**COMPANY MEETING**

When two or more two persons get together at one place to discuss any common issue, is called meeting.

*Meeting of the share holders or of the directors or of the debenture holders or of the contributories are called the* ***meeting of the company****.* Such meeting is of vital importance in the working of a company. A company is a artificial person created by law and it cannot as a natural person. A company is managed by the representatives of the owners of the company. Therefore, company meeting must be held properly and in accordance with the provisions of Companies Act, Memorandum of association and Articles of association of the company.

**Characteristics of a company meeting**

* Two or more person must present
* Notice is essential
* Held at particular place, date and time
* The assembly of persons must be discussion and transaction of some lawful business
* Must be held as per provisions of Companies Act

**One member to constitute a meeting**

1. Meeting convened by the Tribunal: -- Tribunal calls an annual general meeting under section 97, only one present, treated as valid quorum.
2. Meeting convened by Tribunal: -- Tribunal calls a meeting under section 98, one member present or proxy shall be deemed to constitute a valid meeting.
3. Class meeting of shareholders: -- One member present in a class meeting of shareholders shall be treated as valid meeting.
4. Absence of quorum and adjourned meeting: -- in the absence of quorum in a particular meeting the proceeding of the company cannot be started and the meeting will be adjourned to the same time, place and date in the next week. In the adjourned meeting if only one be present that would be considered as enough quorum.

**Kinds of company meeting**

1. Meeting of Directors
2. Meeting of creditors
3. Meeting of debenture holders
4. Meeting of Shareholders
* Annual general meeting
* Extra ordinary general meeting
* Class meeting
1. **Meeting of directors**

The meeting of company’s directors are called meeting of directors.

Frequency of board meeting (sec 173)

* 1st meeting of the company should be held within 30 days from the date of incorporation
* Minimum 4 meeting should be held every year
* Maximum gap 120 days between two board meeting

Notice of the meeting(sec 173(3) )

* 7 days notice in writing should be sent to every director by hand delivery or by post or by electronic means.

 **B**oard meeting through video conferencing ( Sec 173(2)and Rule3)

Directors may participate in Board meeting through video conferencing or other audio visual means, which are capable of recording and recognizing the participation of the directors and its proceeding and for considering the quorum. Following matters should be considered while conducting Board meeting through video conferencing.

1. Safeguard the integrity of the meeting by ensuring sufficient security and identification procedure.
2. Necessary arrangement to avoid failure of video or audio connection.
3. Give attention to record proceedings and preparing the minutes of the meeting.
4. No person other than the concerned director is attending the meeting.
5. The chairperson shall ensure that the required quorum is present throughout the meeting.
6. Ensure that participants attending the meeting are able to hear and see the other participant clearly.
7. The venue of the meeting shall be in India.
8. Every participant shall identify himself for the record before speaking on any item of business on the agenda.

Matters not to be dealt with in a meeting through video conferencing.

1. The approval of annual financial statement,.
2. The approval of the Board’s report.
3. The approval of the prospectus.
4. The approval of the matter relating to amalgamation, merger, acquisition and take over.

Agenda

* It means things to be done. It is a statement of the business to be transacted at a meeting. Agenda is enclosed with notice.

Quorum (section 174)

* One by three of directors total strength (any fraction rounded off one) or two directors whichever is higher.
* If the quorum is not present in board meeting, meeting should be adjourned in the same day of next week, at same time and place.

Chairperson

* Every meeting of a board must have a chairperson to preside the meeting.
* The articles usually state the name of chairperson of the board meeting.
* If the article do not so, the directors may elect a chair person from the directors.
* If the chairman is not present within five minutes of meeting, the directors elect a person as chair person from present members.

Resolution

* Decisions are taken by directors by passing resolution on matters presented before them for consideration.

Voting

* Each director has one vote for each resolution put to vote at the meeting.
* In the case of an equality of vote the chairperson shall have a second or casting vote.

**F**ollowing important matters decided,

* To issue shares and debentures.
* To make calls on shares.
* To forfeit the shares.
* To transfer the shares.
* To fix the rate of dividend.
* To take loan.
* To invest the wealth of the company
* To determine the policy of the company.

Minutes

* It contains a fair and correct summary of the proceedings of the meeting.
* It contains the names of the directors present at the meeting.

