Securities and exchange board of India (Procedure for Board Meetings) Regulations, 2001

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Securities and exchange board of India (Procedure for Board Meetings) Regulations, 2001

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby makes the following regulations, namely :—

Chapter I

Preliminary

1. Short title and commencement

(1) These regulations may be called Securities and Exchange Board of India (Procedure for Board Meetings) Regulations, 2001.

(2) These regulations shall come into force on the date of their publication in the Official Gazette.

2. Definitions

(1) In these regulations, unless the context otherwise requires :—

(a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(b) "Board" means the members of the Board as constituted under section 4 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(c) "Chairman" means the Chairman of the Board;

(d) "Member" means a member of the Board and includes the Chairman, whole-time member and part-time member;

(e) "Schedule" means schedule attached to these regulations;

(2) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings respectively assigned to them in the Act.

Chapter II

Meetings of the Board

3. Convening of Meetings

(1) Meetings of the Board shall be convened at least once in each quarter of the year by the Chairman or in his absence, by any member nominated by the Chairman, in this behalf.

(2) Any two members may require the Chairman to convene a meeting of the Board at any time and the Chairman shall convene the meeting of the Board accordingly:

Provided that if the Chairman is not available, any two members may require the Secretary to convene the meeting of the Board.

3. Presiding over meetings

(1) The Chairman or if he is unable to attend the meeting of the Board, for any reason, any other member chosen by the members present at the meeting, shall preside over the meeting.

4. Place and time of meetings

Meetings of the Board shall be held at such times and places in India as may be specified in the notice convening the meeting.

5. Notice

(1) Not less than ten days notice shall ordinarily be given of each meeting of the Board and such notice along with agenda papers shall be sent to every member ten working days in advance at his usual address in India as furnished by him to the Board:

Provided that if an emergency meeting of the Board is required to be convened, ten days notice may not be required. However, sufficient notice shall be given to the member to enable him to attend the meeting:

Provided further that a resolution may be passed or a decision taken by circulation of an agenda to the members.

(2) No business other than that for which the meeting was convened shall be discussed at a meeting of the Board, except with the consent of the Chairman or the member presiding at the meeting and a majority of the members present.

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6. Quorum

(1) Three members of the Board shall constitute the Quorum for the transaction of business at a meeting of the Board.

(2) All questions which come up before any meeting of the Board shall be decided by a majority vote of the members present and voting and in the event of any equality of votes, the Chairman, or in his absence, the member presiding, shall have a second or casting vote.

7. Leave of absence

The Board may grant leave of absence to a member not present in the meeting and such leave of absence shall be recorded in the minutes of the meeting.

8. Minutes of the meeting

(1) The Board shall cause the minutes of all the proceedings to be maintained in the books kept for the purpose which may be in the form of binders containing loose leaves, duly numbered.

(2) A copy of the proceedings of each meeting of the Board shall be circulated as soon as possible for confirmation by the members. The confirmed minutes shall be signed by the Chairman or the member presiding at the succeeding meeting, and taken on record thereafter.

Chapter III

Obligations of the members

9. Member not to participate in meetings in certain cases

Every member, who is directly or indirectly concerned or interested in any matter coming up for consideration at a meeting of the Board, shall, as soon as possible, after the relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the Board and the member shall not take any part in any deliberation or decision of the Board with respect to that matter.

Explanation: The expression "directly or indirectly" referred to in this regulation shall include any concern or interest of a member either by himself or through his relatives within the meaning of definition of section 6 of the Companies Act, 1956 (1 of 1956) or by reason of being a partner, director of that concern.

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10. Obligation of a member to give information of disqualification

(1) A member, as soon as may be, inform the Board if he becomes subject to any of the disqualifications specified in section 6 of the Act.
(2) The Board shall inform the Central Government, if it comes to the notice of the Board that any member has attracted the disqualifications referred to in sub-regulation (1).

11. Declaration of fidelity

Every member, before entering upon his duties, shall sign a declaration of fidelity and secrecy in the form set out in the Schedule pledging himself to observe strict secrecy in relation to all transactions of the Board and all matters relating thereto and shall be by declaration pledge himself not to reveal any of the matters/information which may come to his knowledge in the discharge of his duties except when required or authorised to do so by the Board or by Law.

Chapter IV

Miscellaneous

12. Officer to be nominated for keeping custody of the minutes book, common seal etc.

(1) Chairman shall nominate any officer of the Board not below the rank of Grade 'D' as Secretary to keep custody of common seal, register of attendance of the meetings, minutes book, and other documents/records etc. pertaining to the meetings of the Board.
(2) The Secretary shall arrange meetings, record minutes and generally ensure that these regulations

are followed.

13. Manner and form in which contracts may be executed

(1) Any contract which, if made between private persons would by law be required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the Board in writing signed by any member, officer of the Board or any other person acting under its authority, express or implied and may in the same manner be varied or discharged.

(2) Any document connected with any contract may be signed and verified on behalf of the Board by any officer authorised by Chairman to sign such document for and on behalf of the Board.

(3) All contracts made according to the provisions of this regulation shall be valid and binding on the Board.

14. Accounts and documents by whom to be signed

(1) The Chairman, the whole time members, or any officer as may be nominated by the Chairman by designation or otherwise are hereby severally authorised for and on behalf of the Board to endorse and transfer negotiable instruments, stock-receipts, stock, debentures, shares, securities, and documents of title to movable and immovable properties standing in the name of or held by the Board, and to draw, accept and endorse bills of exchange and other instruments in the current and authorised business of the Board and to sign all other accounts, receipts and documents connected with such business.

(2) Plaints, written statements, complaints, affidavits, petitions and all other documents connected with legal proceedings may be signed and verified on behalf of the Board by any officer authorised by the Chairman to sign such documents for and on behalf of the Board.

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15. Affixation of Common Seal

The Common Seal of the Board shall not be affixed to any instrument except in pursuance of a resolution of the Board and in the presence of at least one member who shall sign on such instrument in token of his presence and such signing shall be independent of the signing of any person who may sign the instrument as a witness.

Schedule

Securities and Exchange Board of India

(Procedure for Board Meetings) Regulations, 2001

[*See* regulation 11]

DECLARATION OF FIDELITY AND SECRECY

I, _____ do hereby solemnly and sincerely declare that I will faithfully, truly

and to the best of my skill and ability execute and perform the duties required of me as a member of the Board and which properly relate to the office or position held by me in or in relation to the said Board.

I further declare that I shall not communicate or allow to be communicated to any person not legally entitled thereto, any information relating to the affairs of the Securities and Exchange Board of India or to the affairs of any person having any dealings with the said Board, nor shall I allow any such person to inspect or to have access to any books or documents belonging to or in the possession of the said Board and relating to the business of the said Board or the business of any person having any dealing with the said Board.

Date :

Place : (Signature)

Signed before me

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