

Marks: 40	FYJC Subject: Secretarial practice Topic – Company Meetings II (Chap.8)	Time: 1.5 Hrs.
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Q.1. (A) Select the correct answer from the options given below and rewrite the statements. (5)

1. An extra ordinary general meeting is held Under Special circumstances.
 - a) Once in a year
 - b) Once in the life time
 - c) Under Special circumstances
2. Writing the minutes of meeting is the duty of the Secretary.
 - a) Chairman
 - b) Director
 - c) Secretary
3. New Directors in place of retiring Directors are appointed in the Annual General Meeting.
 - a) Class Meeting
 - b) Annual General Meeting
 - c) Creditors Meeting
4. Before the Annual General Meeting is held the secretary has to compile Annual Report.
 - a) Auditor's Report
 - b) Committee Report
 - c) Annual Report
5. The Secretary has to draft the minutes of the meeting within Fifteen days of the meeting.
 - a) Fifteen
 - b) Sixty
 - c) Forty

(B) Give one word. (5)

1. Only meeting of shareholders which is held once in a year.
Ans. Annual General Meeting
2. A meeting of shareholders which is held between two annual general meetings.
Ans. Extra ordinary General Meeting
3. A Report which is prepared before Annual General Meeting.
Ans. Annual Report
4. A meeting of the shareholders which is held under special circumstances.
Ans. Extra ordinary General Meeting
5. A meeting of the preference shareholders of a company.
Ans. Class Meeting

(C) Find odd one. (1)

1. Annual General Meeting, Extra Ordinary General Meeting, Board Meeting
Ans. Board Meeting
2. Annual General Meeting, Committee Meeting, Class Meeting
Ans. Committee Meeting

(D) Complete the Sentence. (4)

1. The meeting which is held once in every financial year is called is Annual General Meeting.
2. The meeting held to discuss and decide any special or urgent matters is called as Extra ordinary General Meeting.
3. Meeting of all Directors is called as Board Meeting.
4. The Authority to convene the Annual General Meeting is with the Board of Directors.

Q.2. Distinguish Between the following. (10)

1. Shareholders Meeting and Board Meeting.

Shareholders Meeting	Board Meeting
1. Meaning	
A meeting of all the shareholders or members of the company is called a Shareholders' Meeting.	A meeting of all the Directors of the company is called a Board Meeting.
2. Frequency	
Frequency of meeting depends on the type of meeting. Annual General Meeting is held once in every year and Extraordinary General Meeting is held as and when required.	Board Meeting is held once In every 3 months and minimum 4 meetings in a period of 1 year. The time gap between two consecutive Board Meetings should not be more than 120 days.
3. Quorum	
The quorum for a shareholders' meetings (a) For Public Company : Members Quorum Not more 1000 - 5 Members 1000 to 5000 - 15 Members Above 5000 - 30 Members (b) For Private Company : 2 Members	The quorum for a Board Meeting is minimum 2 directors or 1/3rd of the total strength of Directors, whichever is higher.
4. Proxy	
A shareholder can appoint a proxy to attend and vote at meeting on his behalf, if he is unable to attend the meeting.	A Director cannot appoint proxy to attend and vote in the Board Meeting on his behalf.
5. Notice	
A notice of this meeting must be sent to all the members at least 21 days in advance.	A notice of Board Meeting must be sent to all the Directors at least 7 days in advance.
6. Purpose	
The purpose of this meeting is to get approval of the shareholders on certain matters like appointment of Directors and auditor, approval of annual report, etc, and, inform them about the progress and activities of the company.	The purpose of this meeting is to discuss important issues, decide upon policy matters like issue of shares, calls on shares, appointment of staff, etc. their implementations and to review the progress made by the company.

2. Annual General Meeting and Extra ordinary General Meeting.

Ans.

