

Meeting and Types



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What is a Meeting?

In common parlance, the word meeting means an act of coming face to face, coming in company or coming together

A meeting therefore, can be defined as a lawful association, or assembly of two or more persons by previous notice for transacting some business. The meeting must be validly summoned and convened. Such gatherings of the members of companies are known as company meetings.



Essentials of Company Meetings

The essential requirements of a company meeting can be summed up as follows:

Two or More Persons: To constitute a valid meeting, there must be two or more persons. However, the articles of association may provide for a larger number of persons to constitute a valid quorum.

Lawful Assembly: The gathering must be for conducting a lawful business. An unlawful assembly shall not be a meeting in the eye of law.

Previous Notice: Previous notice is a condition precedent for a valid meeting. A meeting, which is purely accidental and not summoned after a due notice, is not at all a valid meeting in the eye of law.

To Transact a Business: The purpose of the meeting is to transact a business. If the meeting has no definite object or summoned without any predetermined object, it is not a valid meeting. Some business should be transacted in the meeting but no decision need be arrived in such meeting.



MEETINGS OF THE BOARD

1. Frequency of Meeting:

First Meeting: First Meeting of Board of Directors within 30 (Thirty) days from the date of Incorporation of company. –

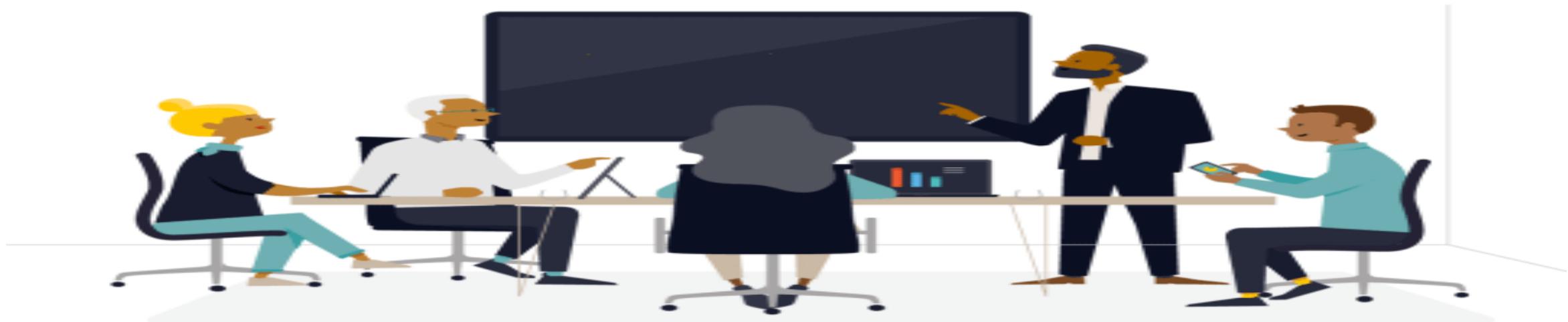
Subsequent Meetings:

One person Company, Small company and Dormant company:

1. At least one meeting of Board of directors in each half of calendar year
2. Minimum Gap B/W two meetings at least 90 days.

Other than Companies mentioned above:

1. Minimum No. of 4 meetings of Board of Director in a calendar year
2. Maximum Gap B/W two meetings should not be more the 120 days



MEETINGS OF THE BOARD

2. Calling of Meeting: Meeting of Board of Director should be called by giving 7 days notice to Directors at his registered address **through:**

- ❖ By hand delivery
- ❖ By post
- ❖ By Electronic means

Meeting at shorter Notice: A meeting of Board of Directors can be called by shorter notice subject to the conditions:

If the company is require to have independent director:

- Presence of at least one Independent director is required.
- In case of absence, decision taken at such meeting shall be circulated to all the directors, and
- shall be final only on ratification thereof by at least one Independent Director

If the company doesn't require to have independent director: The meeting can be called at a shorter notice without any conditions to be complied with.



MEETINGS OF THE BOARD

3. Quorum of Board Meeting:

1/3rd of total strength OR 2 (Two) Directors, whichever is higher.

Where meeting of Board could not be held for want of quorum, the meeting shall automatically adjourn to same time, same place at next week (Not being national holiday).

If number of directors reduced below quorum, then the remaining directors may hold the meeting for the following purposes:

- To call a General meeting

- Increase the number of directors.

Quorum in case of Interested Directors:

If interested director exceed or equal to $\frac{2}{3}$ of total strength the remaining directors not being less than 2 (two) shall be the quorum.



