

Chapter XII

Meetings of Board & Its Powers



CS NISHAD UMRANIKAR
PARTNER

MSN ASSOCIATES
COMPANY SECRETARIES

1st Meeting

- Within 30 days of Incorporation
- Appointment of Auditors

Subsequent Meetings

- Minimum 4 meetings in a year
- Maximum gap – 120 days
- No need to hold meeting in Each Calendar Quarter

OPC / Small & Dormant Companies & Start ups

- Minimum 2 meetings in a year
- One meeting per calendar half
- Minimum Gap of 90 days

Special Provisions

Section 8 Company :

- Need not hold 1st meeting within a month
- One meeting within every six calendar months
- Gap Between Two Meetings

Special Provisions

Unlisted Public / Private companies licensed to operate by RBI /SEBI / IRDA from International Financial Services Centre located in approved multi services SEZ setup under SEZ Act :

- 1st meeting within 60 days of incorporation
- One meeting in each half of a calendar year
- Provisions relating to gap do not apply

Notice

- Minimum 7 days notice in writing
- Agenda & Notes [SS-1]

Quorum

- 1/3 or 2 whichever is more
- Section 8 Company : 8 directors or 25% of total strength whichever is less

Quorum

- Number of Directors Reduced Below Quorum
- Quorum Not Present

Time & Place

- Any Time
- Any Place

Can a Meeting Be Held On National Holiday

- Original Meeting
- Meeting Adjourned for want of Quorum
- Meeting Adjourned Otherwise

Disclosure of Interest

- First Meeting of Every Financial Year
- Interested Director Not to Participate
- Not Applicable to Private Company

Video Conferencing

- Place of the Meeting
- Director attending through VC is counted for the purpose of Quorum

VC – Matters That Cannot Be Discussed

- Approval of Annual Financial Statements
- Approval of Board's Report
- Approval of Prospectus
- Approval of Merger, Demerger, Acquisition etc.
- Audit Committee Meetings

Powers To Be Exercised in Board Meetings Only

- To make calls
- Buy-back of securities
- Issue of Securities
- Borrow Monies
- Invest the Funds
- Making Loans
- Approval of Financial Statements & Board's Report
- Diversify the Business
- Approval of Amalgamation, Merger....

Powers To Be Exercised in Board Meetings Only

- Takeover of a company
- To make political contributions
- To appoint or remove KMP
- To appoint Internal Auditors / Secretarial Auditors
- Related Party Transactions

Practical Cases

Related Party Transactions

Practical Cases

Issue of Preference Shares
to all the existing equity shareholders
on proportionate basis

Practical Cases

Investment in Shares of a Bank

Practical Cases

Investment in Units of a Mutual Fund

Unanimous Resolutions

- Inter-Corporate Loans & Investments [186]
- Appointment of MD / Manager of one company as MD of another company [203]

Restrictions on Powers of Board

- Sell, Lease or Dispose of the Undertaking
- Borrowings in excess of paid up capital, free reserves and securities premium
- Remit or Give time to a director to repay the debts due

Circular Resolution

- Right of 1/3 directors to object
- Noting of CR in the next meeting

Thank you

Website : www.msnassociates.in

E-Mail : nishad@msnassociates.in

Cell : 98223-23615