

mismanagement of the conduct of the affairs of the company or any subsidiary company or holding company; and  
 (e) where the director has instigated, or has taken part directly or indirectly in bringing about, the termination of his office.

**Remuneration to Managerial Personnel [Section 197]**

<b>Overall managerial remuneration</b>	Section 197 of the Companies Act, 2013 prescribed the maximum ceiling for payment of managerial remuneration by a public company to its managing director whole-time director and manager which shall not exceed 11% of the net profit of the company in that financial year.
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**Remuneration to Managing Director/whole time Director/Manager**

The remuneration payable to any one managing director or whole- time director or manager shall not exceed 5% of the net profits of the company and if there are more than one such director remuneration shall not exceed 10% of the net profits to all such directors and manager taken together.

**Remuneration to other directors**

Except with the approval of the company in general meeting, the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed, - 1% of the net profits of the company, if there is a managing or whole-time director or manager; - 3% of the net profits in any other case.

## CH. 18 GENERAL MEETINGS

<b>Introduction</b>	<p>Co. is an artificial person created by law. The business of a co. is carried on by the elected representatives of the shareholders. They take decisions regarding matters affecting the co. by calling meetings. They cannot decide all matters themselves.</p> <p>Certain matters are required to be decided by the whole body of members. Therefore, members' meetings are held from time to time.</p> <p>Shareholder Democracy, Class Action Suits and Protection of interest of investors are the essence and attributes of the Companies Act, 2013.</p>
<b>Secretarial Standard on General Meetings of companies</b>	<p>Secretarial Standard 2 (SS-2) on General Meeting issued by the Institute of Company Secretaries of India (ICSI) and approved by central government is to be mandatorily adhered by all companies as per the provision of Section 118 (10) of Companies Act, 2013.</p> <p>The objective of secretarial standard is to promote good corporate governance. This Standard is applicable to all types of General Meetings of all companies incorporated under the Act except One Person Company (OPC) and class or classes of companies which are exempted by the Central Government through notification.</p>
<b>Applicability:</b>	<p>Secretarial Standards were issued on 23rd April 2015 and are effective from 1st July 2015. SS- 2 shall only apply to general meetings in respect of which notices are issued on or after 1st July, 2015.</p>

### **Members' Meetings**

#### Members Meeting or General Meeting or General Body Meeting or GB Meeting

1. Annual General Meeting (AGM)
2. Extra-ordinary General Meeting (EGM)
3. Class Meetings

### **Annual General Meeting (AGM) [Section 96]**

Section 96 provides that every company, other than a one-person company is required to hold an annual general meeting every year.

#### **Key provisions regarding the holding of an annual general meeting:**

<b>Business to be transacted</b>	<p>AGM is called for the purpose of transacting Ordinary Business. The term ordinary business for which AGM is called for includes:</p> <ol style="list-style-type: none"> <li>1. Passing of annual accounts</li> <li>2. Declaration of dividends</li> <li>3. Election of directors</li> <li>4. Appointment and fixation of remuneration of auditors</li> </ol> <p>Any other item of agenda except above four is considered as Special Business.</p>
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	In case of any other meeting, all business shall be deemed to be special.
<b>Holding of AGM</b>	<ol style="list-style-type: none"> <li>1. Annual general meeting should be held once <b>in each calendar year</b>.</li> <li>2. <b>First annual general meeting</b> of the company should be held within 9 months from the closing of the first financial year. Hence it shall not be necessary for the company to hold any annual general meeting in the year of its incorporation.</li> <li>3. <b>Subsequent annual general meeting</b> of the company should be held within 6 months from the date of closing of the relevant financial year.</li> <li>4. The gap between two annual general meetings <b>shall not exceed 15 months</b>.</li> </ol> <p>A one-person company is exempt from holding an AGM.</p>
<b>Extension of validity period of AGM</b>	<p>In case, it is not possible for a company to hold an annual general meeting within the prescribed time, the Registrar may, for any special reason, extend the time within which any annual general meeting shall be held. Such extension can be for a period not exceeding 3 months.</p> <p>No such extension of time can be granted by the Registrar for the holding of the <b>first</b> annual general meeting.</p>
<b>Date, Time and place for holding an annual general meeting</b>	<p>An annual general meeting can be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday.</p> <p>It should be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.</p> <p>The Central Government is empowered to exempt any company from these provisions, subject to such conditions as it may impose.</p> <p>In case of Government company, the Central Government may approve such other place for holding AGM, if the place is other than registered office.</p>
<b>Penalty for default in holding the annual general meeting [Sec. 99]</b>	<p>Section 99 provides that if any default is made in complying or holding a meeting of the company, the company and every officer of the company who is in default shall be punishable with fine which may extend to one lakh rupees and in case of continuing default, with a further fine which may extend to five thousand rupees for each day during which such default continues.</p> <p>If any default is made in holding the annual general meeting of a company, any member of the company may make an application to the Tribunal to call or direct the calling of, an annual general meeting of the company and give such directions as the Tribunal thinks expedient.</p> <p>Such directions may include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.</p>

### Extra Ordinary General Meeting (Section 100)

EGM is called for transacting some urgent or special business which cannot be postponed till the next AGM.

It may be convened by: -

- (i) BODs on its own or
- (ii) On the requisition of the members; or
- (iii) Requisitionists themselves on the failure of the BODs to call the meeting;
- (iv) Tribunal.

**(1) By the Board Suo motu [Sec100 (1)]**

The Board may, whenever it deems fit, call an extraordinary general meeting of the company, as per SS-2 such EGM may be held at any place within India.

**(2) By Board on requisition of members [Sec. 100 (2)]**

The Board shall, call an extraordinary general meeting on receipt of the requisition from the following number of members:

(a) in the case of a **company having a share capital**: members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting;

(b) in the case of a **company not having a share capital**: members who have, on the date of receipt of the requisition, not less than one-tenth of the total voting power of all the members having on the said date a right to vote.

**Matter set out for consideration in requisition:**

The requisition made as above, shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.

**Time period for calling the meeting:** The Board is required to proceed to call a meeting within 21 days from the date of receipt of a valid requisition, to convene a meeting which should be held within 45 days of such deposit of the requisition with the company.

**(3) By requisitionists [Sec 100(4)]**

**(1) Board's Failure:** If the Board fails to call a meeting as required by the requisitionist, the meeting may be called by requisitionists themselves and held within 3 months from the date of deposit of the requisition. Such requisition shall not pertain to any item of business that is required to be transacted mandatorily through postal ballot.

**(2) Timings & Days:** The notice shall specify the place, date, day and hour of the meeting and shall contain the business to be transacted at the meeting.

**(3) Notice to be signed:** The notice shall be signed by all the requisitionists or by a requisitionists duly authorized in writing by all other requisitionists on their behalf or by sending an electronic request attaching therewith a scanned copy of such duly signed requisition.

