

MINUTES OF GENERAL MEETING

(SS-II)

UNDER COMPANIES ACT 2013 & SECRETARIAL STANDARD

SERIES NO

87

GOYAL DIVESH & ASSOCIATES,
Practicing Company Secretary

CONTENT OF ARTICLES

- A. Background
- B. Provisions for Minutes of Meeting
- C. Procedure of Maintenance of Minutes.
- D. Precautions while maintaining the Minutes by Companies.
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- F. Inspection & Extracts of Meeting.
- G. Preservation of Minutes.
- H. Major Compliance relating to Minutes.
- I. Content of Minutes

BACKGROUND:

The drafting and maintenance of minutes of meetings has traditionally and for long been core functions of the Company Secretary.

Justifiably so, for, the Company Secretary doesn't merely writes minutes, he writes history- the history of the company, the history of the corporate sector and in a vicarious manner, of the economy and the country. The minutes are the summary of the distilled wisdom of the Board of directors, their view, thoughts and aspirations that provide strategic guidance and a road map for ensconcing it on the growth trajectory.

No doubt, it is *duty of the Companies Secretary* to comply with the Secretarial Standard. The Company Secretary, in his role as minutes writer, needs to be aware of the onerous responsibility cast upon him, in as much as, every decision that is taken, including how and why it was taken will be cast in stone by his minting. It is imperative for the Company Secretary to thus keep in mind the rule of interpretation while drafting them.

"After the enforcement of Companies Act, 2013 Ministry of Corporate Affairs (MCA) vide letter No. 1/3/2014-CL-I dated April 10th, 2015 has accorded its approval under Section-118(10) of Companies Act, 2013."

As per SS Minutes means "a formal written record, in physical or electronic form, of the proceeding of a Meeting".

PROVISIONS APPLICABLE FOR PREPARATION OF MINUTES

- A. Section 118 of Companies Act, 2013 is relating to Minutes of General Meeting.
- B. Rule- 25 of the Companies (Management and Administration) Rules, 2014.
- C. Secretarial Standard- II issued by ICSI given the provisions of Maintenance of Minutes.

PROCEDURE OF MAINTENANCE OF MINUTES:

NOTE:

- Minutes shall be **recorded in Books Maintained** for that purpose.
- A **Distinct Minutes Book** shall be maintained for Meetings of the Members or the Company, Creditors and other as may be required under the Act.
- Resolution passed by postal ballot shall be recorded in the Minutes book of General Meetings.
- A Company may maintain its Minutes in physical or in electronic form with Timestamp.
- Every company shall however follow a uniform and consistent form of maintaining the Minutes. Any deviation in such form of maintenance shall be authorized by the Board by way of passing of Resolution.

(Company can't maintain minutes in both manner altogether physical and some in electronic form. Company must be uniform in maintenance of Minutes whether in physical or electronic)

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



PRECAUTIONS TO BE TAKEN WHILE PREPARING THE MINUTES:

❖ **PAGE NUMBRING:**

PAGE NUMBRING

7.1.4

- i. The pages of the Minutes Books shall be **consecutively numbered**. This shall be followed "irrespective of a Break" in the book arising out of periodical binding in case of the Minutes.

(E. g. If Company done two general meeting. Pages in minutes of first Board Meeting was 5 and pages in second Board Meeting was 8 Then pages will be numbered as follow: 1,2,3,4,5,6,7,8,9,10,11,12,13. Minutes should be consecutively numbered without any break).

- ii. This shall be equally applicable for maintenance of Minutes Book in electronic form with Timestamp.
- iii. In the event any page or part thereof in the Minutes Book is left blank, it shall be **Scored Out** and initialed by the Chairman who signs the Minutes.

❖ **BINDING OF MINUTES:**

BINDING OF MINUTES

7.1.5

- i. 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.

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

- iii. There shall be a proper locking device to ensure security and proper control to prevent removal or manipulation of the loose leaves

❖ **Place of keeping of Minutes:**

PLACE OF KEEPING OF MINUTES 7.1.5

- ❖ Minutes of the General Meeting shall be kept at the Registered Office of the company or
- ❖ If Company want to maintain any place other than Registered Office of the Company, than company will pass a Board Resolution for the same in the Meeting of Board of Directors.



