



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.

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| Applicable to | Private Companies, Public Companies, Section 8 Companies |
| Not applicable to | One Person Companies (OPC) |
| Effective from | 1 st July, 2015 |

Secretarial Standards on Meetings of Shareholders (SS2)

In all 20 SS have been issued out of which a few are captured here that are relevant to private, public and section 8 companies.

Highlights of Shareholders Meeting Standards

1. Convening of General Meeting:

1.1 Authority

By or on the authority of the Board.

If Board fails to convene an Annual General Meeting or fails to convene an Extra Ordinary General Meeting upon receipt of valid requisition, then any Member may approach a Central Government or requisitionists may convene a meeting by themselves as the case may be.

1.2 Notice

- Notice in writing along with the accompanying documents of every meeting shall be given 21 clear days in advance of Meeting to Members, Directors, Statutory and Secretarial Auditors, Debenture Trustees, if any of the company.

However notice with shorter period may be given, provided consent of 95% of the Members entitled to vote at such meeting is obtained.

- Notice shall be sent through hand/speed post/ registered post / courier/ e-mail or any other electronic means which is capable of keeping record and producing confirmation of such communication to the last electronic mail address provided by the member.
- Notice shall contain complete address of venue (inclusive of route map and land mark) of the meeting. Companies having website, shall host the notice on their website. Meeting shall be called except on National Holiday and shall be conducted during business hours (between 9.00 a.m to 6 p.m.).
- Notice shall clearly specify the nature of the Meeting and the business to be transacted thereat. Special Business shall be in the form of a proposed Resolution accompanied with explanatory statement which shall set out such facts as would be enable a Member to understand and take the decision.

- No Business shall be transacted at a Meeting if Notice in accordance with this standard has not been given.
- Attendance slip and proxy form with clear instructions shall be accompanied with notice.
- Meeting convened upon due Notice cannot be cancelled / postponed unless for the reasons beyond the control of the Board.

2. Frequency of Meeting

- Annual General Meeting

Every Company shall hold its 1st AGM within 9 months from the date of the closing of the 1st Financial Year and thereafter within 6 months of the close of the Financial Year.

- Extraordinary General Meeting

Business other than the Ordinary Business may be transacted at an Extra Ordinary General Meeting

3. Quorum

- To be present throughout the meeting. 2 members personally present or such higher number provided in Articles if any. Proxies are not counted for Quorum.
- Duly authorised representative of a body corporate is deemed to be a Member physically present.

4. Presence of Directors and Auditors

- If any Director is unable to attend, Chairman shall explain such absence at the Meeting.
- Directors and Company Secretary attending the Meeting shall be seated with the Chairman.
- Statutory and Secretarial Auditors unless exempted by the company, shall attend by themselves or through authorised representative who is also qualified to be an Auditor attend the General Meeting as invitee and also have right to be heard at such part of the Business which concerns them as Auditors.

5. Chariman

- Chairman of the Board shall be Chairman of the Meeting. If there is no Chairman Directors shall elect one of them as Chairman. If no Director is willing to take the Chair, the Members present shall elect the chairman by show of hands.
- Chairman shall explain the objective and implication of the proposed resolution before they are put to vote at the meeting.

6. Proxies

- Member entitled to attend and vote has a right to appoint a proxy, or one or more proxy where allowed. Form of proxy shall be in the form specified in the Articles or as per Act
- Duly filled stamped and signed is valid only for the meeting to which it relates and for adjournment thereof.

- An instrument of proxy is valid only if it is properly stamped. Proxy holder shall prove his identity.
- Authorised Representative of a body corporate, holding shares may appoint proxy.
- If multiple proxies are received, proxy which is dated last shall be valid. If they are not dated or bearing the same date without specifying the time, then all such multiple proxies are invalid.

7. Voting

- Every resolution shall be proposed by a Member and seconded by another member.
- Listed Companies can have E-voting.
- Every proposed Resolution at a Meeting except in the case of E-Voting, to vote on a show of hands unless poll is validly demanded. A member present in person shall have only 1 vote irrespective of shares held by him.
- A Member present in person or by proxy shall, on a poll or ballot, have votes in proportion to his share in the paid up equity share capital.
- In the event of equality of votes, Chairman of the Meeting shall have second or casting vote unless provided otherwise in the Articles.

