

SECTION 96 OF THE COMPANIES ACT, 2013 - MEETINGS AND PROCEEDINGS - ANNUAL GENERAL MEETING - REVISED SS-2 - REVISED SECRETARIAL STANDARD ON GENERAL MEETINGS

The Notification ICSI No.1 (SS) of 2015 dated 23rd April, 2015, published in the Gazette of India, Part III, section 4, with regard to (i) SS-1: Secretarial Standard on Meetings of the Board of Directors and (ii) SS-2: Secretarial Standard on General Meetings, stands withdrawn* w.e.f. 30th September, 2017 without affecting the enforceability of SS-1 and SS-2 during the period before such withdrawal.

[*Since there is no such statutory requirement for publication of the aforesaid Secretarial Standards in the Gazette of India]

Clarification One

Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) were approved by the Central Government under section 118(10) of the Companies Act, 2013 on 10th April, 2015 and were published in the Gazette of India Extraordinary Part III -Section 4 on 23rd April, 2015 *vide* ICSI Notification No. (1) SS of 2015, making them effective from 1st July, 2015.

SS-1 and SS-2 have now been revised by ICSI and the same have been approved by the Ministry of Corporate Affairs (MCA) *vide* its letter No. 1/3/2014-CL.I dated 14th June, 2017.

The revised SS-1 and SS-2 shall be applicable to all the companies (except the exempted class of companies) w.e.f. 1st October, 2017 and accordingly all Board Meetings (including meetings of committees of Board) and General Meetings in respect of which Notices are issued on or after 1st October, 2017 need to comply with the revised SS-1 and SS-2. The existing SS-1 and SS-2 will be applicable to the Board Meetings and General Meetings held on or before 30th September, 2017.

Need for Revision in the Secretarial Standards

Revisions in Secretarial Standards (SS-1 & SS-2) have been made considering the following:

- Companies (Amendment) Act, 2015 and amendments to the Rules notified by MCA
- Exemption Notification(s) issued by MCA dated 5th June 2015
- Relaxations aimed to further ease of doing business
- Feedback received from members on practical difficulties that emerged during the first time implementation of Secretarial Standards
- To remove the interpretation issues
- Issues/suggestions received from different stakeholders.

Clarification Two

Q 1. Is the observance of Secretarial Standards issued by ICSI mandatory?

Ans. Section 118(10) of the Companies Act, 2013 mandates the observance of Secretarial Standards on General and Board Meetings specified by the Institute of Company Secretaries of India and approved by the Central Government.

Accordingly, the Secretarial Standards on Meetings of the Board of Directors ("SS-1") and Secretarial Standards on General Meetings ("SS-2"), as approved by the Central Government, have been issued by the ICSI for observance by all companies (except exempted class of companies).

Q 2. What is the effective date of revised SS-1 and SS-2?

Ans. The revised SS-1 & SS-2 shall be applicable for compliance by all the companies (except the exempted class of companies) w.e.f. 1st October, 2017 in respect of Meetings of Board & its Committees and General Meetings for which Notices are issued on or after the said date, and will supersede the existing SS-1 and SS-2.

Q 3. Will the existing SS-1 and SS-2 be applicable to the Board Meetings and General Meetings

held on or before 30th September, 2017?

Ans. Yes, the existing SS-1 and SS-2 will be applicable to the Board Meetings and General Meetings held on or before 30th September, 2017. It is only the ICSI Gazette Notification No. (1) SS of 2015 which shall stand withdrawn w.e.f 30th September 2017, without affecting the enforceability of existing SS-1 and SS-2 on such Meetings.

Q4. Will the revised SS-1 and SS-2 be applicable to the Board/General Meetings convened on 1st October, 2017 or thereafter, even if Notice of the Meeting is issued before 1st October, 2017 by complying with existing SS?

Ans. The Revised Secretarial Standards (SS-1 and SS-2) shall apply to Board Meetings and General Meetings, in respect of which Notices are issued on or after 1st October, 2017.

Q 5. Whether the Revised SS-1 and SS-2 be notified in the Gazette of India to ensure its enforceability?

Ans. The SS-1 and SS-2 have been revised by the ICSI and the same have been approved by the MCA vide its letter No. 1/3/2014-CL.I dated 14th June, 2017. As the existing approval of Central Government under section 118(10) of the Companies Act, 2013 would suffice for the enforceability of revised SS-1 & SS-2, these are not required to be notified in the Gazette of India.

Q 6. What would be the position if a particular Standard becomes inconsistent due to subsequent changes in the law?

Ans. If, due to subsequent changes in the law, a particular Standard or any part thereof becomes inconsistent with such law, the provisions of the said law shall prevail.

SECTION 96 OF THE COMPANIES ACT, 2013 – MEETINGS AND PROCEEDINGS – ANNUAL GENERAL MEETING – REVISED SS-2 – REVISED SECRETARIAL STANDARD ON GENERAL MEETINGS {EFFECTIVE FROM 1-10-2017}

Following is the text of the Secretarial Standard-2 (SS-2) on "General Meetings", issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government.

Adherence by a company to this Secretarial Standard is mandatory, as per the provisions of the Companies Act, 2013.

(In this Secretarial Standard, the Standard portions have been set in bold type. These shall be read in the context of the background material which has been set in normal type. Both the Standard portions and the background material have equal authority).

INTRODUCTION

This Standard seeks to prescribe a set of principles for the convening and conducting of General Meetings and matters related thereto.

This Standard also deals with conduct of e-voting and postal ballot.

SCOPE

This Standard is applicable to all types of General Meetings of all companies incorporated under the Act except One Person Company (OPC) and a company licensed under section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.

However, section 8 companies need to comply with the applicable provisions of the Act relating to General Meetings.

The principles enunciated in this Standard for General Meetings of Members are applicable *mutatis mutandis* to Meetings of debenture-holders and creditors. A Meeting of the Members or class of Members or debenture-holders or creditors of a company under the directions of the Court or the Company Law Board (CLB) or the National Company Law Tribunal (NCLT) or any other prescribed authority shall be governed by this Standard without prejudice to any rules, regulations and directions

prescribed for and orders of, such courts, judicial forums and other authorities with respect to the conduct of such Meetings.

This Standard is in conformity with the provisions of the Act. However, if, due to subsequent changes in the Act, a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail.

DEFINITIONS

The following terms are used in this Standard with the meaning specified:

"Act" means the Companies Act, 2013 (Act No. 18 of 2013) or any previous enactment thereof, or any statutory modification thereto, or re-enactment thereof and includes any Rules and Regulations framed thereunder.

"Agency" means agency approved or recognised by the Ministry of Corporate Affairs and appointed by the Board for providing and supervising electronic platform for voting.

"Articles" means the Articles of Association of a company, as originally framed or as altered from time to time or applied in pursuance of any previous company law or the Companies Act, 2013.

"Calendar Year" means calendar year as per Gregorian calendar, *i.e.*, a period of one year which begins on 1st January and ends on 31st December.

"Chairman" means the Chairman of the Board or the Chairman appointed or elected for a Meeting.

