MEETINGS AND PROCEEDINGS

- Company is an artificial legal entity distinct from its members
- Powers can be exercised by the Board by passing resolutions in Board Meetings alone or with the consent of the Shareholders

Maintenance of Registers and Returns

- A company shall keep at its Registered office- Statutory Books, and copies of documents and deeds
- Statutory Books include
    - Register of Charges
    - Register of Members
    - Index of debenture-holders and other security-holders
- Company shall keep the following registers and maintain them in such form and such manner as may be prescribed
    - Register of Members- Indicate separately for Equity and Preference Shareholders – with details as to shareholders resident in/ outside India
    - Register of Debenture-holders
    - Register of any other security holders
- Register of Members- have an index of the names
- Register and index maintained by Depository shall be a deemed Register
- If authorised by Articles, Company can maintain Register outside India of the Security-holders residing outside India
- Penalty for contravention-Company and Officer-Rs. 50,000 –Rs. 3Lakhs , continuing one Rs. 1000 per day
- Companies (Management and Administration) Rules 2014
    - Every Company –maintain register of members from Registration
    - Existing Company-Compile particulars within 6 months from commencement of rules
    - Company to maintain Register of Debenture-holders or other security-holders

Maintenance of Register of Members

- Entries in the Register –within 7 days of the Board approving the allotment or transfer of security
- Register- Keep at registered office of the company.
    - Any other place- pass Special Resolution in General Meeting
- Changes in Register as a result of Forfeiture, Buyback , reduction, sub-division or consolidation, cancellation , sweat equity, ESOP, as a result of merger or by issue of duplicate share certificates- entry to be made within 7 days of the approval by Board or Committee
- Change in status of the Member or Debenture holder –due to death or insolvency- entries explaining the change shall be made in the respective register

- Rectification pursuant to order of any authority-reference of such order shall be indicated in the Register
- Order passed by any authority- judicial or revenue or SEBI or Tribunal for attaching the share, debentures or other securities, for remittance of dividend or interest- to be mentioned in Register
- Listed Companies-Particulars relating to pledge , charge, lien or hypothecation of the securities held by Promoter –including name of Pawnee to be entered in Register within 15 days of such event
- Promoters of listed company who have created joint venture with another company- pledged or hypothecated or created charge or lien in respect of security of listed company-particulars to be entered in the Register of Members within 15 days
- Rules Relating to Index of Members
  - Register to have index of names entered
  - Number of Members-less than 50- maintenance of Index is not necessary
  - Company-make entries in the index –simultaneously with the entry in the Register
- Foreign Register of Security-holders
  - Company- if authorised by Articles-keep in country outside India-part of the Register of Security holders- security-holders residing outside India
  - Within 30 days of opening foreign register or making change - intimate the Registrar
  - This register deemed to be a part of Company's Register –known as Principal Register
  - Foreign Register maintain in same format as Principal Register
  - Foreign Register shall be open for inspection as Principal Register
  - Foreign Register-outside India-decision of appropriate authority for rectification shall be binding
  - Entries in the Register- simultaneously-after the Board or committee approves it
  - Company to transmit to Registered office- any entry in the Foreign Register within 15 days of entry and also keep a duplicate register of the Foreign Register at the Registered Office
  - Entries in Register-authenticate nu the Company Secretary or person authorised by the Board

<u>Declaration in Respect of beneficial interest in any share</u>

- Declaration to company by a person who is a member but not holding beneficial interest in shares
- Holder to make declaration to company within the time prescribed –specify the name and particulars of the beneficial interest holder
- Beneficial interest holder- to make declaration to the company-specify nature of interest

