft, together with the necessary papers, individually to all the Directors including Interested Directors on the same day.</li> <li>(ii) 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 recognized electronic means.</li> </ol>

	<p>(iii) The draft of the resolution and the necessary papers 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 the addresses appearing in the Director Identification Number (DIN) registration of the Director.</p> <p>(iv) Proof of sending and delivery of the draft of the resolution and the necessary papers shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the circulation of such resolution.</p> <p>(v) 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 will 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.</p> <p>(vi) 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.</p> <p>(vii) Each resolution shall be separately explained.</p> <p>(viii) The decision of the Directors shall be sought for each resolution separately.</p> <p>(ix) Not more than (7) 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.</p> <p>(x) An additional two days shall be added for the service of the draft resolution, in case the same has been sent by the company by speed post or by registered post or by courier.</p>
4	<p><b>Approval (6.3)</b></p> <p>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.</p>
5	<p><b>Recording (6.4)</b></p> <p>Resolutions passed by circulation shall be noted at the subsequent meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the minutes of such meeting</p>
6	<p><b>Validity (6.5)</b></p> <p>Passing of resolution by circulation shall be considered valid as if it had been passed at a duly convened meeting of the Board. This shall not dispense with the requirement for the Board to meet at the specified frequency.</p>

In case the Director does not respond on or before the last date specified for signifying assent or dissent, it shall be presumed that the Director has abstained from voting. 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.

### Meeting of Independent Directors

The MCA vide Notification dated 5th July, 2017 has clarified that where a company is required to appoint Independent Directors under the Act, such Independent Directors shall hold at least one Meeting in a financial year without attendance of Non-Independent Directors.

The independent directors of the company shall hold at least one meeting in a financial year without the

attendance of non-independent directors and members of management; [Clause VII(1) of Schedule IV to the Act].

A Meeting of Independent Directors is not a Meeting of the Board or of a Committee of the Board. Therefore, provisions of SS-1 shall not be applicable to such Meetings. A record of the proceedings of such a Meeting may be kept. The Company Secretary, wherever appointed, shall facilitate convening and holding of such meeting, if so desired by the Independent Directors.

## **DUTIES OF COMPANY SECRETARY BEFORE, DURING AND AFTER BOARD /COMMITTEE MEETINGS**

The Company Secretaries plays major role to ensure smooth running of board meetings. Therefore, this involves activities before, during and after meetings. The secretary is responsible for preparing minutes of the meetings, maintaining records, administration, flow of information/communication, etc.

### **A. Duties of Company Secretary before the meeting**

1. The Secretary or any other person so authorised shall give not less than seven days' notice of the meeting 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 [Section 173(3)].
2. 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.
3. According to Regulation 67 (ii) of Table-F of Schedule-I of the Act, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
4. In case of first board meeting, the notice must also mention that it is the first Board Meeting.
5. It is not obligatory to give agenda in the notice, but it is a good secretarial practice to enclose the agenda to the notice of the meeting. However as per SS-1, 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.
6. Contact and request all the directors to attend the meeting and arrange the facilities required by them in this regard, like conveyance, stay arrangements, location of venue etc.
7. At least half an hour before the meeting, the persons responsible for the conducting the meeting should place the folders containing Agenda, notes to Agenda, statement of expenses incurred/to be incurred, Business Plan etc. for ready reference of all directors to enable them to deliberate and discuss on each item of the agenda in detail.
8. Before holding the meeting, welcome the directors and obtain their signatures on the Attendance Register.

### **B. Duties of Company Secretary at the meeting**

1. If quorum, as required under Section 174, is present, declare the meeting in order and inform the names of the directors who sought leave of absence from attending the meeting. The Quorum of a company shall be one third of the total strength of the Board or two directors whichever is higher.

The quorum for every meeting of the board of directors of the top 2000 listed entities shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director.

*Explanation* – For removal of doubts, it is clarified that the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum.

2. In case of section 8 companies, the quorum of co. shall be either eight members or 25% of its total strength whichever is less. Provided that the quorum shall not be less than two members.
3. As per SS-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. The directors who are present at the meeting may elect one of them as the Chairman of the meeting and request him to take the Chair.
4. Help the Chairman to conduct the meeting as per the agenda.
5. If any director wants to place any other item for the discussion at the meeting, then such item may be taken up with the permission of the Chairman.
6. Every director shall disclose his concern or interest in any company or companies or bodies corporate, firms or other association of individuals, by giving notice in writing in Form MBP-1.
7. Decide the date, time and place of the next Board meeting.