Annual General Meeting	Extra ordinary General Meeting
1. Meaning	
A General Body Meeting of all the shareholders which is held once in every calendar year as per the provision of Section 96 of the Companies Act. 2013. is called Annual General Meeting.	A General Body Meeting of all the shareholders of a company which is held in between two consecutive Annual General Meetings to discuss and decide urgent matters as per Section 100 of the Companies Act 2013. is called Extraordinary General Meeting.
2. Purpose	
The purpose of this meeting is to review the working of the company during the previous financial year. to approve the final accounts, to declare dividends. to elect Directors, auditors and to transact special business, if any.	This meeting may be held to transact and decide any urgent and special business or matters which cannot be postponed till the Annual General Meeting.
3. Time of holding	
This meeting is held every year within 9 months of closing of the financial year. The gap between two Annual General Meetings should not exceed 15 months	This meeting is held in between two consecutive Annual General Meetings. It can be held any number of times depending on the urgency and requirements of the company.
4. Authority to call the meeting	
This meeting is convened by the Board of Directors. The Central Government can call this meeting on application received from the members of the company.	This meeting can be convened by (i) the Board of Directors itself (ii) the Board of Directors on requisition of members (iii) the requisitionists themselves and (iv) the National Company Law Tribunal.
5. Business transacted	
This meeting is held : (i) To approve annual accounts, Directors, report and auditors' report (ii) to appoint Directors and auditors (iii) to declare dividend.	This meeting is held : (i) to alter the clauses of Memorandum of Association (ii) to alter Articles of Association (iii) to remove Directors before the expiry of their term (iv) to dissolve the company voluntarily.
6. Penalty	
In case of default in holding the meeting, every officer concerned of the company is punishable with a fine which may extend to ₹ 1,00,000 and a further a fine of ₹ 5,000 per day till the default continues.	If the Directors fail to hold this meeting on requisition, the requisitionists themselves can hold it and recover (he expenses of holding such meeting from the company.

Q.3. Study the following case/situation and express your opinion. (6)

1. Platinum Limited Company was incorporated on 1st Jan.2018. Advise the Board of Directors on the following matters.
 - a) Within what period should the company hold its 1st Annual General Meeting?
 - b) At which place should the Annual General Meeting be held.
 - c) How many days in advance should the notice and agenda be sent to members?

- Ans.** (a) The Board of Directors should hold 1st Annual General Meeting of Platinum Limited Company any time during the period of 9 months from 1st April 2019 to 31st December 2019.
- (b) Annual General Meeting of Platinum Limited Company should be held at the registered office of the company or at some other place within the city or village in which the registered office of the Platinum Limited Company is situated.
- (c) The Secretary of Platinum Limited Company should send the notice and agenda of die Annual General Meeting 21 days prior to date of meeting to be held.

- 2) XYZ Ltd held its Annual General Meeting on 11th May 2018. On 1st June Mr. X, a Director of the company was arrested for a financial scam. Hence the shareholders of the company want to remove him.
 - a) Can the company call for the next Annual General Meeting to be held immediately to remove the Director?
 - b) Which meeting of members should the company hold to discuss removal of the Director?
 - c) What type of resolution will be passed in this meeting for removal of the Director?

- Ans.** (a) To remove the Director from his office, the shareholders of XYZ Ltd. cannot call the next Annual General Meeting immediately after 1st June 2018.
- (b) The XYZ Ltd. Company should hold Extraordinary General Meeting to discuss removal of the Director for financial scam.
- (c) Resolution requiring special notice (Section 115) is to be passed in the Extraordinary General Meeting for removal of the Director.

Q.4. Answer any one. (9)

1. Legal Provisions of Annual General Meeting.

Ans. 1) Time of Holding Annual General Meeting

- A) First Annual General Meeting:** The first Annual General Meeting shall be held within nine months of closing of the first financial year of the company.
- B) Subsequent Annual General Meeting:** It must be held within 6 months after completion of its financial year.

