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CHAPTER

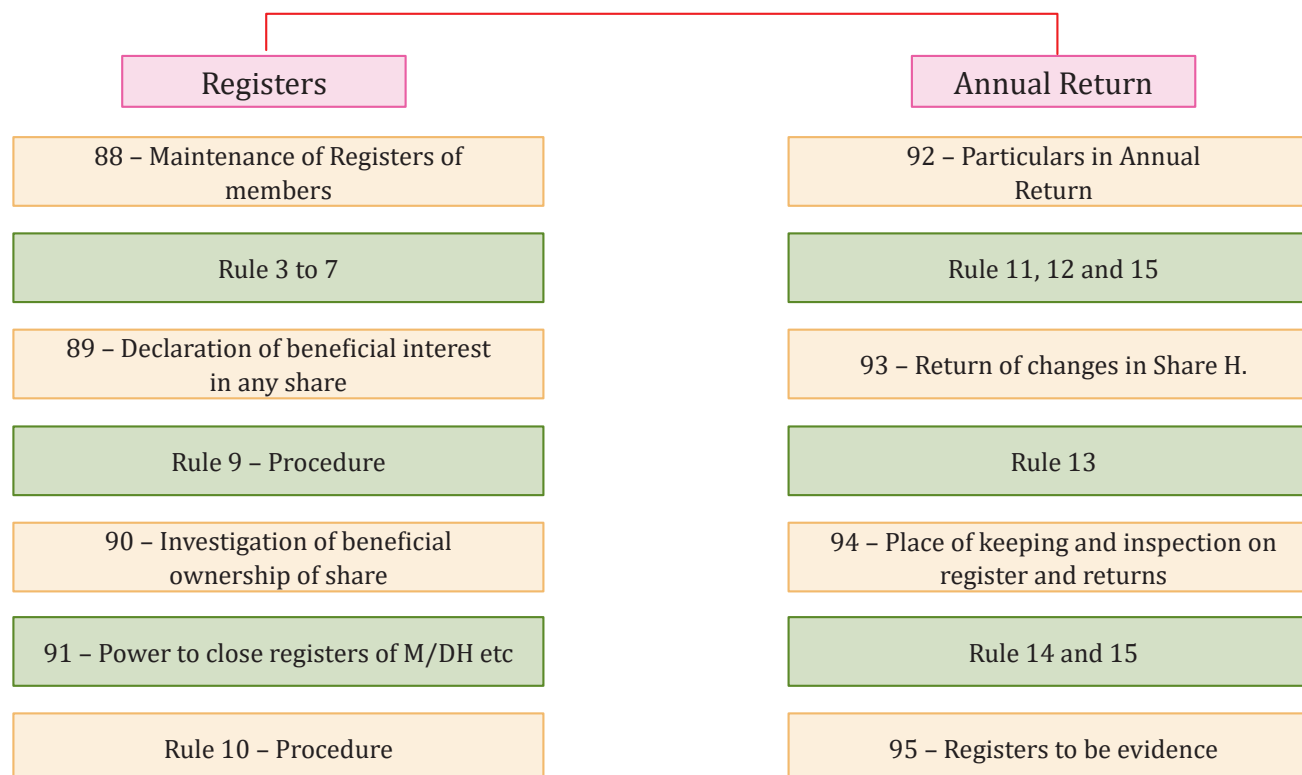
Management and Administration

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33.	[Section 122] - Applicability Of This Chapter To Opc
	Note: Section 93 Has Been Omitted By The Companies (Amendment) Act, 2017, It Has Not Been Included.

- (SECTION 88 TO 122) & THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014. CHAPTER VII APPLIES TO ALL THE COMPANIES, PUBLIC AND PRIVATE, AND HAS SPECIAL PROVISIONS APPLICABLE TO ONE PERSON COMPANY (OPC), WHICH ARE ENUMERATED IN SECTION 122 OF THE ACT AND ARE DISCUSSED LATER IN THIS CHAPTER.