**Meeting Of The Committee Of Directors**

As a part of division of management, work sub committees of directors are constituted. Such committee meeting is known as meeting of committee of directors.

It may be standing committee or adhoc committee

 *Standing committee: - committee with a continued existence, formed to do its assigned work on an ongoing basis.*

 *E.g.:- Budget committee, Finance committee*

 *Adhoc Committee: - committee formed for specific task or objective and dissolved after the completion of task or achievement of the objective*

**Audit committee (Section 177)**

It is a selected number of members of a company’s Board of Directors whose responsibilities include helping auditors remain independent of management.

 Every listed company and every public company shall have audit committee

* Paid up share capital 10 crore or more
* Turn over 100 crore or more
* Aggregate outstanding loan exceeding 50 crore or more

*Structure:- minimum of 3 directors with independent directors, ability to read and understand the financial statement.*

**Secretary’s Duties Regarding Board Meeting**

Before the meeting

* To give notice of the meeting to each director.
* To prepare and circulate the agenda for the meeting.
* To make all arrangements for the meeting.
* To issue invitation letter to the auditors solicitor sand other officers of the company.

At the meeting

* To attend the meeting and assist the chairman in its conduct.
* To secure signature of the directors present in the attendee’s register.
* To ascertain the quorum and inform it to the chairman.
* To read notice of the meeting.
* To note decisions taken at the meeting and record.

After the meeting

* To prepare minutes.
* To take steps to carry out the instructions of the director’s meeting.
1. **Shareholder’s Meeting**
2. **Statutory meeting**
* Meeting of members held only once during the life time of the company.
* First meeting of the shareholders of the public company.
* Held within a period of not less than 1 month but not more than 6 months from the date of commencement of business.
* Notice should be sent to every member of the company at least 21 days before the date of meeting.

***Statutory Report****:-*

*The board of directors of a company shall at least 21 days before the day on which the meeting is held, forward a report which is called as the statutory report to every member of the company*.

1. **Annual General Meeting**
* A meeting of general body called general meeting.
* It give full information to members of the progress by the company during the year.
* The first annual general meeting of the company is held within the period of 9 months from the date of closing of the first financial year.
* Subsequent annual general meeting within a period of 6 month from the date of closing of the financial year.
* The gap between two meetings shall not be more than 15 month.
* Every annual general meeting shall be called during business hours (between 9 am and 6 pm).
* It should not conduct national holiday.
* It shall be held either at the registered office of the company or at other place WITH IN THE CITY, town or village in which registered office is situated.
* If default is made in calling the meeting according to Section 96 or 97 or 98, the company and every officer of the company who is in default shall be punishable with fine may extend to 1 lakh rupees and in the case of continuing default further fine extend to 5000 rupees for every day during which such default continues.

Notice (section 101)

* Giving 21 days notice to all members entitled to attend the meeting.
* Notice may be served in writing or through electronic mode.
* Specify the place, date, day and the hours of the meeting.

Statement of the business to be transacted at such meeting (agenda)

Notice given to-

Members, legal representatives or assignee, auditor and every directors of company.

Business to be transacted

* 1. Ordinary business
* Adoption of an annual account, director report and auditor’s report.
* To declare dividend.
* To elect the directors in place of those retiring by rotation.
* To appoint auditors and fix their remuneration.
	1. Special business

**An**y other business scheduled to be transacted at the meeting.

**Eg**. Increase authorized capital alter articles and memorandum etc..

Secretaries Duties

Before the meeting

* Ensure that the final accounts, profit and loss account and balance sheet are ready.
* The balance sheet and profit and loss account will be submitted to board meeting for consideration and approval.
* The secretary will prepare in consultation with chairman a draft of annual report of the director and chairman’s speech.
* He must issue notice to the share holders, directors, auditors and stock exchange at least 21 days before the date of meeting.
* He must prepare a list of valid proxies.
* He consults the chairman and MD to prepare a detailed agenda for meeting.
* Make necessary arrangement for poll.
* He prepare dividend list.

At the meeting

* To get the attendance register signed by the shareholders.
* To help the chairman in ascertaining the quorum.
* To read the notice of the meeting with the permission of the chair.
* To read the auditor’s report and also to read director‘s report unless it is taken as read.
* To help the chairman in the conduct of the meeting.
* To supply to the chairman any information.
* To take notes of proceedings for the purpose of preparing minutes thereof.

