Que. No. 1] Enumerate the different types of meetings under the Companies Act, 2013.

Ans.: Meetings under the Companies Act, 2013 may be classified as:

1. Shareholders Meetings:
   - Annual General Meetings [Section 96]
   - Extraordinary General Meetings
     - Convened by directors
MEETINGS

- Convened by directors on the requisition of the shareholders u/s 100

◆ Class Meeting of Shareholders.

II. Meetings of the Debenture holders

III. Meetings of creditors & contributories
- Meetings of creditors for purpose other than winding up.
- Meetings of creditors for winding up.
- Meetings of contributories in winding up.

IV. Board Meetings of the Board of Directors

V. Meetings of the Board Committees

Que. No. 2] Every Company must hold annual general meeting in every calendar year.

CS (Inter) – Dec 2000 (8 Marks), Dec 2006 (5 Marks)
CS (Executive) – June 2014 (5 Marks)

The gap between two AGM can never exceed 15 months.

CS (Executive) – June 2015 (5 Marks)

Ans.: Annual general meeting (AGM) is an important annual event where members get an opportunity to discuss the activities of the company.

Annual General Meeting [Section 96(1)]: Every company, other than OPC is required to hold an AGM every year. Following are the key provisions regarding the holding of an AGM:

Holding of AGM:
1. Annual general meeting should be held once every year.
2. First AGM of the company should be held within 9 months from the closing of the first financial year. Hence, it shall not be necessary for the company to hold any AGM in the year of its incorporation.
3. Subsequent AGM should be held within 6 months from the closing of the financial year.
4. The gap between two AGM should not exceed 15 months.

Que. No. 3] Write a short note on: Extension of validity period of AGM

Ans.: In case, it is not possible for a company to hold an annual general meeting within the prescribed time, the Registrar may, for any special reason, extend the time within which any AGM shall be held. Such extension can be for a period not exceeding 3 months. [Proviso to Section 96(1)]

No such extension of time can be granted by the Registrar for the holding of the first AGM.

It has been clarified by the Ministry of Corporate Affairs that delay in completion of audit of the annual accounts of the company does not ordinarily constitute a ‘special reason’ justifying the extension of time for holding its annual general meeting.

Que. No. 4] Accounting year of Devdatta Ltd. ends on 30th June, 2014. It is required to hold an AGM by 31st December, 2014. Due to some reason, the AGM could not be held in December, 2014. On an application, the ROC granted permission to hold the meeting in February, 2015. The AGM was duly held in February, 2015. Has the company complied with the requirements of holding AGM every year? Will it amount to contravention of the provisions of Section 96? 

CS (Inter) – Dec 2004 (5 Marks), June 2007 (5 Marks)
CS (Executive) – Dec 2011 (4 Marks)
**Ans.:** As per **Section 96**, every company, other than OPC, is required to hold an AGM every year. The AGM should be held on the earliest of the following dates:

(1) 15 months from date of the last AGM

(2) The last day of the calendar year

(3) 6 months from the close of the financial year.

In the event of any difficulty in holding an AGM, the ROC may grant an extension of time for any special reason by 3 months. In such situation, if company doesn’t hold AGM in particular year, it will not be treated that company has contravened Section 96.

Thus, due to extension granted by ROC, if Devdatta Ltd. do not hold meeting in calendar year 2014, it will not amount to contravention of Section 96.

**Que. No. 5**] Asia Pacific Co. Ltd., called its AGM on 30-9-2014 and adjourned it to 31-12-2014 due to delay in completion of audit of accounts for the year ended 31-3-2014. At the adjourned meeting, the meeting was further adjourned to 31-3-2015. Subsequently, the AGM was held on 28-1-2015. State whether the company has complied with Section 96 and, if not, whether the company is liable to default and conviction.

**CS (Inter) – June 2005 (8 Marks)**

**Ans.:** As per **Section 96**, every company, other than OPC, is required to hold an AGM every year. The AGM should be held on the earliest of the following dates:

(1) 15 months from date of the last AGM

(2) The last day of the calendar year

(3) 6 months from the close of the financial year.

An AGM can be adjourned but such adjourned AGM should also be held within the latest day on which meeting should have been held.