	<p>(4) <b>No explanatory statement annexed to the notice:</b> No explanatory statement as required under section 102 need be annexed to the notice of an extraordinary general meeting convened by the requisitionists and the requisitionists may disclose the reasons for the resolution(s) which they propose to move at the meeting.</p> <p>(5) <b>Serving of notice of the meeting:</b> The notice of the meeting shall be given to those members whose names appear in the Register of members of the company within three days on which the requisitionists deposit with the Company a valid requisition for calling an extraordinary general meeting.</p> <p>(6) <b>Mode of giving notice:</b> The notice of the meeting shall be given by speed post or registered post or through electronic mode. Any accidental omission to give notice to, or the non-receipt of such notice by, any member shall not invalidate the proceedings of the meeting.</p> <ul style="list-style-type: none"> <li>• Where a meeting is called by requisitionist themselves and the registered office is not available to them, they may hold the meeting anywhere else.</li> <li>• Requisitionist shall not be allowed to hold the meeting after the expiry of 3 months from the date of deposit of the requisition.</li> <li>• Requisitionists are entitled to claim all expenses.</li> <li>• Co. shall be entitled to indemnify itself and to deduct the sum so paid out of fee payable to defaulting directors.</li> <li>• Resolutions properly passed at meeting called by the requisitionists shall be binding upon the co.</li> <li>• In case, the quorum is not present within half-an-hour from the time appointed for holding a meeting called by requisitionists, the meeting shall stand cancelled. [Sec. 103(2)(b)]</li> </ul>
<p><b>(4) By Tribunal [Section 98 (yet to be notified)]</b></p>	<p>Section 98 provides that if for any reason it is impracticable to call a meeting of a company or to hold or conduct the meeting of the company, the Tribunal may, either suo motu or on the application of any director or member of the company who would be entitled to vote at the meeting:</p> <p>(a) order a meeting of the company to be called, held and conducted in such manner as the Tribunal thinks fit; and</p> <p>(b) give such directions as the Tribunal thinks expedient.</p> <p>Such directions may include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.</p>

<p><b>Procedure for convening of a valid general meeting</b></p>	
<p>The essentials of a valid meeting are that the meeting should be:</p>	
<p><b>(a) Properly convened</b></p>	<p>(i) The meeting must be called by proper authority; and</p> <p>(ii) Proper notice must be served in the manner specified under Section 101 and 102 of the Act.</p>
<p><b>(b) Properly constituted</b></p>	<p>(i) Proper quorum must be present in the general meeting (Sec. 103 of the Act)</p> <p>(ii) Proper chairman must preside the meeting (Sec. 104 of the Act)</p>

<b>(c) Properly conducted</b>	(i) The business must be validly transacted at the meeting i.e. resolutions must be properly moved and passed, and voting by show of hands and on poll. (ii) Proper minutes of the meeting must be prepared. (Sec. 118 of the Act)
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<b>Notice of Meeting (Sec. 101)</b>	
<b>Notice Period</b> A general meeting of a company may be called by giving not less than 21 clear days' notice either in writing or through electronic mode. In case of section 8 company, 14 days' clear notice is required instead of 21 days.  <b>'Clear days'</b> means days exclusive of the day of the notice of service and of the day on which the meeting is held. Where a notice of general meeting is sent by post, it shall be deemed to be served at the expiration of 48 hours after the letter containing the same is posted ( <b>Rule 35(6) of the Companies (Incorporation) Rules, 2014</b> ).  The day on which the notice is deemed to be served on the member, and the day of the general meeting have to be in addition to the 21 days.	
<b>Shorter notice</b>	A general meeting may be called after giving a shorter notice also if consent is given in writing or by electronic mode by not less than 95% of the members entitled to vote at such meeting.

<b>Contents of Notice</b>	
<b>Place of meeting (Sec. 96)</b>	The notice should state the place where the general meeting is scheduled to be held. In case of an annual general meeting, the place of the meeting has to be either the registered office of the company or some other place within the city, town or village in which the registered office of the company is situated.
<b>Day of meeting (Sec. 96)</b>	The day and date of the meeting should be clearly stated in the notice. In case of an annual general meeting, the day should be one that is not a National Holiday. An extraordinary general meeting can however be held on any day. However, a meeting called by the requisitionists shall be convened <b>only on a working day</b> .
<b>Time of meeting (Sec. 96)</b>	Exact time of holding the meeting should be given in the notice. An annual general meeting can be called during business hours only, i.e. between 9:00 a.m. and 6:00 p.m. There is no restriction of timings in case of an extraordinary general meeting.
<b>Agenda (Sec. 102)</b>	A statement of the business to be transacted at the general meeting should be given in the notice. In case, the meeting is to transact a special business, an explanatory statement should be attached about such item.
<b>Proxy clause with</b>	Voting by proxy at the meeting, should carry with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint a

<b>reasonable prominence</b> <b>[Sec. 105(2)]</b>	proxy, or, where one or more proxies are allowed, then proxy(ies) can attend and vote instead of member, and that a proxy need not be a member.
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**Notice through Electronic Mode (Rule 18 of Companies (Management and Administration) Rules 2014)**

The company may serve the notice in electronic mode in following manner.

- (1) A company may give notice through **electronic mode**.
- (2) A notice may be sent through **e-mail** as a text or as an attachment to e-mail.
- (3) (i) The e-mail shall be **addressed to the person entitled to receive such e-mail** as per the records of the company or as provided by the depository.
  - (ii) The **subject line in e-mail** shall state the name of the company, notice of the type of meeting, place and the date on which the meeting is scheduled.
  - (iii) **If notice is sent in the form of a non-editable attachment to e-mail**, such attachment shall be in the Portable Document Format.
  - (iv) When **notice or notifications of availability of notice are sent by e-mail**, the company should ensure that it uses a system which produces confirmation of the total number of recipients e-mailed and a record of each recipient to whom the notice has been sent and copy of such record and any notices of any failed transmissions and subsequent re-sending shall be retained by or on behalf of the company as “proof of sending”.
  - (v) The **company’s obligation shall be satisfied when it transmits the e-mail** and the company shall not be held responsible for a failure in transmission beyond its control.
  - (vi) If a **member entitled to receive notice fails to provide or update relevant e-mail address to the company**, the company shall not be in default for not delivering notice via e-mail.
    - (vi) The **company may send e-mail** through in-house facility or authorize any third party agency providing bulk e-mail facility.
    - (vii) The **notice made available on the electronic link or Uniform Resource Locator** has to be readable, and the recipient should be able to obtain and retain copies and the company shall give the complete Uniform Resource Locator (or address of the website) and full details of how to access the document or information.
    - (viii) The notice of the general meeting of the company shall be simultaneously placed on the **website of the company** if any and on the website as may be notified by the Central Government.

