



## COMPANY MEETINGS - I

### 7.1. Essentials of valid meeting

#### 7.1 1. Properly convened

1. Proper authority
2. Notice
3. Agenda

#### 7.1 2. Properly constituted

1. Quorum
2. Chairman

#### 7.1 3. Properly conducted

- |               |            |           |
|---------------|------------|-----------|
| 1. Proxy      | 2. Motion  | 3. Voting |
| 4. Resolution | 5. Minutes |           |

### 7.2 Distinction

### INTRODUCTION:

Joint stock company is very popular form of business organization. It's members are large in number. Members are treated as owners of the company but they are scattered over wide areas and have their own business hence they cannot practically manage the daily company affairs Under such circumstances it becomes necessary to make separation of ownership from management.

Meeting is the best form of oral or face to face communication of members and management in the company. Members and directors come together, discuss company related matters, exchange ideas, opinions, determine the business plan and policies and take collective decisions at a meeting.

In short company meetings are necessary for the purpose of discussing various issues relating to the company and arrive at decisions.

### Meaning and Definition:

The term meeting is derived from the Latin word 'Maeta'. Maeta means 'face to face'.

### Meaning:

A meeting may be defined as gathering or assembling of two or more persons for transacting any lawful business.

### Definition:

According to Show & Smith "Company Meeting is an assembly of people connected with the company who have gathered for the purpose of discussing matters related to it."

In short company meeting is an official gathering of Shareholders, Directors, KMPs and / or Creditors for discussing different issues relating to the company and arrive at decisions.

## Importance of company meetings:

### 1) Opportunities for members to come together:

A meeting provides an opportunity for members to come together and discuss about the working of the company.

### 2) Minutes of the previous meeting:

Minutes of the previous meeting are read out by the Secretary which enables the members to get a clear idea about the matters discussed in the previous meeting.

### 3) Fixation and implementation of policies, plans and programmes:

The management chalks out the policies, plans, programmes and decides ways and means of its implementation in the meeting.

### 4) Analysis of problems:

The nature of problems can be discussed and analyzed in the meeting and it becomes easy to arrive at a solution.

### 5) Legal requirements:

Meetings are to be held according to the provisions of the Companies Act. Legal formalities related with convening and conducting various meetings of the company are fulfilled by conducting meetings.

### 6) Other elements:

Meetings are essential to make the appointment of directors, and auditors, declare the dividend, study and give approval to annual report, financial statements, auditors report etc.

## 7.1 ESSENTIALS OF VALID MEETINGS:

Meetings play a very vital role in management of a joint stock company, as most of its decisions are made at the company meetings. The business transacted at these meetings must be valid. A meeting becomes valid when it is duly convened, properly constituted and properly conducted in accordance with the provisions of the Companies Act and the Articles of Association of the company.

### 7.1.1. PROPER CONVENING OF MEETING:

#### 1. Proper authority:

A meeting must be convened by a proper authority. The proper authority to convene a general meeting of shareholders is the Board of Directors. Under certain circumstances meetings can also be called by the members or the National Company Law Tribunal or the Central Government. The secretary should call a meeting by issuing a notice with the authority of Board of Directors.

#### 2. Notice - (Company Act 2013-section 101):

The second requirement of a valid meeting is that a proper notice must be given to proper person.

##### a) Meaning:

The notice of a meeting is an advance written intimation containing day, date, time and place given by company to all those who are entitled to receive it.

**b) Contents of notice:**

Every notice of company meeting must specify

- i) Type of the meeting
- ii) The exact day, date, time and place of meeting
- iii) The agenda of meeting and contains a statement that member is entitled to appoint proxy.
- iv) If any special resolution is to be passed it must be mentioned as special resolution in notice.
- v) In case of special business to be transacted statutory note and an explanatory statement must be given in the notice.

**c) Authority to send notice:**

The Board of Directors is the authority to send the notice of the meeting. Normally the Board of Directors authorizes the secretary to send the notice convening the meeting.