8. E-voting & Conduct of Poll

- E-voting is not applicable for Private Companies.

9. Conduct of Poll

- Conduct of Poll is not applicable for Private Companies.

10. Prohibition on Withdrawal of Resolutions

- Resolutions for items of Business which are likely to affect the market prices of the securities and resolutions proposed through e-voting cannot be withdrawn.

11. Rescinding of Resolutions

- Resolutions once passed at a General Meeting cannot be withdrawn than by a resolution passed at a subsequent meeting.

12. Modifications to Resolutions

- Modifications which do not change the purpose of the resolution may be done with requisite majority at the meeting and thereafter the modified resolution shall be duly proposed, seconded and put to vote.

13. Reading of Reports

- Qualifications, observations, or comments or other remarks on the financial transactions or matter which have any adverse effect on the functioning of the company, if any mentioned in the Auditor's report shall be read and attention of the members present shall be drawn to the explanations / comments given by the Board of Directors in their report.

- Qualifications, observations, or comments or other remarks if any mentioned in the Secretarial Audit Report issued by the Company Secretary in Practice shall be read and attention of the members present shall be drawn to the explanations / comments given by the Board of Directors in their report.

14. Distribution of Gifts

- No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the meeting.

15. Adjournments of Meetings

- Duly convened meeting shall not be adjourned unless circumstances so warrant. The chairman may adjourn the meeting for want of quorum with the consent of members.
- If a meeting is adjourned for a period of 30 days or more, a fresh Notice shall be given complying the notice provision.
- Only the unfinished business of the original meeting to be transacted.
- If a meeting other than a requisitioned meeting, adjourned for want of quorum, the meeting shall be held on the same day, place and time in the next week or on such other day not being a national holiday.

16. Passing of Resolution by Postal Ballot

- Since Postal Ballot is not applicable for Private Companies, it is not covered.

17. Minutes

17.1 Maintenance of Minutes

- Every Company shall keep minutes of all meetings in accordance with the provisions of the Act.
- Separate Minutes Book to be maintained for each class of Meetings for eg: Members, Creditors and others.
- Can be maintained in electronic form shall have Timestamp. If maintained in loose leaf form shall be bound periodically.
- The pages of the Minutes Book shall be consecutively numbered. In the event any page or part thereof is left blank, it shall be scored out and initialled by the Chairman who signs the minutes.
- Minutes shall not be pasted or attached to the Minutes Book, or tampered with in any manner.
- Shall be kept at the Registered Office or such other places approved by the Board.

17.2 Contents of Minutes

General Contents

- Shall state at the beginning, Name, date, day, venue and time of commencement and conclusion of meeting.
- Name of the Directors and Company Secretary present at the Meeting.

Specific Contents

- The Record of election of Chairman, if any, Presence of Quorum.
- The fact that certain registers, documents, the Auditor's Report and Secretarial Audit Report, as prescribed under the Act were available for inspection.
- The number of Members and proxies present.
- The presence of the Chairmen of the Committee, Auditors or their authorised representatives.
- Summary of the opening remarks of the Chairman and clarifications provided on various agenda items.
- Reading of qualifications, observations or comments or other remarks on the financial transactions or matters which have any adverse effect on the functioning of the company, as mentioned in the report of the Auditors.
- Name of the persons who proposed and seconded the resolution and the majority of with which such resolution was passed
- Time of commencement and conclusion of meeting.

17.3 Recording of Minutes

- Shall contain a fair and correct summary written in clear, concise and plain language.
- Each item of the business taken up should be numbered.

17.4 Entry in the Minutes Book

- Within 30 days from the date of conclusion of meeting. Date of entry should be recorded by Company Secretary.

18. Preservation of Minutes and other Records

- Minutes of all meeting shall be preserved permanently in physical or electronic form with time stamp.
- Notice, Agenda with notes and other documents to be preserved as long for 8 FY and can be destroyed later with the approval of the Board.
- Minutes shall be kept in the custody of Company Secretary or Director authorised by Board if no Company Secretary.

19. Report on Annual General Meeting

- Since Report on AGM is applicable for only Listed Private Companies, it is not covered.

20. Disclosure

- Annual Return of the Company shall disclose the date of AGM held during the FY.

Penalty for non-compliance

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

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