### **C. Duties of Company Secretary after the meeting**

1. After the meeting is over, prepare draft minutes of the meeting complying with the requirements of SS- 1; get it reviewed by the chairman of the meeting and/or the Managing Director of the company.
2. Send copy of draft minutes of the meeting to each of the directors of the company for information and comments as per requirements of SS-1.
3. Contact and collect draft minutes from each of the directors with their comments. After that, in consultation with the Chairman/Managing Director finalise the minutes and enter them into the Minutes Book. All pages should be consecutively numbered.

Such final minutes may be signed and dated by the Chairman of the meeting or by the Chairman of the succeeding meeting. All pages of the minutes are to be initialed and the last page of the minutes.

4. Minutes is to be signed and dated by the Chairman.
5. Ensure that the minutes are entered within 30 days of the conclusion of meeting.
6. A copy of the 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 Directors within fifteen days after these are signed.

It is a good practice to collate all documents for each meeting in chronological order such as Copy of Notice, Agenda, Notes on agenda, Minutes copies of minutes and all documents placed before the meeting, copies of draft minutes sent, copies of minutes received with comments and copy of minutes as signed by Chairperson, all having initials of Company Secretary / Chairperson as the case may be for securing their finality. Attach documentary proof of dispatch of Notice, Agenda, draft minutes and final minutes with respective items for record, easy access as well as for any future inspection by the regulator. These may also be kept in physical form or electronically.

### **VIRTUAL MEETINGS : TECHNOLOGICAL ADVANCEMENT IN CONDUCT OF BOARD COMMITTEE**

#### **Meaning of Virtual Meetings:**

A meeting held totally by means of either Video conferencing or other audio-visual means is known as Virtual Meeting. A Virtual meeting is when people around the world, regardless of their location, use video, audio, and

text to link up online. Virtual meetings allow people to share information and data in real-time without being physically located together.

In virtual meeting there is no physical presence of participants and there is no designated venue for the purpose of meetings. Participants located at different places participate in the meeting either by teleconference or video conference or combination of them at predetermined time.

Virtual meetings are becoming an increasingly common aspect at corporate world. When it comes to professional communication and the way business are done, for most companies, virtual meetings is the fact of life. Companies today operate across multiple time zones from different countries and continents. Employees, Board Members, stakeholders and investors are not from any particular region, city or country; in fact they are spread wide and far. By using Virtual technology, it is possible to replace physical meetings which require the presence of people at the designated place and time.

With rapid change in technology and wide spread of internet and audio and video combination, which is readily available, affordable and reliable, many companies and organizations are adopting and favoring virtual meetings. The use of audio and video conferences, webinars and web meetings via computers, telephones or other devices is more frequent. The potential gains are in terms of reduced travel costs, time saving, efficiency improvements, and less environmental impact in terms of savings on fuel and transport.

Virtual Meetings are held at a distance in real time basis with the help of digital technology. The meetings are mainly–

1. Audio- and/or video based, such as audio conferencing, video conferencing, and on-line meetings or webinars, often they are supported by other forms like chat, white boards, document sharing, etc.
2. Audio conferencing means conference calls with three or more participants, either by connecting the different participants by using a conference phone, or both.
3. Video conferencing, a technology now a day commonly used in board meetings.

### **Brief Requirements for Virtual Meeting**

The brief requirements of virtual meetings are given below:

- Meeting rooms;
- Software, which can be either purchased or can be provided by vendor for a fee on yearly rental basis;
- Hardware equipment like Monitor or LED screen, Webcams;
- High quality mike system;
- Projectors;
- Document scanners;
- Leased Lines;
- High speed wireless internet;
- Recording & Storage Equipment for recording the proceeding and Proper storage for future reference as many be required under law;
- Have trial run before the meeting to ensure all the systems are working properly;
- Ensure that the proper arrangements are made in the Meeting room.

A virtual meeting room is a unique identifier that allows a meeting organizer to invite attendees from disparate geographical locations to collaborate in real time over the Internet. A virtual meeting room is also known as a virtual meeting space.

### Virtual Board Meetings

Present day Directors who are professional have busy schedules which makes it difficult for them to attend board meetings of the companies in which they are directors especially for those who are living and working in different cities and countries. Teleconferencing, videoconferencing, and meeting online benefit boards and directors to enable them to attend the meetings from any location. Virtual meetings help the directors to participate in meetings wherever they are despite their busy schedule and make valuable contributions by their participation. Virtual attendance can also make board participation more attractive and appealing especially for independent directors as they are not expected to attend every meeting of each company in person and it is not practically possible as they sit on many boards of company which are located in different cities and countries. Further, due to statutory requirements, most of the board meetings of the companies especially listed entities are held around the same time, making it more difficult for the Independent professional directors to be physically present and participate in the meetings. By holding virtual meetings, Boards, with members around the country and globe, will benefit from wider participation and reduced travel and reimbursement costs; and it would be very convenient for the directors to attend through virtual media from their respective location.