<b>Persons entitled to</b>	According to Section 101(3), notice of every meeting of the company must be given to:
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<b>receive Notice</b>	(a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member; (b) the auditor or auditors of the company; and (c) every director of the company.
<p>The non-receipt of notice or accidental omission to give notice to any member shall not invalidate the proceedings in the meeting [Sec.101(4)]. However, omission to serve notice of meeting on a member on the mistaken ground that he is not a shareholder cannot be said to be an accidental omission. <b>[Musselwhite Vs. C.H. Musselwhite &amp; Sons Ltd.]</b></p>	
<b>Secretarial Standard on entitlement to receive notice:</b>	<p>SS-2 provides that where the company has received intimation of death of a Member, the Notice of Meeting shall be sent as under:</p> <p>(a) where securities are held singly, to the Nominee of the single holder; (b) where securities are held by more than one person jointly and any joint holder dies, to the surviving first joint holder; (c) where securities are held by more than one person jointly and all the joint holders die, to the Nominee appointed by all the joint holders;</p> <p>(i) In the absence of a Nominee, the notice shall be sent to the legal representative of the deceased Member. (ii) In case of insolvency of a Member, the Notice shall be sent to the assignee of the insolvent Member. (iii) In case the Member is a company or body corporate which is being wound up, Notice shall be sent to the liquidator.</p>

### **Contents of Explanatory Statement**

In case of special business items to be transacted at a general meeting, a statement consisting of following material facts, shall be annexed to the notice calling the meeting:

(I) (a) the nature of concern or interest, in respect of each item of:

- every director and the manager;
- every other key managerial personnel; and
- relatives of every director, manager and key managerial person.

(b) any other information and facts that may enable members to understand the implications of the items of business and to take decision thereon.

(II) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the explanatory Statement.

### **Effect of non-disclosure**

Where as a result of the non-disclosure or insufficient disclosure in any statement referred as above, being made by a promoter, director, manager or other key managerial personnel, any benefit which accrues to such promoter, director, manager or other key managerial personnel or their relatives, the promoter, director, manager or other key managerial personnel, as the case may be, shall hold such benefit in trust for the company, and shall be liable to compensate the company to the extent of the benefit received by him.



If the explanatory statement is vague and tricky, or insufficient and misleading, the resolution passed, is bad in law. [**Central Industrial Alliance Ltd. Vs. Pravin Kantilal Vakil** ]

**Secretarial Standard on issuance of notice**

SS-2 provides that Notice shall be sent by hand or by ordinary post or by speed post or by registered post or by courier or by facsimile or by e-mail or by any other electronic means.

Notice shall be sent to Members by registered post or speed post or courier or e-mail and not by ordinary post in the following cases:  
 (a) if the company provides the facility of e-voting;  
 (b) if the item of business is being transacted through postal ballot.

If a Member requests for delivery of notice through a particular mode, other than one of those listed above, he shall pay such fees as may be determined by the company in its Annual General Meeting and the Notice shall be sent to him in such mode.

Notice shall be sent to Members by registered post or speed post or email if the Meeting is called by the requisitionists themselves and where the Board had not proceeded to call the Meeting.

**Quorum for Meetings[Section-103]**

Quorum refers to the minimum number of members required to constitute a valid meeting.

(a) In the case of a **public company**,

S. No.	Quorum for the meeting	Number of members
1	5 members personally present	Not more than one thousand
2	15 members personally present	More than one thousand but up to five thousand
3	30 members personally present	Exceeds five thousand

(b) In the case of a **private company**, two members personally present, shall be the quorum for a meeting of the company.

However, the Articles of Association of the company may provide for a higher number.

**Secretarial Standard on Quorum**

SS-2 provides that where the Quorum provided in the Articles is higher than that provided under the Act, the Quorum shall conform to such higher requirement. Members need to be personally present at a Meeting to constitute the Quorum. Proxies shall be excluded for determining the Quorum.

SS-2 provides that a duly authorized representative of a body corporate or the representative of the President of India or the Governor of a State is deemed to be a Member personally present and enjoys all the rights of a Member present in person.

One person can be an authorized representative of more than one body corporate. In such a case, he is treated as more than one Member present in person for the purpose of Quorum.

However, to constitute a Meeting, at least two individuals shall be present in person. Thus, in case of a public company having not more than 1000 members with a Quorum requirement of five Members, an authorized representative of five bodies corporate cannot form a Quorum by himself but can do so if at least one more Member is personally present.

Members who have voted by Remote e-voting have the right to attend the General Meeting and accordingly their presence shall be, counted for the purpose of Quorum.

A Member who is not entitled to vote on any particular item of business being a related party, if present, shall be counted for the purpose of Quorum.

The stipulation regarding the presence of a Quorum does not apply with respect to items of business transacted through postal ballot.

#### **Consequences of no quorum**

If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company—

- (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
- (b) the meeting, if called by requisitionists (under section 100), shall stand cancelled.

#### **Notice of an adjourned meeting**

Where the meeting stands adjourned to the same day in the next week at the same time and place, or to such other day, not being a National Holiday, or at such other time and place as the Board may determine, there the company shall give at least 3 days' notice to the members either individually or by publishing an advertisement in 2 newspapers (one in English and one in vernacular language).

#### **No quorum in an adjourned meeting**

If at the adjourned meeting also, a quorum is not present within half an- hour from the time appointed for holding meeting, **the members present, being not less than two in numbers, will constitute the quorum.**

If a Meeting, other than a requisitioned Meeting, stands adjourned for want of Quorum, the adjourned Meeting shall be held on the same day, in the next week at the same time and place or on such other day, not being a National Holiday, or at such other time and place as may be determined by the Board.

If a Meeting is adjourned sine-die (Without a date fixed) or for a period of thirty days or more, a Notice of the adjourned Meeting shall be given in accordance with the provisions contained herein above relating to Notice.

If a Meeting is adjourned for a period of less than thirty days, the company shall give not less than three days' Notice specifying the day, date, time and venue of the Meeting, to the

Members either individually or by publishing an advertisement in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and in an English newspaper in English language, both having a wide circulation in that district.

<b>Personally Present</b>	The words, personally present exclude proxies. However, the representative of a body corporate appointed under Section 113 or the representative of the President or a Governor of a State under Section 112 is a member 'personally present' for purpose of counting a quorum. <b>[Re. Kelantan Coconut Estate Ltd.]</b>
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In case two or more corporate bodies who are members of a company are represented by single individual, each of the bodies corporate will be treated as personally present by the individual representing it.

If, for instance, he represents three corporate bodies, his presence will be counted as three members being present in person for purposes of quorum.

One individual may count as more than one member if he attends the meeting in more than one capacity, e.g. as a member holding shares in his own right and as a member entitled to vote in person in respect of a trust holding **[Re. Neil McLeod & Sons Ltd.]**

#### **Chairman of Meetings (Section 104)**

- Every general meeting is presided over by a CM.
- He regulates and supervises the proper conduct of the business.
- Unless the A.A. otherwise provide, the members personally present at the meeting shall elect one of themselves to be CM.

**Duties:** To see proper discipline is maintained

- To act in bona-fide manner
- To perform both judicial and ministerial duties

#### **Powers of Chairman**

- Prima facie authority to decide all questions, but members are not precluded from maintaining by litigation that he was wrong.
- Entry in the minute books of CM's decision is evidence of correctness of decision.
- Right to decide priority amongst speakers, to demand poll, to exercise Casting vote, to expel an unruly member, to apply closure to discussion after it has been reasonably debated.
- Adjourn a meeting when it is impossible, by reason of disorder.