**d) Authority to receive notice (section 172(2)):**

- i) All the share holders, in case of shareholders meeting.
- ii) The Auditor of the company in case of Annual General meeting.
- iii) The legal representatives of deceased or insolvent member
- iv) A person named first in register of members in case of joint holders.
- v) All directors in case of Board meeting / General meetings.

**e) Period of Notice:**

In case of general meeting, notice must be sent 21 clear days before the actual meeting i.e. the day of sending notice and day of meeting is to be excluded while counting 21 days. But for a Board Meeting 7 days notice is required.

**f) Ways of serving notice (Section 172(2)):**

- i) Notice must be sent either personally or by ordinary post at the registered address of the member in India only.
- ii) If the member has no registered address in India, then it is sent to the address which is given by the member.
- iii) If any member wants the notice by registered post, the notice must be sent accordingly, provided he pays charges in advance.
- iv) Notice can also be advertised in a leading newspaper of the area, where the registered office of the company is situated.
- v) As per initiative of Ministry of Environment, company can also send notice of meeting through e-mail.

**g) A statement to be sent alongwith notice - (Section 102):**

Where special business is to be transacted in the general meeting, an explanatory statement to that effect is required to be annexed to the notice.

#### **h) Omission to give notice (Section 101 (4):**

If notice is not sent to one or more members deliberately, the meeting would become invalid.

### **3) Agenda :**

#### ● **Meaning:**

Agenda means a statement containing a list of items to be discussed at the meeting.

A secretary has to prepare the agenda in consultation with the chairman. Agenda is sent along with the notice of the meeting.

#### ● **Importance of Agenda**

- i) Chairman can conduct the meeting efficiently with the help of agenda.
- ii) Chairman can discuss the items as per the sequence of agenda.
- iii) Members can get sufficient time to think over the items given in the agenda. So that they come well prepared for the meeting and actively participate in it.
- iv) All items included in agenda are discussed in the meeting.

#### ● **Guidelines for preparation of Agenda:**

While preparing the agenda the Secretary should keep in mind the following guiding principles.

- i) Agenda must be prepared in simple language and it should be brief and clear.
- ii) Routine or general nature of items should be put first in order then special matters and contentious matter should be the last.
- iii) Similar type of matters should be placed in a sequence on the agenda.
- iv) All items included in the agenda must be within the scope of the meeting.

#### ● **Types of agenda:**

There are two types of agenda - 1. Bare statement agenda in which all items are described in brief and 2. Draft minutes agenda in which items are given in detail so that it is useful in preparing the minutes of the meeting.

### **7.1.2 Proper constitution of meeting:**

#### **1) Quorum - (Section 103):**

Quorum is the most essential condition for a valid meeting. Quorum means the minimum number of members required to be present at a meeting. Presence of the members is essential for transacting legally the business at the meeting. The quorum has to remain present from beginning till the end of meeting. Secretary must ensure the quorum before the commencement of meeting. A meeting in absence of quorum is invalid.

#### **Provisions for Quorum ( Companies Act, 2013)**

##### **Quorum for General meeting**

#### **a) In case of public company:**

Quorum depends upon the number of share holders.

Number of shareholders	Quorum
Not more than 1000	Five (5) members
More than 1000 but up to 5000	Fifteen (15)members
Exceeds 5000	Thirty (30) Members

**b) In case of private company:**

Two members personally present shall be the quorum for meeting of the company.

**Quorum for Board Meeting:**

According to the provision in the Companies Act, a quorum for Board Meeting is 1/3 of the total number of directors or two directors whichever is higher.

**2) Chairman of the meeting (Section 104)**

There must be a proper person i.e. chairman to conduct a meeting properly. Chairman has to preside over and conduct the proceedings of a meeting.

**□ Provisions for the appointment of Chairman: (Section 104)**

If the articles of association of a company do not provide any provisions for the appointment of a Chairman, then the appointment of Chairman shall be made as per the provisions of Companies Act as follows:

- i) Unless the articles of a company otherwise provides, the members personally present at the meeting shall elect one of them to be the Chairman thereof on a show of hands.
- ii) If a poll is demanded for the election of the Chairman, it shall be taken forthwith. The Chairman elected by a show of hands shall exercise all the powers till the Chairman is elected by poll.
- iii) If some other person is elected as the Chairman as a result of the poll, that person shall be the chairman for the rest of meeting.