The use of technology can present its own challenges, viz., directors' reluctance, lack of technical proficiency, lack of access to data and material, confidentiality etc. However, modern tools like board portals and board management software helps them in solving some of the concerns.

*Section 173 of Companies Act, 2013 read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Secretarial Standards on Board meetings (SS-1) provides a much wanted platform for holding Virtual Board Meetings.*

**SS-1 defines “Electronic Mode”** in relation to Meetings means Meetings through video conferencing or other audio-visual means. “Video conferencing or other audio visual 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.

**“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. In simple language, Time Stamp means a digital record of the time of occurrence of a particular event.

SS-1 provisions related to Virtual Board Meeting in detail are as under:

**Para 1.2.3 provides that 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.**

Earlier restriction was levied on Directors to participate through Electronic Mode in the discussion on certain restricted items prescribed under Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014.

However, the MCA vide Notification dated June 15, 2021 has omitted Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 which was related to the matters not to be dealt with in a meeting through video conferencing or other audio-visual means.

Accordingly, with the said amendment, now the following previously restricted matters can be considered in a Board Meeting held through video conferencing or other audio-visual means, namely: -

- i. the approval of the annual financial statements;
- ii. the approval of the Board's report;
- iii. the approval of the prospectus;
- iv. the Audit Committee Meetings for consideration of financial statement including consolidated financial statement if any, to be approved by the board under section 134 (1) of the Companies Act, 2013; and
- v. the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

**Para 1.3.1 provides that 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.**

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.

Even if the notice is sent by e-mail or by any electronic means to the email id provided by the Director, then such notice sent through electronic platform shall be constituted as valid notice served on the director.

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

If a Director intends to participate through Electronic Mode, he shall give sufficient prior intimation to the Chairman or the Company Secretary to enable them to make suitable arrangements in this behalf.

The Director may intimate his intention of participation through Electronic Mode at the beginning of the Calendar Year also, which shall be valid for such Calendar Year. Though such declaration shall not debar him from participation in the meeting in person, in such case a sufficient intimation of attending in person is required to be sent to the company.

The Notice shall also contain the contact number or e-mail address(es) of the Chairman or the Company Secretary or any other person authorized by the Board, to whom the Director shall confirm in this regard. In the absence of an advance communication or confirmation from the Director as above, it shall be assumed that he will attend the Meeting physically.

Every notice served on the director shall clearly specify that proper arrangements have been made for video conferencing and the director has option of participating in the meeting through such means. The Director should be sent the link through which he can log in and attend the meeting. The Director should inform the Chairman or the Secretary of the Company his option regarding participating the meeting through Electronic mode.

**Para 3.3 provides that the directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, except for restricted items in which Quorum shall be ascertained on the basis of physical presence of Directors.**

The chairperson shall ensure that the required quorum is present throughout the meeting.

All the Directors may participate in a Meeting through Electronic Mode. In such a case, at least one person, who may either be the Chairman or the Company Secretary or in the absence of the Company Secretary, any other

person duly authorised in this behalf by the Chairman, should be physically present at the scheduled venue of the Meeting given in the Notice to enable proper recording, to safeguard the integrity of the Meeting and to fulfil other requirements of law in this regard.

### Venue of the Virtual meeting

With respect to every meeting conducted through video conferencing or other audio-visual means authorised under these rules, the scheduled venue of the meeting as set forth in the notice convening the meeting shall be deemed to be the place of the said meeting and all recordings of the proceedings at the meeting shall be deemed to be made at such place.

### Procedures for Convening and Conducting Board's Meetings through Video or Audio Visual Means (Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014):

Directors may participate in the meeting either in person or through video conferencing or other audio-visual means. Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides for the requirements and procedure for convening and conducting Board meetings through video conferencing or other audio-visual means:

1. Every Company shall make necessary arrangements to avoid failure of video or audio-visual connection.
2. The Chairperson of the meeting and the company secretary, if any, shall take due and reasonable care:
  - (a) to safeguard the integrity of the meeting by ensuring sufficient security and identification procedures;
  - (b) to ensure availability of proper video conferencing or other audio visual equipment or facilities for providing transmission of the communications for effective participation of the directors and other authorised participants at the Board meeting;
  - (c) to record proceedings and prepare the minutes of the meeting;
  - (d) to store for safekeeping and marking the tape recording(s) or other electronic recording mechanism as part of the records of the company at least before the time of completion of audit of that particular year.
  - (e) to ensure that no person other than the concerned director are attending or have access to the proceedings of the meeting through video conferencing mode or other audio visual means; and
  - (f) to ensure that participants attending the meeting through audio visual means are able to hear and see the other participants clearly during the course of the meeting;

Provided that the persons, who are differently abled, may make request to the Board to allow a person to accompany him.