- C) **The Interval between two AGM** - should not be more than 15 months.
- D) **Extension of time for conducting AGM** - The registrar may for any reason extend time to conduct AGM by a period not more than three months. However, the Registrar cannot provide extension in case of the first AGM. One Person Company is exempted from provision of AGM.
- 2) **Authority to convene Meeting:** The Board of Directors is the proper authority to convene Annual General Meeting.
- 3) **Notice:** The secretary should send 21 clear days notice to all members of the company at their registered address by post or through electronic mode.
- 4) **Date, time and place of AGM:** Every Annual Meeting shall be called during business hours between 9.00am to 6 pm on any day that is not a national holiday and shall be held either at the registered office of the company or at some other place within the city or village in which the registered office of the company is situated.
- 5) **Quorum:** According to Companies Act, 2013 the quorum for AGM of a public company is as under

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

For private company, minimum two members should be personally present.

- 6) **Adjournment of Meeting:** Annual General Meeting is adjourned in absence of Quorum. It is held on the same day, time and place in the next week.
- 7) **Default:** If the Annual General Meeting is not held as per the provisions of the Act or instruction of Central Government, it is called as default in holding Annual General Meeting. The company and every officer of the company who is in default are punishable with fine. Fine may be Upto ₹ 1,00,000 and in the case of continuing default with further fine which may extend Upto ₹ 5000 per day.

2. Legal Provisions of Board Meeting.

Ans. It is the meeting of Board of Directors. In pursuit of regular management of the business, the Board of Directors have to meet frequently. The Board of Directors can exercise their powers collectively through the Board Meeting.

- Legal provisions regarding Board Meeting :

- A) **Authority to Convene:** The Chairman of the Board is the proper authority to call the Board Meeting.
- B) **Number of Board Meeting:**
- i) **First Board Meeting:** Every company shall hold the first Meeting of the Board of directors within 30 days of the date of its incorporation.

- ii) **Subsequent Board Meeting:** Every company shall hold minimum of 4 Board meetings every year. The gap between two meetings should not be more than 120 days.
- iii) **In case of One Person Company :** A One-Person Company, small company and dormant company, the meeting of Board of Directors should be conducted at least one meeting in each half of calendar year and the gap between the two meetings should not be less than 90 days.
- C) **Virtual Meeting:** The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means. The meeting should be capable of recording and recognizing the participation of the directors. In certain cases, the Central Government shall specify certain matters that cannot be dealt through video conferencing or other audio visual means.
- D) **Notice (Section 173(3)):** The notice of every Board Meeting must be given to every director at least 7 days before the meeting at his address. The notice is sent along with agenda of meeting. The notice shall be sent by hand delivery or by post or electronic means. Every officer whose duty is to give notice fails to do so shall be liable to a penalty of Rs.25000/-.
- E) **Quorum - (Section 174):** As per the Companies Act the quorum for the Board Meeting is 1/3 of total number of directors or two directors whichever is higher. Any fraction should be rounded of as one. Interested directors i.e. directors who have a personal interest in any matter to be discussed in the meeting are excluded from the quorum.
- F) **Adjournment of meeting:** The Board Meeting is adjourned in the absence of quorum. It is to be held on the same day, time and place in the next week.

3. Legal Provisions of Extra ordinary General Meeting.

Ans. Meaning: The meeting which is held to discuss and decide special or urgent matters is called as Extra Ordinary General Meeting. Such special matters which are transacted in EOGM are called 'special business'.

This meeting is convened between two Annual General Meetings.

Purpose of Extra Ordinary General Meeting: Extra Ordinary General Meeting of shareholders is held to take immediate decisions on some important issues of the company.