#### **Secretarial Standard on appointment and role of Chairman**

SS-2 provides that the Chairman of the Board shall take the chair and conduct the Meeting. If the **Chairman is not present** within fifteen minutes after the time appointed for holding the Meeting, or if he is unwilling to act as Chairman of the Meeting, or if no Director has been so designated, the Directors present at the Meeting shall elect one of themselves to be the Chairman of the Meeting.

If **no Director is present** within fifteen Minutes after the time appointed for holding the Meeting, or if no Director is willing to take the chair, 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 Articles.	
<b>Election of the Chairman</b>	If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands shall continue to be the Chairman of the Meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the Meeting.
<b>Objective &amp; Implications</b>	SS-2 requires that the Chairman shall explain the objective and implications of the Resolutions before they are put to vote at the Meeting.
<b>Interested Chairman</b>	SS-2 provides that in case of public companies, the Chairman shall not propose any Resolution in which he is deemed to be concerned or interested.
<b>Explain</b>	SS-2 provides that if any Director is unable to attend the Meeting, the Chairman shall explain such absence at the Meeting.
<b>Seated</b>	SS-2 requires that Directors who attend General Meetings of the company and the Company Secretary shall be seated with the Chairman.

#### **PRESENCE OF STATUTORY AUDITOR AND SECRETARIAL AUDITOR**

<b>Presence of Auditor</b>	According to Sec. 146, qualified Auditors shall be present in general meetings unless otherwise exempted, either himself or through his authorized representative. He shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.
	The authorized representative who attends the General Meeting of the company shall also be qualified to be an Auditor.

#### **Proxies (Section 105)**

The term proxy has a double meaning: -

1. The person authorized to attend and vote for another at a meeting.
2. The instrument by which a person is appointed to act for another at a meeting.

If the A.A. do not otherwise provide: -

1. A proxy can vote only on a poll.
2. A member of a private co. cannot appoint more than one proxy to attend on the same occasion.
3. A member of a co. not having a share capital cannot appoint a proxy.

Proxy form to be deposited 48 hours before the meeting.

Proxy is revocable at any time. Where a shareholder who having appointed a proxy personally attends and votes at the meeting, the proxy is revoked thereby, and he can vote in person.

The death or insanity of a shareholder after he has appointed a proxy shall not revoke the authority of the proxy, until the co. has notice of the death or insanity.

<p>Section 105 of the Companies Act, 2013 provides that a member, who is entitled to attend to vote, can appoint another person as a proxy to attend and vote at the meeting on his behalf. This section also provides the manner of appointing proxy. The provisions are as follows.</p>	
<p><b>Who can appoint a proxy</b></p>	<p>Any member of a company who is entitled to attend and vote at a meeting of the company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf.</p>
<p><b>Member or not</b></p>	<p>The proxy may or may not be a member of the co.  <b>However, a Proxy shall be a Member in case of companies with charitable objects etc. and not for profit registered under the specified provisions of the Act.</b></p> <p>A Proxy can act on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying Voting Rights.</p> <p>However, a Member holding more than ten percent of the total share capital of the company carrying Voting Rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for another person or shareholder.</p> <p>If a Proxy is appointed for more than fifty Members, he shall choose any fifty Members and confirm the same to the company before the commencement of specified period for inspection. In case, the Proxy fails to do so; the company shall consider only the first fifty proxies received as valid.</p>
<p><b>Disabilities of proxy</b></p>	<p>A proxy shall not have the right to speak at the meeting. A proxy cannot vote on a show of hands. A proxy is not counted for the purpose of quorum.</p>
<p><b>Rights of proxy</b></p>	<p>A proxy has the right to attend the meeting. A proxy has the right to vote only on a poll. A proxy, if eligible, has the right to demand a poll.</p>
<p><b>Restriction on proxy</b></p>	<p>A member of a company registered under section 8 (Not for Profit company) shall not be entitled to appoint any other person as his proxy unless such other person is also a member of such company.</p>
<p><b>Time limit for deposit of proxy forms</b></p>	<p>The instrument appointing the proxy must be deposited with the company, 48 hours before the meeting. Any provision contained in the articles, requiring a longer period than 48 hours shall have effect as if a period of 48 hours had been specified.</p> <p>The prescribed proxy form is <b>Form No. MGT 11</b>.</p>
<p><b>Inspection of proxy</b></p>	<p>Every member entitled to vote at a meeting of the company is entitled to inspect the proxies lodged with the company, if at least 3 days' notice in writing is given to the company. Such notice shall be received at least three days before the commencement of the Meeting. Such inspection can be taken during the period beginning 24 hours before the time fixed for the commencement of the meeting, during the business hours of the company, and ending with the</p>

	conclusion of the meeting. Such inspection should be allowed between 9:00 am and 6:00 pm during such period.
<b>Revocation of proxy</b>	If after appointment of proxy, the member himself attends the meeting, it amounts to automatic revocation of proxy. But once the proxy has voted, it cannot be revoked. A Proxy need not be informed of the revocation of the Proxy issued by the Member.
<b>Restriction on Voting Rights (Section 106)</b>	
<b>Calls pending</b>	The articles of a company may provide that a member shall not exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or on which company has exercised any right or lien. No member can be prohibited from exercising his voting right on any other ground.
<b>Voting by Show of Hands (Section 107)</b>	
<p>At any general meeting, a resolution put to the vote of the meeting shall in the first instance be decided on a show of hands, unless-</p> <p>(a) A poll is demanded under section 109 of the Act.</p> <p>(b) Voting is carried out electronically under section 108 of the Act.</p> <p>A declaration by the Chairman of the meeting of the passing of a resolution on show of hands and an entry to that effect in the minutes book shall be conclusive evidence of the fact of passing of such resolution. No proof of numbers of votes casts in favor of and against the resolution is required.</p>	
<b>Voting through Electronic Means (Section 108)</b>	
<b>e-Voting</b>	General meetings of companies are held at their registered offices and it is not possible for every member specially members holding minor shares to travel up to the registered office of the company and participate in the general meetings of the company. To eliminate this type of difficulty and to enhance the participation of minority members, concept of e-voting has been introduced by the Companies Act 2013. Now a member can cast his vote easily through electronic mode without physically attending the general meeting.
<b>Attend the meeting</b>	E-voting do not eliminate members right to physically attend and vote at the general meeting. However, member can cast his vote through one mode only. A member after casting his vote through e-voting can go and attend the general meeting but cannot cast vote in that general meeting.
<b>Applicability:</b>	Section 108 of the Act shall apply to such companies as may be prescribed by the Central Government. The prescribed class of companies, for this purpose, are-

	(i) All companies whose equity shares are listed on a recognized stock exchange; and (ii) All companies having 1000 or more members.
<b>Non-applicability</b>	Following companies are out of ambit of e-voting: - 1. Companies having whose debenture/preference shares are only listed. 2. Companies listed on SME trading platform. 3. Companies listed on institutional trading platform.