**□ Powers of Chairman:**

- i) To keep order and conduct the meeting properly.
- ii) To decide the priority of speakers.
- iii) To maintain relevancy and order in debate.
- iv) To prevent the use of improper language and behaviour of the member.
- v) To adjourn the meeting if it becomes impossible to conduct and complete the meeting.
- vi) To give casting vote when votes in favour of the proposal and against the proposal are equal
- vii) To declare the result of the voting.
- viii) To give ruling on point of order.

**□ Duties of Chairman:**

- i) To see that the meeting is properly convened and constituted.
- ii) To see the proceeding of the meeting are conducted in a proper manner.
- iii) To see that the items are discussed according to agenda.
- iv) To maintain order in the meeting.
- v) To declare result of voting.

- vi) To see that proper and correct minutes are entered in the minutes book and to sign them.
- vii) To act in the best interest of the meeting.
- viii) To deal with all incidental questions which arise at a meeting.

### 7.1.3. PROPER CONDUCT OF MEETING:

#### 1) Proxy (Section 105):

##### Meaning:

A proxy is a person who attends a general meeting and votes on behalf of a member of the company.

Every member of a company has a statutory right to appoint a proxy.

#### □ Legal provisions regarding proxy:

##### i) Appointment:

Any member of a company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf. It is also provided that the Central Government may prescribe certain companies whose members shall not be entitled to appoint another person as a proxy. A minor cannot be appointed as proxy. Proxy cannot be appointed for a Board meeting. The appointment of proxy is valid for an adjourned meeting.

##### ii) Right:

A proxy shall not have the right to speak at the meeting and to vote except on a poll.

##### iii) Membership :

A person appointed as a proxy may or may not be a member of the company.

##### iv) A letter of authority/proxy form:

The duly completed proxy form must be submitted by the member in company's registered office at least 48 hours before the meeting and a separate proxy form is required for each meeting.

##### v) Inspection:

A member can inspect any proxy form by giving not less than three days notice to the company.

#### 2) Motion:

A motion is a proposal put before a meeting for its consideration and adoption. A motion is liable to alteration before it is adopted by the meeting.

A person who puts forth motion in the meeting is called a proposer or a mover.

#### □ Essentials of a valid motion:

- i) A motion must be in writing and signed by the proposer, and put to the meeting by the Chairman.
- ii) A motion should not contain any argument, inference or defamatory expression.
- iii) Wording of motion should be affirmative - clear, and definite.
- iv) Motion should be within the scope of agenda.
- v) Motion should be seconded by at least one member.

- vi) Every member is allowed to speak on the motion only once.
- vii) Motion can be withdrawn by proposer by following a procedure.

## □ **Kind of motions**

### **1) Formal motion      2) Substantive motion**

#### **1) Formal motion:**

Formal motions are related to the procedures at the meeting and are moved for the purpose of preventing or delaying or speeding up discussion on a motion. Following are types of formal motion -

##### **i) The Closure:**

When a member is convinced that sufficient time has been spent on the discussion of a particular motion, he may propose that the question be now put to vote. This is called as closure. The object of moving a closure motion is not to solve the main question, but to avoid waste of time and to arrive at a quick decision. If this motion is put to vote and if majority favours the same, no further discussion is permitted.

##### **ii) Previous Question motion:**

The main purpose of this motion is to prevent discussion on the main motion. When some members come to the conclusion that it is unwise or inconvenient discussion on the main motion, they may move the previous question. The wording of this motion is 'The question be not now put.' If it is carried, the discussion on the main motion is dropped. If the previous question is lost, the original motion is put to vote.

##### **iii) Next Business motion:**

This motion is similar to the previous question motion. The object of moving such a motion is to shelve discussion on the main motion before the meeting. The wordings of motion is 'The meeting to proceed to next business'.

Such motion is generally moved when a member is of the opinion that the main motion under discussion is of little importance and other important items of business are not yet transacted. In such a case the motion is put to vote and if it is carried, the original motion is dropped at once and the meeting proceeds to next business.