3. (a) The notices of the meeting shall be sent to all the directors in accordance with the provisions of sub section (3) of section 173 of the Companies Act, 2013.
- (b) The notice of the meeting shall inform the directors regarding the option available to them to participate through video conferencing mode or other audio-visual means, and shall provide all the necessary information to enable the directors to participate through video conferencing mode or other audio- visual means.
- (c) A director intending to participate through video conferencing mode or audio-visual means shall communicate his intention to the Chairman or the Company Secretary of the company.

- (d) If the director intends to participate through video conferencing or other audio-visual means, he shall give prior intimation to that effect sufficiently in advance so that company is able to make suitable arrangement in this behalf.
- (e) Any director who intends to participate in the meeting through electronic mode may intimate about such participation at the beginning of the calendar year and such declaration shall be valid for one year:

However, such declaration shall not debar him from participation in the meeting in person in which case he shall intimate the company sufficiently in advance of his intention to participate in person.

In *Re Rupak Gupta v. U.P Hotels Ltd (NCLT-New Delhi, CA NO. 8/C-II/2016)*, it was held that the Directors are entitled to attend board meeting via video conferencing even if intimation as provided under rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 at beginning of calendar year is not given.

- (f) In the absence of any such intimation from the director, it shall be assumed that the director will attend the meeting in person.
4. At the commencement of the meeting, a roll call shall be taken by the Chairperson when every director participating through video conferencing or other audio-visual means shall state, for the record, the following namely:
    - (a) name;
    - (b) the location from where he is participating;
    - (c) that he has received the agenda and all the relevant material for the meeting; and
    - (d) that no one other than the concerned director is attending or having access to the proceedings of the meeting at the location mentioned in (b) above.
  5. (a) After the roll call, the Chairperson or the Secretary shall inform the Board about the names of persons other than the directors who are present for the said meeting at the request or with the permission of the Chairperson and confirm that the required quorum is complete.
 

*Explanation:* It is clarified that a director participating in a meeting through video conferencing or other audio-visual means shall be counted for the purpose of quorum, unless he is to be excluded for any items of business under any provisions of the Act or the Rules.

    - (b) The Chairperson shall ensure that the required quorum is present throughout the meeting.
  6. With respect to every meeting conducted through video conferencing or other audio-visual means authorised under these rules, the scheduled venue of the meeting as set forth in the notice convening the meeting, shall be deemed to be the place of the said meeting and all recordings of the proceedings at the meeting shall be deemed to be made at such place.
  7. The statutory registers which are required to be placed in the Board meeting as per the provisions of the Act shall be placed at the scheduled venue of the meeting and where such registers are required to be signed by the directors, the same shall be deemed to have been signed by the directors participating through electronic mode if they have given their consent to this effect and it is so recorded in the minutes of the meeting.
  8. (a) Every participant shall identify himself for the record before speaking on any item of business on the agenda.
    - (b) If a statement of a director in the meeting through video conferencing or other audio-visual means

is interrupted or garbled, the Chairperson or Company Secretary shall request for a repeat or reiteration by the director.

9. If a motion is objected to and there is a need to put it to vote, the Chairperson shall call the roll and note the vote of each director who shall identify himself while casting his vote.
10. From the commencement of the meeting until the conclusion of such meeting, no person other than the Chairperson, Directors, Company Secretary and any other person whose presence is required by the Board shall be allowed access to the place where any director is attending the meeting either physically or through video conferencing without the permission of the Board.
11. (a) At the end of discussion on each agenda item, the Chairperson of the meeting shall announce the summary of the decision taken on such item along with names of the directors, if any, dissented from the decision taken by majority and the draft minutes so recorded shall be preserved by the company till the confirmation of the draft minutes in accordance with sub-rule (12).
  - (b) The minutes shall disclose the particulars of the directors who attended the meeting through video conferencing or other audio-visual means.
12. (a) The draft minutes of the meeting shall be circulated among all the directors within fifteen days of the meeting either in writing or in electronic mode as may be decided by the Board.
  - (b) Every director who attended the meeting, whether personally or through video conferencing or other audio-visual means, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.
  - (c) After completion of the meeting, the minutes shall be entered in the minute book as specified under section 118 of the Act and signed by the Chairperson.