1. Alteration in Memorandum of Association
2. Alteration of Articles of Association
3. Removal of Director before expiry of his / her terms
4. Removal of Auditor before expiry of his / her terms
5. Voluntary winding up of company

• **Legal Provisions**

1. Authority to convene

- A) **Board of Directors:** The Board of Directors has the right to call an Extra Ordinary General Meeting by giving proper notice to shareholders.
- B) **Board of Directors on requisition of Members:** Every member can request the company to hold Extra Ordinary General Meeting. In case of company having share capital, members holding at least 1/10 of the paid up share capital carrying voting rights and in case of a company not having share capital, members having 10% of voting powers can request to hold Extra Ordinary General Meeting. The Board must hold EOGM within 45 days of the date of the receipt of the requisition from the members.
- C) **Requisitionist themselves:** If the Board fails to call on Extra Ordinary General Meeting, the meeting can be called by the requisitionist themselves. It should be held within 3 months from the date of deposit of requisition. Company shall pay for all the expenses incurred in holding this extra ordinary General Meeting.
- D) **National Company Law Tribunal (NCLT) or Government:** If due to any reason it is impracticable for a company to hold Extra Ordinary General Meeting then NCLT can order the company to hold it. NCLT can order such a meeting on its own or at the request of a director or any member having voting rights.
2. **The provisions related with period of notice and quorum are same as annual general meeting.**
- B) **Class Meeting: (Section - 48)**
- i) **Meaning:** A meeting which is held to make changes in rights and duties of particular class of shareholders and to get their consent for the changes affecting their interest is called as Class Meeting.
- ii) **Resolution:** In this meeting generally special resolutions are passed.
- iii) **Purpose:** When company wants to change rights of a particular class of shareholders, then company has to call a meeting of such shareholders to get consent for a the change.
- iv) **Frequency:** The class meeting is not held regularly.

OR

Explain the functions of a secretary related with Annual General Meeting.

Ans. Secretary has to perform several functions related with general as well as board meetings. The functions are important for compliance of provisions of the Act and for smooth conduct of meeting. Secretary has to perform functions before, during and after the meeting. Secretary's duties may vary to some extent according to type of meeting. Following are the functions of secretary related with Annual General Meeting –

- **Functions before the Annual General Meeting:**
 - 1) **Fixing the Board Meeting:** Secretary arranges the Board Meeting which is held to fix the date, time and place of the Annual General Meeting.

- 2) **Issue of Notice:** Secretary has to print and send notice and agenda to members and statutory auditors 21 clear days before the meeting and has to publish it in leading newspapers for the convenience of all.
 - 3) **Speech of the Chairman:** Secretary assists in preparing the speech of Chairman.
 - 4) **Preliminary arrangement:** Secretary books the hall and makes needful arrangement for the meeting.
 - 5) **Company Accounts:** Secretary has to see that accounts are finalized and get the statement of profit and loss and balance sheet audited and auditor's report related to[^] these accounts is ready. Secretary has to prepare Annual Report.
- **Functions during the Annual General Meeting:**
 - 1) **Attendance:** Secretary arranges to takes down the attendance of members and takes their signatures.
 - 2) **Quorum:** Secretary ensures the quorum is present and reports to the Chairman.
 - 3) **Reading Reports:** Secretary reads the notice and the Director's Report and any other reports at the beginning of the meeting.
 - 4) **Writing the proceedings:** Secretary notes down the proceedings of the meeting which are useful to draft the minutes of the meeting.
 - 5) **Helps Chairman:** Secretary provides information, material etc, to the Chairman as and when needed for smooth conduct of the meeting.
 - 6) **Conduct Poll:** Secretary makes arrangement for conducting the poll, if it is demanded by the members
 - **Functions after the Annual General Meeting:**
 - 1) **Drafting the Minutes:** Secretary drafts the minutes of the meeting and gives the same to the Chairman for approval.
 - 2) **Implementing decisions:** Secretary instructs the concerned officers for implementing the decisions taken at the meeting.
 - 3) **Sending documents and filing resolutions:** Secretary has to send dividend warrants to the members and file Annual Report with the Registrar. In case of special resolution passed, secretary has to file the special resolution with Registrar within 30 days of passing.
 - 4) **Send information to absent members:** Secretary sends the information of the proceedings of the meeting to the absent members.