##### **iv) Adjournment of Debate motion:**

By this motion discussion on the motion can be postponed. The wording of this motion is 'The debate on the subject be adjourned.' The mover of the motion feels that additional information is required for further discussion and the discussion should be delayed for particular period. If it is carried, the debate will be postponed. If it is lost the debate continues.

##### **v) Adjournment of meeting motion:**

The aim of this is to postpone the meeting for a particular period or indefinite period. The wording of this motion is "The meeting be now adjourned." If it is carried, the meeting is postponed to future date. If it is lost, meeting continues.

#### **2) Substantive motion:**

A motion which is changed due to amendment is called substantive motion. When an

amendment is passed, it is incorporated in the original motion. The substantive motion is put to vote, if it is passed it becomes a resolution.

#### ❑ **Amendment:**

An amendment is any alteration proposed by a member to the original motion when a motion is under discussion.

Amendments are generally moved to alter original motion by-

- a) Adding some new words.
- b) Deleting some words.
- c) Replacing some words.
- d) By changing the position or place of words.

The amendment should be relevant to the main motion and it must not alter the original motion entirely.

#### ❑ **Point of Order :**

A point of order is a question or objection raised by any member when he wants to bring to the notice of the chairperson the irregularities in the meeting.

**The point of order may be for-**

- 1) Absence of quorum
- 2) Breach of any rule relevant to meeting
- 3) Misbehaviour of any member.
- 4) Use of improper language by any member

When the point of order is raised, discussion on the original motion is stopped for some time. The decision on the point of order is taken by the chairperson. It shall be final and binding on the meeting.

### **3) Voting:**

To vote means to express opinion in a formal way. After discussion on motion in a meeting, it is put to vote for knowing the opinion of members. Voting is necessary to ensure the sense or trend of the meeting. Each share holder has the right to vote on each motion in lawful manner.

#### ❑ **Methods of voting:**

##### **1. Voting by voice**

Under this method the members are requested to say 'yes' if they are in favour of the motion or say 'No' if they are against the motion. Decision is taken on the basis of volume of voice.

This method is exercised rarely. The volume of voice does not give the clear idea about the majority of votes.

##### **2. Voting by Division**

Under this method present members are divided into two groups. Members in favour and those against the matter are asked to go in different rooms. Then the trend of the meeting is ensured by counting and chairman declares the result.



### **3. Voting by show of hands - (section 107)**

This method is used in the general meetings of a company. After the discussion on the motion the chairman requests the members to raise their hands in favour or against the motion. The chairman declares the result by counting number of hands in favour or against the proposal.

### **4. Voting by Ballot**

Under this method to record the vote, ballot papers are distributed to every member and they deposit it in the ballot box. The votes are counted and the result is declared. This method maintains secrecy in voting.

### **5. Voting electronically (section 108)**

The Central Government may prescribe certain companies for having compulsory electronic voting in general meeting. Member may exercise his right to vote by the electronic means.

### **6. Voting by postal ballot (section-110)**

The Central Government may prescribe certain companies for having voting by postal ballot. Ballot papers are sent by post to members.

### **7. Voting by Poll**

Poll can be demanded after the declaration of result by the show of hands. Under this method each member can vote in proportion to the number of shares held by him. Polling papers are given to members and proxies for recording their votes. The result of poll is final and not to be challenged.

#### **Legal provisions regarding voting by poll-**

- i) The chairman can demand poll
- ii) In case of a private company.
  - a) Poll can be demanded by one member when not more than seven members are present and
  - b) by two members when more than seven members are present
- iii) In case of public company poll can be demand by at least five members present in person or by proxy.
- iv) It can also be demanded by any member/members present in person or by proxy holding 1/10 of the total voting power.
- v) The poll must be conducted within 48 hours of its demand.
- vi) The decision taken by poll is final and cannot be changed.
- vii) The demand for poll can be withdrawn any time by the person who demanded it.

#### **Merits :**

- 1) Proxies are allowed to vote.
- 2) Secrecy can be maintained under this method.
- 3) It is scientific method of voting.
- 4) Shareholders can vote in the proportion of shares held.