*Explanation* - For the purposes of this rule, 'video conferencing or other audio-visual 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.

**Summarized procedure of Video conferencing:**

- Roll call by chairperson;
- Directors to introduce themselves at each and every time they speak on matters;
- Presence will be counted for quorum;
- No unauthorized access;
- Differently abled Director may have person accompanying them;
- Directors to repeat if there is any disturbances;
- Chairperson to announce summary at the end of the Meeting;
- Minutes of the meeting to contain the names of Directors who participated through Video conference.

**NEED AND SCOPE OF SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India (ICSI), recognizing the need for integration, harmonization and Standardization of diverse secretarial practices prevalent in the corporate sector, has constituted the Secretarial Standards Board (SSB) in the year 2000 with the objective of formulating Secretarial Standards. The purpose of constituting this Board was for long-term benefits for the growth and enhanced visibility of the profession and setting up international benchmarks in Secretarial Standards.

**Need of Secretarial Standards:**

Companies follow diverse secretarial practices and, therefore, there is a need to integrate, harmonise and standardise such practices so as to promote uniformity and consistency. The SSB formulates Secretarial Standards taking into consideration the applicable laws, usages, business environment, practical applicability and the best secretarial practices prevalent. Secretarial Standards are developed;

- in a transparent manner;
- after extensive deliberations, analysis, research; and
- after taking views of corporate, regulators and the public at large.

**Scope of Secretarial Standards:**

The Secretarial Standards do not seek to substitute or supplant any existing laws or the rules and regulations framed thereunder but, in fact, seek to supplement such laws, rules and regulations. Secretarial Standards are issued in conformity with the provisions of the applicable laws. However, if, due to subsequent changes in the law, a particular Standard or any part thereof becomes inconsistent with such law, the provisions of the said law shall prevail.

**Compliance with Secretarial Standards:**

Section 118(10) of the Companies Act, 2013 requires every company to observe the secretarial standards with respect to Board Meetings and General Meetings specified by the Institute of Company Secretaries of India (ICSI) and approved as such by the Central Government.

Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government are applicable to all companies w.e.f 1st October, 2017 (except One Person Company where there is one director and class or classes of companies which may get exempted through notification of the Central Government).

The adoption of the Secretarial Standards by the corporate sector will have substantial value addition to the quality of Secretarial practices followed making them comparable with the best in the world.

The Company Secretary in employment as well as in practice are entrusted to ensure the compliance of applicable Secretarial Standards.

Besides the above 2 Secretarial Standards, the ICSI has issued the various other Secretarial Standards for recommendatory observance in order to promote the standardized practices in other areas:

- SS-3: Secretarial Standard on Dividend
- SS-4: Secretarial Standard on Report of the Board of Directors.

**SECRETARIAL STANDARDS 1 : SECRETARIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS**

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

**Scope of SS- 1:**

In terms of sub-section (10) of Section 118 of the Act, every company is required to observe SS-1. SS-1 is thus applicable to the Meetings of the Board of all companies incorporated under the Act, including private and small companies, except One Person Companies (OPC) having only one Director on its Board and such other class or classes of companies which are exempted by the Central Government through Notification.

MCA Notification No. G.S.R. 466(E) dated 5th June, 2015 exempted companies licensed under Section 8 of the Companies Act, 2013 from the applicability of Section 118 of the Act, as a whole except that Minutes of Meetings of such a company may be recorded within thirty days of the conclusion of every Meeting where the Articles of Association provide for confirmation of Minutes by circulation. As such, SS-1 is not applicable to companies licensed under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof. Such companies may voluntarily comply with SS-1.

However, Section 8 companies need to comply with the applicable provisions of the Act relating to Board Meetings.

Further, MCA vide its Notifications No. G.S.R. 584(E) dated 13th June, 2017 modified the above cited Notification dated 5th June, 2015 to place a restriction that such exemptions shall be applicable to a Section 8 company which has not committed a default in filing its Financial Statements or Annual Return with the Registrar of Companies.

In addition, by virtue of MCA Exemption Notifications No. G.S.R. 08(E) & G.S.R. 9(E), dated 4th January, 2017, following class of companies are exempted from the applicability of Section 118(10) of the Companies Act, 2013 i.e. the compliance of Secretarial Standards:

- 1. Specified IFSC public company:** An unlisted public company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006.
- 2. Specified IFSC private company:** A private company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services Centre located in an approved multi services Special Economic Zone set-up under the Special Economic Zones Act, 2005 read with the Special Economic Zones Rules, 2006.