- OVERVIEW OF THE CHAPTER – PART A



- PART - A (REGISTERS & ANNUAL RETURN)

(Sec. 88) - Register of Members	
Registers Required to be maintained by a Company	<p>Every company shall keep and maintain the following registers—</p> <p>(a) Register of Members indicating separately for each class of Equity and Preference shares held by each member residing in or outside India; [MGT — 1]</p> <p>(b) Register of Debenture-Holders; and [MGT— 2]</p> <p>(c) Register of any Other Security Holders. [MGT — 2]</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p style="text-align: center;">Exemption: Listed Company</p> <p>The register and index of beneficial owners maintained by a DEPOSITORY (NSDL) on behalf of Listed company shall be deemed to be the corresponding register and index for the purposes of this Act.</p> </div>
Indexing of Names in Register	Every register maintained as detailed above shall include an index of the names included therein. necessary in case the number of members is 50 or more

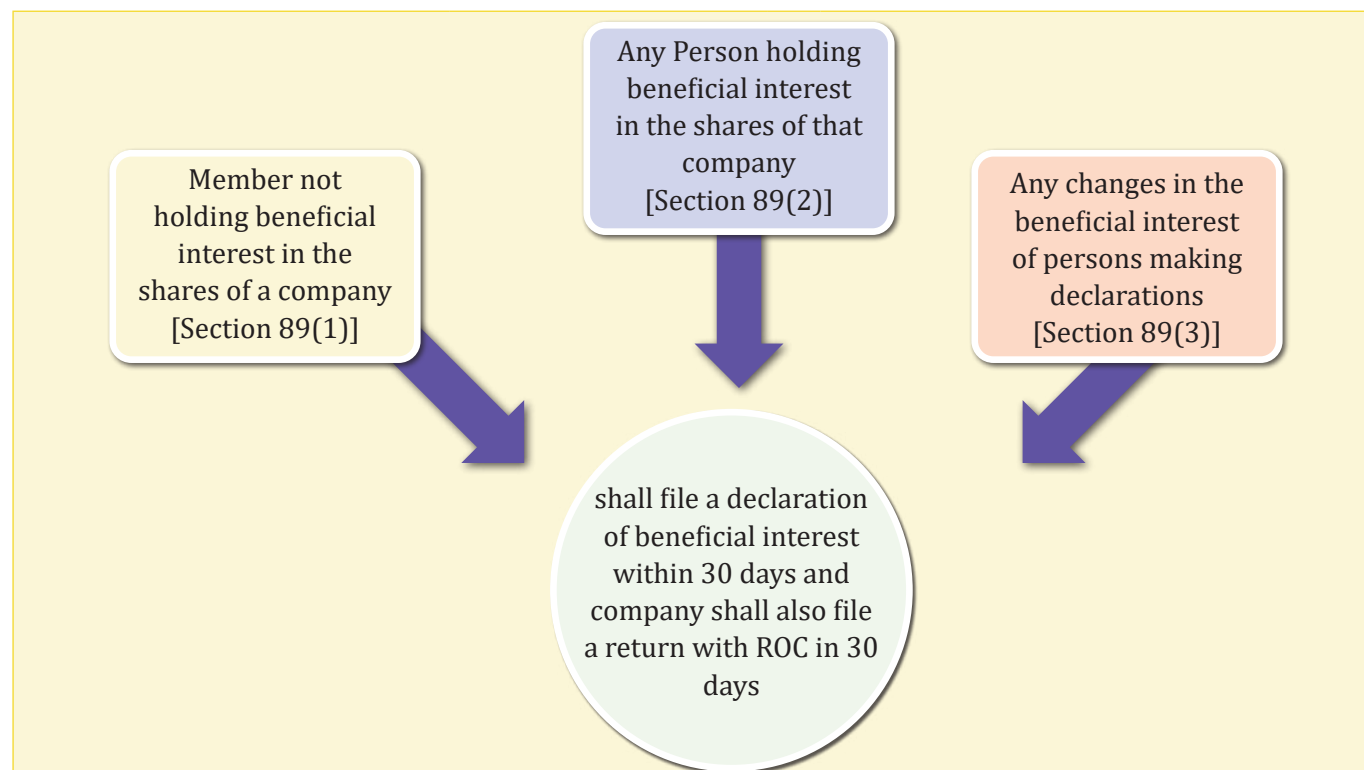
<p>Foreign Register [Register of Foreign Members]</p>	<p>A company may, if so authorised by its articles, keep in any country outside India, called “Foreign Register” [MGT-1] containing the names and particulars of the-</p> <ul style="list-style-type: none"> <input type="checkbox"/> Members, Debenture holders, Other security holders, Beneficial owners <input type="checkbox"/> residing outside India <p>The Company may keep its Register of Foreign Members at Foreign Branch and inform the exact address of Foreign Branch to ROC in Form MGT-3.</p>
<p>Contents OF ROM</p>	<p>(a) name of the member; address (registered office address in case the member is a body corporate); e-mail address; Permanent Account Number or CIN; Unique Identification Number, if any; Father’s/ Mother’s/Spouse’s name; Occupation; Status; Nationality; in case member is a minor, name of the guardian and the date of birth of the member; name and address of nominee;</p> <p>(b) date of becoming member;</p> <p>(c) date of cessation;</p> <p>(d) amount of guarantee, if any;</p> <p>(e) any other interest if any; and</p> <p>(f) instructions, if any, given by the member with regard to sending of notices etc.</p>
<p>Entry</p>	<p>within 7 days after the Board of Directors APPROVES the ALLOTMENT or TRANSFER of shares, debentures or any other securities.</p>
<p>Maintained at</p>	<p>At the registered office of the company unless a SPECIAL RESOLUTION is passed in a general meeting authorising the keeping of the register at:-</p> <p>(a) any other place within the city, town or village (CTV) in which the registered office is situated or</p> <p>(b) any other place in India in which more than 1/10th of the total members reside.</p>
<p>Foreign Register</p>	<ol style="list-style-type: none"> 1. The company shall, within 30 days from the date of the opening of any foreign register, file with the Registrar notice of the situation of the foreign office in Form No.MGT.3. 2. The company shall <ol style="list-style-type: none"> (a) transmit to its registered office in India a copy of every entry in any foreign register within 15 days after the entry is made; and (b) keep at such office a duplicate register of every foreign register duly entered up from time to time.