- Change occurring in the beneficial interest- details to be intimated to the company – person not holding beneficial interest and beneficial owner- within 30 days from change
- Central Government may make rules
- Penalty-Extend to Rs. 50,000 and Rs. 1,000 per day
- Company on receipt of details
    - Make note of declaration in the Register and
    - File a Return in prescribed form to the Registrar
- Non Filing return- Company and officer-Penalty Rs. 500 -1000 continuing one Rs. 1000 per day
- No declaration by the beneficial owner-no right shall be enforceable by him
- Nothing to prevent-obligation of the company to pay dividend
- Companies (Management and Administration) Rules 2014, declaration received by company
    - Note of declaration- to be made in the Register of Members and
    - File within 30 days from declaration, return with the Registrar
- Central Government may appoint persons to investigate on the beneficial ownership of shares

<u>Closure of Register of Members or Debenture Holders</u>

- Company close the Register of Members in a year
    - Maximum 45 days in each year-period or periods
    - Not exceed 30 days at one time
    - Previous notice of 7 days to be given or lesser period as SEBI specifies
- Default- 5,000 Per day maximum of Rs. 1 Lakh
- Companies (Management and Administration) Rules 2014, states manner of closure
    - 7 days prior notice
    - Advertisement once in vernacular language of its Registered Office, once in English language
    - For Private Company-more than 7 days prior is sufficient and

<u>Annual Return</u>

- Every Company shall prepare an annual return based on the particulars at the close of the financial year
- Particulars to be stated in the annual return
    - Registered office, Principal Business activities
    - Shares, Debentures, Other securities and shareholding pattern
    - Indebtedness
    - Members and Debenture holders along with changes
    - Promoters, directors along with changes
    - Meetings of Members and Directors

- Remuneration of Directors and Key managerial personnel

- Annual Return to be signed by the Director and Company Secretary, or where there is no CS, then by a company secretary in practice
- One Person Company, return to be signed by CS or when there is no CS, then by the director of the company
- CS to disclose that the facts stated in the Annual Return are correct and adequate
- Extract of Annual return to form a part of the Board's Report
- A copy of Annual Return to be filed with ROC within 60 days from -AGM held /was supposed to be held
- Failure to file- Fine 50,000 -5,00,000 , Officer-imprisonment- 6 months or fine - 50,000 to 5,00,000
- If CS Certifies the return otherwise than in conformity with the requirements of the section- fine 50,000-5,00,000
- Annual return of a listed company having paid up capital of 10 crore or more or turnover of 50 crore rupees or more shall be certified by a practicing CS
- Change in the Shareholding Position of the Promoter or top ten shareholders of the company-the company to file return with ROC

Place of Keeping and Inspection of Registers, Returns etc.

- Registers required to be kept and maintained by the company and the copies of annual return to be kept at the Registered Office of the Company
- Registers or copies of Returns can be kept at any other place in India in which more than 1/10th of the total number of members entered in the Register of Members reside , if approved by special resolution
- Period for maintaining registers and returns shall be as prescribed
- Registers and indices, except when they are closed under the provisions of the act, the copies of all returns shall be open for inspection by any member or debenture holder
- Member, debenture-holder other security holder –
  - May take extracts from register, index or return without payment of fees and
  - Require copy of register or entries therein or return on payment of fees as may be prescribed
- Inspection refused-Company and officer- Penalty – 1000 for every day…maximum Rs. 1 Lakh
- Central Government may also order immediate inspection

Companies (Management and Administration) Rules 2014

- Registers and indices shall be open for inspection during business hours at reasonable time on every working day –reasonable time –not less than 2 hours on every working day
- Member, Debenture holder, security holder or security holder –may require copy of such register or entries therein or return on payment of prescribed fees- not exceed Rs. 10 per page

Registers, etc. to be evidence

- Registers, indices and copies of annual returns shall be prima facie evidence of any matter required to be inserted therein by or under the act
- Register of members with index shall be preserved permanently under the custody of Company Secretary
- Register of debenture holders or other security holders along with the index – preserve for 8 years from date of redemption of debentures or securities
- Copies of Annual Returns-Preserve for 8 years
- Foreign Register –preserved permanently, unless discontinued –to be kept in Custody of CS or authorised person
- Registers to be kept at any other place-special resolution is to be passed- file with ROC atleast one day before the General Meeting of the Company