### Demerits

- i) Under this method 'one share one vote' principle is exercised hence this method is criticized as capitalistic method of voting.
- ii) This method is expensive, time consuming and complicated.

## 4) Resolution

A motion accepted in a meeting is called resolution. A Resolution is formal and final decision of meeting. No discussion is allowed on the resolution. Every resolution should be recorded in minutes book. Every resolution should be brief and framed in the affirmative form. Number of members voting in favour and against the resolution should be mentioned. Resolution should be drafted in present tense. Resolution cannot be altered.

### Types of Resolution

#### A) Ordinary Resolution (Section 114)

A resolution which is passed by simple majority is called ordinary resolution. More than 50% of the votes should be in favour of motion. An ordinary resolution need not be submitted to registrar of companies. The notice of the meeting need not require to explain the particulars of an ordinary resolution. For e.g. Approval of statutory report, Alteration of the share capital, Declaration of Dividend, Approval of directors, auditor report and final accounts, Election of directors, appointment of secretary and auditor and fix their consideration etc.

#### B) Special Resolution (Section 114(2))

The resolution which is passed by special majority is called as special resolution. It is passed by 3/4 or 75% majority. The number of votes in favour of motion should be three times of the votes cast against the motion. Purpose of passing a special resolution should be mentioned in the notice of the meeting. A special resolution is passed in general meeting only. Notice of Special Resolution has to be given to the members 21 days before the meeting. A copy of special resolution must be filed with the Registrar of Companies through e - filing on MCA portal within 30 days of passing resolution.

#### Examples of special Resolution-

- i) Change in the name of the company (Section 13)
- ii) Shifting of registered office of the company from one state to another (Section 12)
- iii) Alteration in the object clause of company
- iv) Reduction in the authorized share capital of the company
- v) Alteration in the Articles of Association of company (Section 14)

#### C) Resolution requiring special notice (Section 115)

Some resolutions require special notice as per the Companies Act or Articles of Association of the company, hence such resolutions are called resolution requiring special notice.

Special notice resolution may be ordinary or special resolution.

A proposer of the motion has to give a special notice of 14 days to the company. The company should then give a notice of that resolution to all members at least 7 days before the meeting.

Under the Companies Act 2013 for the following resolutions require special notice -

- i) Resolution to appoint a person as a auditor other than a retiring auditor
- ii) Resolution providing that a retiring auditor shall not be reappointed
- iii) Resolution to appoint director other than retiring director
- iv) Resolution to remove a director before the expiry of his term
- v) Appointment of a person as a director in place of the director removed

#### **D) Resolution requiring Registration (Section 117)**

Resolutions which are required to be registered with the Registrar of Companies are called as resolution requiring registration. Resolution should be filed with Registrar within 30 days of it's passing. Examples of such resolutions as following.

- i) All Special Resolutions,
- ii) Resolution made by Board of Directors regarding appointments or reappointment of managing director,
- iii) Resolution made by members regarding dissolution of company.

#### **E) Resolution by Circulation**

When directors have to take important and urgent decisions and do not have sufficient time to call a Board meeting; at that time a draft resolution is prepared and forwarded to all directors to pass resolution. It is called as resolution by circulation.

#### **□ Validity of Resolution**

Resolutions passed at the meeting by following proper rules and regulations are termed as valid resolutions. If resolutions are passed without following proper rules and regulations they are termed as invalid resolutions.

#### **Points regarding Invalid Resolutions**

- i) Resolution is not within the scope of notice and meeting.
- ii) Resolution passed at the meeting but not properly convened and constituted.
- iii) If the fact of special business is not mentioned in the notice of the meeting.
- iv) If resolution requires a specific majority of votes but it is passed only by ordinary majority of votes discussed at the meeting.
- v) Resolution is out of the scope of Memorandum of Association.
- vi) Voting on the motion is irregular.

#### **5) Minutes (Section 118)**

##### **Meaning**

The term minutes means written records of proceedings of a meeting.

##### **Definition**

According to M. C. Kuchhal - The term minutes means a concise and accurate official record of the decisions taken at the meeting.