"Maintenance" means keeping registers and records either in physical or electronic form, as may be permitted under any law for the time being in force, and includes the making of necessary entries therein, the authentication of such entries and the preservation of such physical or electronic records.

"Meeting" or "General Meeting" or "Annual General Meeting" or "Extraordinary General Meeting" means a duly convened, held and conducted Meeting of Members.

"Minutes" means a formal written record, in physical or electronic form, of the proceedings of a Meeting.

"Minutes Book" means a Book maintained in physical or in electronic form for the purpose of recording of Minutes.

"National Holiday" means Republic Day *i.e.* 26th January, Independence Day *i.e.* 15th August, Gandhi Jayanti *i.e.* 2nd October and such other day as may be declared as National Holiday by the Central Government.

"Ordinary Business" means business to be transacted at an Annual General Meeting relating to (i) the consideration of financial statements, consolidated financial statements, if any, and the reports of the Board of Directors and Auditors; (ii) the declaration of any dividend; (iii) the appointment of Directors in the place of those retiring; and (iv) the appointment or ratification thereof and fixing of remuneration of the Auditors.

"Proxy" means an instrument in writing signed by a Member, authorising another person, whether a Member or not, to attend and vote on his behalf at a Meeting and also where the context so requires, the person so appointed by a Member.

"Quorum" means the minimum number of Members whose presence is necessary for holding of a Meeting.

"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.

"Secretarial Auditor" means a Company Secretary in Practice or a firm of Company Secretary(ies) in Practice appointed in pursuance of the Act to conduct the secretarial audit of the company.

"Secured Computer 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.

"*Special Business*" means business other than the Ordinary Business to be transacted at an Annual General Meeting and all business to be transacted at any other General Meeting.

"*Timestamp*" means the current time of an event that is recorded by a Secured Computer System and is used to describe the time that is printed to a file or other location to help keep track of when data is added, removed, sent or received.

"*Voting by electronic means*" includes "remote e-voting" and voting at the general meeting through an electronic voting system which may be the same as used for remote e-voting.

"*Voting by postal ballot*" means voting by ballot, by post or by electronic means.

"*Voting Right*" means the right of a Member to vote on any matter at a Meeting of Members or by means of e-voting or postal or physical ballot.

Words and expressions used and not defined herein shall have the meanings respectively assigned to them under the Act.

SECRETARIAL STANDARD

1. Convening a Meeting

1.1 Authority

A General Meeting shall be convened by or on the authority of the Board.

The Board shall, every year, convene or authorise convening of a Meeting of its Members called the Annual General Meeting to transact items of Ordinary Business specifically required to be transacted at an Annual General Meeting as well as Special Business, if any. If the Board fails to convene its Annual General Meeting in any year, any Member of the company may approach the prescribed authority, which may then direct the calling of the Annual General Meeting of the company.

The Board may also, whenever it deems fit, call an Extraordinary General Meeting of the company.

The Board shall, on the requisition of Members who hold, as on the date of the receipt of a valid requisition,

- (a) in the case of company having a share capital, not less than one-tenth of the paid-up share capital carrying Voting Rights or
- (b) in the case of a company not having share capital, not less than one-tenth of total voting power of the company,

call an Extraordinary General Meeting of the company.

If, on receipt of a valid requisition having been made in this behalf, the Board, within twenty-one days from the date of such receipt, fails to call a Meeting on any day within forty-five days from the date of receipt of such requisition, the requisitionists may themselves call and hold the Meeting within three months from the date of requisition, in the same manner in which the Board should have called and held the Meeting.

Explanatory statement need not 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.

Such requisition shall not pertain to any item of business that is required to be transacted mandatorily through postal ballot.

1.2 Notice

1.2.1 Notice in writing of every Meeting shall be given to every Member of the company. Such Notice shall also be given to the Directors and Auditors of the company, to the Secretarial Auditor, to Debenture Trustees, if any, and, wherever applicable or so required, to other specified persons.

In case of a Nidhi, Notice may be served individually only on Members who hold shares of more than one thousand rupees in face value or more than one per cent of the total paid-up share capital of the company, whichever is less. For other Members, Notice may be served by a public notice in newspaper circulated in the district where the Registered Office of the company is situated and by displaying the same on the Notice Board of the company.

In the case of Members, Notice shall be given at the address registered with the company or depository. In the case of shares or other securities held jointly by two or more persons, the Notice shall be given to the person whose name appears first as per records of the company or the depository, as the case may be. In the case of any other person who is entitled to receive Notice, the same shall be given to such person at the address provided by him.

Where the company has received intimation of death of a Member, the Notice of Meeting shall be sent as under:

- (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;

In the absence of a Nominee, the Notice shall be sent to the legal representative of the deceased Member.

In case of insolvency of a Member, the Notice shall be sent to the assignee of the insolvent Member.

In case the Member is a company or body corporate which is being wound up, Notice shall be sent to the liquidator.

1.2.2 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. 'Electronic means' means any communication sent by a company through its authorised and secured computer programme which is capable of producing confirmation and keeping record of such communication addressed to the person entitled to receive such communication at the last electronic mail address provided by the Member.

In case the Notice and accompanying documents are given by e-mail, these shall be sent at the Members' e-mail addresses, registered with the company or provided by the depository, in the manner prescribed under the Act.

The company shall 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" for such period as decided by the Board, which shall not be less than three years from the date of the Meeting.

In case of the Directors, Auditors, Secretarial Auditors and others, if any, the Notice and accompanying documents shall be sent at the e-mail addresses provided by them to the company, if being sent by 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 the one followed by the company, 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 e-mail if the Meeting is called by the

requisitionists themselves where the Board had not proceeded to call the Meeting.

1.2.3 In case of companies having a website, the Notice shall simultaneously be hosted on the website till the conclusion of the Meeting.

In case of a private company, the Notice shall be hosted on the website of the company, if any, unless otherwise provided in the Articles.

1.2.4 Notice shall specify the day, date, time and full address of the venue of the Meeting.

Notice of Annual General Meeting shall also specify the serial number of the Meeting.

Notice shall contain complete particulars of the venue of the Meeting including route map and prominent land mark, if any, for easy location, except in case of -

- (i) a company in which only its directors and their relatives are members;
- (ii) a wholly owned subsidiary.

An Annual General Meeting and a Meeting called by the requisitionists shall be called during business hours, *i.e.*, between 9 a.m. and 6 p.m., on a day that is not a National Holiday.

Annual General Meetings shall 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, whereas other General Meetings may be held at any place within India. A Meeting called by the requisitionists shall 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.

In case of a Government company, the Annual General Meeting shall be held at its registered office or any other place with the approval of the Central Government, as may be required in this behalf.

Notice of a company which has a share capital or the Articles of which provide for voting at a Meeting by Proxy, shall prominently contain a statement that a Member entitled to attend and vote is entitled to appoint a Proxy, or where that is allowed, one or more Proxies, to attend and vote instead of himself and that a Proxy need not be a Member.

In case of a private company, the Notice shall specify the entitlement of a member to appoint Proxy in accordance with this para, unless otherwise provided in the Articles.