<b>Meaning of certain terms</b>	
Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 defines some of the terms relating to voting through electronic means as follows:	
<b>Cut-off date</b>	“Cut-off date” means a date not earlier than seven days before the date of general meeting for determining the eligibility to vote by electronic means in the general meeting.
<b>Cyber security</b>	“Cyber security” means protecting information, equipment, devices, computer, computer resource, communication device and information stored therein from un-authorized access, use, disclosures, disruption, modification or destruction.
<b>Electronic voting system</b>	“Electronic voting system” means a secured system based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favor or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate cyber security.
<b>Remote e-voting</b>	“Remote e-voting” means the facility of casting votes by a member using an electronic voting system from a place other than venue of a general meeting.
<b>Secured system</b>	“Secured system” means computer hardware, software, and procedure that (a) are reasonably secure from unauthorized access and misuse; (b) provide a reasonable level of reliability and correct operation; (c) are reasonably suited to performing the intended functions; and (d) adhere to generally accepted security procedures.

<b>E-Voting</b>	
<b>(a) The Board shall appoint one or more scrutinizers for e-voting or the ballot process</b>	
The scrutinizer (s) may be a Company Secretary in Practice, a Chartered Accountant in Practice, a Cost Accountant in Practice, or an Advocate or any other person of repute who is not in the employment of the company and who can, in the opinion of the Board, scrutinize the e-voting process or the ballot process in a fair and transparent manner.	
<b>(b) The Board shall appoint an Agency.</b>	
<b>(c) The Board shall decide the cut-off date for the purpose of reckoning the names of Members who are entitled to Voting Rights.</b>	

<b>(d) The Board shall authorize the Chairman or in his absence, any other Director to receive the scrutinizer’s register, report on e-voting and other related papers with requisite details.</b>
<p><b>(e) Notice of Meeting</b></p> <p>The notice of the meeting shall clearly state that: -</p> <p>(i) the company is providing facility for voting by electronic means and the business may be transacted through such voting.</p> <p>(ii) the facility for voting, either through voting by electronic means or ballot/polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.</p> <p>(iii) that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.</p>

<b>Voting through Electronic Means- Other Provisions</b>	
<b>1. Additional Disclosures in notice</b>	<p>The notice shall –</p> <p>(i) indicate the process and manner for voting by electronic means;</p> <p>(ii) indicate the time schedule including the time period during which the votes may be cast by remote e-voting;</p> <p>(iii) provide the details about the login ID;</p> <p>(iv) specify the process and manner for generating or receiving the password and for casting of vote in a secure manner.</p>
<b>2. Public notice by way of advertisement</b>	<p>(i) The company shall cause a public notice by way of an advertisement to be published, immediately on completion of dispatch of notice of general meeting.</p> <p>(ii) The public notice shall be published at least twenty-one days before the date of general meeting, at least once in a vernacular language of the district in which the registered office of the company is situated, and at least once in English language in an English newspaper having country-wide circulation.</p> <p>(iii) The public notice shall specify the following matter in the said advertisement</p> <p>(a) a statement that the business may be transacted through voting by electronic means;</p> <p>(b) The date and time of commencement of remote e-voting;</p> <p>(c) The date and time of end of remote e-voting;</p> <p>(d) Cut-off date;</p>



	<p>(e) The manner in which persons who have acquired shares and become members of the company after the dispatch of notice may obtain the login ID and password;</p> <p>(f) A statement that remote e-voting shall not be allowed beyond the said date and time;</p> <p>(g) Website address of the company, if any, and of the agency where notice of the meeting is displayed; and</p> <p>(h) Name, designation, address, email id and phone number of the person responsible to address the grievances connected with facility for voting by electronic means.</p> <p>The public notice shall be placed on the website of the company, if any, and of the agency. Such notice shall remain on the website till the date of general meeting.</p>
<b>3.Remote e-voting</b>	<p>(i) The facility for remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on the date preceding the date of the general meeting.</p> <p>(ii) During the period when facility for remote e-voting is provided, the members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may opt for remote e-voting.</p> <p>(iii) Once a member has cast his vote on a resolution, he shall not be allowed to change it subsequently or cast the vote again.</p> <p style="padding-left: 40px;">(a) A member may participate in the general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.</p> <p style="padding-left: 40px;">(b) At the end of the remote e-voting period, the facility shall forthwith be blocked.</p>
<b>4. Appointment of scrutinizer</b>	<p>(i) The Board of Directors shall appoint one or more scrutinizer(s).</p> <p>(ii) The scrutinizer(s) may be a Chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an Advocate, or any other person who is not in employment of the company and is a person of repute who, in the opinion of the Board can scrutinize the voting and remote e-voting process in a fair and transparent manner. At least one of the scrutinizers shall be a member who is present at the Meeting provided such members is available and willing to be appointed.</p> <p>(iii) The scrutinizer may take assistance of a person who is not in employment of the company and who is well-versed with the electronic voting system.</p>

<p><b>5. Voting at General Meeting</b></p>	<p>(i) During general meeting, a company may opt to provide the same electronic voting system as used during remote e-voting. In such a case, the members attending the general meeting and who have not exercised their right to vote through remote e-voting, shall be entitled to vote using the electronic voting system.</p> <p>(ii) At the general meeting, after conclusion of the discussion, the chairman shall, with the assistance of scrutinizers, allow voting on the resolutions, by use of polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.</p>
<p><b>6. Declaration of result of voting</b></p>	<p>(i) The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company.</p> <p>(ii) The scrutinizer shall make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.</p> <p>(iii) The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.</p> <p>(iv) The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall be displayed on the Notice Board of the company at its Registered Office.</p> <p>(v) The scrutinizers' register, report and other related papers received from the scrutinizer(s) shall be kept in the custody of the Company Secretary or any other person authorized by the Board for this purpose.</p> <p>(vi) The manner in which members have cast their votes, that is, affirming or negating the resolution, shall remain secret and not available to the Chairman, scrutinizer or any other person till the votes are cast in the general meeting.</p> <p>(vii) If the requisite number of votes are cast in favor of the resolution, the resolution shall be deemed to be passed on the date of relevant general meeting.</p> <p>(viii) The results declared along with the report of the scrutinizer shall be placed on the notice board of the company at its registered office and on the website of the company.</p> <p>(ix) In case of companies whose equity shares are listed on a recognized stock exchange, the company shall, simultaneously, forward the results to the concerned stock exchange or exchanges where its equity shares are</p>

	listed and such stock exchange or exchanges shall place the results on its or their website.
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### **Demand for Poll (Section 109)**

Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf by the following person(s):

(a) in the case a company having a share capital: by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than Rs.5,00,000/- or such higher amount as may be prescribed, has been paid-up; and

(b) in the case of any other company: by any member or members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power.

A poll shall be taken at such time, not being later than 48 hours from the time when the demand was made on any other question.

The Chairman shall announce the date, venue and time of taking the poll to enable members to have adequate and convenient opportunity to exercise their votes.