Annual General Meeting

- Every company other than OPC to hold a meeting as Annual General Meeting
- Notice of AGM to specify the meeting
- Maximum interval between 2 AGM's – 15 months
- AGM shall be held within 6 months from the closing of the financial year
    - 1st AGM- Nine months from the closing of the First financial year of the company. If company conducts this AGM, it need not conduct an AGM in the year of Incorporation
- Registrar can provide extension for 3 months except the first AGM
- AGM – to be conducted between business hours, i.e., 9.00 A.M to 06.00 P.M , any day which is not a national holiday, at the Registered office or some other place within the city, town or village where the Registered Office is situated – however the requirements as to place of AGM Can be exempted by the Central Government
- Board of Directors- to place at AGM, lay the financial statements for the financial year
- Company having one or more subsidiary- to prepare consolidated financial statements
- Earliest date for conducting AGM- whichever is earlier
    - Six months after the close of Financial Year
    - 15 months from the previous AGM
    - Last day of Next Calendar year
- Default in holding AGM
    - Company and officer- Fine extend to Rs. 50,000, continuing one Rs. 2500 per day
- Company Law Board, on application by any member, direct calling of a General Meeting and give directions. Such meeting shall be deemed to be an AGM

Extra-Ordinary General Meeting

- Board of Directors, when they deem fit, may call an Extraordinary General Meeting

- Board may call on requisition by members
  - Company having share capital- not less than 1/10th of the paid up share capital
  - Company not having share capital- not less than 1/10th of total voting power
- Notice for EGM to state the matters
- Board to call meeting within 21 days of requisition and hold it within 45 days of the receipt of requisition
- If Board fails to call, requisitionists may call meeting within 3 months from requisition
- Reasonable expenses incurred shall be reimbursed to requisitionists

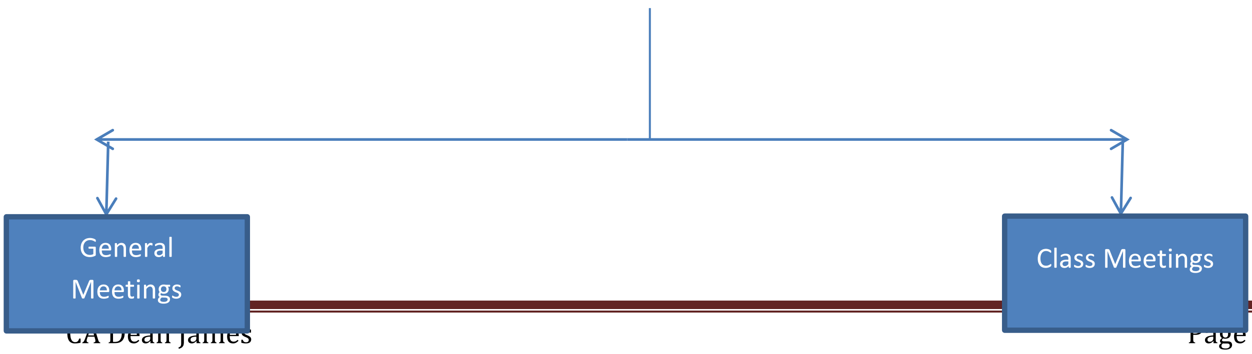
Companies (Management and Administration) Rules 2014, requisitionists may call an EGM in the following manner

- Members requisition an EGM, by providing requisition in writing or through electronic mode- atleast 21 clear days prior to proposed EGM
- Notice to contain details of meeting- date , place, time, business, also specify whether special resolution or not –and shall be signed by all requisitionists
- No explanatory statement to be annexed with notice- requisitionists may state the reasons for which they need resolutions to be passed
- Notice to be given to all members –in the Register of members-within 3 days of deposit of requisition with the company
- Meeting not convened-then requisitionists to have right to receive the list of members
- Notice shall be given by speed post or registered post or through electronic mode