1.2.5 Notice shall clearly specify the nature of the Meeting and the business to be transacted thereat. In respect of items of Special Business, each such item shall be in the form of a Resolution and shall be accompanied by an explanatory statement which shall set out all such facts as would enable a Member to understand the meaning, scope and implications of the item of business and to take a decision thereon. In respect of items of Ordinary Business, Resolutions are not required to be stated in the Notice.

The nature of the concern or interest (financial or otherwise), if any, of the following persons, in any special item of business or in a proposed Resolution, shall be disclosed in the explanatory statement:

- (a) Directors and Manager;
- (b) Other Key Managerial Personnel; and
- (c) Relatives of the persons mentioned above.

In case any item of Special Business to be transacted at a Meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every Promoter, Director, Manager and of every other Key Managerial Personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be stated in the explanatory statement.

Where reference is made to any document, contract, agreement, the Memorandum of Association or Articles of Association, the relevant explanatory statement shall state that such documents are available for inspection and such documents shall be so made available for inspection in physical or in electronic form during specified business hours at the Registered Office of the company and copies thereof shall

also be made available for inspection in physical or electronic form at the Head Office as well as Corporate Office of the company, if any, if such office is situated elsewhere, and also at the Meeting.

In case of a private company, explanatory statement shall comply with the above requirements, unless otherwise provided in the Articles.

In all cases relating to the appointment or re-appointment and/or fixation of remuneration of Directors including Managing Director or Executive Director or Whole-time Director or of Manager or variation of the terms of remuneration, details of each such Director or Manager, including age, qualifications, experience, terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable, date of first appointment on the Board, shareholding in the company, relationship with other Directors, Manager and other Key Managerial Personnel of the company, the number of Meetings of the Board attended during the year and other Directorships, Membership/Chairmanship of Committees of other Boards shall be given in the explanatory statement.

In case of appointment of Independent Directors, the justification for choosing the appointees for appointment as Independent Directors shall be disclosed and in case of re-appointment of Independent Directors, performance evaluation report of such Director or summary thereof shall be included in the explanatory statement.

1.2.6 Notice and accompanying documents shall be given at least twenty-one clear days in advance of the Meeting.

For the purpose of reckoning twenty-one days clear Notice, the day of sending the Notice and the day of Meeting shall not be counted. Further in case the company sends the Notice by post or courier, an additional two days shall be provided for the service of Notice.

In case of a private company, the period of sending Notice including accompanying documents shall be as stated above, unless otherwise provided in the Articles.

In case a valid special Notice under the Act has been received from Member(s), the company shall give Notice of the Resolution to all its Members 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 a Notice of any General Meeting is to be given.

Where this is not practicable, the Notice shall be published 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, at least seven days before the Meeting, exclusive of the day of publication of the Notice and day of the Meeting. In case of companies having a website, such Notice shall simultaneously be hosted on the website.

1.2.7 Notice and accompanying documents may be given at a shorter period of time if consent in writing is given thereto, by physical or electronic means, by not less than ninety-five per cent of the Members entitled to vote at such Meeting.

The request for consenting to shorter Notice and accompanying documents shall be sent together with the Notice and the Meeting shall be held only if the consent is received prior to the time fixed for the Meeting from not less than ninety-five per cent of the Members entitled to vote at such Meeting.

The company shall ensure compliance of provisions relating to appointment of Proxy unless all the Members entitled to vote at such Meeting, consent to holding of the General Meeting at shorter Notice.

In case of a private company, consent for shorter Notice shall be obtained from such number of members as specified in this para, unless otherwise provided in the Articles.

1.2.8 No business shall be transacted at a Meeting if Notice in accordance with this Standard has not been given.

However, any accidental omission to give Notice to, or the non-receipt of such Notice by any Member or

other person who is entitled to such Notice for any Meeting shall not invalidate the proceedings of the Meeting.

1.2.9 No items of business other than those specified in the Notice and those specifically permitted under the Act shall be taken up at the Meeting.

A Resolution shall be valid only if it is passed in respect of an item of business contained in the Notice convening the Meeting or it is specifically permitted under the Act.

Items specifically permitted under the Act which may be taken up for consideration at the Meeting are :

- (a) Proposed Resolutions, the Notice of which has been given by Members;
- (b) Resolutions requiring special Notice, if received with the intention to move;
- (c) Candidature for Directorship, if any such Notice has been received.

Where special Notice is required of any Resolution and Notice of the intention to move such Resolution is received by the company from the prescribed number of Members, such item of business shall be placed for consideration at the Meeting after giving Notice of the Resolution to Members in the manner prescribed under the Act.

Any amendment to the Notice, including the addition of any item of business, can be made provided the Notice of amendment is given to all persons entitled to receive the Notice of the Meeting at least twenty-one clear days before the Meeting.

1.2.10 Notice shall be accompanied, by an attendance slip and a Proxy form with clear instructions for filling, stamping, signing and/or depositing the Proxy form.

1.2.11 A Meeting convened upon due Notice shall not be postponed or cancelled.

If, for reasons beyond the control of the Board, a Meeting cannot be held on the date originally fixed, the Board may reconvene the Meeting, to transact the same business as specified in the original Notice, after giving not less than three days intimation to the Members. The intimation shall be either sent individually in the manner stated in this Standard or published 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.

2. Frequency of Meetings

2.1 Annual General Meeting

Every company shall, in each Calendar Year, hold a General Meeting called the Annual General Meeting.

Every company shall hold its first Annual General Meeting within nine months from the date of closing of the first financial year of the company and thereafter in each Calendar Year within six months of the close of the financial year, with an interval of not more than fifteen months between two successive Annual General Meetings. The aforesaid period of six months or interval of fifteen months may be extended by a period not exceeding three months with the prior approval of the Registrar of Companies, in case of any Annual General Meeting other than the first Annual General Meeting. If a company holds its first Annual General Meeting, as aforesaid, it shall not be necessary for the company to hold any Annual General Meeting in the Calendar Year of its incorporation.

2.2 Extraordinary General Meeting

Items of business other than Ordinary Business may be considered at an Extra-ordinary General Meeting or by means of a postal ballot, if thought fit by the Board.

3. Quorum

3.1 Quorum shall be present throughout the Meeting.

Quorum shall be present not only at the time of commencement of the Meeting but also while transacting business.

Unless the Articles provide for a larger number, the Quorum for a General Meeting shall be:

- (a) in case of a public company,—
 - (i) five Members personally present if the number of Members as on the date of Meeting is not more than one thousand;
 - (ii) fifteen Members personally present if the number of Members as on the date of Meeting is more than one thousand but up to five thousand;
 - (iii) thirty Members personally present if the number of Members as on the date of the Meeting exceeds five thousand;
- (b) in the case of a private company, two Members personally present.

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.

3.2 A duly authorised 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 authorised 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 authorised 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.

4. Presence of Directors and Auditors

4.1 Directors

4.1.1 If any Director is unable to attend the Meeting, the Chairman shall explain such absence at the Meeting.

The Chairman of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee, or any other Member of any such Committee authorised by the Chairman of the respective Committee to attend on his behalf, shall attend the General Meeting.

4.1.2 Directors who attend General Meetings of the company and the Company Secretary shall be seated with the Chairman.

The Company Secretary shall assist the Chairman in conducting the Meeting.

