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Note on Secretarial Standards on Meeting of the Board of Directors (SS-1)

Scope of SS-1

- ✓ SS-1 is applicable with effect from **1st July, 2015**
- ✓ SS-1 is applicable to all companies except OPC.
- ✓ SS-1 is also applicable to Meetings of Committees of the Board, unless stated otherwise herein.
- ✓ The provisions of the Companies Act (the Act) shall prevail over SS-1, if SS-1's provisions are inconsistent with that of the Act.

Following are the provisions mentioned in SS-1 which are required to be complied in addition to the provisions mentioned in the Companies Act and its Rules.

1. Every meeting shall have serial number. E.g. 11th Board meeting, 12th Board meeting etc.

2. **Notice and Agenda of Board Meeting**

- Notice of the Meeting, wherein the facility of participation through Electronic Mode is provided, shall clearly mention a venue, whether registered office or otherwise, to be the venue of the Meeting and it shall be the place where all the recordings of the proceedings at the Meeting would be made.
- Proof of sending notice and its delivery shall be maintained by the Company.
- The Notice shall specify the serial number, day, date, time and full address of the venue of the Meeting.
- In case the company sends the Notice by speed post or by registered post or by courier, an additional two days shall be added for the service of Notice.
- The Agenda and notes on such agenda shall be given to the Directors atleast 7 days before the date of Board 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.

3. **Notice in case of meeting of the Board through electronic mode**

- In case the facility of participation in Board meeting through Electronic Mode is being made available, the Notice shall inform the Directors about the availability of such facility, and provide them necessary information to avail such facility.
- Where such facility is provided, the Notice shall seek advance confirmation from the Directors as to whether they will participate through Electronic Mode in the Meeting. The Notice shall also contain the 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.

4. **Notice of Adjourned meeting**

- 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.

5. 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

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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.

6. 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.
7. Each item of business to be taken up at the Meeting shall be serially numbered.

8. **Items not included in Agenda**

- 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, which shall include at least one Independent Director, if any.
- In case the company does not have an Independent Director, the Minutes shall be final only on ratification of the decision taken in respect of such item by a majority of the Directors of the company, unless such item was approved at the Meeting itself by a majority of Directors of the company.

9. The fact that the Meeting is being held at a shorter Notice shall be stated in the Notice.

10. **Frequency of Board meetings**

- The Board shall meet at least once in every calendar quarter, with a maximum interval of one hundred and twenty days between any two consecutive Meetings of the Board, such that at least four Meetings are held in each Calendar Year.
- The Board shall hold its first Meeting within thirty days of the date of incorporation of the company.
- 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.

11. Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall meet at least once in a Calendar Year.
12. Quorum shall be present throughout the Meeting.
13. Any Director participating through Electronic Mode in respect of restricted items with the express permission of Chairman shall however, neither be entitled to vote nor be counted for the purpose of Quorum in respect of such restricted items.
14. Where the number of Directors is reduced below the minimum fixed by the Articles, no business shall be transacted unless the number is first made up by the remaining Director(s) or through a general meeting.

15. **Attendance Register**

- 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 depending on the size and volume.
- Now, the attendance register shall also contain the name and signature of Invitees (other than directors).

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- The attendance register shall be deemed to have been signed by the Directors participating through Electronic Mode, if their attendance is recorded by the Chairman or the Company Secretary in the Attendance Register and the Minutes of the Meeting.

16. **Resolution by Circulation**

- 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, 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. 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.
- 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.
- Every such Resolution shall carry a serial number.
- The Resolution, if passed, shall be deemed to have been passed on the last date specified for signifying assent or dissent by the Directors or the date on which assent from more than two-third 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.
- Directors shall signify their assent or dissent by signing the Resolution to be passed by circulation or by e-mail or any other electronic means.
- 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.
- If the approval of the majority of Directors entitled to vote is not received by the last date specified for receipt of such approval, the Resolution shall be considered as not passed.
- Resolutions passed by circulation shall be noted at the next Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting.
- Minutes shall also record the fact that the Interested Director did not vote on the Resolution.

17. **Minutes**

- 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.
- Minutes of the Board Meetings, 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.
- There shall be a proper locking device to ensure security and proper control to prevent removal or manipulation of the loose leaves.
- Minutes of the Board Meeting shall be kept at the Registered Office of the company or at such other place as may be approved by the Board.

18. **Contents of Minutes**

- 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 and conclusion of the Meeting.
- The names of the Directors shall be listed in alphabetical order or in any other logical manner, but in either case starting with the name of the person in the Chair.

- The capacity in which an Invitee attends the Meeting and where applicable, the name of the entity such Invitee represents and the relation, if any, of that entity to the company shall also be recorded.

19. Minutes shall be written in third person and past tense. Minutes need not be an exact transcript of the proceedings at the Meeting.
20. In case any Director requires his views or opinion on a particular item to be recorded verbatim in the Minutes,the decision of the Chairman whether or not to do so shall be final.
21. 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 recognized electronic means to all the members of the Board or the Committee for their comments.
22. Proof of sending draft Minutes and its delivery shall be maintained by the company.

23. **Signing of Minutes**

- Any blank space in a page between the conclusion of the Minutes and signature of the Chairman shall be scored out.
- If the Minutes are maintained in electronic form, the Chairman shall sign the Minutes digitally.
- 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.

24. The Annual Report and Annual Return of a company shall disclose the number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director.

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Annexure A

Illustrative list of items of business which shall not be passed by circulation and shall be placed before the Board at its Meeting.

General Business Items

- Noting Minutes of Meetings of Audit Committee and other Committees.
- Approving financial statements and the Board's Report.
- Considering the Compliance Certificate to ensure compliance with the provisions of all the laws applicable to the company.
- Specifying list of laws applicable specifically to the company.
- Appointment of Secretarial Auditors and Internal Auditors.

Specific Items

- Borrowing money otherwise than by issue of debentures.
- Investing the funds of the company.
- Granting loans or giving guarantee or providing security in respect of loans.
- Making political contributions.
- Making calls on shareholders in respect of money unpaid on their shares.
- Approving Remuneration of Managing Director, Whole-time Director and Manager .
- Appointment or Removal of Key Managerial Personnel.
- Appointment of a person as a Managing Director / Manager in more than one company.
- According sanction for related party transactions which are not in the ordinary course of business or which are not on arm's length basis.
- Purchase and Sale of subsidiaries/assets which are not in the normal course of business.
- Approve Payment to Director for loss of office.
- Items arising out of separate meeting of the Independent Directors if so decided by the Independent Directors. Corporate Actions
- Authorise Buy Back of securities
- Issue of securities, including debentures, whether in or outside India.
- Approving amalgamation, merger or reconstruction.
- Diversify the business.
- Takeover another company or acquiring controlling or substantial stake in another company.