Further, the Chairman may permit any member who so desires to be present at the time of counting the votes.

Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary, to scrutinize the poll process and votes given on the poll and to report thereon to him. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

### **Postal Ballot (Section 110)**

<b>Meaning of postal ballot</b>	As per section 2(65) “postal ballot” means voting by post or through any electronic mode. It includes voting by shareholders by postal or electronic mode instead of voting personally for transacting businesses in a general meeting of the company.
	Each item proposed to be passed through postal ballot shall be in the form of a Resolution.
<b>Send draft resolution along with notice</b>	<p>A company shall send a notice and draft resolution by registered post to all shareholders explaining the reasons and requesting them to send their assent or dissent in writing on a postal ballot.</p> <p>If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.</p>

<b>Meaning of requisite majority</b>	Requisite majority with regard to special resolution means votes cast in favor of the business is three times more than the votes cast against, with regard to ordinary resolution, votes cast in favor is more than the votes cast against.
<b>Postal ballot mandatory in certain cases</b>	Every company shall transact such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot.
<b>Postal ballot optional in certain cases</b>	A company may use postal ballot for transacting any item of business, other than (a) Ordinary business and (b) Any business in respect of which directors or auditors have a right to be heard at any meeting.

### **MANDATORY BUSINESS TO BE TRANSACTED THROUGH POSTAL BALLOT**

#### **[Rule 22 of Companies (Management and Administration) Rules, 2014]**

The following items of business shall be transacted only by means of voting through postal ballot:

- (a) Alteration of the objects clause of the memorandum.
- (b) Alteration of articles of association in relation to insertion or removal of provisions defining a private company.
- (c) Change in place of registered office outside the local limits of any city, town or village.
- (d) Change in objects for which a company has raised money from public through prospectus and still has any unutilized amount out of the money so raised.
- (e) Issue of shares with differential rights as to voting or dividend or otherwise.
- (f) Buy-back of shares by a company.
- (g) Election of a 'small shareholders' director.
- (h) Sale of the whole or substantially the whole of an undertaking of a company.
- (i) Giving loans or extending guarantee or providing security exceeding 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account.

<b>NOTE</b>	Following companies are not required to transact any business through postal ballot. (i) One-person company (ii) All other companies having members up to 200.
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**Rule 22 of the Companies (Management and Administration) Rules, 2014** lay down the procedure to be followed for conducting business through postal ballot.

<b>(1) Notice to all shareholders</b>	The company shall send a notice to all the shareholders, along with a draft resolution explaining the reasons therefor and requesting them to send their assent or dissent in writing on a postal ballot because postal ballot means voting by post or through electronic means within a period of thirty days from the date of dispatch of the notice.
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<b>(2) Mode of sending documents</b>	The notice shall be sent (a) By Registered Post or speed post, or (b) Through electronic means like registered e-mail id or (c) Through courier service
<b>(3) Publishing of an advertisement</b>	The company shall issue an advertisement to be published at least once in a vernacular newspaper of the district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, stating that the ballot papers have been dispatched.
<b>(4) Notice to be placed on the website</b>	The notice of the postal ballot shall also be placed on the website of the company forthwith after the notice is sent to the members. Such notice shall remain on such website till the last date for receipt of the postal ballots from the members.
<b>(5) Appointment of scrutinizer</b>	The Board of directors shall appoint one scrutinizer, who is not in employment of the company and who, in the opinion of the Board can conduct the postal ballot voting process in a fair and transparent manner.  The scrutinizer may be a Company Secretary in Practice, a Chartered Accountant in Practice, a Cost Accountant in Practice, an Advocate or any other person of repute who is not in the employment of the company and, who can in the opinion of the Board, scrutinize the postal ballot process in a fair and transparent manner.
<b>(6) Safe custody of registers and papers</b>	Postal ballot received back from the shareholders shall be kept in the safe custody of the scrutinizer and after the receipt of assent or dissent of the shareholder in writing on a postal ballot, no person shall deface or destroy the ballot paper or declare the identity of the shareholder.
<b>(7) Submission of report of the scrutinizer</b>	The scrutinizer shall submit his report as soon as possible after the last date of receipt of postal ballots but not later than seven days thereof.
<b>(8) Maintenance of register by the Scrutinizer</b>	The scrutinizer shall maintain a register either manually or electronically to record their assent or dissent received, mentioning the particulars of the shareholder and details of postal ballots which are received in defaced or mutilated form and postal ballot forms which are invalid.
<b>(9) Preservation of postal ballots</b>	The postal ballot and all other papers relating to postal ballot including voting by electronic means, shall be under the safe custody of the scrutinizer till the chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall return the ballot papers and other related papers or register to the company who shall preserve such ballot papers and other related papers or register safely.
<b>(10) Reply from members</b>	The assent or dissent received after thirty days from the date of issue of notice shall be treated as if reply from the member has not been received.

<b>(11) Declaration of result</b>	The results shall be declared by placing it, along with the scrutinizer's report, on the website of the company.
<b>(12) Resolution deemed to be passed</b>	The resolution shall be deemed to be passed on the date of at a meeting convened in that behalf.

**A postal ballot form shall be considered invalid if:**

- (a) A form other than one issued by the company has been used;
- (b) It has not been signed by or on behalf of the Member;
- (c) Signature on the postal ballot form doesn't match the specimen signatures with the company;
- (d) It is not possible to determine without any doubt the assent or dissent of the Member;
- (e) Neither assent nor dissent is mentioned;
- (f) Any competent authority has given directions in writing to the company to freeze the Voting Rights of the Member;
- (g) The envelope containing the postal ballot form is received after the last date prescribed;
- (h) The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;
- (i) It is received from a Member who is in arrears of payment of calls;
- (j) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established.

**Rescinding the Resolution**

A Resolution passed by postal ballot shall not be rescinded otherwise than by a Resolution passed subsequently through postal ballot.

**Modification to the Resolution**

No amendment or modification shall be made to any Resolution circulated to the Members for passing by means of postal ballot.

**Circulation of Members' Resolution (Section 111)**

A company shall, on requisition in writing of certain number of members, give notice to members of any proposed resolution intended to be moved in the meeting. The company shall be bound to give notice of resolution only if the requisition is deposited not less than six weeks before the meeting.

**Representation of President and Governors in Meetings (Section 112)**

Section 112 of the Act provides that President of India or the Governor of a State, if he is a member of a company, may appoint such person as he thinks fit, to act as his representative at any meeting of the company. The person so appointed shall be deemed to be a members and have the same rights including the right to vote by proxy or postal ballot, as the President or Governor could exercise as a member of the company.

**Ordinary and Special Resolutions (Section 114)**

**Ordinary Resolution**

A resolution shall be an ordinary resolution if it is required to be passed by the votes cast, whether on a show of hands, or electronically or on a poll in favor of the resolution, including the casting vote, if any, of the Chairman, by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy or by postal ballot, exceed the votes cast against the resolution by members, so entitled and voting.