4.2 Auditors

The Auditors, unless exempted by the company, shall, either by themselves or through their authorised representative, attend the General Meetings of the company and shall have the right to be heard at such Meetings on that part of the business which concerns them as Auditors.

The authorised representative who attends the General Meeting of the company shall also be qualified to be an Auditor.

4.3 Secretarial Auditor

The Secretarial Auditor, unless exempted by the company shall, either by himself or through his authorised representative, attend the Annual General Meeting and shall have the right to be heard at such Meeting on that part of the business which concerns him as Secretarial Auditor.

The Chairman may invite the Secretarial Auditor or his authorised representative to attend any other General Meeting, if he considers it necessary.

The authorised representative who attends the General Meeting of the company shall also be qualified to be a Secretarial Auditor.

5. Chairman

5.1 Appointment

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.

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.

In case of a private company, appointment of the Chairman shall be in accordance with this para, unless otherwise provided in the Articles.

The Chairman shall ensure that the Meeting is duly constituted in accordance with the Act and the Articles or any other applicable laws, before it proceeds to transact business. The Chairman shall then conduct the Meeting in a fair and impartial manner and ensure that only such business as has been set out in the Notice is transacted. The Chairman shall regulate the manner in which voting is conducted at the Meeting keeping in view the provisions of the Act.

5.2 The Chairman shall explain the objective and implications of the Resolutions before they are put to vote at the Meeting.

The Chairman shall provide a fair opportunity to Members who are entitled to vote to seek clarifications and/or offer comments related to any item of business and address the same, as warranted.

5.3 In case of public companies, the Chairman shall not propose any Resolution in which he is deemed to be concerned or interested nor shall he conduct the proceedings for that item of business.

If the Chairman is interested in any item of business, without prejudice to his Voting Rights on Resolutions, he shall entrust the conduct of the proceedings in respect of such item to any Non-Interested Director or to a Member, with the consent of the Members present, and resume the Chair after that item of business has been transacted.

6. Proxies

6.1 Right to Appoint

A Member entitled to attend and vote is entitled to appoint a Proxy, or where that is allowed, one or more Proxies, to attend and vote instead of himself and a Proxy need not be a Member.

A Proxy can act on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the company carrying Voting Rights.

However, a Member holding more than ten per cent 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.

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.

In case of a private company, the Proxy shall be appointed in accordance with this para, unless otherwise provided in the Articles.

6.2 Form of Proxy

6.2.1 An instrument appointing a Proxy shall be in the Form prescribed under the Act.

Such instrument shall not be questioned on the ground that it fails to comply with any special requirements specified by the Articles of a company.

The instrument of Proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

6.2.2 An instrument of Proxy duly filled, stamped and signed, is valid only for the Meeting to which it relates including any adjournment thereof.

6.3 Stamping of Proxies

An instrument of Proxy is valid only if it is properly stamped as per the applicable law. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid.

6.4 Execution of Proxies

6.4.1 The Proxy-holder shall prove his identity at the time of attending the Meeting.

6.4.2 An authorised representative of a body corporate or of the President of India or of the Governor of a State, holding shares in a company, may appoint a Proxy under his signature.

6.5 Proxies in Blank and Incomplete Proxies

6.5.1 A Proxy form which does not state the name of the Proxy shall not be considered valid.

6.5.2 Undated Proxy shall not be considered valid.

6.5.3 If a company receives multiple Proxies for the same holdings of a Member, the Proxy which is dated last shall be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple Proxies shall be treated as invalid.

6.6 Deposit of Proxies and Authorisations

6.6.1 Proxies shall be deposited with the company either in person or through post not later than forty-eight hours before the commencement of the Meeting in relation to which they are deposited and a Proxy shall be accepted even on a holiday if the last date by which it could be accepted is a holiday.

Any provision in the Articles of a company which specifies or requires a longer period for deposit of Proxy than forty-eight hours before a Meeting of the company shall have effect as if a period of forty-eight hours had been specified in or required for such deposit.

In case of a private company, the Proxy shall be deposited with the company in accordance with this para, unless otherwise provided in the Articles.

6.6.2 If the Articles so provide, a Member who has not appointed a Proxy to attend and vote on his behalf at a Meeting may appoint a Proxy for any adjourned Meeting, not later than forty-eight hours before the time of such adjourned Meeting.

6.6.3 In case of remote e-voting:

- (i) the letter of appointment of representative(s) of the President of India or the Governor of a State; or**
- (ii) the authorisation in respect of representative(s) of the Corporations;**

shall be received by the scrutiniser/company on or before close of e-voting.

In case of postal ballot such letter of appointment/authorisation shall be submitted to the scrutiniser alongwith physical ballot form.

If the representative attends the Meeting in person to vote thereat, the letter of appointment/authorisation, as the case may be, shall be submitted before the commencement of Meeting.

6.7 Revocation of Proxies

6.7.1 If a Proxy had been appointed for the original Meeting and such Meeting is adjourned, any Proxy given for the adjourned Meeting revokes the Proxy given for the original Meeting.

6.7.2 A Proxy later in date revokes any Proxy/Proxies dated prior to such Proxy.

6.7.3 A Proxy is valid until written notice of revocation has been received by the company before the commencement of the Meeting or adjourned Meeting, as the case may be.

An undated notice of revocation of Proxy shall not be accepted. A notice of revocation shall be signed by the same Member(s) who had signed the Proxy, in the case of joint Membership.

6.7.4 When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy stands automatically revoked.

6.8 Inspection of Proxies

6.8.1 Requisitions, if any, for inspection of Proxies shall be received in writing from a Member entitled to vote on any Resolution at least three days before the commencement of the Meeting.

6.8.2 Proxies shall be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.

Inspection shall be allowed between 9 a.m. and 6 p.m. during such period.

In case of a private company, inspection of Proxies shall be as stated above, unless otherwise provided in the Articles.

6.8.3 A fresh requisition, conforming to the above requirements, shall be given for inspection of Proxies in case the original Meeting is adjourned.

6.9 Record of Proxies

6.9.1 All Proxies received by the company shall be recorded chronologically in a register kept for that purpose.

6.9.2 In case any Proxy entered in the register is rejected, the reasons therefor shall be entered in the remarks column.

7. Voting

7.1 Proposing a Resolution at a Meeting

Every Resolution, except a Resolution which has been put to vote through Remote e-Voting or on which a poll has been demanded, shall be proposed by a Member and seconded by another Member.

7.2 E-voting

7.2.1 Every company having its equity shares listed on a recognized stock exchange other than companies whose equity shares are listed on SME Exchange or on the Institutional Trading Platform and other companies as prescribed shall provide e-voting facility to their Members to exercise their Voting Rights.

Other companies presently prescribed are companies having not less than one thousand Members.

Nidhis are not required to provide e-voting facility to their Members.

The facility of Remote e-voting does not dispense with the requirement of holding a General Meeting by the company.

7.2.2 Voting at the Meeting

Every company, which has provided e-voting facility to its Members, shall also put every Resolution to vote through a ballot process at the Meeting.

Ballot process may be carried out by distributing ballot/poll slips or by making arrangement for voting through computer or secure electronic systems.

