

VIVEKANANDA COLLEGE

THAKURPUKUR, KOLKATA-700063

NAAC ACCREDITED 'A' GRADE



Topic: CORPORATE MEETING

Course Title: B.COM. HONOURS AND B.COM. GENERAL

Paper: COMPANY LAW

Unit: V

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CORPORATE MEETINGS (SEC-96-122)**NAME- SUMI KARMAKAR****EMAIL-sumikarmakar93@gmail.com****VIVEKANANDA COLLEGE, THAKURPUKUR****1) ANNUAL GENERAL MEETING- (SEC-96)****1st A.G.M – 9 months from the end of F.Y. (not necessarily the year of incorporation)****Subsequent AGM-****Time limit(earliest of the following) - 15 months from the last AGM or 6 months from the end of the F.Y.****Extension –(other than 1st AGM)- max 3 months for reason beyond human control.****Time -business hours (9a.m to 6p.m.), on any day that is not a National Holiday.****Place- Registered Office or the same city town village where the companies registered office is situated.****(Sec-8 companies may give instruction to BOD to call the AGM at any day any time any place).****(Govt co. – either at registered office or any other place decided by C.G)****Exemption- C.G may exempt any company(opc exempted).****2) Power of tribunal to call AGM- (SEC-97) on application by any member of the company. The member or his proxy allowed. No quorum required.****3) Power of tribunal to call meetings(EGM) of members- (SEC-98)suo moto or on application made by director or any other member. The member or his proxy allowed. No quorum required.****4) In case of default –(SEC-99) company and every official with a fine of 1 lacs. And in case of continuing default rs. 5000.****5) EXTRA ORDINARY GENERAL MEETING- (SEC-100)****The Board may call the meeting whenever it deems fit.****The board shall at the request of shareholders holding at least one- tenth of paid up share capital or voting power.****Board must take steps within 21 days so that the meeting is conducted within 45 days failing which the members who requested for EGM themselves call the meeting within 3 months.(all days to be calculated from the date of request).**

REQUISITES OF A VALID MEETING

6) NOTICE - (SEC-101) for a meeting to be properly convened –

a) **Proper notice** - notice must contain the place day date hour of the meeting and agenda (statement of business).

b) **Proper time** - notice must be given at least 21 clear days before the meeting. (exclude date of service and day of the meeting).

(If notice sent by email or given by advertisement that day will itself be the date of service but in case of post date of service is deemed to be after the expiry of 48hrs from the dispatch of post.)

c) **Proper person** – every member of the company , legal representative of deceased member if any , assignee of an insolvent member if any, auditor/auditors of the co., every director of the co.

Accidental omission- will not invalidate the meeting.

Deliberate omission - invalid meeting.

Oral notice - invalid.

7) Statement to be annexed to notice– (SEC-102) containing explanation of every special business. Material interest if any financial or otherwise of director and manager, KMP, relatives of director, manager, KMP.

AMMENDMENT (31st july 2019)– if any default director manager kmp promoter shall be liable to a penalty of rs.50,000 or 5 times the amount of benefit accruing to the promoter director manager kmp whichever is higher.

Any business other than ordinary business is special business.

ORDINARY BUSINESS: (ADDA)

A- Consideration of annual accounts, auditors report, directors report.

D - Declaration of dividend.

D - Appointment of director in place of retiring director.

A - Appointment of auditor and fixation of auditor's remuneration.

- 8) **QUORUM - (SEC -103)** minimum number of member who must be present in order to constitute the meeting.

In public company -

QUORUM FOR THE MEETING	NUMBER OF MEMBERS AS ON THE DATE OF MEETING
5 MEMBERS PERSONALLY PRESENT	NOT MORE THAN 1000 (UP TO 1000)
15 MEMBERS PERSONALLY PRESENT	MORE THAN 100 BUT NOT MORE THAN 5000 (UP TO 5000)
30 MEMBERS PERSONALLY PRESENT	EXCEEDS 5000

In private company - 2 members personally present, or articles whichever is higher.

Consequence of no quorum - quorum must be present within half an hour from the time appointed.

If not present within the mentioned time - a) meeting shall stand adjourned to the same day same time same place but in the next week. Or,
b) such other day time place as the board may decide.
c) if at request then shall stand cancelled.

Notice of adjourned meeting - at least 3 days notice to the members either individually or by giving an advertisement.

If quorum not present at the adjourned meeting within half an hour of the time appointed - meeting will be held. Members present shall be the quorum.

- 9) **CHAIRMAN - (SEC - 104)** person whose name is mentioned in the articles. If articles is silent then among the member present one shall be elected by show off hands . Poll can be demanded by chairman or members holding atleast **one - tenth** of PSC or having minimum PSC of 5 lacs. Even a proxy satisfying the above limit can demand poll.

- 10) **PROXIES - (SEC - 105)** a member who is entitled to attend and vote at the meeting can appoint a proxy on his/her behalf to attend and vote at the meeting.

LAW RELATED TO PROXY

A) Proxy may or may not be a member.

EXCEPTION- SEC-8 co. cannot appoint any non member as proxy.

