

BOARD MEETING

The Board of Director of the Company is primarily an oversight Board. It oversees the management of the company to ensure that the interest of non-controlling shareholders is protected.

FREQUENCY OF MEETING:

1. First Board Meeting (BM) should be held within 30 days of the date of Incorporation of Company
2. There shall be minimum of 4 Board Meeting every year and not more than 120 days shall intervene between two consecutive Board Meeting.
3. In case of One Person Company, Small Company, Dormant Company, Start up Private Company, Section 8 Company:
 - At least One BM should be conducted in each of the half of the calendar year
 - The gap between the two BM should not be less than 90 days.

The following points must be noted (As per Revised SS-1):

- An adjourned meeting being a continuation of the original meeting, the interval period in such a case, shall be counted from the date of the original meeting.
- If Article of Association (AoA) of company provides for a specific time/place/city, then meeting should be held only as per AoA.

NOTICE FOR CALLING OF MEETING:

Meeting of Board of Director should be called by giving 7 days notice to Directors at his registered address **through:**

- By hand delivery
- By post
- By Electronic means

Note – In case the notice is send by speed post, registered post or by courier, an additional two days shall be added for the service of notice.

Shorter Notice: A meeting of Board of Directors can be called by shorter notice subject to the conditions:

- If the company is require to have independent director:-
 - Presence of at least one Independent director is required.
 - In case of absence, 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
- 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 following points must be noted (As per Revised SS-1):

- Notice shall be issued and signed by the Company Secretary or where there is no Company Secretary, by any Director or any other authorized by the Board.
- It should be noted that if two meetings are held on the same day, it would be valid second meeting notice if it states that the meeting will be held after conclusion of the first meeting.
- In case of a Meeting conducted at a shorter Notice, the company may choose an expedient mode of sending Notice.
- 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.

QUORUM OF BOARD MEETING:

- 1/3 rd of total strength OR 2 (Two) Directors, whichever is higher.
- Where meeting of Board could not be held for want of quorum, the meeting shall automatically adjourn to same time, same place at next week (Not being national holiday).
- Due to Resignation or Removal of Director, if the number of Directors of the Company is reduced below the quorum as fixed by the AoA of the company, then the continuing Directors may act for the purpose of increasing the number of Director to that required for the quorum. It shall not act for any other purpose.
- Quorum in case of Interested Directors:
 - If interested director exceed or equal to 2/3 of total strength the remaining directors not being less than 2 (two) shall be the quorum.
- Quorum in case of Section 8 Company:
 - The quorum for meeting of the Board shall be Eight Members OR 25% of the total strength, Whichever is less. (Subject to minimum 2)

Note:

1. Total strength shall not include directors whose places are vacant.
2. Interested director means, a director interested in accordance with section 184(2).
3. 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.
4. OPC Having One Director: Provision of Section 173 and 174 shall not apply to an OPC having one director.

The following points must be noted (As per Revised SS-1):

- As per Provisions of the Act is Prohibiting holding of adjourned meeting on a National Holiday and thus law is not specifically prohibiting holding of original meeting on a National Holiday. However, As per the revised guidance note on SS-1, as matter of good practice, the companies should avoid holding any meeting on a National Holiday.
- A meeting which has been validly summoned or convened and where the requisite quorum is present may still be adjourned by the Chairman for any reason, unless the majority of the Directors present at the meeting dissent or object to such adjournment.

PARTICIPATION OF DIRECTORS IN BOARD MEETINGS:

Directors may, apart from attending the Meeting physically, participates in the meeting by way of Video Conferencing & other Audio Visual means.

Matter which can't be dealt at a meeting held though Video conferencing:

- Approval of the annual financial statements;
- Approval of the Board's report;
- Approval of the prospectus;
- Audit Committee Meetings for consideration of accounts; and
- Approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

The following points must be noted (As per Revised SS-1):

- A Director may attend all the Board Meeting through electronic mode subject to the restriction on participation in restricted items.
- A company may hold all its meeting through electronic mode provided the company ensures presence of physical quorum during consideration of any restricted item.

- All the directors may participate in a meeting through electronic mode. However, in such case, at least One Person (Chairman/CS/Authorised Person) should be physically present at the venue to enable recording and ensure integrity.
- Any Director electronically attending the meeting even in respect of restricted items (with the permission of chairman), shall neither be entitled to vote nor be counted in quorum in respect of such restricted item.

CHAIRMAN OF THE MEETING:

- The Chairman of the Board shall conduct the Meeting of the Board.
- 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.
- If no Chairman is elected or chairman is not in attendance, unless articles provide otherwise, the directors present at the meeting shall elect one of themselves to the chair and conduct the meeting.
- Unless otherwise provided in the Articles, in case of an equality of votes, the Chairman shall have a second or casting vote.

PASSING OF RESOLUTION BY CIRCULATION:

A company may get approval on a resolution by Board of Director without conducting a Board Meeting; Company can do it by passing of resolution by circulation.

Procedure of passing of resolution by circulation:

- 1) The company will circulate draft resolution along with necessary papers, if any to all the directors at their registered address through:
 - Hand Delivery
 - Post
 - Electronic Means
- 2) Resolution should be approved by majority of Directors, who are entitled to vote on the resolution.
- 3) Resolution passed by circulation shall be noted at a subsequent meeting of the Board and made part of the minutes of such meeting.

Note: If before passing of resolution request is made by 1/3 of total number of directors to decide such matter at meeting, the chairperson shall put the resolution to be decided at meeting of the Board.

POWER EXERCISABLE BY BOARD:

The Board of Directors of a company shall exercise the following powers by means of resolutions passed at meeting of the board:

- Make calls on shareholders in respect of money unpaid on their shares
- Authorize buy-back within board limit
- Issue securities, including debentures, whether in or outside India
- Borrow monies
- Invest the funds of the company
- Grant loans or give guarantee or provide security in respect of loans
- Approve financial statement and the Board's report
- Diversify the business of the company
- Any other matter as may be prescribed

Further under RULES, the following powers shall also be exercised by the Board of Directors **ONLY** in the Board Meeting:

- Make Political Contribution
- Appoint or Remove KMP
- Appoint Internal and Secretarial Auditor

RESTRICTION on Power of Board:

The Board can exercise following Powers only with the consent of the company by **SPECIAL RESOLUTION**, namely:

- a) To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or any one undertaking if the company has more than one undertaking.
- b) To invest, otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation.
- c) To borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid up capital, free reserves and securities premium apart from temporary loans obtained from the company's bankers in the ordinary course of business.(except acceptance by a Banking Company, in ordinary course of its business)

Note: The resolution shall specify the total amount upto which the monies may be borrowed by the Board of Directors.

- d) To remit or give time for the repayment of any debt due from director.

NOTE:

- The resolution in pursuance of powers of the board mentioned above shall be filed with the registrar in form MGT-14 within 30 days of passing such resolution.

COMPLIANCE WITH SECRETARIAL STANDARD:

Companies Act, 2013 has given statutory recognition to the Secretarial Standard issued by the ICSI.

The provisions of the Companies Act states that every company shall observe Secretarial Standard with respect to General and Board Meeting specified by the ICSI. Thus Companies will now have to ensure that there is compliance with this standard on their part.