



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

# SUPPLEMENT PROFESSIONAL PROGRAMME

**(This supplement covers Amendments/ Developments  
from August, 2021 to May, 2024)**

## DRAFTING, PLEADINGS AND APPEARANCES

### MODULE 1

### PAPER 3

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### Lesson 3: Secretarial Practice in Drafting Notice, Agenda and Minutes of Company's Meetings

#### Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2)

Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) were made applicable from 1st July, 2015 and revised version thereof were made applicable from 1st October, 2017.

Considering the legal amendments on the subject, SS-1 and SS-2 have been revised further by the ICSI to bring them in alignment with the provisions of the Companies Act, 2013 and Rules made thereunder ("the Act").

The approval of the Central Government for specification of the Revised SS-1 and SS-2 under Section 118(10) of the Act has also been accorded by Ministry of Corporate Affairs (MCA).

The Revised SS-1 and SS-2 shall be effective from 1st April, 2024.

The details of Changes are as under:

#### Secretarial Standard - 1

S. no.	Para No.	Pre-revised Text of SS-1	Post-revised Text of SS-1	Rationale
1	Scope (Paragraph 1 & 2)	This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except One Person Company (OPC) in which there is only one Director on its Board 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	This Standard is applicable to the Meetings of Board of Directors of all companies incorporated under the Act except One Person Company (OPC) in which there is only one Director on its Board and a company registered under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.  However, companies registered under Section 8 of the Companies Act, 2013 need to comply with the applicable provisions	Amendment in law  To reflect the effect of MCA's Exemption Notification dated 13th June, 2017 in respect of Section 8 Company and Private Company. Now, the exemption is compliance based.  The exemptions stated under notification dated 5th June, 2015 and 13th June, 2017 shall be available only to those

		applicable provisions of the Act relating to Board Meetings.	of the Act relating to Board Meetings.  The exemption to a company registered under Section 8 of the Companies Act, 2013 as referred above and the specific exemptions given to a private company in this Standard shall be available only if it has not committed any default in filing its Financial Statements or Annual Return with the Registrar of Companies.	companies which have not committed a default in filing its financial statements under Section 137 or annual return under Section 92 of the Act with the Registrar.
2.	1.2.3	Any Director may participate through Electronic Mode in a Meeting unless the Act or any other law specifically prohibits such participation through Electronic Mode in respect of any item of business.  Directors shall not participate through Electronic Mode in the discussion on certain restricted items. Such restricted items of business include approval of the annual financial statement, Board's report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover. Similarly, participation in the discussion through	Any Director may participate through Electronic Mode in a Meeting unless the Act or any other law specifically prohibits such participation through Electronic Mode in respect of any item of business.  Directors shall not participate through Electronic Mode in the discussion on restricted items unless there is a Quorum in a Meeting through physical presence of Directors.  <del>Such restricted items of business include approval of the annual financial statement, Board's report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover. Similarly, participation in</del>	Amendment in law  Companies (Amendment) Act, 2017 and Rules  Section 173 (2) - 2nd proviso inserted as under:  "Provided further that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means in such meeting on any matter specified under the first proviso."  In the Companies (Meetings of Board

		Electronic Mode shall not be allowed in Meetings of the Audit Committee for consideration of annual financial statement including consolidated financial statement, if any, to be approved by the Board.	<del>the discussion through Electronic Mode shall not be allowed in Meetings of the Audit Committee for consideration of annual financial statement including consolidated financial statement, if any, to be approved by the Board.</del>	and its Powers) Rules, 2014, in rule 4, the following proviso is inserted:-  “Provided that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means.”
3	1.3.4 After 3rd Para- graph	The Director may intimate his intention of participation through Electronic Mode at the beginning of the Calendar Year also, which shall be valid for such Calendar Year.	The Director may intimate his intention of participation through Electronic Mode at the beginning of the Calendar Year also, which shall be valid for such Calendar Year.  Such intimation shall not debar him from participation in the Meeting in person provided he gives such intimation sufficiently in advance to the company.	Amendment in law  Amendment in Companies (Meetings of Board and its Powers) Rules, 2014 (Notification dated 13th July, 2017)  Rule 3(3)(e):  (e) Any director who intends to participate in the meeting through electronic mode may intimate about such participation at the beginning of the calendar year and such declaration shall be valid for one year  Provided that such declaration shall not debar him from participation in the meeting in