**Special Resolution**

A resolution shall be a special resolution when:

- (a) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution;
- (b) the notice required under this Act has been duly given; and
- (c) the votes cast in favor of the resolution, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be **not less than three times** the number of the votes, if any, cast against the resolution by members so entitled and voting.

**NOTE:**

If the notice convening the meeting (where at special business will be transacted) does not state, the nature of the special business, the meeting would be deemed to have been convened irregularly. Consequently, that special business cannot be dealt with at the meeting.

**Resolutions requiring Special Notice (Section 115)**

Section 115 provides that where, by any provision contained in this Act or in the articles of a company, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the company by such number of members holding not less than 1% of total voting power or holding shares on which such aggregate sum not exceeding Rs.5,00,000/- as may be prescribed has been paid-up and the company shall give its members notice of the resolution in the following manner as prescribed in Rules.

**The matters in respect of which special notice is required are:**

- (a) A resolution for appointment of a person as auditor at the annual general meeting other than the retiring auditor for providing expressly that the retiring auditor shall not be re-appointed [Section 140(4)];
- (b) A resolution for removing a director before the expiry of the period of his office and appointing someone in the place of the director so removed [Section 169(2)].

**Procedure for special notice**

**1.Signing of special notice**

Special notice required to be given to the company shall be signed, either individually or collectively by such number of members holding not less than one percent of total voting power or holding shares on which an aggregate sum of not more than five lakh rupees has been paid up on the date of the notice.

<b>2. Sending of notice to the company</b>	Such notice shall be sent by members to the company not earlier than three months but at least 14 days before the date of the meeting at which the resolution is to be moved, exclusive of the day on which the notice is given and the day of the meeting.
<b>3. On receipt of notice by the company</b>	The company shall immediately after receipt of the notice, give its members notice of the resolution at least seven days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any general meetings.
<b>4. Publication of notice</b>	Where it is not practicable to give the notice in the same manner as it gives notice of any general meetings, the notice shall be published in English language in English newspaper and in vernacular language in a vernacular newspaper, both having wide circulation in the State where the registered office of the Company is situated. Such notice shall also be posted on the website, if any, of the Company. Such notice shall be published at least seven days before the meeting, exclusive of the day of publication of the notice and day of the meeting.

#### **Resolutions passed at Adjourned Meeting**

As per Section 116 where a resolution is passed at an adjourned meeting of a company; or the holders of any class of shares in a company; or the Board of Directors, the resolution shall be treated as passed on the day it was actually passed and not on any earlier date.

#### **Resolutions and Agreements to be filed with the Registrar**

Section 117 provides that a copy of every resolution and an agreement in respect of matters specified therein together with the explanatory statement shall be filed in Form No. MGT.14 with the Registrar within thirty days of its passing.

The Registrar shall register the same and in case of any default, a company and every officer who is in default including the liquidator shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

*Resolutions and agreements to be filed with the Registrar are as under:*

- (a) special resolutions
- (b) resolutions which have been agreed to by all the members of a company
- (c) any resolution of the Board of Directors of a company
- (d) resolutions or agreements which have been agreed to by any class of members
- (e) resolutions requiring a company to be wound up voluntarily

#### **Minutes**

<b>Meaning</b>	Minutes are written records of the proceedings of a meeting.
<b>Required</b>	Section 118 provides that every company shall prepare, sign and keep minutes of proceedings of every general meeting, including the meeting called by the requisitionists and all proceedings of meeting of any class of shareholders or creditors or Board of Directors or committee of the Board and also resolution



	<p>passed by postal ballot within thirty days of the conclusion of every such meeting concerned.</p> <p>In case of meeting of Board of Directors or of a committee of Board, the minutes shall contain name of the directors present and also name of dissenting director or a director who has not concurred the resolution.</p>
<b>Important Points</b>	<p>It preserves a correct record of the decisions of a meeting.</p> <p>Recording of the minutes starts with the name of the meeting, date, time, place and the persons who attended the meeting.</p> <p>Each page of the book be initialed by CM.</p> <p>The minutes of each meeting shall contain a fair and correct summary of the proceedings.</p> <p>All appointments of officers made at any of the meeting shall be included.</p> <p>Minutes need not contain such matters which in the opinion of CM :-</p> <ol style="list-style-type: none"> <li>1. Is or could reasonably be regarded as defamatory of any person.</li> <li>2. Is irrelevant</li> <li>3. Is detrimental to the interest of the co.</li> </ol> <p>CM shall exercise an absolute discretion in regard to inclusion or non-inclusion of any matter in the minutes. Minutes must be ready within 30 days of meeting.</p>
<b>Location and inspection of minute books</b>	<p>The minute book shall be kept at the registered office of the co. and Open, during business hours, to the inspection of any member without charge subject to reasonable restrictions. However, at least 2 hours in each day are to be allowed for inspection.</p> <p>A member shall be entitled to get a copy of any minutes on payment of prescribed fee.</p>
<p><i>As per section 118(10) every company shall observe Secretarial Standards with respect to General and Board Meetings specified by the Institute of Company Secretaries of India.</i></p>	
<p><b>Secretarial Standard on Minutes</b></p>	
<p>A distinct Minutes Book shall be maintained for Meetings of the Members of the company, creditors and others.</p> <p>Resolutions passed by postal ballot shall be recorded in the Minutes book of General Meetings.</p>	

<p><b>Precautions to be taken while preparing the minutes</b></p>	
<p><b>(1) Uniformity in the manner of maintaining minutes</b></p>	<p>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.</p> <p>Minutes may be maintained in electronic form in such manner as prescribed under the Act and as may be decided by the Board.</p> <p>Minutes in electronic form shall be maintained with Time stamp.</p> <p>Time stamp under SS-2 has been defined to mean the current time of an event that is recorded by a secured computer system and is used to describe the time</p>

	that is printed to a file or other location to help keep track of when data is added, removed, sent or received.
<b>(2) Page Numbering</b>	The pages of the Minutes Books shall be consecutively numbered. 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.
	(1) Binding of minutes: Minutes of Meetings, if maintained in loose-leaf form, shall be bound periodically depending on the size and volume. (2) Place of keeping minutes: Minutes Books shall be kept at the Registered Office of the company or at such other place, as may be approved by the Board.
<b>Contents of Minutes</b>	
<b>(i) General Contents</b>	Minutes shall state, at the beginning the Meeting, name of the company, day, date, venue and time of commencement and conclusion of the Meeting. In case a Meeting is adjourned, the Minutes shall be entered in respect of the original Meeting as well as the adjourned Meeting. In respect of a Meeting convened but adjourned for want of Quorum a statement to that effect shall be recorded by the Chairman or any Director present at the Meeting in the Minutes. Minutes shall record the names of the Directors and the Company Secretary present at 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.
<b>(ii) Specific Contents</b>	Minutes shall, inter alia, contain: (a) The Record of election, if any, of the Chairman of the Meeting. (b) The fact that certain registers, documents, the Auditor's Report and Secretarial Audit Report, as prescribed under the Act were available for inspection. (c) The Record of presence of Quorum. (d) The number of Members present in person including representatives. (e) The number of proxies and the number of shares represented by them. (f) The presence of the Chairmen of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee or their authorized representatives. (g) The presence if any, of the Secretarial Auditor, the Auditors, or their authorized representatives, the Court/Tribunal appointed observers or scrutinizers. (h) Summary of the opening remarks of the Chairman. (i) In respect of each Resolution, the type of the Resolution, the names of the persons who proposed and seconded and the majority with which such Resolution was passed. (j) In the case of poll, the names of scrutinizers appointed and the number of votes cast in favor and against the Resolution and invalid votes. (k) If the Chairman vacates the Chair in respect of any specific item, the fact that he did so and in his place some other Director or Member took the Chair. (l) The time of commencement and conclusion of the Meeting.