Any Member, who has already exercised his votes through Remote e-voting, may attend the Meeting but is prohibited to vote at the Meeting and his vote, if any, cast at the Meeting shall be treated as invalid.

A Proxy can vote in the ballot process.

7.3 Show of Hands

Every company shall, at the Meeting, put every Resolution, except a Resolution which has been put to Remote e-voting, to vote on a show of hands at the first instance, unless a poll is validly demanded.

A Proxy cannot vote on a show of hands.

In case of a private company, the voting by show of hands shall be in accordance with this para, unless otherwise provided in the Articles.

7.4 Poll

The Chairman shall order a poll upon receipt of a valid demand for poll either before or on the declaration of the result of the voting on any Resolution on show of hands.

Poll in such cases shall be through a Ballot process.

While a Proxy cannot speak at the Meeting, he has the right to demand or join in the demand for a poll.

The poll may be taken by the Chairman, on his own motion also.

In case of a private company, the poll shall be conducted in accordance with this para, unless otherwise provided in the Articles.

7.5 Voting Rights

7.5.1 Every Member holding equity shares and, in certain cases as prescribed in the Act, every Member holding preference shares, shall be entitled to vote on a Resolution.

Every Member entitled to vote on a Resolution and present in person shall, on a show of hands, have only one vote irrespective of the number of shares held by him.

A Member present in person or by Proxy shall, on a poll or ballot, have votes in proportion to his share in the paid up equity share capital of the company, subject to differential rights as to voting, if any, attached to certain shares as stipulated in the Articles or by the terms of issue of such shares.

Preference shareholders have a right to vote only in certain cases as prescribed under the Act.

In case of a private company, the Voting Rights shall be reckoned in accordance with this para, unless otherwise provided in the Memorandum or Articles of the company.

In case of a Nidhi, no Member shall exercise Voting Rights on poll in excess of five per cent of total Voting Rights of equity shareholders.

7.5.2 A Member who is a related party is not entitled to vote on a Resolution relating to approval of any contract or arrangement in which such Member is a related party.

In case of a private company, a member who is a related party is entitled to vote on such

Resolution.

A member who is a related party is entitled to vote on a Resolution pertaining to approval of any contract or arrangement to be entered into by:

- (a) A Government company with any other Government company; or**
- (b) An unlisted Government company with the prior approval of competent authority, other than those contract or arrangements referred in clause (a).**

7.6 Second or Casting Vote

Unless otherwise provided in the Articles, in the event of equality of votes, whether on show of hands or electronically or on a poll, the Chairman of the Meeting shall have a second or casting vote.

Where the Chairman has entrusted the conduct of proceedings in respect of an item in which he is interested to any Non-Interested Director or to a Member, a person who so takes the Chair shall have a second or casting vote.

8. Conduct of e-voting

8.1 Every company that is required or opts to provide e-voting facility to its Members shall comply with the provisions in this regard.

8.2 Every company providing e-voting facility shall offer such facility to all Members, irrespective of whether they hold shares in physical form or in dematerialised form.

8.3 The facility for Remote e-voting shall remain open for not less than three days.

The voting period shall close at 5 p.m. on the day preceding the date of the General Meeting.

8.4 Board Approval

The Board shall:

(a) appoint one or more scrutinisers for e-voting or the ballot process;

The scrutiniser(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, scrutinise the e-voting process or the ballot process, as the case may be, in a fair and transparent manner.

The scrutiniser(s) so appointed may take assistance of a person who is not in employment of the company and who is well-versed with the e-voting system.

Prior consent to act as a scrutiniser(s) shall be obtained from the scrutiniser(s) and placed before the Board for noting.

(b) appoint an Agency;

(c) decide the cut-off date for the purpose of reckoning the names of Members who are entitled to Voting Rights;

The cut-off date for determining the Members who are entitled to vote through Remote e-voting or voting at the meeting shall be a date not earlier than seven days prior to the date fixed for the Meeting.

Only Members as on the cut-off date, who have not exercised their Voting Rights through Remote e-voting, shall be entitled to vote at the Meeting.

8.5 Notice

8.5.1 Notice of the Meeting, wherein the facility of e-voting is provided, shall be sent either by registered post or speed post or by courier or by e-mail or by any other electronic means.

An advertisement containing prescribed details shall be published, immediately on completion of despatch of Notices for Meeting but at least twenty one days before the date of the General Meeting, at least once in a vernacular newspaper in the principal vernacular language 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 country-wide circulation, and specifying therein, *inter alia* the following matters, namely :

- (a) A statement to the effect that the business may be transacted by e-voting;
- (b) The date and time of commencement of Remote e-voting;
- (c) The date and time of end of Remote e-voting;
- (d) The cut-off date as on which the right of voting of the Members shall be reckoned;
- (e) The manner in which persons who have acquired shares and become Members after the despatch of Notice may obtain the login ID and password;
- (f) The manner in which company shall provide for voting by Members present at the Meeting;
- (g) The statement that:
 - (i) Remote e-voting shall not be allowed beyond the said date and time;
 - (ii) a Member may participate in the General Meeting even after exercising his right to vote through Remote e-voting but shall not be entitled to vote again; and
 - (iii) a Member as on the cut-off date shall only be entitled for availing the Remote e-voting facility or vote, as the case may be, in the General Meeting;
- (h) Website address of the company, in case of companies having a website and Agency where Notice is displayed; and
- (i) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting.

Advertisement shall simultaneously be placed on the website of the company till the conclusion of Meeting, in case of companies having a website and of the Agency.

8.5.2 Notice shall simultaneously be placed on the website of the company, in case of companies having a website, and of the Agency.

Such Notice shall remain on the website till the date of General Meeting.

8.5.3 Notice shall inform the Members about procedure of Remote e-voting, availability of such facility and provide necessary information thereof to enable them to access such facility.

Notice shall clearly state that the company is providing e-voting facility and that the business may be transacted through such voting.

Notice shall describe clearly the Remote e-voting procedure and the procedure of voting at the General Meeting by Members who do not vote by Remote e-voting.

Notice shall also clearly specify the date and time of commencement and end of Remote e-voting and contain a statement that at the end of Remote e-voting period, the facility shall forthwith be blocked.

Notice shall also contain contact details of the official responsible to address the grievances connected with voting by electronic means.

Notice shall clearly specify that any Member, who has voted by Remote e-voting, cannot vote at the Meeting.

Notice shall also specify the mode of declaration of the results of e-voting.

Notice shall also clearly mention the cut-off date as on which the right of voting of the Members shall be reckoned and state that a person who is not a Member as on the cut off date should treat this Notice for information purposes only.

Notice shall provide the details about the login ID and the process and manner for generating or receiving the password and for casting of vote in a secure manner.

8.6 Declaration of results

8.6.1 The scrutiniser(s) shall submit his report within three days from the date of the Meeting to

the Chairman or a person authorised by him, who shall countersign the same and declare the result of the voting forthwith with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not.

8.6.2 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 for at least three days on the Notice Board of the company at its Registered Office and its Head Office as well as Corporate Office, if any, if such office is situated elsewhere. Further, the results of voting alongwith the scrutiniser's report shall also be placed on the website of the company, in case of companies having a website and of the Agency, immediately after the results are declared.