				person in which case he shall intimate the company sufficiently in advance of his intention to participate in person.
4	1.3.7 (8th Paragraph)	<p>“Unpublished Price Sensitive Information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –</p> <ul style="list-style-type: none"> <li>(i) financial results;</li> <li>(ii) dividends;</li> <li>(iii) change in capital structure;</li> <li>(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;</li> <li>(v) changes in key managerial personnel; and</li> <li>(vi) material events in accordance with the</li> </ul>	<p>“Unpublished Price Sensitive Information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –</p> <ul style="list-style-type: none"> <li>(i) financial results;</li> <li>(ii) dividends;</li> <li>(iii) change in capital structure;</li> <li>(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and</li> <li>(v) changes in key managerial personnel; and</li> <li><del>(vi) material events in accordance with the listing agreement*.</del></li> </ul>	<p>Amendment in law</p> <p>SEBI vide notification dated 31.12.18 amended the definition of “Unpublished Price Sensitive Information”, effective from 01.04.19.</p> <p>The definition of UPSI referred in SS-1 is revised accordingly.</p>

		listing agreement*.		
5	2.1 (2nd Paragraph)	<p>The company shall hold first Meeting of its Board within thirty days of the date of incorporation. It shall be sufficient if subsequent Meetings are held with a maximum interval of one hundred and twenty days between any two consecutive Meetings.</p> <p>Further, it shall be sufficient if a One Person Company, Small Company or Dormant Company holds one Meeting of the Board in each half of a Calendar Year and the gap between the two Meetings of the Board is not less than ninety days.</p>	<p>The company shall hold first Meeting of its Board within thirty days of the date of incorporation. It shall be sufficient if subsequent Meetings are held with a maximum interval of one hundred and twenty days between any two consecutive Meetings.</p> <p>Further, it shall be sufficient if a One Person Company, Small Company, Dormant Company or private company which is recognised as start-up holds one Meeting of the Board in each half of a Calendar Year and the gap between the two Meetings of the Board is not less than ninety days.</p> <p>An adjourned Meeting being a continuation of the original Meeting, the interval period in such a case, shall be counted from the date of the original Meeting.</p> <p>For the purposes of this Standard, the term “start-up” means a private company incorporated under the Act and recognised as start-up in accordance with the notification issued by the Department for Promotion</p>	<p>Amendment in law</p> <p>MCA Exemption Notifications dated 13th June, 2017 (Exemption to Private Company)</p> <p>For sub-section 173(5), the following sub-section shall be substituted:-</p> <p>(5) A One Person Company, small company, dormant company and a private company (if such private company is a start-up) shall be deemed to have complied with the provisions of this section if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is not less than ninety days:</p> <p>Provided that nothing contained in this sub-section and in section 174 shall apply to One Person Company in which there is only one director on its Board</p>

			of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.	of Directors.  Explanation to Section 2(40) of the Act:  For the purposes of this Act, the term “start-up” or “start-up company” means a private company incorporated under the Companies Act, 2013 (18 of 2013) or the Companies Act, 1956 (1 of 1956) and recognised as start-up in accordance with the notification issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
6	2.3	Meeting of Independent Directors  Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall meet at least once in a Calendar Year.	Meeting of Independent Directors  Where a company is required to appoint Independent Directors under the Act, such Independent Directors shall hold at least one Meeting in a financial year without attendance of Non-Independent Directors and members of management.	Amendment in law  Amendment in Schedule IV to the Companies Act, 2013 (Notification dated 5th July, 2017) as under:  The independent directors of the company shall hold at least one meeting ["in a financial year"], without the attendance of non-independent



				directors and members of management;
7	3.2	A Director shall neither be reckoned for Quorum nor shall be entitled to participate in respect of an item of business in which he is interested. However, in case of a private company, a Director shall be entitled to participate in respect of such item after disclosure of his interest.	A Director shall neither be reckoned for Quorum nor shall be entitled to participate in respect of an item of business in which he is interested. However, in case of a private company, a Director shall be reckoned for Quorum and entitled to participate in respect of such item after disclosure of his interest.	<p>Amendment in law</p> <p>MCA Exemption Notifications dated 13th June, 2017 Exemption to Private Company (In partial Modification to Principle exemption notification dated 5th June, 2015)</p> <p>Section 174(3): Quorum for Meetings of Board.</p> <p>Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>Explanation.—For the purposes of this sub-section, “interested director” means a director within the meaning of sub-section (2) of section 184.]</p>