In given case, since Asia Pacific Co. Ltd. has not held adjourned AGM within statutory time, the company is liable to default and conviction.

**Que. No. 6**] Write a short note on: **Time & place for holding an AGM**

**Ans.:** **Time & place for holding an AGM [Section 96(2)]:** An AGM can be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday.

An AGM can be held at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate.

However, AGM of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance.

The Central Government is empowered to exempt any company from these provisions, subject to such conditions as it may impose.

‘National Holiday’ means and includes a day declared as national holiday by the Central Government.

**Some important points:**

- If any day is declared by the Central Government to be a national holiday after the issue of the notice convening such meeting, it shall not be deemed to be a national holiday.
- The prohibition does not extend to EGM. Thus, **EGM can be held on national holiday.**
- There is no contravention if an adjourned meeting accidentally comes to be held on a national holiday.
Que. No. 7] An AGM of a public company was called on a fixed day. After sending notice of the meeting, the government notified that day of meeting as a national holiday. Can the meeting proceed as scheduled? CS (Inter) – June 1999 (4 Marks)

Ans.: An AGM can be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday.

An AGM can be held at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate.

If any day is declared by the Central Government to be a national holiday after the issue of the notice convening such meeting, it shall not be deemed to be a national holiday. Hence, there is no contravention and meeting can proceed as scheduled.

Que. No. 8] XYZ Ltd. wants to hold its annual general meeting on Sunday, the 30th June to facilitate the shareholder to attend. Advice the legal position. CS (Inter) – June 1999 (4 Marks)

Ans.: An AGM can be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday.

An AGM can be held at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate.

As 30th June is not national, XYZ Ltd. can hold its AGM on 30th June even if it is Sunday.


Ans.: An AGM can be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday. There is no contravention if an adjourned meeting accidentally comes to be held on a national holiday.

Que. No. 9A] There are seven shareholders in a private limited company having registered office in Chennai. Six shareholders are French nationals and belong to the same family holding an aggregate of 95% voting rights. These shareholders are unable to come down to Chennai and wish to hold the company’s annual general meeting in Paris. Advise whether the meeting can be held in Paris. CS (Executive) – Dec 2016 (4 Marks)

Ans.: As per Section 96(2), an AGM can be held at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate.

The Central Government is empowered to exempt any company from these provisions, subject to such conditions as it may impose.

Thus, private company can held AGM outside India if it applies to the Central Government for relaxation of provisions of Section 96 of the Companies Act, 2013.

Que. No. 10] What are the consequences if default is made in holding AGM?

Ans.: Consequences for making default in holding AGM are as follows:

1) **Power of Tribunal to call AGM [Section 97]:** If any default is made in holding the AGM of a company, any member of the company may make an application to the Tribunal to call or direct the calling of, AGM of the company and give such ancillary or consequential directions as the Tribunal thinks expedient. Such directions may include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.
(2) **Punishment for not holding AGM [Section 99]**: If any default is made in complying or holding AGM of the company, the company and every officer of the company who is in default shall be punishable with fine which may extend to ₹ 1 lakh and in case of continuing default, with a further fine which may extend to ₹ 5,000 for each day during which such default continues.

**Judicial Views:**
- Where the AGM has been stayed the orders of CLB/Tribunal, there is no default in holding AGM. [Ador-Samia Ltd. vs. Indocan Engineering Systems Ltd.]
- If at the time of holding the AGM there is only one shareholder (the other having died), no offence is committed when the AGM is not held. [State of Kerala vs. West Coast Planners Agencies Pvt. Ltd. (1958) 28 Com. Cas. 13]

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Que. No. 11] What do you understand by ‘ordinary business’ and ‘special business’?

State the matters of ordinary business to be transacted at an annual general meeting.

**CS (Inter) – June 2001 (4 Marks)**

**Ans.: Ordinary & Special Business [Section 102(2)]:** All businesses transacted at an AGM except the following are special business:

(i) Consideration of financial statements & reports of the BOD and auditors
(ii) Declaration of any dividend
(iii) Appointment of directors in place of those retiring
(iv) Appointment and the fixing remuneration of auditors.