#### **Applicability to companies governed under Special Acts:**

SS-1 is also applicable to Banking Companies, Insurance Companies, Companies engaged in generation or supply of electricity, and Companies governed by any Special Acts, if incorporated under the Act. However, if the provisions of these Special Acts such as the Banking Regulation Act, 1949, the Insurance Act, 1938, etc. applicable to these companies are inconsistent with SS-1, then the provisions of such Special Acts shall prevail.

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.

#### **Applicability to Meetings of the Committees:**

SS-1 is also applicable to the Meetings of Committee(s) of the Board constituted in compliance with the requirements of the Act. At present, the Act provides for the constitution of following committees of the Board:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Corporate Social Responsibility (CSR) Committee
- (d) Stakeholders Relationship Committee

In case any other committee of the Board is constituted voluntarily or pursuant to any other statute or regulations

etc., the company may comply with SS-1 with respect to meetings of such committee(s) as a good governance practice. This Standard is in conformity with the provisions of the Act. However, if, due to subsequent changes in the Act, a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail.

## SPECIMEN NOTICE AND MINUTES

### Specimen Notice of the Board/Committee Meeting

Notice of the ..... (insert sequence number of the meeting) Board Meeting of ..... Pvt. Ltd. / Ltd. having its registered office at .....

To,

Mr./ Ms. (Director Name)  
..... (Address)

Dear Sir/Madam,

Notice is hereby given that ..... (insert sequence number of the meeting) meeting of the members of the Board of Directors / (Name of the Committee) of the Board of Directors of the Company will be held on ..... (day of the week), the ..... (Date) day of ..... (Month), ..... (year) at ..... (time) at ..... (address of the venue of the meeting).

The Agenda of the business to be transacted at the meeting, along with detailed notes thereon and requisite annexures is enclosed herewith. You are requested to make it convenient to attend the meeting.

Directors may attend the meeting in person or through Video Conferencing / Other Audio Video Means (VC/ OAVM). A Director desirous of attending the meeting through VC/ OAVM should inform well in time so as to make suitable arrangements accordingly.

For .....

(Name of the Company) Place:

Sd/-

Date:

(Name) (Designation)

Enclosure: Agenda of the business to be transacted at the meeting

### Sample Minutes of the Board Meeting

**Minutes of the ..... Meeting of the Board of Directors of ..... (Company Name) held on ..... (Day), ..... (Date, Month and Year), at ..... (Venue) from ..... (Time of Commencement)**

#### PRESENT:

A.B. ....Chairman  
C.D. ....Directors  
E.F. ....Directors  
I.J. ....Directors  
K.L. ....Managing Director

#### IN ATTENDANCE

X .....Secretary

**INVITEES**

Y .....Chief Financial Officer

**1. Chairman for the Meeting**

Mr/Ms... was elected as the Chairman for the Meeting.

**2. Leave of absence**

Leave of absence from attending the Meeting was granted to Mr. M.N. and Mr. O.P. who expressed their inability to attend the Meeting owing to their preoccupation.

**3. Quorum**

The business before the Meeting was taken up after having established that the requisite quorum was present.

**4. Minutes of the previous Board Meeting**

The Minutes of the ..... Meeting of the Board of Directors of the company held on ....., as circulated, were noted by the Board and signed by the Chairman.

**5. Minutes of the Committee Meetings**

The Minutes of the ..... Meeting of the ..... Committee held on ....., as circulated, were noted by the Board.

**6. Resolution passed by circulation since the last Meeting.**

The following Resolution was passed by circulation on ..... (date of passing of the Resolution) in terms of the provisions of Section 175 of the Companies Act, 2013.

**“RESOLVED THAT.....**  
 .....”

*Mr. ...., Director dissented on the Resolution.*

**7. Action Taken Report**

The following action taken was noted by the Board:

Item No.	Item	Action Taken
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**8. Register of Contracts**

The Register of Contracts in which Directors are interested under Section 189 of the Companies Act, 2013 and the Rules thereunder was signed by all the Directors present.

**9. Notices of Disclosure of Interest of Directors**

- (a) The following Notices received from the Directors of the company, notifying their interest in other bodies corporate pursuant to the provisions of Section 184 of the Companies Act, 2013, were read and recorded:

<i>Name of the Director</i>	<i>Nature of Interest</i>	<i>Date of Notice</i>
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- (b) A Notice dated received from Mr. I.J. pursuant to the provisions of Section 170 of the Companies Act, 2013, disclosing his shareholding and the shareholding of Mrs. I.J. in the company was read and recorded.