ENTRY IN MINUTES BOOK

A. **ENTRY IN MINUTES BOOK 7.5**

i. TIME PERIOD for Entry:

- Minutes shall be entered in the Minutes Book within 30 (Thirty Days) from the date of conclusion of the Meeting.
- In case of adjourn Meeting, aspect of the original Meeting as well as the adjourned Meeting shall be entered in within thirty days from the date of the respective Meetings.

ii. DUTY of Entry in Minutes Book:

- The date of entry of the Minutes in the Minutes Book shall be recorded by the Company Secretary.
- Where there is no Company Secretary, it shall be entered by any other person duly authorized by the Board or by the Chairman.

iii. Record of Entry in Minutes Book:

- Minutes, once entered in the Minutes Book, shall not be altered.
- The date of entry of the Minutes in the Minutes Book shall be recorded by the Company Secretary.
- Where there is no Company Secretary, it shall be entered by any other person duly authorized by the Board or by the Chairman.

EXCEPT:

C. **SIGNING OF MINUTES BOOK 7.6**

SIGNING AND DATING OF MINUTES:

A. Who is authorized to sign Minutes?

- Minutes of the General Meeting shall be signed and dated by the Chairman of the Meeting. OR

In the Event of Death or Inability of that Chairman:

- By any Director who was present in the Meeting and (+) duly authorized by the Board for the purpose, within 30 days of General Meeting.

Note:

- Any blank space in page between the conclusion of Minutes and signature of the Chairman shall be **Scored Out**.

How to Sign Minutes?

- The Chairman shall initial each page of the Minutes,
- Chairman will sign the last page
- The Chairman will mention Date on last Page.
- The Chairman will mention Place on last Page.

**Signing of
Minutes**

✚ If minutes are prepared in electronic mode then how they will get sign?

If the Minutes are maintained in electronic form, the Chairman shall sign the Minutes digitally.

INSPECTION AND EXTRACTS OF MINUTES:

INSPECTION

✚ Who can inspect the Minutes of General Meeting?

- MEMBERS" can inspect the Minutes.
- Company Secretary in Practice appointed by the company
- Secretarial Auditor,
- the Statutory Auditor
- the Cost Auditor
- the Internal Auditor of the company

**INSPECTION
OF MINUTES
BOOK**

INSPECTION

✚ Extracts of the Minutes shall be given only after the Minutes have been Duly Signed.

✚ Certified copies of any Resolution passed at a Meeting may be issued Even earlier, provided the same is certified by the Chairman or any Director or the Company Secretary.

**EXTRACTS
OF MINUTES
BOOK**



Who can get the extracts of the Minutes of Board Meeting and Committee Meeting?

Only "MEMBERS" can inspect the Minutes.

PRECAUTIONS INSPECTION:

While providing Minutes book for inspection, The Company Secretary or the official of the Company authorized 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.

EXTRACT:

- ✚ The Company shall give extract of the only that minutes to member, which he is entitled to inspect.
- ✚ When a member requests in writing for a copy of any minutes, the company shall furnish the same within 7 (Seven) working days of receipt of his request.
- ✚ The member will pay the fees as specified in the Articles of the Company.
- ✚ Copy of Minutes shall be duly certified by the Company Secretary or where there is no Company Secretary, an officer duly authorized by the Board in this behalf.

PRESERVATION OF RECORDS:

MINUTE BOOKS:

PRESERVATION OF RECORDS

a) Duration for Preservation:

Minutes books shall be preserved PERMANENTLY, whether in Physical or Electronic form.

Office copy of Notice, Scrutinizer's Report and related papers:

a) Duration of preservation:



Office copies of Notice, Scrutinizer's Report 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.

b) How to destroy:

May be destroyed thereafter with the approval of the Board

A. CUSTODIAN OF MINUTES BOOK:



Company Secretary



Where there is no Company Secretary, Any director duly authorized by Board for the purpose. {If there is No CS, Companies required passing a Board Resolution to authorize any director of the company to preserve the Minutes Book}.