Powers of Company Law Tribunal

- CLB not to interfere with the domestic management of the company

Class Meetings



Class Meetings are the meetings of the shareholders, holding a particular class of shares. Only members of the class concerned may attend and vote at the meeting

Procedure for convening and conduct of General Meeting

- Proper Notice to be sent
- Proper person must be in chair
- Properly conducted

Notice of Meeting

- Notice to be given by the proper summoning authority – normally the Board of Directors
- Notice of meeting shall be given to
  - Every Member of the company, including the legal representative and assignee
  - Auditors of the Company
  - Every Director of the Company
- Private Company-not a subsidiary of a Public Company-prescribe by articles-persons to whom the notice is to be send
- All the members need not receive the notice, i.e., Preference Shareholders are not entitled to receive notice of all the meetings- except when the dividend is in arrears for a certain period
- Non receipt of notice or accidental omission to give notice to any member-not invalidate the proceedings of any meeting
- General Meeting to be called- after giving a notice of not less than 21 clear days either in writing or through electronic mode
  - Shorter notice period-only if consent is given by not less than 95% of the members entitled to vote at such meeting
- Companies(Management and Administration) rules 2014, the company may serve the notice in electronic mode in the following manner
  - A company may give a notice through the electronic mode
  - Notice may be send through e-mail as text or as an attachment to e-mail or notification providing electronic link or URL for accessing such notice
  - E-mail to be addressed to the entitled person to receive e-mail as per records or as provided by the depository
  - Subject line in the mail shall state name of the company, notice of type of meeting, place and date of scheduling of meeting
  - Notice send in format of non-editable attachment- as PDF format

  - Company to have system to monitor- number of recipients e-mailed, also failed transmissions
  - Company not liable for failure in transmission beyond its control
  - Failure on the part of the member to provide relevant mail-not to make company liable for default in delivering the mail
  - Notice made available on electronic link or URL to be readable and recipient should be able to obtain and retain copies
  - Notice of General Meeting to be placed on the Website of the Company

Contents of Notice

- Notice of meeting specify-place, date, day and time of the meeting and also the statement to be transacted at such meeting
- Material facts related to the special business are:-
  - Nature of concern or interest, financial or otherwise, in respect of each items of
    - Every director and manager and every other Key Managerial Personnel and their relatives
  - Any other material information- enable members to understand the meaning, scope and implications of the items of business
- In case of Annual General Meeting, the following shall be deemed as normal business
  - Consideration of Financial Statements
  - Declaration of Dividend
  - Appointment of Directors in place of those retiring
  - Appointment and Fixing of Remuneration of Auditors

  Business other than this at AGM, shall be deemed as special

  In the case of any other meeting, all business shall be deemed to be special

- Business to be transacted at any meeting affects another company-extent of shareholding of every promoter,director, manager if any, and of every Key Managerial Personnel- if extent of shareholding is 2% or more of Paid up capital of the other company to be disclosed
- Item of Business-refers to document-offer the same for inspection-time and place to be mentioned for inspection
- Non-disclosure or insufficient disclosure-made by promoter, director or manager, any benefit accrues to such person, shall hold such benefit in trust for the company and shall be liable to compensate the company to the extent of benefit received
- Default in compliance-promoter, director, manager or key managerial personnel-punishable with fine-extend to 50,000 or 5 times the amount of benefit accruing, whichever is higher

Special and Ordinary Business

- Ordinary Resolution

  - If notice required under this act has been duly given
  - Votes cast in favour exceed the votes cast against the resolution
- Special Resolution
  - Intention to pass it as special resolution is mentioned in the notice
  - Notice has been given as per act
  - Votes cast in favour of resolution – are atleast three times more than votes cast against