After the meeting

* To prepare the minutes of the proceeding
* To get the minutes of the meeting approved by the chairman
* To send intimation of the appointment to the directors and auditors.
* To file with the registrar of companies within 30 days of the meeting the copies of the balance sheet, profit and loss account, special resolutions.
* To open a separate bank account known as “Dividend account for the year” in a scheduled bank and deposit the total amount of dividend payable.
1. **Extra- ordinary general meeting(Section 100)**
* All meeting of a company other than annual general meeting.
* It is held between two annual general meetings.
* It discusses any particular matter of urgent importance to the company.

Extra ordinary meeting may be called in the following ways :

1. By directors: Regulation 43 of Table F provides that Board of Directors convene an extra ordinary meeting by passing a resolution to that effect.
2. By directors on request of shareholders: The members compel the directors to call an extra ordinary meeting. The requisition for calling such meeting must be signed by members having at least 1/10 of the total voting power or at least 1/10 of the holders of paid up capital, having right to vote.
3. By requisition of shareholders: If the Board does not within 21 days from the date of receipt of a valid requisition proceed to call a meeting on a day not later than 45 days from the date of receipt of such requisition, the requisitionists may themselves proceed to call meeting.
4. By Tribunal: Tribunal may order to call such meeting either on its own initiative or on the application of any Director or any Member.

**N**otice:- A notice of 21 days has to be given to members indicating the nature and particulars of the resolution to be discussed.

**S**ecretary’s Duties

* If the company may be received a letter of requisition from the members for convening the meeting immediately the secretary may advice the Board on the urgency of meeting.
* It is convened in consultation with the Chairman.
* He assists the Board in preparing the draft resolutions and the explanatory statement.
* Prepare the Notice of the meeting.
* Prepare the Agenda
* Prepare list of Proxies.
* At commencement of the meeting he has to ascertain the quorum.
* Supply the required materials and documents.
* Prepare the notes of the proceedings of the meeting.
* After the meeting, he should prepare the Minutes.
1. **Class Meeting**

Where the share capital of a company is divided into different classes of shares, meeting of different classes of shareholders may have to be called, it is known as class meeting.

E.g. Cumulative preference shareholders, Redeemable preference shareholders etc…

**III. Meeting of Debenture Holders**

The company may call the meeting of its debenture holders is called meeting of debenture holders. It is made to get their approval for making any change in their terms and conditions.

**IV**  **Meeting Of Creditors**

 Company may call the meeting of creditors is called meeting of creditors.

**REQUISITES OF A VALID MEETING (ESSENTIALS OF VALID MEETING)**

1. Proper Authority to Convene the Meeting
* The proper authority to convene a general meeting of a company is the Board of Directors.
* Pass a resolution to call the meeting at the Board meeting.
* If directors fail to call meeting, the Tribunal is the proper authority to call the meeting.
1. Notice of meeting
* Proper notice of meeting should be given to members’ auditors’ directors and every person entitled to attend the meeting.
* 21 days before the meeting notice should be given.
* It should be writing or through electronic mode.
* Place date and time mentioned in the notice.
* It shall be placed on the website of the company.
1. Quorum
* It means minimum number of the members present in a valid meeting.
* No quorum no meeting and it is invalid.
* The Articles of the company lay down the quorum for different meeting of the company.
* If the quorum is not present within half an hour of the meeting, meeting should be adjourned to the same day in the next week at the same time and the place.
* In adjourned meeting, quorum is not present within half an hour, the members present shall be a quorum.
1. The chairman of the meeting
* A person who preside the meeting.
* Article may have provisions relating to appointment of chairman.
* Articles do not provided, the members personally present at the meeting should elect one of themselves as the chairman on show of hand or poll.

Duties of Chairman

* To see that the meeting itself is proper. ( notice, quorum )
* To note that the proceedings are conducted according to agenda.
* To see that the rules and regulations of the meeting are attached with.
* To ensure that the business is within the scope of the meeting.
* To exercise his casting vote for the interest of the company.
* Read the minutes of last meeting.
* To ensure that the members present at the meeting do not discuss matters in whispers among themselves.
1. Minutes of the meeting
* Clear accurate and concise record of the proceedings and the decisions arrived at a meeting.
* It should be preserved in a permanent form for future reference and evidence.
* All the minutes of successive meeting of an organization or a committee are collected in a book and this book is known as minute book.
* It become valid only when systematically recorded, accepted and signed.

