

**SS – 5**

**SECRETARIAL STANDARD  
ON  
MINUTES**



The Institute of

**Company Secretaries** of India

IN PURSUIT OF PROFESSIONAL EXCELLENCE

*Statutory body under an Act of Parliament*

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## CONTENTS

	<i>Page</i>
PREFACE TO THE SECRETARIAL STANDARDS	3
SECRETARIAL STANDARD ON MINUTES	
INTRODUCTION	6
SCOPE	7
DEFINITIONS	7
SECRETARIAL STANDARDS	
1. MAINTENANCE	8
2. CONTENTS	8
2.1 <i>General Contents</i>	8
2.2 <i>Meetings of the Board or Committee</i>	9
2.3 <i>General Meetings</i>	10
3. RECORDING	11
4. <i>ENTRY</i>	11
5. FINALISATION	12
6. <i>SIGNING AND DATING</i>	12
7. INSPECTION	13
8. PRESERVATION	13
EFFECTIVE DATE	14

## **PREFACE TO THE SECRETARIAL STANDARDS**

### **Secretarial Standards Board and its Objectives**

The Institute of Company Secretaries of India, (ICSI), recognising the need for integration, harmonisation and standardisation of diverse secretarial practices, has constituted the Secretarial Standards Board (SSB) with the objective of formulating Secretarial Standards.

### **Scope and Functions of the Secretarial Standards Board**

The scope of SSB is to identify the areas in which Secretarial Standards need to be issued by the Council of ICSI and to formulate such Standards, taking into consideration the applicable laws, business environment and best secretarial practices. SSB will also clarify issues arising out of such Standards and issue guidance notes for the benefit of members of ICSI, corporates and other users.

The main functions of SSB are :

- (i) Formulating Secretarial Standards;
- (ii) Clarifying issues arising out of the Secretarial Standards;
- (iii) Issuing Guidance Notes; and
- (iv) Reviewing and updating the Secretarial Standards / Guidance Notes at periodic intervals.

### **Need for Secretarial Standards**

Companies follow diverse secretarial practices and, therefore, there is a need to integrate, harmonise and standardise such practices so as to promote uniformity and consistency.

### **Scope of Secretarial Standards**

The Secretarial Standards do not seek to substitute or supplant any existing laws or the rules and regulations framed thereunder but, in fact, seek to supplement such laws, rules and regulations.

Secretarial Standards that are issued will be in conformity with the provisions of the applicable laws. However, 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.

ICSI will endeavour to persuade the Government and appropriate authorities to enforce these Standards, to facilitate the adoption thereof by industry and corporate entities in order to achieve the desired objective of standardisation of secretarial practices.

## **Procedure for issuing Secretarial Standards**

The following procedure shall be adopted for formulating and issuing Secretarial Standards:

1. SSB, in consultation with the Council, shall determine the areas in which Secretarial Standards need to be formulated and the priority in regard to the selection thereof.
2. In the preparation of Secretarial Standards, SSB may constitute Working Groups to formulate preliminary drafts of the proposed Standards.
3. The preliminary draft of the Secretarial Standard prepared by the Working Group shall be circulated amongst the members of SSB for discussion and shall be modified appropriately, if so required.
4. The preliminary draft will then be circulated to the members of the Central Council as well as to Chairmen of Regional Councils/ Chapters of ICSI, various professional bodies, Chambers of Commerce, regulatory authorities such as the Ministry of Corporate Affairs, the Department of Economic Affairs, the Securities and Exchange Board of India, Reserve Bank of India, Department of Public Enterprises and to such other bodies/organisations as may be decided by SSB, for ascertaining their views, specifying a time-frame within which such views, comments and suggestions are to be received.

A meeting of SSB with the representatives of such bodies / organisations may then be held, if considered necessary, to examine and deliberate on their suggestions.

5. On the basis of the preliminary draft and the discussion with the bodies / organisations referred to in 4 above, an Exposure Draft will be prepared and published in the "Chartered Secretary", the journal of ICSI, and also put on the Website of ICSI to elicit comments from members and the public at large.
6. The draft of the proposed Secretarial Standard will generally include the following basic points:
  - (a) Concepts and fundamental principles relating to the subject of the Standard;
  - (b) Definitions and explanations of terms used in the Standard;
  - (c) Objectives of issuing the Standard;
  - (d) Disclosure requirements; and
  - (e) Date from which the Standard will be effective.

7. After taking into consideration the comments received, the draft of the proposed Secretarial Standard will be finalised by SSB and submitted to the Council of ICSI.
8. The Council will consider the final draft of the proposed Secretarial Standard and finalise the same in consultation with SSB. The Secretarial Standard on the relevant subject will then be issued under the authority of the Council.

### **Compliance with Secretarial Standards**

In the initial years, the Secretarial Standards will be recommendatory. The Institute will request the Government and other appropriate authorities to enforce these Standards and will endeavour to educate the users about the utility and need for compliance with these Standards. The Standards would be made mandatory thereafter.

# SECRETARIAL STANDARD ON MINUTES

The following is the text of the Secretarial Standard-5 (SS-5) on "Minutes" issued by the Council of the Institute of Company Secretaries of India.

