

Secretarial Standard-1 (SS-1)

Meetings of the Board of Directors

Issued by Institute of Company Secretaries of India
(ICSI)

What is Secretarial Standard-1 (SS-1)?

- ▶ Secretarial Standards are issued by the Institute of Company Secretaries of India (ICSI).
- ▶ SS-1 provides a framework for conducting Board Meetings in a structured manner.
- ▶ Ensures uniformity, transparency, and accountability in corporate decision-making.
- ▶ Applicable to all companies (except One Person Companies. Section 8 companies and some exceptions for Private Companies).

Objectives of SS-1

- ▶ To establish best practices for Board Meetings.
- ▶ To ensure compliance with corporate laws and governance principles.
- ▶ To create transparency in decision-making at the Board level.
- ▶ To protect the interests of shareholders and stakeholders.

Applicability of SS-1

- ▶ Applicable to all companies governed by the Companies Act, 2013.
- ▶ Not applicable to One Person Companies (OPC) and Section 8 Companies.
- ▶ Mandatory compliance for listed and unlisted companies.
- ▶ Also applicable to Meetings of Committee (s) of the Board, unless any other guidelines ,rules or regulation is provided .
- ▶ Due to subsequent changes in the Act, if a particular Standard or any part thereof becomes inconsistent with the Act, the provisions of the Act shall prevail .

Convening a Meeting

- **Authority to Convene:**
 - Any **Director** may call a Board Meeting.
 - **Company Secretary** ensures compliance and facilitates scheduling.
 - If there is no **Company Secretary** and other person who is authorized by the board.
 - **The Chairman can adjourn the Meeting unless opposed by the majority.**
- **Electronic Participation:**
 - Any Director may participate through Electronic Mode unless participation prohibited by Act for any item of business.
 - Ensure secure identification and authentication of participants.

Meeting

- ▶ Every meeting shall have a serial number .
- ▶ May be convened at any time and place on any day ,
- ▶ Excluding National holiday.
- ▶ Directors can participate in meeting through electronic mode .(if allowed in AOA)

Notice of Board Meeting

- ▶ Notice must be sent at least 7 days before the meeting.
- ▶ Mode of communication:
 - by Hand delivery,
 - by speed post or by registered post.
 - by email
 - or by electronic means.
- ▶ Agenda and supporting documents must be attached with the notice.
- ▶ Must include date, time, venue, and agenda details.
- ▶ Proof of sending & delivery must be maintained
- ▶ In urgent cases, shorter notice is allowed with majority director approval.

Agenda & Notes on Agenda

- ▶ Agenda with notice must be circulated at least 7 days before the Meeting.
- ▶ Should contain serially numbered items of business.
- ▶ Notes on Agenda provide supporting details for decision-making.
- ▶ Urgent matters can be added with Chairman's approval.

Frequency of Meeting

- ▶ As per companies act 2013
 - min -4 meetings per year
 - max gap 120 days between 2 meetings
- Best practices
 - schedule meeting in advance for better availability
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 - additional meeting may be called for urgent matters .
 - maintain a calendar for compliance tracking

Meeting of Committees

- **Types of Committees:**
 - **Statutory Committees:** Audit, Nomination & Remuneration, CSR.
 - **Non-Statutory Committees:** Risk Management, Compliance.
- **Governed by:**
 - Companies Act, SEBI (LODR) Regulations, and Articles of Association.
- **Meeting Protocols:**
 - Committees must meet as per their charter.
 - Maintain **separate minutes** for committee meetings.
- **Reporting to the Board:**
 - All committee **decisions and recommendations must be reported** to the Board.
- ▶ **Independent Directors**

Shall meet at least once in a financial year without the attendance of Non independent and members of management

Quorum Requirements

- ▶ Quorum must be maintained throughout the meeting.
- ▶ Directors can participate in-person or via electronic mode (if allowed by AoA).
- ▶ Directors participated through electronic mode shall be counted in quorum.
- ▶ Minimum quorum: 1/3rd of total directors or 2, whichever is higher.
- ▶ Interested Directors are not counted for Quorum in relevant matters. However in case of Private Company, interested Director reckoned for quorum and entitled to participate after disclosure of interest.
- ▶ If quorum is not met, the meeting is adjourned to the same time and place on the next day.