Quorum

- It is the minimum number of members who must be present in order to constitute a meeting and transact business thereat
- Articles –not provide for a higher number the following shall be the quorum for a public company

No of Members	Quorum for the Meeting
Upto **1000**	**5** Members personally present
1001-5000	**15** Members personally present
Above **5000**	**30** Members personally present

- For a Private Company- Two Members personally present shall be the quorum
- In case there is no quorum within half an hour from the time appointed for the meeting
  - Meeting shall stand adjourned to the same day in the next week at the same time and place OR
  - Such other date and such other place and time as the Board may decide OR
  - Meeting called by requisitionists, shall stand cancelled
- When meeting stands adjourned , company shall give atleast 3 days notice to the members –individually or advertisement in newspapers
- If there is no quorum in the adjourned meeting, within half an hour from the time appointed for holding meeting, the members present shall be the quorum
- Personally present exclude proxies. Representative of a Body Corporate will be deemed as personally present

Voting and the right to demand a poll

- A Company shall, by provision in articles. Prevent a member from exercising his voting right in respect of shares on which the called amounts have not been paid up. No prohibition on any other grounds by the company
- Voting shall be by show-of-hands

  - Unless Poll is demanded, or vote done electronically, decided on the show of hands
  - Declaration by the chairman of the meeting of passing resolution, shall be conclusive evidence of fact of passing such resolution
- Central Government may prescribe the companies and manner in which voting shall be exercised by electronic means
- Companies(Management and Administration) Amendment Rules, 2015
  - Applies to
    - Listed Company
    - Company having 1000 or more members

    Shall provide to its members facility to exercise their right to vote on resolutions proposed to be considered at General Meeting by electronic means

  - Company providing voting through electronic means – to comply with following procedure
    - Notice to be send to members, directors and auditors either by Registered post or speed post or through electronic means or courier service
    - Notice- to be also placed on website
    - Notice to clearly state
      - Company is providing facility of voting by electronic means
      - Members who have not exercised right to vote through electronic means-be given option to vote at General Meeting
      - Members who have exercised their right to vote through electronic means-can attend the meeting but not vote
    - Notice also to state
      - Process and manner for voting by electronic means
      - Time schedule for e-voting
      - Login ID and Password
    - Company –Make advertisement –Newspaper-one vernacular and one National English –specify in the advertisement the following
      - Business may be transacted by electronic means
      - Date and time of commencement of remote e-voting
      - Cut-off date
      - Manner in which members can get Login ID and Password
      - Statement that
        - Remote e-voting – not allowed after specific time
        - Manner for voting by members present at meeting
        - Member may participate in meeting even though exercised the e-voting
        - Only member or beneficiary shall exercise e-voting or voting at General Meeting

        - Website address of company and of the agency (NSDL, CDSL) where the notice of meeting is displayed
        - Name, Designation and address of person responsible for addressing the grievances connected with e-voting
      - Facility for e-voting –shall remain open for atleast 3 days and close at 05.00P.m on the date preceeding the date of General Meeting
      - During the period of e-voting, shareholders holding shares in physical or demat mode may opt for e-voting
      - Once a vote is cast, the person shall not change it or cast vote again
  - Board of directors shall appoint a scrutinizer, either be a CA/CS/Cost Accountant in practice or an Advocate or a person of repute, not in employment with the company and is person of repute
  - Chairman, at the General Meeting, allow voting, with assistance of scrutinizer –using ballot paper, polling paper or electronic voting system, for members present at meeting not availed of the e-voting facility
  - Scrutinizer, shall prepare a consolidated scrutinizers report, not later than 3 days of conclusion of the meeting and submit it to the Chairman or the authorised person
  - Scrutinizer may maintain a register, manually or electronically to record the assent and the dissent received
  - Results declared along with the report of scrutinizer, shall be placed at the website of the company