				<p>In case of private companies, the above shall apply with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.</p> <p>Therefore, in case of a private company, the interested director may also be counted towards quorum after disclosure of his interest.</p> <p>Earlier, the exemption was provided w.r.t participation ONLY in the meeting by an interested director, after disclosure of interest.</p>
8	3.3	Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, unless they are to be excluded for any items of business under the provisions of the Act or any other law.	Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, <del>unless they are to be excluded for any items of business under the provisions of the Act or any other law.</del> except for restricted items in which Quorum shall be ascertained on the basis of	<p>Amendment in law Companies (Amendment) Act, 2017</p> <p>Section 173 (2) - 2nd proviso inserted as under:— "Provided further that where there is quorum in a meeting</p>

			physical presence of Directors.	through physical presence of directors, any other director may participate through video conferencing or other audio visual means in such meeting on any matter specified under the first proviso."  This amendment allow participation of directors on certain items at Board meetings through video conferencing or other audio visual means if there is quorum through physical presence of directors.
9	5.1.2 (3rd Paragraph)	If the Chairman is interested in an item of business, he shall entrust the conduct of the proceedings in respect of such item to any Non-Interested Director with the consent of the majority of Directors present and resume the chair after that item of business has been transacted. However, in case of a private company, the Chairman may continue to chair and participate in the Meeting after disclosure of his	If the Chairman is interested in an item of business, he shall entrust the conduct of the proceedings in respect of such item to any Non-Interested Director, with the consent of the majority of Directors present, and resume the chair after that item of business has been transacted. However, in case of a private company, the Chairman may continue to chair, be reckoned for quorum and entitled to participate <del>in the Meeting</del> in respect of such item after disclosure	Amendment in law  MCA Exemption Notifications dated 13th June, 2017 Exemption to Private Company (In partial Modification to Principle exemption notification dated 5th June, 2015)  Section 174(3): Quorum for Meetings of Board  Where at any time the number of interested directors

		interest.	of his interest.	<p>exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>Explanation.—For the purposes of this sub-section, “interested director” means a director within the meaning of sub-section (2) of section 184.]</p> <p>In case of private companies, the above shall apply with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.</p> <p>Therefore, in case of a private company, the interested director may also be counted towards quorum after disclosure of his interest.</p>
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				Earlier, the exemption was provided w.r.t participation ONLY in the meeting by an interested director, after disclosure of interest.
10	6.2.2 (3rd Paragraph)	Proof of sending and delivery of the draft of the Resolution and the necessary papers shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of the meeting	Proof of sending and delivery of the draft of the Resolution and the necessary papers shall be maintained by the company for such period as decided by the Board, which shall not be less than three years from the date of <del>the Meeting</del> circulation of such Resolution.	Minor/factual change  Considering that there is no 'Meeting' in case of resolutions passed by circulation, the proposed change is suggested for better clarity and uniformity in practice.
11	After Paragraph 9	EFFECTIVE DATE	This Standard shall come into effect from <del>1st October, 2017</del> 1st April, 2024.	
12	Annexures	Annexure 'A' (Para 1.3.8)  Annexure 'B' (Para 1.3.8)	<i>Annexure 'A'</i> (Paragraph 1.3.8)  <i>Annexure 'B'</i> (Paragraph 1.3.8)	Language improvement  Being more appropriate, the term "Paragraph" is used instead of "Para".
13	Annex-A (Specific items 9th Bullet point)	In case of a public company, the appointment of Director(s) in casual vacancy subject to the provisions in the Articles of the company.	<del>In case of a public company, the</del> Appointment of Director(s) in casual vacancy subject to the provisions in the Articles of the company. To be subsequently approved in the immediate next	Amendment in law  Companies (Amendment) Act, 2017  Section 161(4): <del>In the case of a public company</del> If the

			general meeting.	office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting.
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### Secretarial Standard - 2

S. no.	Para No.	Pre-revised Text of SS-2	Post-revised Text of SS-2	Rationale
1	Scope (Paragraph 1 & 2)	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	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 registered under Section 8 of the Companies Act, 2013 or corresponding provisions of any previous enactment thereof.	Amendment in Law MCA Exemption Notifications dated 13th June, 2017 in respect of Section 8 Company / Private Company and Government Company. Now, the exemption is compliance based.