In this Secretarial Standard, the standard portions have been set in **bold** type. These should be read in the context of background material which has been set in normal type, and in the context of the 'Preface to the Secretarial Standards'.

Adherence by a company to this Secretarial Standard is recommendatory till it becomes mandatory.

## INTRODUCTION

This Standard seeks to prescribe a set of principles for the recording of Minutes of the Meetings of:

- (a) the Board or Committees of the Board,
- (b) members,
- (c) debenture holders,
- (d) creditors,
- (e) others as may be required under the Act,

and matters related thereto.

The expression "minutes" means a brief summary of the proceedings of a meeting. Minutes should contain a fair and correct summary of the proceedings of the meeting and should normally convey why, how and what conclusions were arrived at in relation to each business transacted at the meeting. It need not be an exact transcript of the proceedings.

Every company is required to 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.

The Company Secretary or authorized official of the company should record the proceedings of the meetings.

## **SCOPE**

This Standard applies to Minutes of Meetings governed by the Act. The principles enunciated in this Standard are also applicable to class meetings of Members, debenture holders and creditors. These principles may also be applicable to any meeting convened on the directions of the Court or the Company Law Board or any other prescribed authority unless otherwise directed.

## **DEFINITIONS**

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

"*Act*" means the Companies Act, 1956 (1 of 1956), or any statutory modification or re-enactment thereof and includes any Rules and Regulations framed thereunder.

"*Articles*" means the Articles of Association of a company, as originally framed or as altered from time to time, including, where they apply, the Regulations contained in the Tables in Schedule I to the Act.

"*Board*" means the Board of Directors of a company.

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

"*Committee*" means a Committee of the members of the Board and includes Share Transfer Committee.

"*General Meeting*" or "*Annual General Meeting*" or "*Extraordinary General Meeting*" means a Meeting of members duly convened by the Board or on the requisition of members.

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

"*Meeting*" means any meeting, duly convened, constituted and held.

"*Member*" means any person who agrees, either by subscribing to the Memorandum of Association of the company or by applying in writing, to become a Member of the company and whose name is entered either in the Register of Members of the company or in the records of the depository as a beneficial owner in respect of shares of the company held by him.

Unless the context otherwise requires, words and expressions used herein and not defined should have the meaning respectively assigned to them under the Act.

## **SECRETARIAL STANDARDS**

### **1. MAINTENANCE**

**1.1 Minutes should be recorded in books maintained for that purpose.**

Minutes of the Board meetings, if maintained in loose-leaf form, should be bound at intervals coinciding with the financial year of the company. Minutes of other meetings, if maintained in loose-leaf form, should be bound at reasonable intervals. There should be proper locking device to ensure security and control.

**1.2 A separate Minutes Book should be maintained for each type of Meeting.**

**1.3 The pages of the Minutes Book should be consecutively numbered.**

In the event any page in the Minutes book is left blank, it should be scored off and initialed by the Chairman who signs that Minutes.

**1.4 Minutes should not be pasted or attached to the Minutes Book.**

**1.5 Minutes Books should be kept at the Registered Office of the company. Minutes of the Board and Committee Meetings may, with the approval of the Board, be kept at the office where such Meetings are generally held.**

### **2. CONTENTS**

#### **2.1 General Contents**

**2.1.1 Minutes should begin with the number and type of the Meeting, name of the company, day, date, venue, time of commencement and conclusion.**

In respect of a Meeting convened but adjourned for want of quorum that fact should be recorded in the Minutes of such adjourned meeting.

**2.1.2 Minutes should record the names of the directors and the Company Secretary present at the Meeting.**

The names of the directors should be listed in alphabetical order or in order of seniority, but in either case starting with the name of the person in the Chair and the Vice-Chairman, if any.

## **2.2 Meetings of the Board or Committee**

### **2.2.1 Minutes should contain:**

- (a) The names of officers in attendance and invitees for specific items.**
- (b) The names of directors who sought and were granted leave of absence.**
- (c) If any director has participated only for a part of the Meeting, the agenda items in which he had participated.**
- (d) In case of a director joining through video or tele conference the place from and the agenda items in which he participated.**
- (e) The fact that an interested director did not participate in the discussion or vote.**
- (f) The appointment of officers made by the Board.**
- (g) The fact of the dissent and the name of the director who dissented or abstained from the decision.**
- (h) The resolutions sent for passing by circulation along with the decisions thereon.**
- (i) Notings of the Minutes of the last Meeting.**

### **2.2.2 Minutes should mention the brief background of the proposal, summarise the deliberations and the rationale for taking the decisions.**

The agenda items discussed should be recorded and appropriately numbered.

The decisions should be recorded in the form of resolutions, where it is statutorily or otherwise required. In other cases, the decisions can be recorded in a narrative form.

Where a resolution was passed pursuant to the Chairman of the Meeting exercising his second or casting vote, the Minutes should record the same and also refer to the Articles which empowers the Chairman to exercise the second or casting vote.