Demand for Poll

- Before the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered by the chairman of meeting on his own motion or by demand
  - Company having share capital- not less than 10% of the total shares
  - Company not having share capital- not less than 10% of voting power
- Demand for poll- may be withdrawn at any time
- Poll is to be undertaken-chairman may appoint scrutinizers for the poll process
- Chairman shall have power to regulate the manner of taking the poll
- Result of the poll shall be deemed to be the decision of the meeting

Proxies

- Instrument in writing-executed by a shareholder-authorise another person to attend a meeting and vote thereat on his behalf
- Law relating to proxy
  - Proxy shall not have right to speak at meeting and shall not be entitled to vote except on a poll
  - Appointment of proxy shall not apply in case of a company not having share capital, unless articles provide so
  - Central Government may prescribe companies, where the benefit of proxy shall not be available

- Person appointed as proxy can act on behalf of a maximum of 50 persons

Procedure for appointment of proxy

- Notice accompanying a meeting state-member entitled to attend meeting and vote is entitled to appoint a proxy, who need not be a member
- Default in complying with provisions- officer of a company-penalty Rs. 5,000
- Provision stating more than 48 hours period for depositing instrument of proxy with company- shall have effect as if 48 hours has been specified
- Invitation to appoint a proxy a person specified in invitation issued at company's expense, the officer issuing the invitations shall be punishable with fine- extend to Rs. 1 Lakh
- Instrument appointing a proxy shall be
    - In writing and
    - Signed by the appointer or his attorney
    - Instrument not to be questioned-on grounds it fails to comply with special conditions specified under articles
- Member can inspect proxies- period starting 24 hours before the time fixed for the commencement of the meeting
- Companies(Management and Administration) rules 2014 – following restrictions have been put with respect to appointment of proxies
    - Member of Section 8 Company- not appoint any other person as a proxy other than a member
    - Person can act as proxy for maximum-50 persons and holding in aggregate- maximum 10% of the total share capital
    - A member holding more than 10% of total share capital-may appoint one person as proxy and such person not act as proxy for any other member

Representations of Corporations at Meetings of Companies and Creditors

- When a body corporate is a member or creditor, it may authorise a person to act as representative in the meeting
    - By passing resolution in the meeting of board or other governing body to act as representative
- Person appointed as proxy shall have the same rights and powers, including right to vote by proxy and postal ballot on behalf of the body corporate
- President or Governor if member of a company shall appoint such person as representative of a meeting and such a person shall be entitled to exercise same rights and powers

Resolution

- Formal Proposal put to the meeting is resolution
- There are two kinds of resolutions
    - Ordinary

- Special

- Ordinary Resolution:- this is passed by a simple majority of those present in person or by proxy where the proxies are allowed. Here members not participating in meeting are not taken into account
- Special Resolution:- A resolution will be deemed as special resolution if :-
  - An intention to propose the resolution as special resolution is specified in the notice calling the General Meeting
  - Notice has been duly given
  - Votes cast in favour atleast 3 times votes cast against
- Notice Convening a meeting to pass special resolution- to have an explanatory statement attached to it
- Where special resolution is needed, the notice of intention to pass such resolution shall be given to such company by members holding not less than 1% of the total voting power

<u>Matters for which special resolution is needed</u>

- Appointing a person other than the retiring person as auditor at AGM
- Removing a director before expiry of his tenure

<u>Companies (Management and Administration) Rules 2014</u>

- Special notice – for passing resolution to be signed by members holding not less than 1% of total voting power on which atleast 5 Lakh rupees has been paid up
- Notice to be send-not earlier than 3 months but not later than 14 days before the date of the meeting
- Company, on receipt of the notice , give its members, notice of the resolution, atleast 7 days before the meeting
- When it is not practicable to send the notice, notice shall be published in English language in English newspaper and vernacular language in a vernacular newspaper , both having a wide circulation in State where registered office of the company is situated

Resolution passed at adjourned meeting of company, holders of any class of shares or Board of Directors shall be deemed to be passed on the date of passing resolution and not on an earlier date