		<p>thereof.</p> <p>However, Section 8 companies need to comply with the applicable provisions of the Act relating to General Meetings.</p>	<p>However, companies registered under Section 8 of the Companies Act, 2013 need to comply with the applicable provisions of the Act relating to General Meetings.</p> <p>The exemption to a company registered under Section 8 of the Companies Act, 2013 as referred above and the specific exemptions given to a private company and Government company in this Standard shall be available only if it has not committed any default in filing its Financial Statements or Annual Return with the Registrar of Companies.</p>	<p>The exemptions stated under MCA notifications dated 5th June, 2015 and 13th June, 2017 shall be available only to those companies which have not committed a default in filing its financial statements under Section 137 or annual return under Section 92 of the Act with the Registrar.</p>
2	Definitions	<p>“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.</p>	<p>“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 and fixing of remuneration of the Auditors.</p>	<p>Amendment in Law Companies (Amendment) Act, 2017 Omitted the following proviso to Section 139(1):</p> <p>“Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.”</p>
3	1.2.4	Annual General	Annual General Meetings	Amendment in Law

	5 <sup>th</sup> Paragraph	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.	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., However, Annual General Meetings of an unlisted company may be held at any place in India, if prior consent is given by all the members either in writing or by Electronic Mode. Such consent shall be received before the Meeting.  Extra-Ordinary General Meetings may be held at any place within India. In case of a wholly owned subsidiary of a company incorporated outside India, Extra-Ordinary General Meetings may be held outside India.	Companies (Amendment) Act, 2017  In section 96 (2) following proviso inserted:—  "Provided that annual general meeting of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance:  In Section 100(1), the following inserted:— "Provided that an extraordinary general meeting of the company, other than of the wholly owned subsidiary of a company incorporated outside India, shall be held at a place within India."
4	1.2.4 6 <sup>th</sup> Paragraph	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.	In case of a Government company, the Annual General Meeting shall be held at its registered office or such other place within the city, town or village in which the registered office of the company is situated or such other place as the	Amendment in Law  MCA Exemption Notifications dated 13th June, 2017 Exemption to Govt. Company (In partial Modification to Principle exemption



			Central Government, may approve in this behalf.	notification dated 5th June, 2015)  Section 96(2): Every annual general meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the company or at such other place within the city, town or village in which the registered office of the company is situated or such other place as the Central Government may approve in this behalf.
5	1.2.4 Last Paragraph	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.	In case of a private company, the Notice shall specify the entitlement of a member to appoint Proxy in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement  Being more appropriate, the term "Paragraph" is used instead of "Para".
6	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	Notice and accompanying documents may be given at a shorter period of time if the requisite consent of Members in writing is accorded thereto, by physical or electronic means, as under:	Amendment in Law  Companies (Amendment) Act, 2017  The amended section 101 provides that the general