**10. Share Transfers**

Reference was made to Mr. ....'s note dated on the subject, as circulated.

The Share Transfer Register of the company was also placed before the Meeting. The Board, after discussion, passed the following Resolution:

**“RESOLVED THAT** Share Transfers Nos ..... to ..... (both inclusive) consisting of Equity shares of the company, be approved and the names of the transferees be entered in the Register of Members.

**RESOLVED FURTHER THAT** Mr. X, Secretary, be and is hereby authorised to take necessary action with regard to the aforesaid transfer of shares approved by the Board.”

**11. Interim Dividend**

Reference was made to Mr. ....'s note dated on the subject, as circulated. The payment of Interim Dividend for the year ending was considered on the basis of the unaudited Financial Statements of the company for the period from ..... to, as annexed to the note under reference. The Directors opined that there were adequate profits to permit payment of Interim Dividend.

The Board, after discussion, passed the following Resolution:

**“RESOLVED THAT** an Interim Dividend of Rupee one per equity share absorbing Rs. 10,00,000, be paid on the ..... (date), out of the profits of the company for the year ending, on 10,00,000 equity shares, to those equity shareholders whose names appear in the Register of Members of the company on the ..... of , and that the transfer books and the Register of Members be closed from the ..... of ..... to the ..... of ....., both days inclusive, for the purpose of payment of such dividend.”

**12. Opening of a Bank Account for payment of Interim Dividend**

Reference was made to Mr. .... note dated on the subject, as circulated. The Board passed the following resolution for opening a bank account for the purpose of payment of Interim Dividend :-

**“RESOLVED THAT** a Bank Account be opened in the name and style of ‘..... Limited - Interim Dividend’ (Bank Account) with the ..... for payment of Interim Dividend for the financial year .....

**RESOLVED FURTHER THAT** the said Bank be and is hereby authorised to honour cheques / bank advices etc. drawn, accepted or made on behalf of the company and to act on any instruction(s) so given concerning the said Account by any two of the following signatories:-

.....

**RESOLVED FURTHER THAT** the said Bank be and is hereby authorised to change the name and style of the Bank Account to ‘..... Limited - Unpaid Interim Dividend .....’ on and from .....

**RESOLVED FURTHER THAT** the authorised signatories be and are hereby authorised, in the manner stated above, to give instructions to the said Bank to close the Bank Account on disbursement of the Interim Dividend.

**RESOLVED FURTHER THAT** the authorised signatories be and are hereby authorised, in the manner stated above, to sign and execute such documents, letters etc., as may be required by the said Bank.”

**13. Conclusion of the Meeting**

There being no other business, the Meeting concluded at (Time) with a vote of thanks to the Chair.

Date .....

.....

Place .....

Chairman

**LESSON ROUND-UP**

- There shall be minimum of four Board meetings every year and not more one hundred and twenty days shall intervene between two consecutive Board meetings.
- Director can participate in the Board meeting physically or through video conferencing or other audio visual mode as may be prescribed.
- Notice of not less than seven days in writing is required to call a board meeting and notice of meeting to all directors shall be given, whether he is in India or outside India by hand delivery or by post or by electronic means.
- One third of total strength or two directors, whichever is higher, shall be the quorum for a Board meeting. The participation of director at Board meeting through video conferencing or by other electronic means shall be counted for the purpose of Quorum.
- Section 173 provides the participation through video conferencing or other audio visual means, subject to the system being capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.
- The Chairman may adjourn a Meeting with the consent of the Members and shall adjourn a Meeting if so decided by the Members. The Meeting may, however, be adjourned at any time. It may be adjourned after some items of business have been transacted and the remaining items can be transacted at the adjourned Meeting.
- A company may pass the resolutions through circulation. 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.
- SS-1 provides exhaustive guide for conduct of meetings of Board/committees. Company Secretary should perform his duties before, during and after the meetings of Board/Committees in accordance with the requirements of SS-1.
- Secretarial Standards are developed in a transparent manner after extensive deliberations, analysis, research and after considering the views of corporates, regulators and the public at large.
- A virtual meeting is when people around the world, regardless of their location, use video, audio, and text to link up online.
- The Section 173 of Companies Act, 2013 read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Secretarial Standards on Board meetings (SS-1) provides a platform for holding virtual Board Meetings.
- The Director may intimate his intention of participation through Electronic Mode at the beginning of the Calendar Year also, which shall be valid for such Calendar Year.
- As per SS-1 Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, except for restricted items in which Quorum shall be ascertained on the basis of physical presence of Directors.
- The chairperson shall ensure that the required quorum is present throughout the meeting.