8.6.3 The Resolution, if passed by a requisite majority, shall be deemed to have been passed on the date of the relevant General Meeting.

8.7 Custody of scrutinisers' register, report and other related papers

The scrutinisers' register, report and other related papers received from the scrutiniser(s) shall be kept in the custody of the Company Secretary or any other person authorised by the Board for this purpose.

9. Conduct of Poll

9.1 When a poll is demanded on any Resolution, the Chairman shall get the validity of the demand verified and, if the demand is valid, shall order the poll forthwith if it is demanded on the question of appointment of the Chairman or adjournment of the Meeting and, in any other case, within forty-eight hours of the demand for poll.

9.2 In the case of a poll, which is not taken forthwith, 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 vote. The Chairman may permit any Member who so desires to be present at the time of counting of votes.

If the date, venue and time of taking the poll cannot be announced at the Meeting, the Chairman shall inform the Members, the modes and the time of such communication, which shall in any case be within twenty four hours of closure of the Meeting.

A Member who did not attend the Meeting can participate and vote in the poll in such cases.

In case of a private company, the demand and conduct of poll shall be as stated above, unless otherwise provided in the Articles.

9.3 Each Resolution put to vote by poll shall be put to vote separately.

One ballot paper may be used for more than one item.

9.4 Appointment of scrutinisers

The Chairman shall appoint such number of scrutinisers, as he deems necessary, who may include 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, to ensure that the scrutiny of the votes cast on a poll is done in a fair and transparent manner.

In case of a private company, the appointment of scrutiniser(s) shall be in accordance with this para, unless otherwise provided in the Articles.

9.5 Declaration of results

9.5.1 The scrutiniser(s) shall submit his report within seven days from the last date of the poll to the Chairman who shall countersign the same and declare the result of the poll within two days of the submission of report by the scrutiniser, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not.

In case Chairman is not available, for such purpose, the report by the scrutiniser shall be submitted to a

person authorised by the Chairman to receive such report, who shall countersign the scrutiniser's report on behalf of the Chairman.

The result shall be announced by the Chairman or any other person authorised by the Chairman in writing for this purpose.

The Chairman of the Meeting shall have the power to regulate the manner in which the poll shall be taken and shall ensure that the poll is scrutinised in the manner prescribed under the Act.

In case of a private company, the declaration of result of poll shall be in accordance with this para, unless otherwise provided in the Articles.

9.5.2 The result of the poll 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 for at least three days on the Notice Board of the company at its Registered Office and its Head Office as well as Corporate Office, if any, if such office is situated elsewhere, and in case of companies having a website, shall also be placed on the website.

9.5.3 The result of the poll shall be deemed to be the decision of the Meeting on the Resolution on which the poll was taken.

10. Prohibition on Withdrawal of Resolutions

Resolutions for items of business which are likely to affect the market price of the securities of the company shall not be withdrawn. Further, any resolution proposed for consideration through e-voting shall not be withdrawn.

11. Rescinding of Resolutions

A Resolution passed at a Meeting shall not be rescinded otherwise than by a Resolution passed at a subsequent Meeting.

12. Modifications to Resolutions

Modifications to any Resolution which do not change the purpose of the Resolution materially may be proposed, seconded and adopted by the requisite majority at the Meeting and, thereafter, the modified Resolution shall be duly proposed, seconded and put to vote.

No modification to any proposed text of the Resolution shall be made if it in any way alters the substance of the Resolution as set out in the Notice. Grammatical, clerical, factual and typographical errors, if any, may be corrected as deemed fit by the Chairman.

No modification shall be made to any Resolution which has already been put to vote by Remote e-voting before the Meeting.

13. Reading of Reports

13.1 The qualifications, observations or comments or other remarks, if any, mentioned in the Auditor's Report on the financial transactions, which have any adverse effect on the functioning of the company shall be read at the Annual General Meeting and attention of the Members present shall be drawn to the explanations/comments given by the Board of Directors in their report.

13.2 The qualifications, observations or comments or other remarks if any, mentioned in the Secretarial Audit Report issued by the Company Secretary in Practice, which have any material adverse effect on the functioning of the company, shall be read at the Annual General Meeting and attention of Members present shall be drawn to the explanations/comments given by the Board of Directors in their report.

14. Distribution of Gifts

No gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting.

15. Adjournment of Meetings

15.1 A duly convened Meeting shall not be adjourned unless circumstances so warrant. The Chairman may adjourn a Meeting with the consent of the Members, at which a Quorum is present, and shall adjourn a Meeting if so directed by the Members.

Meetings shall stand adjourned for want of requisite Quorum.

The Chairman may also adjourn a Meeting in the event of disorder or other like causes, when it becomes impossible to conduct the Meeting and complete its business.

15.2 If a Meeting is adjourned *sine-die* or for a period of thirty days or more, a Notice of the adjourned Meeting shall be given in accordance with the provisions contained hereinabove relating to Notice.

15.3 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.

However, if a Meeting is adjourned for a period not exceeding three days and where an announcement of adjournment has been made at the Meeting itself, giving in the details of day, date, time, venue and business to be transacted at the adjourned Meeting, the company may also opt to give Notice of such adjourned Meeting either individually or by publishing an advertisement, as stated above.

15.4 If a Meeting, other than an Annual General Meeting and 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 or at such other time and place as may be determined by the Board.

If a Meeting is adjourned for want of a Quorum to the same day on the next week, at the same time and place or with a change of day, time or place, 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.

If, at an adjourned Meeting, Quorum is not present within half an hour from the time appointed, the Members present, being not less than two in number, will constitute the Quorum.

An adjourned Annual General Meeting, adjourned for want of quorum or otherwise, shall not be held on a National Holiday, only if any item relating to filling up of vacancy of a director retiring by rotation is included in the agenda of such adjourned Meeting.

The company shall ensure compliance of the provisions of holding the Annual General Meeting every year, including adjournment thereof within a gap of not exceeding 15 months from the date of the previous Annual General Meeting or within such extended period permitted by the Registrar of Companies.

In case of a private company, the adjournment of Meeting for want of quorum shall be in accordance with this para, unless otherwise provided in the Articles.

15.5 If, within half an hour from the time appointed for holding a Meeting called by requisitionists, a Quorum is not present, the Meeting shall stand cancelled.

In case of a private company, the requisitioned meeting shall stand cancelled in accordance with this para, unless otherwise provided in the Articles.

15.6 At an adjourned Meeting, only the unfinished business of the original Meeting shall be considered.

Any Resolution passed at an adjourned Meeting would be deemed to have been passed on the date of the

adjourned Meeting and not on any earlier date.

16. Passing of Resolutions by postal ballot

16.1 Every company, except a company having less than or equal to two hundred Members, shall transact items of business as prescribed, only by means of postal ballot instead of transacting such business at a General Meeting.

The list of items of businesses requiring to be transacted only by means of a postal ballot is given at Annexure.

The Board may however opt to transact any other item of special business, not being any business in respect of which Directors or Auditors have a right to be heard at the Meeting, by means of postal ballot.