<p>Authentication (Verifying & Signing) of entries:</p>	<p>1. The entries in the registers and index shall be authenticated by the:- (a) Company secretary [CS] of the company or (b) Any other person authorised by the Board for the purpose, and the date of the board resolution authorising the same shall be mentioned.</p> <p>2. The entries in the FOREIGN register shall be authenticated by the :- (a) company secretary [CS] of the company or (b) person authorised by the Board.</p>
<p>Note</p>	<p><input type="checkbox"/> Minors names cannot be entered in the register of members and if minor is shareholder its guardians name should appear in register</p> <p><input type="checkbox"/> Joint holders of shares may request the company to enter their names on the register in a certain order, or execute transfers to have their holding split, with the result that part of the holding is entered showing the name of one holder and part showing the name of another. However, the condition that only the name of his 1 should appear in the register as a member CANNOT be catered to.</p>

MULTIPLE CHOICE QUESTIONS (MCQ)

1. The entries in register of members shall be made within _____ after the Board of directors or its duly constituted committee approves the allotment of securities.
(a) 30 days **(b) 7 days**
(c) 3 days (d) 15 days
2. Maintenance of index in a register of members is not necessary in case the number of members are less than
(a) 100 **(b) 50**
(c) 75 (d) 200
3. The company shall within _____ from the date of the opening of a foreign register of members, file with the Registrar notice of the situation of office where such register is kept.
(a) 90 days **(b) 30 days**
(c) 180 days (d) 45 days
4. The company shall transmit to its registered office in India, a copy of every entry in any foreign register of members within ____ after the entry is made.
(a) 15 days (b) 30 days
(c) 45 days (d) 60 days