Minutes are prepared by the secretary within 15 days after the meeting. Minutes are recorded in minutes book and written in the past tense. After preparing minutes, it should be passed in

consecutive meeting. Minutes Books for General Meetings and Board Meetings are maintained separately.

### Importance of Minutes :

#### 1) Authentic Record

Detailed information about proceeding of the meeting is made available through minutes.

#### 2) Evidence

Minutes can be used as prima facie legal evidence in the court of law.

#### 3) Future reference

Minutes is a permanent record. It is useful for taking future managerial decisions.

#### 4) Legal provisions

Minutes are to be prepared by following legal provisions mentioned in the Companies Act and secretarial standard.

#### 5) Information to Absent members

Minutes helps the absent members in knowing the proceedings of meeting and it also serves as a reminder of the subject.

#### 6) Information about Resolution

The motion and discussion on the motion are reflected in the resolution. Interested parties can always refer to the text of a resolution when there is contradiction or confusion.

#### 7) Inspection of Minutes (Section 119)

As per the Companies Act Minutes Book should be kept at the registered office of the company and every member has right to inspect the minutes book of the general meetings.



**Activity:** Prepare an agenda for a meeting to discuss holding of Annual Day.

## 7.2 DISTINCTION BETWEEN -

### 1. Motion and Amendment

Sr. No.	Points	Motion	Amendment
1)	Meaning	Motion is a written proposal placed before the meeting for discussion and decision.	An amendment is an alteration or a modification proposed to the original motion.
2)	Purpose	The main purpose of motion is to discuss and to take proper decision.	The main purpose of an amendment is to revise or modify the main motion.
3)	Effect	When motion is accepted by majority in the meeting, it becomes resolution.	When an amendment is approved by majority, it becomes a part of motion.

## 2. Motion and Resolution

Sr. No.	Points	Motion	Resolution
1)	Meaning	Motion is a written proposal placed before the meeting for discussion and decision.	Resolution is an accepted motion in the meeting.
2)	Amendment	Motion is subject to amendment before it is put to vote.	When resolution is passed, it cannot be amended.
3)	Recording	A motion is not recorded in the minutes book of a meeting.	All resolutions must be recorded in the minute book of a meeting.
4)	Filing	Motion need not be filed with the registrar of companies.	Certain resolutions are required to be filed with the registrar of the companies within 30 day of the date of its passing.
5)	Withdrawal	It may be withdrawn by mover before it is put to vote.	Once it is approved, it cannot be withdrawn.
6)	Types	Motion can be i) formal motion ii) substantive motion	Resolutions are of 3 types i) Ordinary ii) Special iii) Resolution Requiring special notice

## 3. Agenda and Minutes

Sr. No.	Points	Agenda	Minutes
1)	Meaning	Agenda is a list of business to be transacted at the meeting.	Minutes is the statutory record of business transacted at the meeting.
2)	Importance	Agenda is sent to members along with the notice of meeting. It is useful to the chairman to take items for discussion according to agenda Members can prepare themselves for meeting.	It acts as prima facie evidence in court of law and it is useful for future reference.
3)	When prepared?	Agenda is prepared before the meeting.	Minutes are prepared after the meeting.
4)	Tense	Agenda is always written in the future tense.	Minutes is always in the past tense.
5)	Where recorded?	Agenda is included in the notice of a meeting.	Minutes is recorded in minutes book.

#### 4. Voting by show of hands and Voting by poll

Sr. No.	Points	Voting by show of hands	Voting by poll
1)	Meaning	A voting by show of hands is a method of voting in which members cast their votes by raising hands.	Voting by poll is a method of voting in which every member is given a ballot paper to record his votes according to the number of shares held by him.
2)	Secrecy	Votes are given openly by show of hands, hence secrecy is not maintained.	Votes are recorded on voting papers hence secrecy is maintained.
3)	Voting by proxy	Proxies are not allowed to vote under this method.	Proxies can vote only in this method.
4)	Number of votes	‘One man, one vote’ is the principle of voting in this method.	‘One share, one vote’ is the principle of voting by poll. Therefore each member can vote in proportion to the number of shares held by him.
5)	Effect	The decision by show of hands is cancelled, when poll is demanded.	The decision taken by poll is final and it cannot be cancelled. It is binding on all the members of the company.