		<p>ninety-five percent of the Members entitled to vote at such Meeting.</p> <p>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 percent of the Members entitled to vote at such Meeting.</p> <p>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.</p> <p>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.</p>	<p>(i) In case of an Annual General Meeting, consent by not less than ninety-five percent of the Members entitled to vote at such Meeting.</p> <p>However, the Financial Statements and other documents required to be annexed thereto may be given at a shorter period of time if the requisite consent of Members in writing, by physical or electronic means, is accorded thereto:</p> <p>(a) if the company has a share capital, consent by the majority in number of members entitled to vote and represent not less than ninety-five per cent of such part of the paid-up share capital of the company as gives a right to vote at the Meeting;</p> <p>(b) if the company has no share capital, consent by the Members having not less than ninety-five per cent of the total voting power exercisable at such Meeting.</p> <p>(ii) In case of any other General Meeting-</p> <p>(a) if the company has a share capital, consent by the majority in number of members entitled to vote and represent not less than</p>	<p>meetings may be held at a shorter notice subject to the requisite consent. This amendment in SS-2 is to include the effect of amendments in Section 101.</p> <p>Section 101</p> <p>Provided that a general meeting may be called after giving shorter notice than that specified in this subsection if consent, in writing or by electronic mode, is accorded thereto—</p> <p>(i) in the case of an annual general meeting, by not less than ninety-five per cent. of the members entitled to vote thereat; and</p> <p>(ii) in the case of any other general meeting, by members of the company—</p> <p>(a) holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety-five per cent of such part</p>
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			<p>ninety-five per cent of such part of the paid-up share capital of the company as gives a right to vote at the Meeting;</p> <p>(b) if the company has no share capital, consent by the Members having not less than ninety-five per cent of the total voting power exercisable at such Meeting.</p> <p>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 requisite consent of Members as stated above is received prior to the time fixed for the Meeting Where any Member of a company is entitled to vote only on some resolution or resolutions to be moved at a Meeting and not on the other, then vote of the Member with respect to shorter notice shall only be counted for the purpose of the resolution on which the Member can vote.</p> <p>In addition, 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</p>	<p>of the paid-up share capital of the company as gives a right to vote at the meeting; or</p> <p>(b) having, if the company has no share capital, not less than ninety-five per cent. of the total voting power exercisable at that meeting:</p> <p>Provided further that where any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this sub-section in respect of the former resolution or resolutions and not in respect of the latter."</p> <p>Amendment to Section 136</p> <p>Proviso to Section 136 allow to send the financial statement at shorter period than 21 days.</p> <p>136. a copy of the financial statements,</p>
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			<p>Meeting at shorter Notice.</p> <p>In case of a private company, consent for shorter Notice shall be obtained from such number of Members as specified in this paragraph, unless otherwise provided in the Articles.</p>	<p>including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting:</p> <p>Provided that if the copies of the documents are sent less than twenty-one days before the date of the meeting, they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by members—</p> <p>(a) holding, if the company has a share capital, majority in</p>
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				<p>number entitled to vote and who represent not less than ninety-five per cent. Of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or</p> <p>(b) having, if the company has no share capital, not less than ninety five per cent. of the total voting power exercisable at the meeting:</p> <p>In addition to above, being more appropriate, the term “Paragraph” is used instead of “Para”.</p>
7	5.1 3 <sup>rd</sup> Paragraph	In case of a private company, appointment of the Chairman shall be in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, appointment of the Chairman shall be in accordance with this paragraph, unless otherwise provided in the Articles.	<p>Language improvement</p> <p>Being more appropriate, the term “Paragraph” is used instead of “Para”.</p>
8	6.1 Last Paragraph	In case of a private company, the Proxy shall be appointed in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the Proxy shall be appointed in accordance with this paragraph, unless otherwise provided in the Articles.	<p>Language improvement</p> <p>Being more appropriate, the term “Paragraph” is used instead of “Para”.</p>
9	6.6.1 Last Paragraph	In case of a private company, the Proxy shall be deposited with the company in accordance with this	In case of a private company, the Proxy shall be deposited with the company in accordance with this paragraph, unless	<p>Language improvement</p> <p>Being more appropriate, the term</p>

		para, unless otherwise provided in the Articles.	otherwise provided in the Articles.	“Paragraph” is used instead of “Para”.
10	7.3 Last Paragraph	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.	In case of a private company, the voting by show of hands shall be in accordance with this paragraph, unless otherwise provided in the Articles	Language improvement  Being more appropriate, the term “Paragraph” is used instead of “Para”.
11	7.4 Last Paragraph	In case of a private company, the poll shall be conducted in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the poll shall be conducted in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement  Being more appropriate, the term “Paragraph” is used instead of “Para”.
12	7.5.1 5 <sup>th</sup> Paragraph	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 private company, the Voting Rights shall be reckoned in accordance with this paragraph, unless otherwise provided in the Memorandum or Articles of the company.	Language improvement  Being more appropriate, the term “Paragraph” is used instead of “Para”.
13	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 not entitled to vote on a Resolution relating to approval of any contract or arrangement in which such Member is a related party, except in case of a company in which ninety percent or more Members, in number, are relatives of promoters or are related parties.  Further in case of wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose	Amendment in Law Companies (Amendment) Act, 2017  In Section 188 (1), following third proviso is inserted:  "Provided also that nothing contained in the second proviso shall apply to a company in which ninety per cent. or more members, in number, are relatives of promoters or are related parties:"