Objectives/ uses of minutes

* It is a clear, concise and accurate record.
* It serve as a permanent record.
* It accepted in a court of law for evidence.
* It useful to absent members at the day of the meeting.
* It link between one meeting and previous meeting.
1. Voting
* Each director has one vote for each resolution put to vote at the meeting.
* In case of an equality of votes, the chairman shall have a second or casting vote.
* Every member whose name appears in register of members has a right to vote at a general meeting.
* A share holders vote is a right of property, he may use it in any manner he likes.

Types of vote

1. Voting by show off hand:- The members in favour and against a proposal are requested in turn to indicate their opinion by raising their hands. Proxy of a member has no right to vote. Every member present has one vote. After the chairman declare the result and entry to that effect in minutes of the meeting.
2. Voting by poll (Section 109). Each member is entitled to cast the number of votes in proportion to shares held by him. A proxy is allowed to vote.

**Voting through electronic means**. Every listed company or a company having not less than 1000 share holder , shall provide to its members to exercise their right to vote at general meeting by electronic means.

**Postal ballot (Section 110)**

It is a system of voting in which person send their votes by post when they cannot be present.

1. Proxies (Section 105)
* A proxy is an authorized agent of the member for the purpose of voting
* A member entitled to attend and vote at a meeting may vote either in person or by proxy.

Provisions relating to proxy

* Every member of the company having share capital is entitled to appoint any other person as his proxy.
* Proxy cannot speak at the meeting nor he can vote unless there is poll.
* The information regarding the appointment of proxy should included in the notice of the meeting.
* A proxy must be in writing in the prescribed, signed by appointer and duly stamped.
1. Resolution (Section 114, 115)
* Every item included in the agenda is put before the meeting in the form written of approval, for discussion and decision. When it is approved by the required majority of members present, it becomes a resolution.
* Resolution is an official decision that is made after a group or organization has voted.
* In other words it is a formal decision taken at a meeting by means of a vote.

**Ordinary resolution**

* It should be passed at a properly constituted and convened general meeting.
* It should be passed a simple majority of members present at the meeting including proxy.
* It is passed for ordinary business transactions.
* A copy of the ordinary resolution need not be filed with the Registrar.

*The following are the ordinary business transactions*

* Change the name of the company on the direction of Registrar.
* Approval for appointment of auditor.
* Fixing the remuneration of auditor.
* Appointment of directors or additional directors.
* Appointment of company Liquidator.

**Special resolution**

* Passed by at least 3/4th majority of votes of members on show of hands or on poll who present at a general meeting in person or by proxy.
* At least 21 days notice should be given to members.
* Purpose of special resolution should be clearly specified in the notice calling meeting.
* Copy of the resolution filed with Registrar within 30days of its passing.

*The following are the special business transactions*

* Changing the registered office.
* Alteration of articles
* Alteration of memorandum.
* Variation in the terms of contract or object in the prospectus
* To issue sweat equity shares of a class of a shares already issued.
* To issue further shares to employees of the company.
* To reduce its share capital.
* Buy back of securities.
* Conversion of debentures.
* Register of the company to be kept at a place other than the registered office.
* Entering contract with related party.

**Resolution requiring special notice**

* A notice containing the intention to move the resolution has to be given in such cases at least 14 days before convening the meeting.
* Resolution may be ordinary or special resolution.

Following are some of the resolutions requiring special notice

* Resolution to remove a director.
* Resolution to fill up a casual vacancy of the director.
* Resolution to appoint an auditor other than existing person.

**Difference between Ordinary Resolution and Special Resolution**

|  |  |
| --- | --- |
| Ordinary resolution | Special resolution |
| 1. It is not required to mention in the notice of the meeting.
2. It is required for ordinary matters.
3. It is passed by simple majority of votes.
4. Chairman use his casting right.
5. A copy of this need not file with Registrar.
 | 1. It is required to specifically mention in the notice of the meeting.
2. It is required for special matters.
3. It is passed at least 3/4th majority.
4. Chairman cannot use his casting right.
5. A copy of this must be filed with the Registrar within 30day of passing the resolution.
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**Motion**

All matters for decision before the meeting of company are placed in the form of proposal called motion. A motion is adopted, it becomes a resolution.