■ [SECTION 89] - DECLARATION IN RESPECT OF BENEFICIAL INTEREST IN ANY SHARE



Meaning of a beneficial interest	For the purposes of Section 89 and 90, BENEFICIAL INTEREST in a share includes the right of a person to— (i) exercise any or all of the rights attached to such share; or (ii) receive dividend or other distribution in respect of such share.
Registered Shareholder but no beneficial interest	A registered shareholder who does not hold beneficial interest in such shares shall make a declaration in MGT — 4 within 30 days to the company specifying the name of the beneficial shareholder .
Beneficial Shareholder	Every beneficial shareholder who holds or acquires a beneficial interest in share of a company shall make a declaration in MGT— 5 within 30 days to the company specifying the nature of his interest, particulars of the registered shareholder .
Change in the beneficial interest	Where any change occurs in the beneficial interest in such shares, the registered shareholder and beneficial shareholder shall make a declaration to the company in MGT— 4 & 5 within 30 days from the date of such change.
Intimation by the Company to ROC	Where any declaration under this section is made to a company, the company shall make a note of such declaration in the Register concerned [MGT — 1] and shall file a return with ROC in MGT - 6 within 30 days from the date of receipt of declaration by it.

■ [SECTION 90] - REGISTER OF SIGNIFICANT BENEFICIAL OWNERS [SBO] IN A COMPANY

Definition of SBO	<input type="checkbox"/> Individual (alone/together/through trust) holding $\geq 25\%$ (or such other percentage – 10%) beneficial interest in shares or exercising significant influence/control.
SBO as per Rule 2(1)(h)	<input type="checkbox"/> Individual who directly or indirectly (alone/together): <ol style="list-style-type: none"> 1. Holds $\geq 10\%$ shares 2. Holds $\geq 10\%$ voting rights 3. Receives $\geq 10\%$ dividend 4. Exercises significant influence/control
Direct Holding	<input type="checkbox"/> Shares in name of individual <input type="checkbox"/> Beneficial interest under Sec 89(2) & declared
Indirect Holding (via)	<input type="checkbox"/> Body Corporate <input type="checkbox"/> HUF <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Pooled investment vehicle
Declaration by SBO	<input type="checkbox"/> BEN-1 within 30 days of acquisition/change to Company
Return by Company	<input type="checkbox"/> BEN-2 to Registrar within 30 days of receiving BEN-1
Register of SBO	<input type="checkbox"/> Form BEN-3 Inspection allowed for 2 hours/day on working days by members (max ₹50/inspection)
Company's Duty to give notice (person has to reply in 30 days)	<input type="checkbox"/> Give BEN-4 notice to persons (whether or not members): <ul style="list-style-type: none"> <input type="radio"/> Likely SBOs <input type="radio"/> Likely to know SBO <input type="radio"/> Past SBOs in last 3 years not registered
Tribunal Application [Sec 90(7)]	<input type="checkbox"/> If person: <ul style="list-style-type: none"> <input type="radio"/> Fails to respond within 30 days <input type="radio"/> Gives unsatisfactory info → Apply to Tribunal within 15 days
Restrictions/ suspension via Tribunal within 60 days	<input type="checkbox"/> Transfer <input type="checkbox"/> Dividend <input type="checkbox"/> Voting <input type="checkbox"/> Other rights
Lifting of Restrictions	<input type="checkbox"/> Aggrieved party may apply to lift restrictions within 1 year. <input type="checkbox"/> If not, shares transferred to IEPF Authority.
Non-applicability [Rule 8]	<input type="checkbox"/> SBO Rules not applicable to shares held by:- <input type="checkbox"/> IEPF Authority <input type="checkbox"/> Holding company (details in BEN-2)

MULTIPLE CHOICE QUESTIONS (MCQ)

7. Company may close its register of members for a maximum tenure of days ____ in a year and for a maximum of ____ days at any one time.

