

Lecture 27

Minutes of Meeting

Minutes are an official recording of the proceedings of a Board Meeting or **Annual General Meeting** or any other meeting and the business transacted at the Meeting. All companies registered in India are required to maintain Minutes of all Board and Committee Meetings in a Minutes Book. In this article, we look at the procedure for recording minutes of meeting and minutes of meeting format under the Companies Act, 2013.

What is Minutes of Meeting?

Minutes of meeting are an official record of the proceedings of a meeting. Minutes help in understanding the deliberations and decisions taken at the Meeting. There is no restriction format or language for recording Minutes of meeting.

Minutes kept in accordance with the provisions of the Companies Act can serve as evidence in Court of Law. For example, the only way to prove that a Board Resolution was passed at the Board Meeting of the company is by producing the Minutes Book in which the particular Resolution was recorded before the Court.

Minutes of Meeting Format

Minutes of meeting should state the serial number and type of the Meeting, name of the company, day, date, venue and time of commencement of the Meeting. In addition, a minutes of meeting must also specify the following:

Details of Participants

In case of minutes of meeting of a company, the name(s) of Directors present and their mode of attendance must be mentioned. If all Directors are present physically, the Minutes need not specially record the mode of attendance. However, the Minutes should record the mode of attendance if any Director is participating through video conference or other electronic method along with the location from which he/she is participating from.

Election & Quorum

The minutes of meeting must contain a record of election of the Chairman of the Meeting, if applicable. Further, it should also contain details of presence of Quorum. If at the commencement of the Meeting, Quorum is present, but subsequently any Director leaves before the close of the Meeting due to which the Quorum requirement is not met for businesses taken up thereafter, then the Meeting should be adjourned and a statement to that effect should be recorded in the Minutes.

Details of Resolution Passed

The minutes of meeting should contain the text of the Resolution(s) passed by circulation since the last Meeting, including dissent or abstention, if any. If any Director on the Board dissents or abstains from voting on any of the Resolution passed by circulation, then such dissent or abstention should be recorded in the Minutes of Meeting.

Minutes Book

Minutes of meeting should be kept in a minutes book maintained for that purpose at the **registered office** of the company or at a place approved by the Board of Directors. The law prohibits pasting of Minutes in the Minutes Book and hence Minutes cannot be type-written and then pasted in bound Minutes Book or in loose leaves. Minutes should also not be printed on a piece of paper, whether on letter-head or any other paper, and pasted in the Minutes Book. It is with a view to maintaining the integrity and evidentiary value of Minutes. If minutes book is maintained in loose-leaf form, it should be bound periodically depending on the size and volume and coinciding with one or more financial years of the company.

Courts have invalidated Board Meetings in the past when minutes are not recorded in a proper book as per Companies Act, 2013. Hence, a minutes book should be distinctly kept and maintained for different meetings such as Meetings of the Board and Meetings of various Committees of the Board.

Details of Dissent & Views of Independent Directors

The views of a Director or an Independent Director must be mentioned in the minutes of meeting, especially if insisted upon by a Director or any other person in the meeting.

Further, the fact of dissent and the name of the Director who dissented from the Resolution or abstained from voting on a resolution must be mentioned in the minutes of meeting.

Related Party Transactions

In case of a **private limited company**, the Minutes of Meeting should record the fact that an interested Director after disclosure of his interest participated in the discussion and voted.

If a Director did not participate in the discussions and did not vote on item of business in which he was interested and in case of related party transaction, then such information must also be recorded in the minutes.

Miscellaneous Items Consideration of any item other than those included in the Agenda with the consent of majority of the Directors present at the Meeting and ratification of the decision taken in respect of such item by a majority of Directors of the company Minutes should be mentioned in the minutes.

Thanks & Closing of the Meeting

If any thanks are to be mentioned, it can be provided before the closing. Finally, the time of commencement and conclusion of the Meeting should be recorded in the minutes.