Attendance at Meetings

- **Attendance Register**

- Company shall maintain a separate attendance register for the meeting of the board .
- Register should contain all the details of all meetings which include serial number, date, time ,place or in case of committee meeting name of committee, place of meeting, name and signatures of directors, Company Secretary and also of Invitees and their mode of presence if participating through Electronic Mode.
- To be maintained at Registered office or such other place as approved by Board.
- It is open for all directors for inspection
- It shall be kept in the custody of the Company Secretary
- To be preserved for atleast eight financial years.

- **Leave of absence**

it shall be granted to a director only when a request for such leave has been received by a **company secretary** or by **chairman**

Chairman of Meetings

▶ Presiding Officer-

The Chairman of the Board presides over the meeting.

• Election of Chairman-

If the designated Chairman is absent, the Board may elect one from among them.

• Duties & Responsibilities

- Maintain order and ensure structured discussions.
- Facilitate decision-making and fair voting.
- Adjourn meetings if quorum is not met.
- Address concerns raised by Directors.

Resolutions by Circulation

- ▶ Used for urgent matters where calling a meeting is impractical.
- ▶ Sent to all directors for approval via email or written communication.
- ▶ Resolution is passed if the majority of directors approve it.
- ▶ All resolutions approved by circulation must be recorded in the next Board Meeting.

Minutes of the Meeting

- ▶ Minutes book shall be maintained for meetings of board and each committee.
- ▶ Minutes may be maintained in physical or electronic form .
- ▶ Minutes shall be kept at registered office or such other place as approved by Board .
- ▶ Draft minutes should be prepared within 15 days after the meeting.
- ▶ Final minutes should be signed by the Chairman in next board meeting.
- ▶ Minutes must be stored safely and should not be altered once finalized.
- ▶ Minutes must be securely stored for at least 8 years
- ▶ Must include: Date, place, attendees, resolutions, and dissenting views (if any).

Minutes - Contents

▶ Basic Details

- Date, Time, and Place of the Meeting.
- Names of attendees (including those attending electronically).
- Agenda & Discussions
 - Summary of key discussions and decisions.
 - Resolutions passed and voting results.
 - Dissenting Views
 - Any objections or opposing views raised by directors.

Minutes - Recording

► Draft Preparation

- Must be prepared within 15 days after the meeting.
- Accuracy & Compliance
- Should accurately capture deliberations and conclusions.
- Review Process
- Directors may suggest changes before finalization.
- Minutes should be clear, concise and plain language

Minutes - Entry in Minutes Book & Signing

- Storage Requirement
 - Minutes must be entered in the Minutes book within 30 days from conclusion of meeting and in a bound minutes book and securely stored for at least 8 financial years.
 - Minutes to be preserved permanently in physical or electronic form with Timestamp.
 - Numbering & Indexing
 - Minutes should be sequentially numbered for easy reference.
 - Signing by Chairman of the meeting or chairman of the next meeting.
 - Ensures authenticity and legal validity and to be kept in custody of Company Secretary.

Legal Consequences for Non-Compliance

- ▶ The Report of Board of Directors to include a statement on Compliance of applicable Secretarial Standards.
- ▶ Companies and officers in default may face monetary penalties in case of non compliance.
- ▶ Repeated non-compliance may lead to stricter regulatory action.
- ▶ Companies may face reputational damage affecting investor confidence.

SS-1 Compliance

- ▶ Ensure notices are sent with proper documentation and within the deadline.
- ▶ Maintain accurate attendance registers and record dissenting views.
- ▶ Draft, finalize, and store minutes in a systematic manner.
- ▶ Regularly train Board members and company secretaries on SS-1 requirements.

Conclusion

- ▶ SS-1 ensures Board Meetings are conducted transparently and effectively.
- ▶ Following SS-1 helps companies maintain good governance standards.
- ▶ Non-compliance can lead to penalties and legal issues.
- ▶ Adopting best practices will help companies stay compliant and efficient.

*Thank
You*

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