- (a) 30;15 **(b) 45:30**
 (c) 60;30 (d) 75;45

8. X Limited is a manufacturer of glassware. Its paid-up share capital is divided into 20,000 shares of ₹100 each. The company is maintaining its register of members as per the provisions of the Companies Act, 2013. The company wanted to close its register of members for declaring dividend. It may do so by giving minimum days' notice.

- (a) 7 days**
 (b) 10 days
 (c) 15 days
 (d) The register of members cannot be closed.

9. ABC Infrastructures Limited is a listed company quoted at National Stock Exchange.

The company closed its Register of Members in June and August, 2017 for 12 and 21 days respectively. The CFO of company has informed the company secretary to consider closing of register in December for another 15 days for some strategic reasons. Referring to the provisions of Companies Act, 2013, examine the validity of above action of the company.

- (a) Valid, as the closure of register of members by company each time is not exceeding 30 days.
 (b) Invalid, as company cannot go for closure of Register of members more than twice in a year
 (c) Invalid, as the period of closing register of members exceeding 30 days in a year.
(d) Invalid, as the period of closing the Register of members by the company is exceeding 45 days in a year

■ [SECTION 92] - ANNUAL RETURN

<p style="text-align: center;">Annual Return MGT-7</p>	<p>Every company shall prepare an annual return in the MGT- 7 to ROC on the close of the financial year containing prescribed particulars,</p> <p style="text-align: center;">Authentication (Signing) of Annual Return</p> <ol style="list-style-type: none"> 1. It shall be signed by a director and 2. It shall be signed by the CS, or where there is no CS, by a CS in practice.
<p style="text-align: center;">Abridged Form of Annual Return MGT- 7A</p>	<p style="text-align: center;">Special Provision for One Person Company & Small Company</p> <p>Central Government has prescribed Abridged Annual Return (MGT- 7A) for :-</p> <ol style="list-style-type: none"> 1. One Person Company. 2. Small Company. <p>In relation to One Person Company, Small Company and Start-up private company, the annual return shall be signed by:-</p> <ol style="list-style-type: none"> 1. The CS, where there is a CS or, 2. The DIRECTOR of the company, where there is no CS.

<p>Contents of Annual Returns to be submitted by companies</p>	<p>(a) Principal Activities & Group Companies: Its principal business activities, particulars of its holding, subsidiary and associate companies;</p> <p>(b) Shareholding Pattern: Its shares, debentures and other securities and shareholding pattern;</p> <p>(c) Its indebtedness;</p> <p>(d) Membership & Debenture holders: Its members and debenture-holders along with changes therein since the close of the previous financial year;</p> <p>(e) Management: Its promoters, directors, key managerial personnel along with changes therein since the close of the previous financial year;</p> <p>(f) Meetings: Meetings of members or a class thereof, board and its various committees along with attendance details;</p> <p>(g) Managerial Remuneration: Remuneration of directors and key managerial personnel;</p> <p>(h) Punishment Imposed: Penalty or punishment imposed on the company, its directors or officers and details of compounding of offences and appeals made against such penalty or punishment;</p> <p>(i) Certification of compliances, disclosures: Matters relating to certification of compliances, disclosures as may be prescribed;</p> <p>(j) Foreign Institutional Investors: Details, as may be prescribed, in respect of shares held by or on behalf of the foreign institutional investors; and</p> <p>(k) Such other matters as may be prescribed.</p>
<p>Companies for which CS Certification of Annual Return is required MGT-8</p>	<p>The annual return, filed by a</p> <ol style="list-style-type: none"> 1. A Listed company or, 2. A company having paid-up capital \geq 10 crores or, 3. A company having turnover \geq 50 crores, <p>shall be certified by a CS in practice in the MGT - 8, stating that the annual return discloses the facts correctly and adequately and that the company has complied with all the provisions of this Act.</p>
<p>Annual Return to be place on website</p>	<p>Every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report.</p>
<p>Time limit for Filing of Annual Return with the Registrar</p>	<p>Case 1: - When the AGM is held</p> <p>Within 60 days from the date on which the AGM is held.</p> <p>Case 2: - When the AGM is NOT held</p> <p>Within 60 days from the date on which the AGM should have been held together with the statement specifying the reasons for not holding the AGM.</p>

