

Legal Aspects of Business

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Recapitulate

The companies Act, 2013

Membership

- Introduction
- Mode of acquiring membership
- •Who can become members?
- Cessation of membership
- Rights & Liabilities of members

Meetings

A meeting is a gathering of people to present or exchange information, plan joint activities, make decisions, or carryout actions already agreed upon. In other words, as assembly of relevant persons validly convened through proper notice for transacting business mentioned in an agenda is known as a meeting.

Requisites of a Valid Meeting

- 1. A meeting is any kind, to be valid, must satisfy the following conditions.
- 2. It must be properly convened. That is, it should be called by the proper authority entitled to call the meeting. The proper authority to convene the meeting is the Board of directors, shareholders or the Company Law Board
- 3. It must be legally constituted. This means that the meeting should have a proper chairman; quorum must be present
- 4. It should be conducted according to the provisions of the Act and the Articles
- 5. It should be properly conducted

Kinds of Meeting

Meetings

Shareholders Meeting

Directors Meeting Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting

Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting

Meeting which address the various shareholders in different occasion

Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting

Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting

Mandatory for Public Limited company, to be conducted within 6 months from the commencement

Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting

Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting

First AGM within 18
months from its
incorporation,
subsequently, the
interval between two
AGM should not be 15
months

Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting

Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting

Any urgent or special business which cannot be postponed till the next AGM

Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting



Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting

Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting

At least four Board meetings should be held in every year

Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting

Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary General Meeting Board Meeting

Committee Meeting

The Board may delegate their powers to committees for deciding issues like investing funds, raising loans, etc.,

Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting

The company wants to change the terms of security or to modify the rights, or to change the rate of interest payable, etc.,

Classification of Meeting

Meetings

Shareholders Meeting

Directors Meeting

Debenture Holders

Creditors

Statutory Meeting

Annual General Meeting

Extraordinary
General Meeting

Board Meeting

Committee Meeting

The company proposes to make a scheme of arrangements with its creditors

Other aspects to be remembered during the Meetings

Proxy

Quorum

Agenda

Minutes

Other aspects to be remembered during the Meetings

A. PROXIES

The term 'Proxy' may refer to a person who is authorized by a member for the purpose of attending the meeting. It also means the instrument by which the proxy is authorized. The following points relating to proxies are worth nothing;

- 1. Members of a company having a share capital have a right to appoint proxies.
- 2. Proxy need not be a member of the company
- 3. Proxy can attend a meeting but he has no right to speak
- 4. Proxy cannot vote except on a poll
- 5. A member can appoint more than one proxy
- 6. The proxy form must be in writing, duly signed by the appointer and stamped. It must be lodged at the company's office 48 hours before the commencement of the meeting.

Other aspects to be remembered during the Meetings B. QUORUM

The word 'Quorum' means the minimum number of members required to be personally present at a meeting for validly transacting any business. Usually the quorum is fixed by the Articles.

The quorum shall be two members personally present in the case of a private company and five in case of public company.

Other aspects to be remembered during the Meetings

C. AGENDA

Agenda means the list of business to be transacted at the meeting. It is generally prepared by the secretary in consultation with the chairman.

D. MINUTES

The term minutes refers to accurate official record of decisions taken at various company meetings. Every company must keep the minutes containing summary of all proceedings of general and Board meeting in books. Minutes should be brief and factual. It should be so accurate as not to give for misinterpretation. It should be free from superfluous words.

Review Questions

- 1. The duration between the subsequent Annual General Meeting is
 - a. 20 months
 - b. 18 months
 - c. 15 months
 - d. 16 months
- 2. The number of board meeting should be conducted per year.
 - a. 6
 - b. 4
 - c. 3
 - d. 12
- 3. The accurate official record of decisions taken at various company meetings is known as
 - a. Agenda
 - b. Articles of Association
 - c. Registers
 - d. Minutes

Answer

1. The duration between the subsequent Annual General Meeting is

Answer: c. 15 months

2. The number of board meeting should be conducted per year.

Answer: b. 4

3. The accurate official record of decisions taken at various company meetings is known as

Answer: d. Minutes

Thank You