### GLOSSARY

**One person Company:** “One Person Company” means a company which has only one person as a member [Section 2(65)]

**Small Company:** “Small company” means a company, other than a public company,–

- (I) paid-up share capital of which does not exceed four crore rupees or such higher amount as may be prescribed which shall not be more than ten crore rupees; and
- (II) turnover of which as per profit and loss account for the immediately preceding financial year does not exceed forty crore rupees or such higher amount as may be prescribed which shall not be more than one hundred crore rupees:

Provided that nothing in this clause shall apply to –

- (A) a holding company or a subsidiary company;
- (B) a company registered under section 8; or
- (C) a company or body corporate governed by any special Act; [Section 2(85)].

**Adjournment:** Adjournment means to defer or suspend the meeting to a future time, either at an appointed date or indefinitely or as decided by the members present at the scheduled meeting.

**Roll Call:** A roll call is nothing but identifying and confirming the attendance of the director participating through Electronic Mode.

### TEST YOURSELF

*(These are meant for recapitulation only. Answers to these questions are not to be submitted for evaluation).*

1. State the procedure for holding meeting of the Board of directors.
2. What is the agenda for the meeting of the Board of directors?
3. Draft a notice of the Board Meeting.
4. Explain the duties of a Company Secretary before the Board Meeting?
5. Short Notes on:
  - (a) Quorum
  - (b) Resolution by circulation
  - (c) Minutes
  - (d) Attendance Register
6. ONS Ltd., an unlisted public company, has six directors on the Board with a quorum of 3 directors physically present for any board meeting. The Company convened a board meeting to approve the annual financial statements in which two out of the six directors participated through video conferencing. The financial statements were approved with the consent of the four directors physically present. Can the financial statements be taken to be validly approved ?
7. ABC Ltd. Wants to hold meeting through electronic mode. As a Company Secretary, detail the procedure to the Board.
8. What is the need and scope of Secretarial Standard?

9. On receipt of the notice and agenda notes from Saturn Ltd., Harpreet, Director has requested for participation through video conferencing on the scheduled date of the meeting. As a Company Secretary, what should be your advice to the Chairperson of the company?
- It is not mandatory under the Companies Act, 2013 for company to allow participation of directors in a meeting through video conferencing
  - Section 173(2) of the Companies Act, 2013 allow participation of directors in a meeting through video conferencing, unless the Companies Act, 2013 or any other law specifically prohibits such participation through Electronic Mode in respect of any item of business.
  - Section 177 of the Companies Act, 2013 allow participation of directors in a meeting through video conferencing, unless the Companies Act, 2013 or any other law specifically prohibits such participation through Electronic Mode in respect of any item of business.
  - None of these.
10. Mr. Raja Ram is the Chairman of the Risk Management Committee of Pioneer Guru Ltd. A meeting of this Committee of Directors has been scheduled to be held on 5th December, 2021 at 3.00 p.m. At 3.10 p.m. though the requisite quorum is present, Mr. Raja Ram is not present. Can the meeting be still held or requires to be adjourned?
- The members present may elect any one among them to act as the Chairman of the meeting and hold the meeting.
  - The meeting shall stand adjourned for the next week same time & same place.
  - The members present shall wait for the chairman instructions.
  - The members present shall wait for the chairman instructions till 30 minutes, then adjourn the meeting.
11. M/s Aman Enterprises Ltd. has 9 directors in its board. On 19th August, 2021 the company called for its board meeting where 2 directors were present in person and 1 director has joined through video conferencing. Whether the meeting has requisite quorum as per Company Law provisions?
- No, as only 2 directors were present in person. The requirement of quorum is not fulfilled.
  - Quorum requirement is fulfilled.
  - Atleast 4 directors should be present to have necessary quorum.
  - Atleast one third of directors must present in person to constitute requisite quorum.

#### LIST OF FURTHER READINGS

- Company Law Exploring Procedural Dimensions VOL I / II / III – by ICSI
- ICSI Premiere on Company Law
- Bare Act- The Companies Act, 2013
- ICSI Guidance Note on SS-1
- ICSI Secretarial Standard-1
- The Law and Practice Relating to Company Meetings, Third Edition by CS Ramaswami Kalidas, FCS, MBA—Bloomsbury Publishing India Pvt. Ltd