Penalty	The Company and every officer in default shall be punishable as follows: New Penalty [The Companies (Amendment) Act, 2020]		
	On Company	Minimum Penalty	10,000
		Continuing Penalty	100 per day
		Maximum Penalty	2,00,000
	Officer in Default	Minimum Penalty	10,000
		Continuing Penalty	100 per day
Maximum Penalty		50,000	
Penalty on CS	Punishment 2,00,000		

MULTIPLE CHOICE QUESTIONS (MCQ)

- 10.** The Annual return of public company is filed in Form _____.
 (a) MGT-6 **(b) MGT-7**
 (c) MGT-7A (d) MGT-9
- 11.** ABC Infrastructures Limited is a listed company quoted at National Stock Exchange. The company closed its Register of Members in June and August, 2017 for 12 and 21 days respectively. The CFO of company has informed the company secretary to consider closing of register in December for another 15 days for some strategic reasons. Referring to the provisions of Companies Act, 2013, examine the validity of above action of the company.
 (a) Valid, as the closure of register of members by company each time is not exceeding 30 days.
(b) Invalid, as company cannot go for closure of Register of members more than twice in a year
 (c) Invalid, as the period of closing register of members exceeding 30 days in a year.
 (d) Invalid, as the period of closing the Register of members by the company is exceeding 45 days in a year
- 12.** The annual return of One Person Company is required to be filed in Form
 (a) MGT-7 **(b) MGT-7A**
 (c) MGT-9 (d) MGT-8A
- 13.** Rema formed and occupied the office of director in Rem Stationers (OPC) Private Limited which deals in manufacturing and trading of various items of stationery. Rema noticed a changed provision which mandates that from the Financial Year 2020- 21 onwards, an OPC shall file its Annual Return in MGT - 7A. Rema is also one of the directors in another company which too is required to file its Annual Return in MGT -7A. Which is that 'other company' where Rema also occupies the office of director in addition to OPC.
(a) That other company is a 'small company' where Rema also occupies the office of director in addition to OPC
 (b) That other company is an 'associate company' where Rema also occupies the office of director in addition to OPC.
 (c) That other company is a 'subsidiary company' where Rema also occupies the office of director in addition to OPC.
 (d) That other company is a 'dormant company' where Rema also occupies the office of director in addition to OPC.
- 14.** Annual return of every company other than OPC & small Company is required to be signed by
 (a) Any director
(b) Company secretary

(c) Either by a director or company secretary

(d) A director and company secretary

15. The annual return of a One Person Company or Small company shall be signed by

(a) Company secretary only

(b) A director only

(c) A director or company secretary at the choice of the company

(d) A company secretary, or where there is no company secretary, by the director of the company.

16. Which of the following companies, shall get there annual return certified by a company secretary in practice stating that the annual return discloses the facts correctly and adequately and that the company has complied with all the provisions of the Act.

(a) Listed company

(b) Public Company having a paid-up capital of INR 10 crore or more

(c) Private company having a turnover of INR 50 crore or more

(d) All of the above

17. Every company must file its annual return within _____ days from its AGM.

(a) 30

(b) 60

(c) 90

(d) 210

18. If a company does not hold its AGM, then

(a) there is no need to file annual return

(b) annual return shall still be filed within 30 days from the last due date of AGM

(c) annual return shall still be filed within 60 days from the last due date of AGM

(d) annual return shall still be filed within 180 days from closure of financial year

■ [SECTION 94] - PLACE OF KEEPING & INSPECTION OF REGISTERS, RETURNS, ETC.