In case of any other meeting all business shall be deemed to be special.

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Que. No. 12] Distinguish between: Ordinary Business & Special Business

**CS (Inter) – Dec 2006 (4 Marks)**

**Ans.:** Following are the main points of distinction between ordinary & special business:

<table>
<thead>
<tr>
<th>Points</th>
<th>Ordinary Business</th>
<th>Special Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>Following four business are ordinary business:</td>
<td>All business to be transacted at an AGM shall be deemed special business except which are ordinary businesses.</td>
</tr>
<tr>
<td></td>
<td>(1) The consideration of the accounts, balance sheet and the reports of the board of directors and auditors</td>
<td></td>
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<td></td>
<td>(2) The declaration of dividend</td>
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<td></td>
<td>(3) The appointment of directors in the place of those retiring</td>
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<td></td>
<td>(4) The appointment and fixing of remuneration of the auditors.</td>
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</tr>
<tr>
<td>Where transacted</td>
<td>Ordinary businesses are transacted at AGM.</td>
<td>Special businesses can be transacted at AGM or EGM.</td>
</tr>
<tr>
<td>Resolution</td>
<td>Any matter to be dealt at AGM may be ‘ordinary business’ but it may require passing of ‘special resolution’.</td>
<td>Any matter to be dealt at AGM or EGM may be ‘Special business’ but it may require passing of ‘ordinary resolution’.</td>
</tr>
</tbody>
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**EXTRAORDINARY GENERAL MEETINGS**

Que. No. 13] Write a short note on: Extraordinary General Meetings

State the provision and conditions for holding extraordinary general meeting on requisition.

**CS (Inter) – Dec 2001 (16 Marks)**
Meetings

Ans.: All general meetings other than AGM are called EGM.

EGM of the company, other than of the wholly owned subsidiary of a company incorporated outside India, shall be held at a place within India.

All businesses items can be transacted at the EGM are special business. Following are the key provisions, provided in Section 100, regarding calling and holding of an EGM:

(I) By Board [Section 100(1)]: The Board may, whenever it deems fit, call an EGM of the company.

(II) By Board on Requisition [Section 100(2)]: The Board must call an EGM on receipt of the requisition from the following number of members:

(a) In the case of a company having a share capital: Members who hold, on the date of the receipt of the requisition, not less than 1/10th of the paid-up share capital of the company as on that date carries the right of voting.

(b) In the case of a company not having a share capital: Members who have, on the date of receipt of the requisition, not less than 1/10th of the total voting power of all the members having on the said date a right to vote. The requisition should set out the matters to be considered at the proposed meeting and the same should be signed by the requisitionists and sent to the registered office of the company.

The Board must, within 21 days from the date of receipt of a valid requisition, proceed to call a meeting on a day not later than 45 days from the date of receipt of such requisition.

(III) By Requisitionists [Section 100(4)]: If the Board does not within 21 days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than 45 days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves. However, in such case, the meeting should be held within a period of 3 months from the date of the requisition.

Reasonable expenses incurred by the requisitionists in calling such a meeting shall be reimbursed by the company to the requisitionists. The company can in turn recover such expenses from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting. [Section 100(6)]

In case, the quorum is not present within half-an-hour from the time appointed for holding a meeting called by requisitionists, the meeting shall stand cancelled. [Section 103 (2) (b)]

Rules 17 of the Companies (Management & Administration) Rules, 2014 provides as under with regard to calling of EGM by requisitionists:

- The members may requisition convening of an EGM by providing such requisition in writing or through electronic mode at least clear 21 days prior to the proposed date of such EGM.
- The notice shall specify the place, date, day and hour of the meeting and shall contain the business to be transacted at the meeting. The requisitionists should convene meeting at Registered office or in the same city or town where Registered office is situated and such meeting should be convened on any day except national holiday.
- If the resolution is to be proposed as a special resolution, the notice shall be given as required by Section 114(2).
- The notice shall be signed by all the requisitionists or by a requisitionists duly authorized in writing by all other requisitionists on their behalf or by sending an electronic request attaching therewith a scanned copy of such duly signed requisition.