#### 5. Ordinary Resolution and Special Resolution

Sr. No.	Points	Ordinary Resolution	Special Resolution
1	Meaning	The resolution which is passed by a simple majority of votes is called as ordinary Resolution.	The resolution which is passed by 3/4 <sup>th</sup> majority of votes is called as special resolution.
2	Majority	Ordinary resolution requires more than 50% of majority of votes.	Special resolution requires at least 75% majority of votes.
3	Examples	Appointment of auditors, declaration of dividend, election of directors, etc.	Change in the name of company, alteration in the object clause of Memorandum, reduction in share capital of company etc.

### SUMMARY

- 1 A meeting may be defined as coming or gathering or assembly of two or more persons for transacting any lawful business.
- 2 Company meeting is an assembly of people connected with the company who have gathered for the purpose of discussing matters related to it.

- 3 Notice is an advance intimation given by company to its members containing agenda, day, date, time and place of meeting.
- 4 Agenda is a statement containing a list of items to be discussed at the meeting.
- 5 Quorum means the minimum number of members required to be present at the meeting.
- 6 Chairman of meeting is a person who conducts the meeting properly.
- 7 Proxy is the representative of an absent member.
- 8 Motion is a proposal put before the meeting for discussion and decision.
- 9 Accepted motion is called resolution. An amendment is the alteration proposed to the original motion.
- 10 A point of order is a question raised regarding the conduct of meeting or the procedure of meeting.
- 11 Minutes is the written record of proceeding of meeting.



## EXERCISE

### Q.1 A. Select the correct answer from the options given below and rewrite the statements.

- 1) The intimation to members stating the day, date, time and place of meeting is known as..... .  
a) quorum      b) agenda      c) notice
- 2) The notice of the general meeting must be sent to all members ..... clear days before the meeting.  
a) 24      b) 21      c) 14
- 3) The person who presides over the meeting is known as..... .  
a) Secretary      b) Chairman      c) Director
- 4) A proxy can vote only in the case of voting by..... .  
a) division      b) show of hand      c) poll
- 5) The appointment of an auditor requires ..... .  
a) resolution requiring special notice      b) an ordinary resolution  
c) a special resolution.
- 6) A .....is the proposal put before the meeting for discussion and decision.  
a) Motion      b) Resolution      c) Minutes
- 7) The right of casting vote is given to the..... .  
a) Director      b) Chairman      c) Secretary
- 8) Minutes must be recorded within .....days of the conclusion of the meeting.  
a) 60      b) 21      c) 15
- 9) .....resolutions are not passed in general meeting.  
a) Ordinary      b) Special resolution      c) Resolution by circulation

- 10) For passing special resolution..... majority is required.  
a) 51%      b) 66%      c) 75%
- 11) For alterations in the Articles of Association..... is required.  
a) a special resolution      b) an ordinary resolution  
c) a resolution requiring a special notice
- 12) Provisions about resolutions are contained in ..... of a company.  
a) Articles of Association      b) Memorandum of Association      c) Prospectus
- 13) When a poll is demanded it must be taken within ..... hours.  
a) 48      b) 36      c) 12

**B. Match the pairs:**

Group 'A'		Group 'B'	
a)	Chairman	1)	Proposal put before the meeting
b)	Quorum	2)	Casting vote
c)	Motion	3)	Amendment
d)	Minutes	4)	Minimum number of members required for a valid meeting
e)	Notice	5)	Voting
f)	Proxy	6)	Maximum number of members required for a valid meeting
		7)	Record of meeting
		8)	Accepted motion
		9)	Intimation stating agenda, day, date, time and place of meeting
		10)	Representative of member
		11)	Representative of a director
		12)	Formal motion

**C. Write a word or a term or a phrase which can substitute each of the following statements.**

- 1) The person who signs the minutes of the meeting.
- 2) A method of voting where members can vote in proportion to the number of shares held.
- 3) A resolution passed by simple majority.
- 4) A resolution passed by 3/4 majority.
- 5) A company officer who is required to draft the minutes of the meeting.
- 6) A person who conducts the proceedings of the meeting.