Ordinary Business shall not be transacted by means of a postal ballot.

16.2 Every company having its equity shares listed on a recognised stock exchange other than companies whose equity shares are listed on SME Exchange or on the Institutional Trading Platform and other companies which are required to provide e-voting facility shall provide such facility to its Members in respect of those items, which are required to be transacted through postal ballot.

Other companies presently prescribed are companies having not less than one thousand Members.

Nidhis are not required to provide e-voting facility to their Members.

16.3 Board Approval

The Board shall:

- (a) identify the businesses to be transacted through postal ballot;**
- (b) approve the Notice of postal ballot incorporating proposed Resolution(s) and explanatory statement thereto;**
- (c) authorise the Company Secretary or where there is no Company Secretary, any Director of the company to conduct postal ballot process and sign and send the Notice along with other documents;**
- (d) appoint one scrutiniser for the postal ballot;**

The scrutiniser 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, scrutinise the postal ballot process in a fair and transparent manner.

The scrutiniser shall however not be an officer or employee of the company.

The scrutiniser so appointed may take assistance of a person who is not in employment of the company and who is well-versed with the e-voting system.

Prior consent to act as a scrutiniser shall be obtained from the scrutiniser and placed before the Board for noting.
- (e) appoint an Agency in respect of e-voting for the postal ballot;**
- (f) decide the cut-off date for reckoning Voting Rights and ascertaining those Members to whom the Notice and postal ballot forms shall be sent.**

Only Members as on the cut-off date shall be entitled to vote on the proposed Resolution by postal ballot.

16.4 Notice

16.4.1 Notice of the postal ballot shall be given in writing to every Member of the company. Such Notice shall be sent either by registered post or speed post, or by courier or by e-mail or by any other electronic means at the address registered with the company.

The Notice shall be accompanied by the postal ballot form with the necessary instructions for filling, signing and returning the same.

In case the Notice and accompanying documents are sent to Members by e-mail, these shall be sent to the

Members' e-mail addresses, registered with the company or provided by the depository, in the manner prescribed under the Act.

Such Notice shall also be given to the Directors and Auditors of the company, to the Secretarial Auditor, to Debenture Trustees, if any, and, wherever applicable or so required, to other specified recipients.

An advertisement containing prescribed details shall be published at least once in a vernacular newspaper in the principal vernacular language 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, about having dispatched the Notice and the ballot papers.

16.4.2 In case of companies having a website, Notice of the postal ballot shall simultaneously be placed on the website.

Such Notice shall remain on the website till the last date for receipt of the postal ballot forms from the Members.

16.4.3 Notice shall specify the day, date, time and venue where the results of the voting by postal ballot will be announced and the link of the website where such results will be displayed.

Notice shall also specify the mode of declaration of the results of the voting by postal ballot.

16.4.4 Notice of the postal ballot shall inform the Members about availability of e-voting facility, if any, and provide necessary information thereof to enable them to access such facility.

In case the facility of e-voting has been made available, the provisions relating to conduct of e-voting shall apply, *mutatis mutandis*, as far as applicable.

Notice shall describe clearly the e-voting procedure.

Notice shall also clearly specify the date and time of commencement and end of e-voting, if any and contain a statement that voting shall not be allowed beyond the said date and time. Notice shall also contain contact details of the official responsible to address the grievances connected with the e-voting for postal ballot.

Notice shall clearly specify that any Member cannot vote both by post and e-voting and if he votes both by post and e-voting, his vote by post shall be treated as invalid.

The advertisement shall, *inter alia*, state the following matters:

- (a) a statement to the effect that the business is to be transacted by postal ballot which may include voting by electronic means;
- (b) the date of completion of dispatch of Notices;
- (c) the date of commencement of voting (postal and e-voting);
- (d) the date of end of voting (postal and e-voting);
- (e) the statement that any postal ballot form received from the Member after thirty days from the date of dispatch of Notice will not be valid;
- (f) a statement to the effect that Member who has not received postal ballot form may apply to the company and obtain a duplicate thereof;
- (g) contact details of the person responsible to address the queries/grievances connected with the voting by postal ballot including voting by electronic means, if any; and
- (h) day, date, time and venue of declaration of results and the link of the website where such results will be displayed.

Notice and the advertisement shall clearly mention the cut-off date as on which the right of voting of the Members shall be reckoned and state that a person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

16.4.5 Each item proposed to be passed through postal ballot shall be in the form of a Resolution and shall be accompanied by an explanatory statement which shall set out all such facts as would

enable a Member to understand the meaning, scope and implications of the item of business and to take a decision thereon.

16.5 Postal ballot forms

16.5.1 The postal ballot form shall be accompanied by a postage prepaid reply envelope addressed to the scrutiniser.

A single postal ballot form may provide for multiple items of business to be transacted.

16.5.2 The postal ballot form shall contain instructions as to the manner in which the form is to be completed, assent or dissent is to be recorded and its return to the scrutiniser.

The postal ballot form may specify instances in which such form shall be treated as invalid or rejected and procedure for issue of duplicate postal ballot forms.

16.5.3 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;**
- (k) Member has made any amendment to the Resolution or imposed any condition while exercising his vote.**

A postal ballot form which is otherwise complete in all respects and is lodged within the prescribed time limit but is undated shall be considered valid.

16.6 Declaration of results

16.6.1 The scrutiniser shall submit his report within seven days from the last date of receipt of postal ballot forms to the Chairman or a person authorised by him, who shall countersign the same and declare the result of the postal ballot on the date, time and venue specified in the Notice, with details of the number of votes cast for and against the Resolution, invalid votes and the final result as to whether the Resolution has been carried or not.

16.6.2 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, along with the scrutiniser's report shall be displayed for at least three days on the Notice Board of the company at its Registered Office and its Head Office as well as Corporate Office, if any, if such office is situated elsewhere, and also be placed on the website of the company, in case of companies having a website.

16.6.3 The Resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the company for receipt of duly completed postal ballot forms or e-voting.

16.7 Custody of scrutiniser's registers, report and other related papers

The postal ballot forms, other related papers, register and scrutiniser's report received from the scrutiniser shall be kept in the custody of the Company Secretary or any other person authorised by the Board for this purpose.

16.8 Rescinding the Resolution

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

16.9 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.

17. Minutes

Every company shall keep Minutes of all Meetings. Minutes kept in accordance with the provisions of the Act evidence the proceedings recorded therein. Minutes help in understanding the deliberations and decisions taken at the Meeting.

17.1 Maintenance of Minutes

17.1.1 Minutes shall be recorded in books maintained for that purpose.

17.1.2 A distinct Minutes Book shall be maintained for Meetings of the Members of the company, creditors and others as may be required under the Act.

Resolutions passed by postal ballot shall be recorded in the Minutes book of General Meetings.

17.1.3 A company may maintain its Minutes in physical or in electronic form.

Minutes may be maintained in electronic form in such manner as prescribed under the Act and as may be decided by the Board. Minutes in electronic form shall be maintained with Timestamp.

A company shall, however, follow a uniform and consistent form of maintaining the Minutes. Any deviation in such form of maintenance shall be authorised by the Board.

