



VIT[®]

Vellore Institute of Technology
(Deemed to be University under section 3 of UGC Act, 1956)

Legal Aspects of Business

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Recapitulate

The companies Act, 2013

Meetings

- Introduction
- Requisites of a Valid Meeting
- Kinds of Meetings
 - Shareholders Meeting
 - Directors Meeting
 - Debenture holders Meeting
 - Creditors Meeting
- Other Aspects
 - Proxy
 - Quorum
 - Agenda
 - Minutes

The Companies Act, 2013

Resolution

The decisions of the company are made by resolutions of its members passed at meetings of members. A resolution thus reflects the decision of the majority.

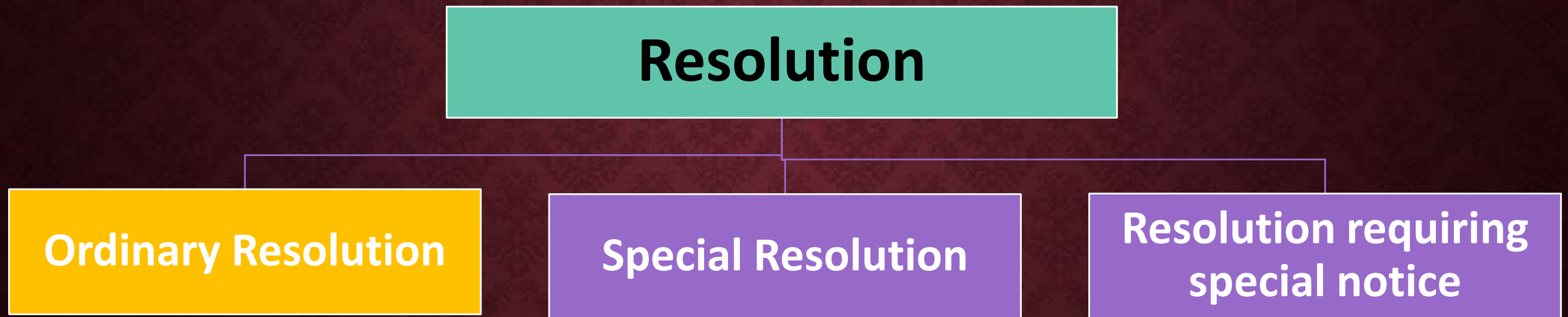
The Companies Act, 2013

Kinds of Resolution



The Companies Act, 2013

Kinds of Resolution



Simple majority means that 51 percent or more of the votes have been cast in favour of the resolution.

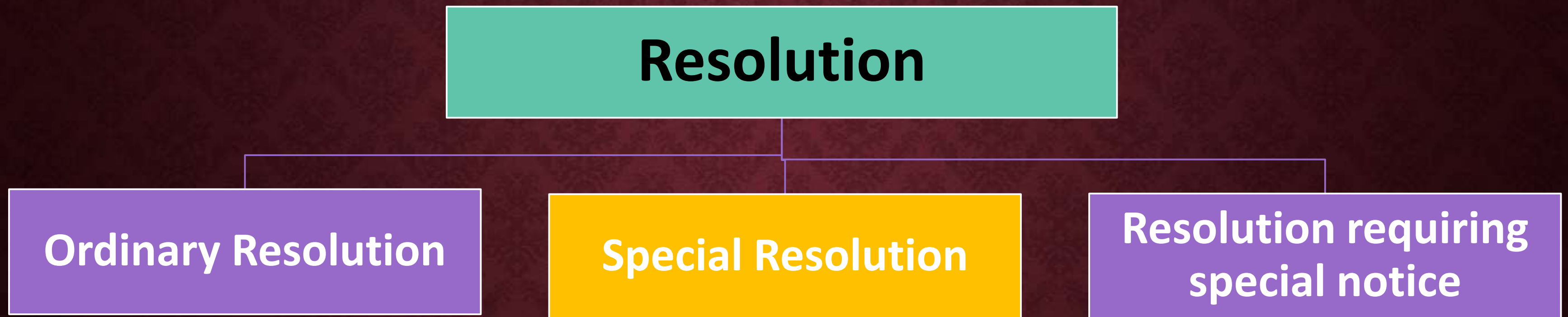
The Companies Act, 2013

When ordinary resolution is necessary?