			<p>of entering into the transactions between wholly owned subsidiary and holding company.</p> <p>In case of a private company, a member who is a related party is entitled to vote on such Resolution.</p>	<p>In addition Rule 15(3) of Companies (Meeting of Board and its powers) Rules [Explanation (2)] provides as under:</p> <p>In case of wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transaction between the wholly owned subsidiary and the holding company.</p> <p>The intent of above provision is also included in the standard to give clarity.</p>
14	7.5.2 3 <sup>rd</sup> Paragraph	<p>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:</p> <p>(a) A Government company with any other Government company; or</p> <p>(b) An unlisted Government company with the prior approval of competent authority, other than those</p>	<p>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:</p> <p>(a) A Government company with any other Government company or with Central Government or any State Government or any combination thereof; or</p> <p>(b) An unlisted Government company</p>	<p>Amendment in Law To include the effect of amendments in principal exemption notification dated 15th June, 2015 issued by MCA in respect of Government Companies, which was partially amended vide MCA notification dated 2nd March, 2020.</p>

		contract or arrangements referred in clause (a).	with the prior approval of competent authority, other than those contract or arrangements referred in clause (a).	
15	9.4 Last paragraph	In case of a private company, the appointment of scrutiniser(s) shall be in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the appointment of scrutiniser(s) shall be in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement  Being more appropriate, the term “Paragraph” is used instead of “Para”.
16	9.5.1 Last paragraph	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.	In case of a private company, the declaration of result of poll shall be in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement  Being more appropriate, the term “Paragraph” is used instead of “Para”.
17	15.4 Last para	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.	In case of a private company, the adjournment of Meeting for want of quorum shall be in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement  Being more appropriate, the term “Paragraph” is used instead of “Para”.
18	15.5 Last paragraph	In case of a private company, the requisitioned meeting shall stand cancelled in accordance with this para, unless otherwise provided in the Articles.	In case of a private company, the requisitioned meeting shall stand cancelled in accordance with this paragraph, unless otherwise provided in the Articles.	Language improvement  Being more appropriate, the term “Paragraph” is used instead of “Para”.
19	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	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	Amendment in Law  Companies (Amendment) Act, 2017: In section 110 (1), the following



		<p>ballot instead of transacting such business at a General Meeting.</p>	<p>transacting such business at a General Meeting. However, such item of business may be transacted at a General Meeting by a company which is required to provide e-voting facility to its Members.</p>	<p>proviso inserted: "Provided that any item of business required to be transacted by means of postal ballot under clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section."</p>
20	16.8	<p>A Resolution passed by postal ballot shall not be rescinded otherwise than by a Resolution passed subsequently through postal ballot.</p>	<p>A Resolution passed by postal ballot shall not be rescinded otherwise than by a Resolution passed subsequently through postal ballot or passed at a General Meeting by a company which is required to provide e-voting facility to its Members.</p>	<p>Amendment in Law Companies (Amendment) Act, 2017</p> <p>In section 110 (1), the following proviso inserted:</p> <p>"Provided that any item of business required to be transacted by means of postal ballot under clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section."</p>

21	After Para 20	EFFECTIVE DATE	This Standard shall come into effect from <del>1<sup>st</sup> October, 2017</del> 1 <sup>st</sup> April, 2024.	
22	Annexure	Annexure (Para 16.1)	Annexure (Paragraph 16.1)	Language improvement  Being more appropriate, the term “Paragraph” is used instead of “Para”.

The revised Secretarial Standard 1 and 2 can be accessed from the link: <https://www.icsi.edu/ssb/home/>

## **Lesson 4: Drafting and Conveyancing Relating to Various Deeds and Documents (I)**

### **FAQs on LLP Agreement**

#### **1. How the mutual rights and duties of partners inter-se and those of partners and LLPs would be governed?**

The mutual rights and duties of partners inter se and those of the LLP and its partners shall be governed by the agreement between partners or between the LLP and the partners. This Agreement would be known as “LLP Agreement”.

#### **2. Whether LLP Agreement would be mandatory for all LLPs?**

As per provisions of the LLP Act, in the absence of agreement as to any matter, the mutual rights and liabilities shall be as provided for under Schedule I to the Act. Therefore, in case any LLP proposes to exclude provisions/requirements of Schedule I to the Act, it would have to enter into an LLP Agreement, specifically excluding applicability of any or all paragraphs of Schedule I.

**Schedule I of the LLP Act, 2008 is provided hereunder:**

#### **The First Schedule**

*[See section 23(4)]*

#### ***Provisions Regarding Matters Relating To Mutual Rights And Duties Of Partners And Limited Liability Partnership And Its Partners Applicable In The Absence Of Any Agreement On Such Matters***

1. The mutual rights and duties of the partners and the mutual rights and duties of the limited liability partnership and its partners shall be determined, subject to the terms of any limited liability partnership agreement or in the absence of any such agreement on any matter, by the provisions in this Schedule.
2. All the partners of a limited liability partnership are entitled to share equally in the capital, profits and losses of the limited liability partnership.
3. The limited liability partnership shall indemnify each partner in respect of payments made and personal liabilities incurred by him
  - (a) in the ordinary and proper conduct of the business of the limited liability partnership;or

(b) in or about anything necessarily done for the preservation of the business or property of the limited liability partnership.