**Minutes of E-Voting and postal ballot**

In respect of Resolutions passed by e-voting or postal ballot, a brief report on the e-voting or postal ballot conducted including the Resolution proposed, the result of the voting thereon and the summary of the scrutinizer's report shall be recorded in the Minutes Book and signed by the Chairman or in the event of death or inability of the Chairman, by any Director duly authorized by the Board for the purpose, within thirty days from the date of passing of Resolution by e-voting or postal ballot.

**Recording of Minutes**

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 authorized by the Board or by the Chairman in this behalf shall record the proceedings.

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.

**Entry in the Minutes Book**

Minutes shall be entered in the Minutes Book within thirty days from the date of conclusion of the Meeting.  
 In case a Meeting is adjourned, the Minutes in respect of the original Meeting as well as the adjourned Meeting shall be entered in the Minutes Book within thirty days from the date of the respective meetings.  
 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 authorized by the Board or the Chairman. Minutes, once entered in the Minutes Book, shall not be altered.

**Signing and Dating of Minutes**

Minutes of a 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 thirty days of the General Meeting.  
 The Chairman shall initial each page of the Minutes, sign the last page and append to such signature the date on which and the place where he has signed the 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.

**Rule 25 of Companies (Management and Administration) Rules, 2014** contains provisions with regards to minutes of meetings.

**(A) Distinct minute book for each**

A distinct minute book shall be maintained for each type of meeting namely:  
 (i) general meetings of the members;  
 (ii) meetings of the creditors;  
 (iii) meetings of the Board; and

<b>type of meeting</b>	(iv) meetings of the committees of the Board. It may be noted that resolutions passed by postal ballot shall be recorded in the minute book of general meetings.
<b>(B) Manner of maintenance of minutes</b>	Minutes of proceedings of each meeting shall be entered in the books maintained for that purpose along with the date of such entry within thirty days of the conclusion of the meeting.
<b>(C) Manner of signing of minutes</b>	Each page of every minute book shall be initialed or signed and the last page of the record of proceedings of each meeting or each report in such books shall be dated and signed by: — in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the chairman of the said meeting or the chairman of the next succeeding meeting; — in the case of minutes of proceedings of a general meeting, by the chairman of the same meeting within the aforesaid period of thirty days; — in case of every resolution passed by postal ballot, by the chairman of the Board within the aforesaid period of thirty days.
<b>(D) Preservation of minutes book</b>	Minute books of general meetings shall be kept at the registered office of the company. Minutes of the Board and committee meetings shall be kept at the registered office or at such other place as may be approved by the Board. Minutes books shall be preserved permanently and kept in the custody of the company secretary of the company or any director duly authorized by the Board for the purpose and shall be kept in the registered office or such place as the members may decide by passing special resolution.

<b>Inspection of Minute book of General Meeting (Section 119)</b>	
<b>(1) Place of keeping minutes book</b>	The minute's book of general meetings or of a resolution passed by postal ballot shall (a) be kept at the registered office of a company; and (b) shall be open for inspection to members during business hours without any charge subject to such restrictions as the company may, by its articles or in general meeting, impose so, however, that shall not be less than two hours in each business day are allowed for inspection.
<b>(2) Issue of copy of minutes to the member</b>	Any member shall be entitled to be furnished, within seven working days after he has made a request in that behalf to the company, with a copy of any minutes of any general meeting, on payment of such sum as may be specified in the articles of the company but not exceeding a sum of ten rupees for each page or part of any page. A member who has made a request for provision of soft copy in respect of minutes of any previous general meetings held during a period of immediately preceding three financial years shall be entitled to be furnished, with the same free of cost.
	<b>Refusal of inspection or furnishing of copy of minutes:</b>  If any inspection under sub- section (1) is refused, or if any copy required under sub-section (2) is not furnished within the time specified therein, the company

	shall be liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default shall be liable to a penalty of five thousand rupees for each such refusal or default, as the case may be.
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### **Secretarial Standard on Inspection and Extracts of Minutes**

Inspection of Minutes Book may be provided in physical or in electronic form. While providing inspection of Minutes Book, 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 of the Minutes shall be given only after the Minutes have been duly signed. However, any Resolution passed at a Meeting may be issued even pending signing of the Minutes, provided the same is certified by the Chairman or any Director or the Company Secretary. Where a Member requests for the copy of the Minutes in electronic form, in respect of any previous General Meetings held during a period immediately preceding three financial years, the company shall furnish the same on payment of not exceeding Rs. 10 per page.

### **Report on Annual General Meeting (Section 121)**

Section 121 of the Companies Act, 2013 provides the preparation of report on each annual general meeting which is to be filed with the registrar.

<b>(1) Report to be prepared by the listed public company</b>	Every listed public company is required to prepare a report on each annual general meeting including the confirmation to the effect that the meeting was convened, held and conducted as per the provisions of the Act and the rules made thereunder.
<b>(2) Filing of the report with the Registrar</b>	A copy of the report is to be filed with the Registrar in Form No. MGT. 15 within thirty days of the conclusion of annual general meeting along with the prescribed fee, within the time as specified, under section 403.
<b>(3) Default in filing of the report</b>	If the company fails to file the report before the expiry of the period specified under section 403 with additional fee, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.

According to **Rule 31 of Companies (Management and Administration) Rules, 2014**, the report shall be prepared in the following manner:

#### **(1) AGM Report**

- (a) The report on AGM shall be prepared in addition to the minutes of the general meeting.
- (b) The report shall contain fair and correct summary of the proceedings of the AGM.

**(2) Signing of the report:**

The report shall be signed and dated by the Chairman of the meeting or in case of his inability to sign, by any two directors of the company, one of whom shall be the Managing director, if there is one and company secretary.

**(3) Contents of the report:**

Such report shall contain the details in respect of the following:

- The day, date, hour and venue of the annual general meeting.
- Confirmation with respect to appointment of Chairman of the meeting.
- Number of members attending the meeting.
- Confirmation of quorum.
- Confirmation with respect to compliance of the Act and the Rules, secretarial standards made there under with respect to calling, convening and conducting the meeting.
- Business transacted at the meeting and result thereof with a brief summary of the discussion.
- Particulars with respect to any adjournment, postponement of meeting, change in venue.
- Any other points relevant for inclusion in the Report.