- Appointment of auditors
- Election of directors in place of those retiring
- Declaration of dividend
- Issuing shares at a discount
- Changing the name of the company
- Changing the location of the registered office from the same city or town

The Companies Act, 2013

Kinds of Resolution



It has to be passed by a three-fourths majority of the members if agree for the proposal

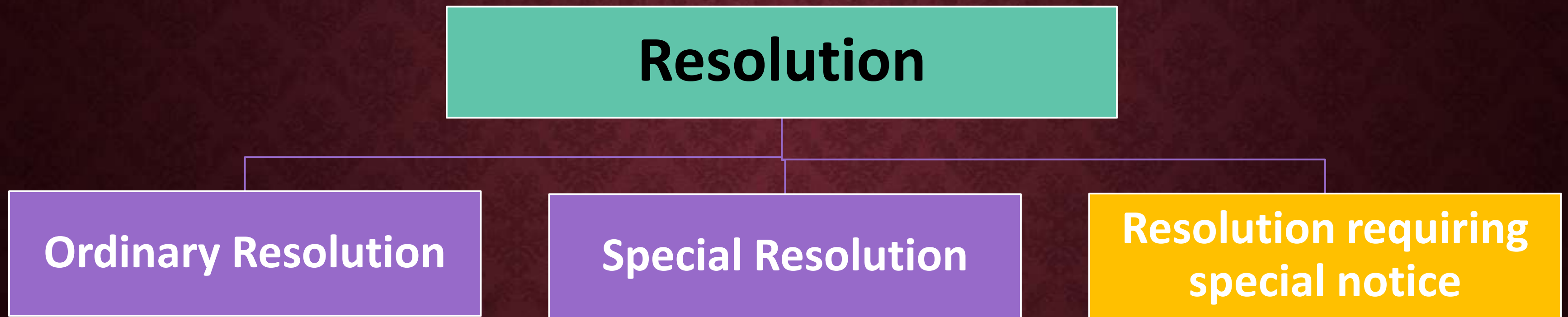
The Companies Act, 2013

When special resolution is required?

- Alteration of objects clause
- Alteration of the registered office clause
- Alteration of the Articles of Association
- Alteration of Reducing the Share Capital
- Making loans to other companies under the same management
- Voluntary winding up of the company

The Companies Act, 2013

Kinds of Resolution



The proposed resolution must give a special notice of 14 days to the company

The Companies Act, 2013

Items requiring special notice

- Appointing an auditor other than a retiring auditor
- Passing a resolution that a retiring auditor should not be appointed
- Removing a director before the expiry of his term
- Appointing a director in place of the removed director

The Companies Act, 2013

Voting and Poll

Voting

Voting means expressing one's statement either for or against a proposed resolution, called motion. In a company meeting voting can be by way of acclamation of voice, show of hands and poll.

1. Voting by Acclamation of Voice

Those favouring the motion are requested to say 'yes' or those who are against it are requested to say 'no'. The intention of the members is ascertained by the volume of sound.

The Companies Act, 2013

2. Voting by Show of Hands

Members favouring a resolution are asked to raise their hands and the number is counted. Similar procedure is adopted to count the number of members who are against it. Thus the resolution is declared passed or lost.

3. Voting by Poll

When dissatisfied with the result of voting by show of hands, a poll may be demanded. Here each member records his vote on a voting card for or against the resolution. The voting rights of a member are in proportion to his share of the paid up equity capital of the company. Either the chairman on his own motion or on demand by prescribed number of members present in person or by proxies, can order poll. Proxy is allowed to vote in a poll.

Review Questions

1. The decisions of the company are made by resolutions of its members passed at meetings of members. **True or False**
2. Voting means expressing one's statement either for or against a proposed resolution, is called
 - a. Resolution
 - b. Minutes
 - c. Motion
 - d. Poll
3. Ordinary resolution is necessary for which of the following circumstances
 - a. Appointment of Auditors
 - b. Declaration of dividend
 - c. Changing the Name Clause
 - d. All of the above

Answer

1. The decisions of the company are made by resolutions of its members passed at meetings of members.

Answer: True

2. Voting means expressing one's statement either for or against a proposed resolution, is called

Answer: c. Motion

3. Ordinary resolution is necessary for which of the following circumstances

Answer: d. All of the above

Thank You