**D. State whether the following statements are True or False.**

- 1) Minutes are prepared before the meeting.
- 2) Maximum number of members required to attend the meeting is called as Quorum.
- 3) Meetings are held only to review the progress of the company.
- 4) Chairman has right to conduct the meeting.



**E) Find the odd one.**

- 1) Next Business Motion, Previous Question Motion, Special Resolution.
- 2) Ordinary Resolution, Resolution requiring special notice, Substantive motion.

**F) Complete the sentences.**

- 1) The authority who can convene the general meeting of shareholders is .....
- 2) The advance intimation about the day, date, time etc. of a meeting sent to the members is called as .....
- 3) The minimum number of members required to be present at a meeting is called as .....
- 4) A person who attends a general meeting and votes on behalf of a member is called as .....
- 5) A proposal put before a meeting for consideration and adoption is called as .....
- 6) A formal and final decision taken in a meeting is called as .....
- 7) The written records of proceedings of a meeting is called as .....

**G) Select the correct option from the bracket.**

Group 'A'	Group 'B'
1) Voting by poll	-----
2) -----	Special resolution
3) Substantive Motion	-----
4) -----	Chairman

(Presides over the meeting, Proxy, An amended Motion, 3/4 or 75% majority)

**H) Answer in one sentence.**

- 1) What is Minutes?
- 2) What is Notice?
- 3) What is Ordinary Resolution?
- 4) What is agenda?
- 5) Who is Chairman?
- 6) What is point of order?

**I) Correct the underlined word and rewrite the following sentences.**

- 1) Minutes are prepared before the meeting.
- 2) Resolution is a proposal put before a meeting for discussion.
- 3) Polling papers are used for voting by show of hands.
- 4) A Motion is a final decision taken in the meeting.
- 5) Agenda is prepared after the meeting.

**J) Arrange in proper order.**

- 1) a) Drafting Minutes  
b) Sending notice  
c) Confirming quorum
- 2) a) Motion  
b) Resolution  
c) Voting

**Q.2 Explain the following terms/concepts.**

- |                        |              |            |
|------------------------|--------------|------------|
| 1) Ordinary Resolution | 2) Agenda    | 3) Quorum  |
| 4) Proxy               | 5) Amendment | 6) Motion  |
| 7) Special Resolution  | 8) Notice    | 9) Minutes |
| 10) Point of order     |              |            |

**Q.3 Study the following case/situation and express your opinion.**

- 1) XYZ Ltd co. sent notice of its Annual General meeting to its members. In the meeting a resolution is to be passed on altering the Articles of Association.
  - a) Should agenda also be sent with Notice?
  - b) What type of resolution is needed to alter the Articles?
  - c) Should the resolution for altering articles be filed with registrar of companies?
- 2) A General meeting of public limited company is to be held. State the provision of quorum for -
  - a) meeting of the company which has less than 1000 members
  - b) meeting of the company which has more than 5000 members
  - c) meeting of the company which has 2500 members
- 3) Mr. P is elected as chairman of General Meeting. Please advise him on the following matters:
  - a) What should be done if the votes cast in favour and against the motion are equal?
  - b) How many votes can a member cast under poll method?
  - c) What should Mr. P do if any point of order is raised by a member?

**Q.4 Distinguish between the following**

- 1) Agenda and Minutes
- 2) Motion and Resolution
- 3) Voting by show of hands and Voting by poll.

**Q.5. Answer in brief.**

- 1) State the importance of company meetings.
- 2) State the legal provisions regarding Proxy.
- 3) When can point of order be raised?
- 4) Explain any four methods of Voting?
- 5) State the importance of Minutes.

**Q.6 Justify the following statements.**

- 1) Meeting must be duly convened and properly constituted.
- 2) Chairman is responsible for proper conduct of meeting.
- 3) Motion can be amended.
- 4) Proxy can not speak in the meeting.
- 5) Notice is issued to members for a meeting along with agenda.

**Q.7 Answer the following questions.**

- 1) Explain the powers and duties of chairman.
- 2) Explain the different methods of voting.
- 3) Explain the types of resolution.