## **2.3**      **General Meetings**

### **2.3.1**      **Minutes should contain :**

- (a) The appointment of the Chairman of the meeting.**
- (b) The presence of Quorum.**
- (c) The fact that certain registers and documents were available for inspection.**
- (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 Chairman of the Audit Committee at the Annual General Meeting.**
- (g) The presence if any, of the Auditors, the Practising Company Secretary who issued the Compliance Certificate, the Court appointed observers or scrutineers.**
- (h) Reading of the notice of the meeting.**
- (i) Reading of the report of the auditors.**
- (j) Summary of the opening remarks of the Chairman.**
- (k) Summary of the clarifications provided.**
- (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.**

Resolutions should be written in the present tense.

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

- (m) In the case of poll, the names of scrutineers appointed and the number of votes cast in favour and against.**

- (n) In the case of resolutions passed through postal ballot, the name of the scrutinizer appointed and the result of the ballot.
- (o) If the Chairman vacates the Chair in respect of any specific item in which he is interested, the fact that he did so and in his place some other director or member took the Chair.

### **3. RECORDING**

#### **3.1 Minutes should contain in unambiguous terms a fair and correct summary of the proceedings of the Meeting.**

Minutes should be written using clear, concise and plain language. The Chairman has absolute discretion to exclude from the Minutes, matters which in his opinion are defamatory, irrelevant or immaterial or which are detrimental to the interests of the company.

#### **3.2 Minutes should be written in third person and past tense.**

#### **3.3 Each item of business taken up at the Meeting should be appropriately numbered.**

For ease of reference, topic-wise index and cross-reference may be separately maintained.

#### ***Meetings of the Board***

#### **3.4 Any document, report or notes placed before the Board and referred to in the Minutes should be identified by initialing of such document, report or notes by the Chairman or the concerned director.**

#### **3.5 Where an earlier resolution or decision is superseded or modified, Minutes should contain a clear reference to the earlier resolution or decision.**

### **4. ENTRY**

#### **4.1 Minutes should be entered in the Minutes Book within thirty days from the date of conclusion of the Meeting.**

Minutes must be written within 30 days from the date the Meeting is finally concluded.

**4.2 The date of entry in the Minutes Book should be recorded.**

**4.3 Minutes, once entered in the Minutes Book, should not be altered.**

Any alteration, other than grammatical or minor corrections, in the Minutes as entered, should be made only by way of express approval taken in the subsequent Meeting in which such Minutes are sought to be altered.

## **5. FINALISATION**

**5.1 Within fifteen days from the date of the conclusion of the Meeting of the Board or Committee the draft Minutes thereof should be circulated to all the members of the Board or the Committee, as the case may be, for their comments.**

The directors should forward their comments on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalised and entered in the Minutes Book within the specified time limit of thirty days.

**5.2 Minutes of the Meetings of all Committees should be placed and noted at a subsequent Meeting of the Board.**

## **6. SIGNING AND DATING**

**6.1 Minutes of the Meeting of the Board or Committee should be signed and dated by the Chairman of the Meeting or the Chairman of next Meeting.**

**6.2 Minutes of a General Meeting should be signed and dated by the Chairman of the meeting or in the event of death or inability of the Chairman, by any director duly authorized by the Board for the purpose, within thirty days of the General Meeting.**

**6.3 The Chairman or the authorized director should initial each page of the Minutes, sign the last page and append to such signature the date on which he has signed the Minutes.**

## **7. INSPECTION**

### **7.1 Directors are entitled to inspect Minutes of all Meetings. Members are entitled to inspect the Minutes of all General Meetings.**

Unless the Articles otherwise provide, a member has no right to inspect the Minutes of Meetings of the Board or Committee.

When a member requests in writing for a copy of any Minutes, which he is entitled to inspect, the company should furnish the same within seven days, subject to payment of such fee as may be prescribed.

Extracts of the Minutes should be given only after the Minutes have been duly signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting.

The Auditor or Cost Auditor or the Practising Company Secretary appointed by the company may inspect the Minutes in the course of audit or certification.

Officers of the Registrar of Companies, or other Government or regulatory bodies duly authorised in this behalf under law, during the course of an inspection, can also inspect the Minutes.

## **8. PRESERVATION**

### **8.1 Minutes of all Meetings should be preserved permanently.**

### **8.2 Office copies of Notices, Agenda, Notes on Agenda and other related papers should be preserved in good order for as long as they remain current or for ten years, whichever is later, and may be destroyed thereafter under the authority of the Board.**

### **8.3 Where, under a scheme of arrangement, a company has been merged or amalgamated with another company, Minutes of all Meetings of the transferor company should be preserved permanently by the transferee company, notwithstanding the fact that the transferor company might have been dissolved.**

### **8.4 Office copies of Notices, Agenda, Notes on Agenda and other related papers of the transferor company should be preserved in good order for as long as they remain**

**current or for ten years, whichever is later, and may be destroyed thereafter under the authority of the Board of the transferee company.**

**8.5 Minutes Books should be kept in the custody of the Secretary of the company or any director duly authorized for the purpose by the Board.**

**EFFECTIVE DATE**

This Standard shall come into effect from 20th September 2007.