4. Every partner shall indemnify the limited liability partnership for any loss caused to it by his fraud in the conduct of the business of the limited liability partnership.
5. Every partner may take part in the management of the limited liability partnership.
6. No partner shall be entitled to remuneration for acting in the business or management of the limited liability partnership.
7. No person may be introduced as a partner without the consent of all the existing partners.
8. Any matter or issue relating to the limited liability partnership shall be decided by a resolution passed by a majority in number of the partners, and for this purpose, each partner shall have one vote. However, no change may be made in the nature of business of the limited liability partnership without the consent of all the partners.
9. Every limited liability partnership shall ensure that decisions taken by it are recorded in the minutes within thirty days of taking such decisions and are kept and maintained at the registered office of the limited liability partnership.
10. Each partner shall render true accounts and full information of all things affecting the limited liability partnership to any partner or his legal representatives.
11. If a partner, without the consent of the limited liability partnership, carries on any business of the same nature as and competing with the limited liability partnership, he must account for and pay over to the limited liability partnership all profits made by him in that business.
12. Every partner shall account to the limited liability partnership for any benefit derived by him without the consent of the limited liability partnership from any transaction concerning the limited liability partnership, or from any use by him of the property, name or any business connection of the limited liability partnership.
13. No majority of the partners can expel any partner unless a power to do so has been conferred by express agreement between the partners.
14. All disputes between the partners arising out of the limited liability partnership agreement which cannot be resolved in terms of such agreement shall be referred for arbitration as per the provisions of the Arbitration and Conciliation Act, 1996.

## **Lesson 11: Appearances and Art of Advocacy**

### **1. Amendment to section 248 of the Income-tax Act, 1961**

Finance Act, 2022 has amended section 248 of the Income-tax Act, 1961 by adding the below mentioned proviso:

*“Provided that no appeal shall be filed where tax is paid to the credit of the Central Government on or after the 1st day of April, 2022.”.*

#### *Details of Change*

Now, appeal has been prohibited if tax is paid to the credit of the Central Government on or after the 1st day of April, 2022.

### **2. Amendment to Section 253 of the Income-tax Act, 1961**

Finance Act, 2023 has amended section 253 of the Income-tax Act, 1961. The changes are as under:

In section 253 of the Income-tax Act,—

(a) in sub-section (1),—

(A) in clause (a), after the word, figures and letter "section 271A," the words, figures and letters "section 271AAB, section 271AAC, section 271AAD," shall be inserted;

(B) after clause (a), the following clause shall be inserted, namely:—

"(aa) an order passed by a Joint Commissioner (Appeals) under section 154, section 250, section 270A, section 271, section 271A, section 271AAC, section 271AAD or section 271J; or";

(C) for clause (c), the following clause shall be substituted, namely:—

"(c) an order passed by,—

(i) a Principal Commissioner or Commissioner under section 12AA or section 12AB or under clause (vi) of sub-section (5) of section 80G or under section 263 or under section

270A or under section 271 or under section 272A or an order passed by him under section 154 amending any such order; or

(ii) a Principal Chief Commissioner or Chief Commissioner or a Principal Director General or Director General or a Principal Director or Director under section 263 or under section 272A or an order passed by him under section 154 amending any such order; or";

(b) in sub-section (2), for the words and brackets "Commissioner (Appeals)", the words and brackets "the Joint Commissioner (Appeals) or the Commissioner (Appeals)" shall be substituted;

(c) in sub-section (4),—

(i) for the words and brackets "against the order of the Commissioner (Appeals)", the words "against an order" shall be substituted;

(ii) for the words and brackets "any part of the order of the Commissioner (Appeals)", the words "any part of such order" shall be substituted.

#### *Details of Change*

This amendment *inter alia* increased the Scope of appeal in section 253(1). Joint Commissioner (Appeals) has also been added to section 253(2) along with Commissioner (Appeals) for the purpose of directing the Assessing Officer to appeal to the Appellate Tribunal against the order.

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*Note: Students appearing in December, 2024 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by ICSI, MCA, SEBI, RBI & Central Government upto 31<sup>st</sup> May, 2024.*