CONTENT OF THE MINUTES:

Content of the Minutes are divided into two parts:

- I. General Content
- II. Specific Content

**CONTENT OF
MINUTES**

i. **General Contents:** General Contents include the following below given:

a) **State at Beginning:** At the beginning minutes shall state the followings:

- ✓ The serial number
- ✓ Name of the company
- ✓ Day, date and venue
- ✓ Time of commencement of Meeting
- ✓ Time of Conclusion of the Meeting

**GENERAL
CONTENTS**

(This is New and important concept that "Minutes will record Day, Date, Venue and time at the Beginning of the Meeting and at Conclusion of the Meeting)

b) **Person Presents:**

- ✓ Names of the Directors present
- ✓ The Company Secretary who is in attendance at the Meeting

Precautions while preparation of Minutes:

- ❖ The name of the director starting with the name of the person in the Chair.
- ❖ The names of the Directors shall be listed in alphabetical order but name of Chair at first.

ii. **Specific Contents:**

After mention the general content in Minutes, below given are the Specific contents:

SPECIFIC CONTENTS

a) Record of Election of Chairman of Meeting :

- The Chairman of the Board shall take the Chair and conduct the Meeting. BUT
 - If the Chairman is not present within 15 minutes after the time appointed for holding of Meeting, or
 - If he is unwilling to act as Chairman of the Meeting, or
 - If no Director has been so designated.
- (In above three situations) The Director present at the Meeting shall elect one of them to be the Chairman of the Meeting.
 - If no Director is present within 15 Minutes after the time appointed for holding of Meeting, or
 - If no Director is willing to take the Chair.
- (In above two situations) The Members present shall elect, on a show of hands, one of themselves to be the Chairman of the Meeting, unless otherwise provided in the Article.

b) Documents Available for Inspection:

The fact that certain Registers, Documents, the Auditors' Report and Secretarial Audit Report, as prescribed under the Act were available for inspection.

c) Record presence of quorum:

Chairman will check the quorum and record the quorum.

d) Presence of Member:

Minutes will record the Number of members present in person including representative.

e) Recording of Proxies:



Minutes will record the Number of proxies present and number of shares represented by them.

Company will collect “Proxy Form” from the Proxies.

f) Presence of Committees Chairman:

Take note the presence of Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholder Committee or their authorized representative.

g) Opening remark of the Chairman:

Chairman will provide the summary on remarks.

h) Presence of Auditors and Others:

Take note the presence of Secretarial Auditor, Statutory Auditor or their authorized representative, the Court/Tribunal appointed observers or scrutinizers.

i) Reading of Qualifications/ Observations:

- ***Auditor Report:*** Chairman will read the 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 Auditor Report.

- j) ***Secretarial Audit Report:*** Chairman will read the comments or other remarks as mentioned in the Secretarial Auditor.

k) Other items to be mention in Minutes:

- Apart from the Resolution or the decision, Minutes shall mention the brief background of all proposals and
- Summaries the deliberations thereof.
- In case of major decisions, the rationale thereof shall also be mentioned.
- The decisions shall be recorded in the form of Resolutions where it is statutorily or otherwise required
- In other cases, the decisions can be recorded in a narrative form.

l) Each Resolution should mention the followings:

- Each Resolution should mention the type of Resolution.
- Each Resolution should mention the names of the persons who proposed and seconded
 - Majority with which such resolution was passed.

Note:

- ✓ **In the case of Poll:** the name of the scrutinizers appointed and the number of votes cast in favor and against the Resolution and invalid votes.
- ✓ **Vacation of Chair by Chairman:** If Chairman vacants the Chair for any specific item, the fact that he did so and in his place some other Director or Member took the chair.
- ✓ The time of commencement and conclusion of the Meeting.

B. RECORDINGS OF MINUTES:

a) Minutes shall contain a fair and correct summary of the proceedings of the Meeting:

- ✓ **The Company Secretary shall record** the proceedings of the Meetings.
- ✓ Where there is no Company Secretary, any other person duly authorized by the Board or by the Chairman in this behalf shall record the proceedings.
 - The Chairman shall ensure that the proceedings of the Meeting are correctly recorded.

b) Minutes shall be written in clear, concise and plain language:

- ✓ Minutes shall be written in third person and past tense.
- ✓ Resolutions shall however be written in present tense.
- ✓ Minutes need not be an exact transcript of the proceedings at the Meeting.

MAJOR COMPLIANCES RELATING TO MINUTES:

✚ The Annual Report and Annual Return of a company shall disclose the

- Number and
- Dates of General Meeting held during the financial year

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