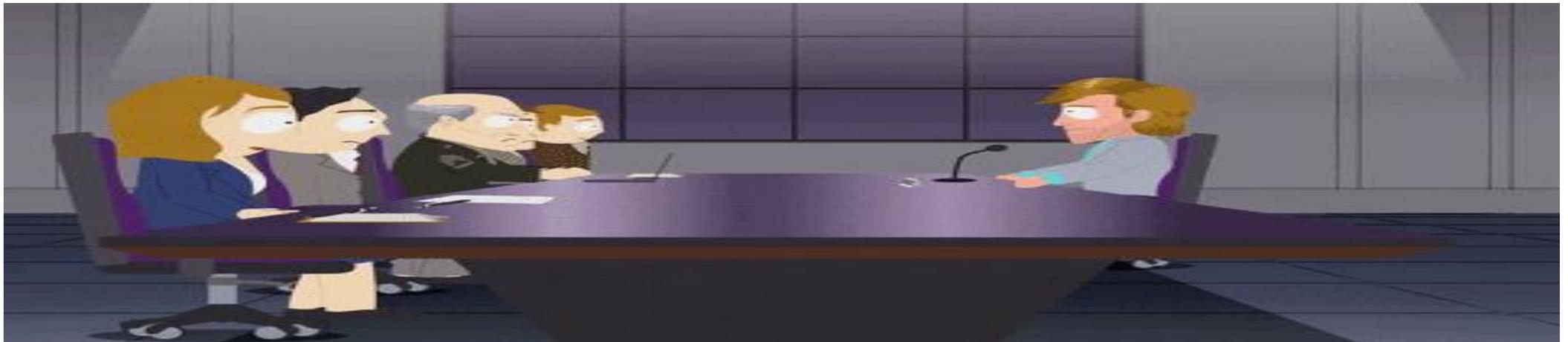
MEETINGS OF THE BOARD

4. Participation of Directors in Board Meetings:

directors may, apart from attending the meeting physically, participate in the meeting by way of video conferencing & other audio visual means.

Matter which can't be dealt at a meeting held though Video conferencing:

- ❖ Approval of the annual financial statements;
- ❖ Approval of the Board's report;
- ❖ Approval of the prospectus;
- ❖ Audit Committee Meetings for consideration of accounts; and
- ❖ Approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.



Kinds of Company Meetings

The meetings of a company can be broadly classified into four kinds.

1. Meetings of the Shareholders.
2. Meetings of the Board of Directors and their Committees.
3. Meetings of the Debenture Holders.
4. Meetings of the Creditors.

1. Meeting of the Share Holders

The meetings of the shareholders can be further classified into four kinds namely,

1. Statutory Meeting,
2. Annual General Meeting,
3. Extraordinary General Meeting, and
4. Class Meeting.



Meeting of the Share Holders

(i) Statutory Meeting

This is the first meeting of the shareholders conducted after the commencement of the business of a public company. Companies Act provides that every public company limited by shares or limited by guarantee and having a share capital should hold a meeting of the shareholders within 6 months but not earlier than one month from the date of commencement of business of the company.

Usually, the statutory meeting is the first general meeting of the company. It is conducted only once in the lifetime of the company. A private company or a public company having no share capital need not conduct a statutory meeting.



Meeting of the Share Holders

(ii) Annual General Meeting

The Annual General Meeting is one of the important meetings of a company. It is usually held once in a year. AGM should be conducted by both private and public Ltd companies whether limited by shares or by guarantee; having or not having a share capital. As the name suggests, the meeting is to be held annually to transact the ordinary business of the company.



Meeting of the Share Holders

(iii) Extra-ordinary General Meetings (EOGM)

Statutory Meeting and Annual General Meetings are called the ordinary meetings of a company. All other general meetings other than these two are called Extraordinary General Meetings. As the very name suggests, these meetings are convened to deal with all the extraordinary matters, which fall outside the usual business of the Annual General Meetings.

EOGMs are generally called for transacting some urgent or special business, which cannot be postponed till the next Annual General Meeting. Every business transacted at these meetings is called Special Business.

PERSONS AUTHORIZED TO CONVENE THE MEETING

The following persons are authorized to convene an extraordinary general meeting.

- ❖ The Board of Directors.
- ❖ The Requisitionists.
- ❖ The National Company Law Tribunal.
- ❖ Any Director or any two Members.



Meeting of the Share Holders

(iv) Class Meetings

Class meetings are those meetings, which are held by the shareholders of a particular class of shares e.g. preference shareholders or debenture holders.

Class meetings are generally conducted when it is proposed to alter, vary or affect the rights of a particular class of shareholders. Thus, for effecting such changes it is necessary that a separate meeting of the holders of those shares is to be held and the matter is to be approved at the meeting by a special resolution.

For example, for cancelling the arrears of dividends on cumulative preference shares, it is necessary to call for a meeting of such shareholders and pass a resolution as required by Companies Act. In case of such a class meeting, the holders of other class of shares have no right to attend and vote



2. Meetings of the Directors

Meetings of directors are called Board Meetings. These are the most important as well as the most frequently held meetings of the company. It is only at these meetings that all important matters relating to the company and its policies are discussed and decided upon.

Since the administration of the company lies in the hands of the Board, it should meet frequently for the proper conduct of the business of the company. The Companies Act therefore gives wide discretion to the directors to frame rules and regulations regarding the holding and conduct of Board meetings.

The directors of most companies frame rules concerning how, where and when they shall meet and how their meetings would be regulated. These rules are commonly known as Standing Orders.



3. Meetings of Debenture Holders

The debenture holders of a particular class conduct these meeting. They are generally conducted when the company wants to vary the terms of security or to modify their rights or to vary the rate of interest payable etc. Rules and Regulations regarding the holding of the meetings of the debenture holders are either entered in the Trust Deed or endorsed on the Debenture Bond so that they are binding upon the holders of debentures and upon the company.



4. Meetings of the Creditors

Strictly speaking, these are not meetings of a company. They are held when the company proposes to make a scheme of arrangements with its creditors. Companies like individuals may sometimes find it necessary to compromise or make some arrangements with their creditors, In these circumstances, a meeting of the creditors is necessary.



Thank
you!

The image features the words "Thank you!" in a vibrant, 3D, bubbly font. The word "Thank" is rendered in a pink-to-orange gradient, while "you!" is in a blue-to-green gradient. The letters have a thick black outline and a slight shadow, giving them a three-dimensional appearance. Interspersed among the letters are several colorful ribbons with yellow stars at their ends. The ribbons are in shades of pink, purple, and blue, and the stars are bright yellow. The entire graphic is set against a plain white background.