<u>Resolutions and Agreements to be filed</u>

Procedure with respect to filing with the registrar

- Copy of the resolution , together with the explanatory statement to be filed with Registrar
  - Within 30 days of passing or making the resolution or within 270 days with additional fees

    - A resolution having the effect of the altering the articles shall be annexed to the copy of resolution
    - Failure to file the document within the prescribed period of 270 days, a fine shall be levied- Rs. 5 Lakhs to Rs.25 lakhs to the company and officer- Fine not less than Rs.1 Lakh to Rs. 5 Lakh
- These provisions shall apply to
    - Special Resolutions
    - Resolutions agreed to by all members
    - Resolutions of the Board of Directors
    - Resolutions of Class of Members
    - Resolutions passed by company according consent to the exercise by its board of members
    - Resolutions for the voluntary winding up of the company

Meeting by the requisitionists

- Notice to members:- Company on requisition by members holding not less than 10% of the shares or 10% of the voting power, give notice of the resolution to be moved or intended to be moved at the meeting
- Company not to serve notice unless
    - Copy of the requisition containing the signatures of the requisitionists is deposited at the registered office of the company
        - Case of requisition requiring notice of resolution-atleast 6 weeks before the meeting
        - Any other resolution- atleast 2 weeks before the meeting
    - Deposit has been made at the company to meet the expenses
- However, when a notice is deposited, at the registered office, AGM is called within 6 weeks from the date of deposit, although not deposited within the time frame, shall be deemed to have been deposited properly
- Company may not circulate statement-if on application by company or aggrieved person-Central Government may declare, rights conferred are abused to secure needless publicity
- Cost incurred by the company shall be reimbursed by the requisitionists
- Default-Company and every officer- liable for a penalty of Rs. 25,000

<u>POSTAL BALLOT</u>

- A company shall, in respect of the business specified, declare the business to be transacted only by means of a postal ballot
- Business other than the ordinary business, instead of transacting the same at a general meeting
- Companies(Management and Administration) Rules 2014 states procedure to be followed for conducting business through postal ballot

- Notice to be send to all shareholders- along with a draft resolution explaining reasons therefore-requesting them to send their assent or dissent in writing on a postal ballot within 30 days from date of despatch of notice
- Notice to be send through-Registered Post or Speed Post or Courier Service or Electronic Mode –Within 30 days
- Advertisement –publish atleast once in vernacular newspaper in principal vernacular language and one English language of district in which registered office of the company is situated specifying that voting can take place through electronic means and date of completion of despatch of notice, date of commencement and end of voting
- Notice to state that postal ballot forms received beyond date shall be invalid
- Members not received the notice of postal ballot shall apply for a duplicate
- Contact details of person who will address the grievances
- Notice –to be placed on the website of the company
- A scrutinizer-not in employment of the company to be appointed- to conduct the voting process
- Resolution assented to by majority of members- deemed to have been passed at General Meeting
- Postal ballot papers to be in safe custody of the scrutinizer, who shall maintain them in a register manually or electronically, to record assent or dissent and he shall submit his report within 7 days of the last date of receipt of the postal ballot
- Postal ballot papers to be in safe custody of the scrutinizer-till chairman considers and approves the minutes
- Assent or dissent received from members after the 30 days of notice shall be deemed as if not received
- Results shall be declared-by placing it at the website of the company-resolution shall be deemed to have been passed at the meeting called
- Following items have been specified to be transacted by postal ballot only
    - Alteration of the Objects of Memorandum
    - Alteration of Articles
    - Change in place of Registered office-outside local limits of town, city or village
    - Change in objects for which money has been raised by the company
    - Issue of shares with differential rights
    - Variation in rights attached to shares
    - Buy back of shares
    - Sale or substantially whole of the undertaking of the company
    - Giving loans or extending guarantee in excess of the limit specified