B) Proxy shall not have the right to speak at the meeting and can vote only by poll.

C) Proxy cannot be appointed in a guarantee company unless the articles provide so. (co. not having share capital).

- D) A person can act as a proxy on behalf of MAXIMUM 50 members provided their shareholding should not exceed 10 percent of the total share capital of the company.
- E) A member holding more than 10 percent of the total share capital of the company may appoint a single person as his proxy but such person cannot act as a proxy of any other member.
- F) The appointment of proxy shall be in form MGT.11 signed by the proxy and members at least 48 hours before the meeting.
- PENALTY – officer in default with a fine that may extend up to rs. 5000.

EXCEPTIONS – specified IFSC companies can mention their own regulation.

11) REPRESENTATION OF A PRESIDENT AND GOVERNORS IN MEETINGS

(SEC – 112) President of India or the Governor of the state if he is a companies member can appoint any person as his REPRESENTATIVE

12) REPRESENTATION OF CORPORATIONS AT MEETINGS OF COMPANIES -

(SEC- 113) if a body corporate is a member of a company it can appoint any person as its REPRESENTATIVE (by Boards resolution).

13) SEC – 106 – voting rights can be restricted only on three grounds mentioned in the articles.

- a) Calls in arrear.
- b) Company has exercised right of lien on shares.
- c) Any other sum due.

14) VOTING BY SHOW OF HANDS-(SEC- 107) unless poll demanded voting will always take place by show off hands.

15) SEC -108- every listed co. and co. having at least 1000 members shall provide to its member the facility of voting through electronic means.(details to be discussed in class). (refer book)

16) SEC- 109- poll can be demanded by – a) chairman on own motion b) on request of members holding at least one tenth of the PSC or voting power of Co. / or having min. PSC of rs.5 lacs.

17) POSTAL BALLOT-(SEC – 110) NOTWITHSTANDING ANYTHING CONTAINED IN THIS ACT a co. shall transact items of business (other than

ADDA and any business where directors or auditors have a right to be heard) by means of postal ballot (as CG may notify) (already 10 matters notified).

10 matters (to be discussed in class if required)

Exemption- CG has exempted OPC and a co. having upto 200 members.

18) **CIRCULATION OF MEMBERS RESOLUTION (SEC -111)-** will be discussed if required.

19) **SEC - 114 - ORDINARY RESOLUTION** – votes in favour more than votes against.

SPECIAL RESOLUTION – votes in favour 75 percent of vote against.

20) **SEC -115- RESOLUTIONS REQUIRING SPECIAL NOTICE.**

21) **SEC-116** – if resolution is passed at adjourned meeting then the date of passing such resolution will be the date on which adjourned meeting took place.

22) **SEC-117- TO BE DISCUSSED IF REQUIRED.**

23) **MINUTES-(SEC-118)-** A fair and correct summary of the proceedings that took place in a meeting. To be prepared within 30 days of the conclusion of every meeting.

Matters not to be included in a minute

Defamatory of any person

Irrelevant or Immaterial

Detrimental to the interest of the co.

(matters to be included or excluded shall be at absolute discretion of chairman).

Minutes to be preserved for life time.

Minutes to be kept in custody of CS or any director duly authorized by Board.

Each page shall be signed or initialed and last page shall be dated and signed (full signature).

Basis	General Meeting	Board Meeting
Time limit(preparation)	Within 30 days of conclusion of meeting.	same
Time limit(signing)	Within 30 days of conclusion of meeting	No fixed time
Signing authority	Chairman of that meeting or in case of his inability by director authorized by board.	Chairman of that meeting or in case of his inability by the chairman of the next Board Meeting.
Place of preservation	Registered Office	Registered Office / any other place decided by board.

PENALTY

CO. – RS. 25000 and every officer in default rs.5000.

If tampered- such person shall be liable with imprisonment that may extend up to 2 years and with penalty of not less than 25000 but which may extend to 1lac.

EXEMPTION

SEC-8 co. and IFSC (international financial service centres) public company.

Different types of Minute

Minute of the General meeting, Board meeting, creditors, each committees of board.

24) INSPECTION OF MINUTE BOOK OF GENERAL MEETING- (SEC -119)

Place – registered office.

Time – during business hours at least 2hrs in each business day.

Persons allowed – any member without charge. (not by director creditor or any other person).

Copy of minute- can be obtained and co. to provide within 7 working days of request for a fee of rs.10 (max.) per page. Soft copy can be demanded of any previous general meeting held during a period immediately preceding three F.Y.

Penalty- same as SEC - 118

25) MAINTAINENCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM- (SEC – 120)

Allowed but optional.

26) REPORT ON ANNUAL GENERAL MEETING- (SEC – 121) LISTED PUBLIC COMPANIES shall file a report confirming that the meeting was convened held and conducted as per the provisions in Form MGT-15 to ROC within 30 days .

DEFAULT- co. –rs. 1lac – 5lac and officers in default – rs. 25000 to 1lac

27) APPLICABILITY OF THIS CHAPTER TO ONE PERSON COMPANY SEC 98 AND SEC SECTION 100-111 NOT APPLICABLE.