17.1.4 The pages of the Minutes Books shall be consecutively numbered.

This shall be followed irrespective of a break in the Book arising out of periodical binding in case the Minutes are maintained in physical form. This shall be equally applicable for maintenance of Minutes Book in electronic form with Timestamp.

In the event any page or part thereof in the Minutes Book is left blank, it shall be scored out and initialled by the Chairman who signs the Minutes.

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

17.1.6 Minutes of Meetings, if maintained in loose-leaf form, shall be bound periodically at least once in every three years.

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

17.1.7 Minutes Books shall be kept at the Registered Office of the company.

17.2 Contents of Minutes

17.2.1 General Contents

17.2.1.1 Minutes shall state, at the beginning the Meeting, name of the company, day, date, venue and time of commencement of the Meeting.

Minutes of Annual General Meeting shall also state the serial number 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.

17.2.1.2 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.

17.2.2 Specific Contents

17.2.2.1 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 authorised representatives.**
- (g) The presence if any, of the Secretarial Auditor, the Auditors, or their authorised representatives, the Court/Tribunal appointed observers or scrutinisers.**
- (h) Summary of the opening remarks of the Chairman.**
- (i) Reading of qualifications, observations or comments or other remarks on the financial transactions, which have any adverse effect on the functioning of the company, as mentioned in the report of the Auditors.**
- (j) Reading of qualifications, observations or comments or other remarks, which have any material adverse effect on the functioning of the company, as mentioned in the report of the Secretarial Auditor.**
- (k) Summary of the clarifications provided on various Agenda Items.**
- (l) 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.**

Where a motion is moved to modify a proposed Resolution, the result of voting on such motion shall be mentioned. If a Resolution proposed undergoes modification pursuant to a motion by shareholders, the Minutes shall contain the details of voting for the modified Resolution.

- (m) In the case of poll, the names of scrutinisers appointed and the number of votes cast in favour and against the Resolution and invalid votes.**
- (n) 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.**
- (o) The time of commencement and conclusion of the Meeting.**

17.2.2.2 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 scrutiniser'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 authorised by the Board for the purpose, within thirty days from the date of passing of Resolution by e-voting or postal ballot.

17.3 Recording of Minutes

17.3.1 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 authorised by the Board or by the Chairman in this behalf shall record the

proceedings.

The Chairman shall ensure that the proceedings of the Meeting are correctly recorded.

The Chairman has absolute discretion to exclude from the Minutes, matters which in his opinion are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or which are detrimental to the interests of the company.

17.3.2 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.

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

Numbering shall be in a manner which would enable ease of reference or cross-reference.

17.4 Entry in the Minutes Book

17.4.1 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.

17.4.2 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 authorised by the Board or the Chairman.

17.4.3 Minutes, once entered in the Minutes Book, shall not be altered.

17.5 Signing and Dating of Minutes

17.5.1 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 authorised by the Board for the purpose, within thirty days of the General Meeting.

17.5.2 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.

17.6 Inspection and Extracts of Minutes

17.6.1 Directors and Members are entitled to inspect the Minutes of all General Meetings including Resolutions passed by postal ballot.

Minutes of all General Meetings shall be open for inspection by any Member during business hours of the company, without charge, subject to such reasonable restrictions as the company may, by its Articles or in General Meeting, impose so, however, that not less than two hours in each business day are allowed for inspection.

The Company Secretary in Practice appointed by the company, the Secretarial Auditor, the Statutory Auditor, the Cost Auditor or the Internal Auditor of the company can inspect the Minutes as he may consider necessary for the performance of his duties.

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 authorised 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.

17.6.2 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.

When a Member requests in writing for a copy of any Minutes, which he is entitled to inspect, the company shall furnish the same within seven working days of receipt of his request, subject to payment of such fee as may be specified in the Articles of the company. In case 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 such fee as prescribed under the Act.

Copies of the Minutes or the extracts thereof as requisitioned by the Member, duly certified by the Company Secretary or where there is no Company Secretary, an officer duly authorised by the Board in this behalf, may be provided in physical or electronic form.

18. Preservation of Minutes and other Records

18.1 Minutes of all Meetings shall be preserved permanently in physical or in electronic form with Timestamp.

Where, under a scheme of arrangement, a company has been merged or amalgamated with another company, Minutes of all Meetings of the transferor company, as handed over to the transferee company, shall be preserved permanently by the transferee company, notwithstanding that the transferor company might have been dissolved.

18.2 Office copies of Notices, scrutiniser's report and related papers shall be preserved in good order in physical or in electronic form for as long as they remain current or for eight financial years, whichever is later and may be destroyed thereafter with the approval of the Board.

Office copies of Notices, scrutiniser's report and related papers of the transferor company, as handed over to the transferee company, shall be preserved in good order in physical or electronic form for as long as they remain current or for eight financial years, whichever is later and may be destroyed thereafter with the approval of the Board and permission of the Central Government, where applicable.

18.3 Minutes Books shall be kept in the custody of the Company Secretary.

Where there is no Company Secretary, Minutes shall be kept in the custody of any Director duly authorised for the purpose by the Board.

19. Report on Annual General Meeting

Every listed public company shall prepare a report on Annual General Meeting in the prescribed form, including a confirmation that the Meeting was convened, held and conducted as per the provisions of the Act.

Such report which shall be a fair and correct summary of the proceedings of the Meeting shall contain:

- (a) the day, date, time and venue of the Annual General Meeting;
- (b) confirmation with respect to appointment of Chairman of the Meeting;
- (c) number of Members attending the Meeting;
- (d) confirmation of Quorum;
- (e) confirmation with respect to compliance of the Act and Standards with respect to calling, convening and conducting the Meeting;
- (f) business transacted at the Meeting and result thereof with a brief summary of the discussions;
- (g) particulars with respect to any adjournment, postponement of Meeting, change in venue; and
- (h) any other points relevant for inclusion in the report.

Such report shall be filed with the Registrar of Companies within thirty days of the conclusion of the Annual General Meeting.

20. Disclosure

The Annual Return of a company shall disclose the date of Annual General Meeting held during the financial year.

EFFECTIVE DATE

This Standard shall come into effect from 1st October, 2017.

ANNEXURE

(Para 16.1)

Items of business which shall be passed only by postal ballot

1. Alteration of the objects clause of the Memorandum and in the case of the company in existence immediately before the commencement of the Act, alteration of the Main Objects of the Memorandum
2. Alteration of Articles of Association in relation to insertion or removal of provisions which are required to be included in the Articles of a company in order to constitute it a private company
3. Change in place of Registered Office outside the local limits of any city, town or village
4. Change in objects for which a company has raised money from public through prospectus and still has any unutilised amount out of the money so raised
5. Issue of shares with differential rights as to voting or dividend or otherwise
6. Variation in the rights attached to a class of shares or debentures or other securities
7. Buy-back of shares by a company
8. Appointment of a Director elected by Small Shareholders
9. Sale of the whole or substantially the whole of an undertaking of a company or where the company owns more than one undertaking, of whole or substantially the whole of any of such undertakings
10. Giving loans or extending guarantee or providing security in excess of the limit specified
11. Any other Resolution prescribed under any applicable law, rules or regulations.

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