MINUTES

Minutes are written record of business transacted at a meeting

- Preparation of Minutes-Every Company shall maintain minutes of the proceedings of the
    - General Meeting
    - Class Meeting of creditors or shareholders
    - Board of Directors or the committee
      To be prepared and signed in such manner prescribed and kept within 30 days of the conclusion of the every such meeting concerned or passing resolution by postal ballot
- Minutes to contain the fair and correct summary of the proceedings –all appointments made at meeting to be disclosed
- Other details include- the names of directors present at the meeting and details of members who have dissented to the resolution
- Not to include defamatory matters, irrelevant or immaterial or detrimental to the interests of the company
- Chairman's discretion to include or to exclude any matter
- Minutes shall be evidence of the proceeding of the meeting and resolutions passed and appointments made –minutes to include matters only as specified
- Maintenance of Minutes-to adhere to the secretarial standards on minutes issued by the Institute of Company Secretaries of India
- Default-Company Rs. 25.000 and officer Rs. 5,000
- Tampering with minutes- Imprisonment –upto 2 years Fine 25,000 to 1 Lakh Rupees

Companies (Management and Administration) Rules 2014

- Distinct minute book for each type of meetings
    - General Meetings
    - Meetings of Creditors
    - Board Meetings
    - Meetings of the Committees
- Minutes of proceedings of each meeting to be entered in the books maintained
- Every resolution passed by postal ballot to have a brief report on the postal ballot and summary of the scrutinizers report
- Each page of the book shall be initialled and signed
    - Case of Board Meeting:- Chairman of the Meeting or the next succeeding meeting
    - General Meeting:- Chairman of the Meeting or in the event of death or inability- duly authorised person of the Board
    - Postal Ballot:- Chairman of the Board or authorised person
- Minutes book to be kept at the registered office of the company and also to be preserved permanently
- Minutes book of the board and committee meetings shall be preserved permanently in the custody of the Company Secretary or person authorised by the board

- Minute books shall be open for inspection for the members subject to restrictions imposed by the company
- Maintenance of Minutes Book and its inspection
  - Kept at the Registered Office of the Company
  - Open for Inspection for the members without charge, subject to restrictions as company may impose –provided inspection time per day shall be for a minimum of atleast 2 hours
  - Member, on payment of prescribed fees, shall be entitled for a copy of the minutes , within seven working days of the request
  - Inspection/Copy refused then Company liable for a penalty of Rs. 25,000 and officer liable for a penalty of Rs. 5,000. Above this the Tribunal may also order immediate inspection

Maintenance and Inspection of Documents in Electronic Form

- Any document, record, register, minutes, etc.
  - Required to be kept by the company or
  - Allowed to be inspected or copies to be given
    - May be allowed to be kept or inspected or copies given in the electronic modes as may be prescribed

Companies (Management and Administration) Rules 2014

- Every Listed Company or a company having not less than 1000 shareholders, debenture holder and security holders , shall maintain records as required to be maintained under the act or rules in electronic form
- Provided that
  - The records are maintained in the same format and in accordance with the requirements
  - Information as required under the act or rules is recorded for future reference
  - Records are capable of readable, retrievable and reproducible in printed form
  - Records are capable of being dated and signed digitally
  - Records, once dated and signed digitally are not capable of being edited or altered
  - Records are capable of being updated

REPORT ON ANNUAL GENERAL MEETING

- Every Listed public company shall prepare a report of each annual general meeting containing the relevant information
- The company shall file with the registrar, a copy of the report within 30 days of the conclusion of the AGM
- Default –Company fine Rs.1 Lakh to Rs.5 Lakhs and officer in default- 25,000 to Rs. 1 Lakhs
- Companies(Management and Administration) Rules 2014

- Report shall be prepared in addition to the minutes
- Report shall be signed and dated by the chairman of the meeting or by any 2 directors, one who shall be Managing Director if there is one and Company Secretary of the Company
- Report shall contain the details of the meeting