



Secretarial Standards (SS) are a set of standards prescribed by the council of the Institute of Company Secretaries of India (ICSI) for holding Board Meetings and General Meetings by companies. Earlier these Standards were recommendatory in nature. However, they are mandatory now in terms of Sec. 118 of the Companies Act, 2013.

Applicable to Private Companies, Public Companies

Not applicable to One Person Companies (OPC), Section 8 Companies

Effective from 1st July, 2015

Secretarial Standards on Board Meetings (SS1)

In all 9 SS have been issued out of which a few are captured here that are relevant to private and public companies.

Highlights of Board Meeting Standards

1. Convening of Board Meeting:

1.1 Authority

- Any Director,
- Company Secretary if any,
- Any person authorised by the Board on the requisition of Director in consultation with Chairman/ Managing Director/ Whole Time Director

1.2 Time, Place, Mode and Serial Number

- Meeting can be convened at any time, place, on any day except National Holiday (Jan, 26th, 15th Aug and 2nd Oct)
- Every Meeting shall have serial number
- Participation through VC is allowed, but for discussion on certain restricted items Quorum shall not be counted

1.3 Notice

- Notice along with Agenda and notes on Agenda shall be in writing sent to all Directors through hand/speed post/ registered post / courier/ e-mail or any other electronic means.
- Proof of sending Agenda and its delivery shall be maintained by the Company.
- In case of facility to participate through VC, the availability of such facility needs to be mentioned in notice
- Minimum 7days period unless the Articles provide longer period
- Each item of business shall be supported by a note setting out the details of the proposal, material facts that enable the Directors to understand the meaning, scope and

implications of the proposal and the nature of concern / interest if any Director, which the Director had earlier disclosed

- Any item not included in the Agenda can be taken only upon permission of Chairman and with the consent of a majority of the Directors present in the Meeting
- In case of urgent business convened at shorter notice, 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.

2. Frequency of Meeting

- Board shall meet at least 4 times in a calendar year with not less than 120 days gap between the two meeting.
- Committees shall meet as often as necessary subject to the minimum number and frequency stipulated by Board.
- Independent Directors appointed under the Act, shall meet at least once in a calendar year to review the performance of other Directors. The Company Secretary shall facilitate convening and holding of such meeting, if required.

3. Quorum

- To be present throughout the meeting. 1/3 or 2 whichever is higher subject to AOA.
- Interested Director not counted for quorum – shall not be present whether physically or through Electronic Mode, during discussions and voting.
However as per the exemption notification, dt. 5th June, 2015 issued by MCA, Interested Director can vote and be counted for quorum after disclosure of his interest.
- VC participation counted for quorum except for approval of Audited Accounts, Board's Report, Merger, Demerger etc.,
- Presence of all the members of any committee constituted by the Board is must, unless otherwise stipulated in Act / Articles / Board.

4. Attendance at Meetings

- To be maintained for every meeting with serial number and date of meeting.
- Shall be preserved for 8 Financial Years
- Every Director, CS and the invitee shall sign the Attendance Register
- If attendance through VC, Chairman shall confirm such Director's attendance.
- Attendance Register to be authenticated by CS of the Company or if there is no CS by the Chairman by signing on each page.

5. Chariman

- Chairman of the Company shall be Chairman of the Board. If there is no Chairman Directors shall elect one of them as Chairman.
- If Chairman is interested in any Agenda item he shall handover the meeting to any disinterested Director for such item and resume as Chairman thereafter.
- Chairman shall safeguard the integrity of VC meeting and ensure compliance of procedures.

6. Circular Resolutions

- Draft resolution with all necessary papers to be circulated individually to all the Directors on the same day by hand/speed post/ registered post / courier/ e-mail or any other electronic means.
- Decision for each resolution shall be given separately by way of assent or dissent along with the date within 7 days of circulation. If the decision is not communicated within 7 days, it is deemed as assent.
- Deemed to have been passed on the last date of assent / dissent by the Directors or the date on which assent from more than 2/3 of the Directors has been received, whichever is earlier, and shall be effective from that date, if no other effective date is specified in such resolution.
- Circular Resolution passed by circulation shall be confirmed at the next Meeting.

7 & 8 Minutes and preservation of records

- To be maintained in Minutes book with pages serially numbered.
- Can be maintained in electronic form with time stamp.
- If maintained in loose leaf form shall be bound periodically.
- Shall contain record of all appointments made at the Meeting i.e., Directors, First Auditors, KMP, Secretarial Auditor, Internal Auditor, Cost Auditor and one level below KMP.
- Apart from the general practice being followed for drafting of minutes time of opening and closing of meeting to be recorded.
- Brief background of all proposal and summary of deliberations to be recorded.
- Within 15 days from the Board Meeting draft minutes to be circulated to all Board Members for comments – within 7 days thereof all Directors to communicate their comments – if a Director communicates after 7 days Chairman shall have a discretion to consider such comments – No comment means Director have approved – Minutes to be finalised within 30 days of Meeting.
- Minutes to be signed by Chairman and copy thereof certified by CS or if there is no CS by any Director authorised by the Board shall be circulated to all Directors within 15 days of signing.
- Extract to be given only after entering into Minutes Book. However certified copy of resolution may be issued earlier if it was part of the agenda.
- Minutes are permanent record of the Company
- Notice, Agenda with notes and other documents to be preserved as long they remain current or for 8 FY whichever is later. May be destroyed with approval of the Board.

9. Disclosure

- Annual Return and Annual Report shall disclose the number and date of the Board Meetings held.

Penalty for non-compliance

Rs. 25,000 for company and Rs. 5,000 for every officer of the company who is in default.