Maintenance of Registers and Returns	at the registered office of the company.
Keeping Registers and Returns in any other place [Special Resolution]	Such registers or copies of return may also be kept at any other place in India in which more than 1/10th of the TOTAL. NUMBER OF MEMBERS entered in the register of members reside, if approved by a SPECIAL RESOLUTION passed at a general meeting of the company.
Preservation of Registers and Returns	<ol style="list-style-type: none"> 1. Register of members = Permanently 2. Register of DH = 8 years from the date of redemption 3. Copies of all AR = 8 years from the date of filing to ROC 4. Foreign register of members = Permanently but DH for 8 years <p>All in the custody of CS of the company or authorised person.</p>
Inspection facility for Registers and Returns	<p>The registers and their indices, except when they are closed u/s 91, and the copies of all the returns shall be open for inspection by</p> <ol style="list-style-type: none"> 1. Any member, debenture-holder, other security holder or beneficial owner, during business hours (not less than 2 hours per day) without payment of any fees. [FREE] 2. Any other person (outsiders) on payment of such fees not exceeding ₹50 for each inspection.

Copies of Registers and Returns	Any such member, debenture-holder, other security holder or beneficial owner or any other person may— (a) Take EXTRACTS from any register, or index or return without payment of any fee; or FREE (b) Require a COPY of any such register or entries therein or return on payment of fees not exceeding 10 per page . Such copy or entries or return shall be supplied within 7 days of deposit of such fee. [10 per page]		
Not available	Provided that SUCH PARTICULARS of the register or index or return as may be prescribed shall NOT be available for inspection or for taking extracts or copies.		
Penalty for Non-Compliance of the Provision	If any inspection or the making of any extract or copy required under this section is refused, the Company and every officer in default shall be punishable as follows: <table border="1" data-bbox="534 760 1543 847"> <tr> <td>Punishment</td> <td>1,000 per day during which the refusal or default continues upto a maximum of 1,00,000</td> </tr> </table> Also, the Central Government may, by order, direct an immediate inspection of the document, or direct that the extract required shall forthwith be allowed to be taken by the person requiring it.	Punishment	1,000 per day during which the refusal or default continues upto a maximum of 1,00,000
Punishment	1,000 per day during which the refusal or default continues upto a maximum of 1,00,000		

MULTIPLE CHOICE QUESTIONS (MCQ)

- 19.** Register of members, debenture-holders, other security holders or copies of return may also be kept at any other place in India in which more than of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.
(a) One-half (b) One-eighth
(c) **One-tenth** (d) One-third
- 20.** The register of members may be kept at any other place in India where 1/10th members reside, if approved by
(a) Board resolution
(b) Ordinary resolution
(c) **Special resolution**
(d) Registrar
- 21.** The register of members along with the index shall be preserved and shall be kept in the custody of the company secretary or other person authorised by the Board for the following period:
(a) 8 years from the date of issue of the shares
(b) 8 years from the date of cessation of the membership
(c) 8 years from the end of the financial year in which the name was first entered in the register
(d) **Permanently**
- 22.** Which among the following is correct under the provisions of Companies Act, 2013 and the relevant rules made thereunder regarding preservation of the Register of members along with the index?
(a) The register of members of a company along with the index shall be preserved for a period of 8 years and shall be kept in the safe custody of company secretary of the company or any other person authorized by Board for this purpose.

- (b) The register of members of a company along with the index shall be preserved for a period of 10 years and shall be kept in the state custody of company secretary of the company or any other person authorized by Board for this purpose.
- (c) The register of members of a company along with the index shall be preserved for a period of 20 years and shall be kept in the safe custody of company secretary of the company or any other person authorized by Board for this purpose.
- (d) The register of members of a company along with the index shall be preserved for a period permanently and shall be kept in the safe custody of company secretary of the company or any other person authorized by Board for this purpose.**

23. The register of debenture and other security holders along with the index shall be preserved and shall be kept in the custody of the company secretary or other person

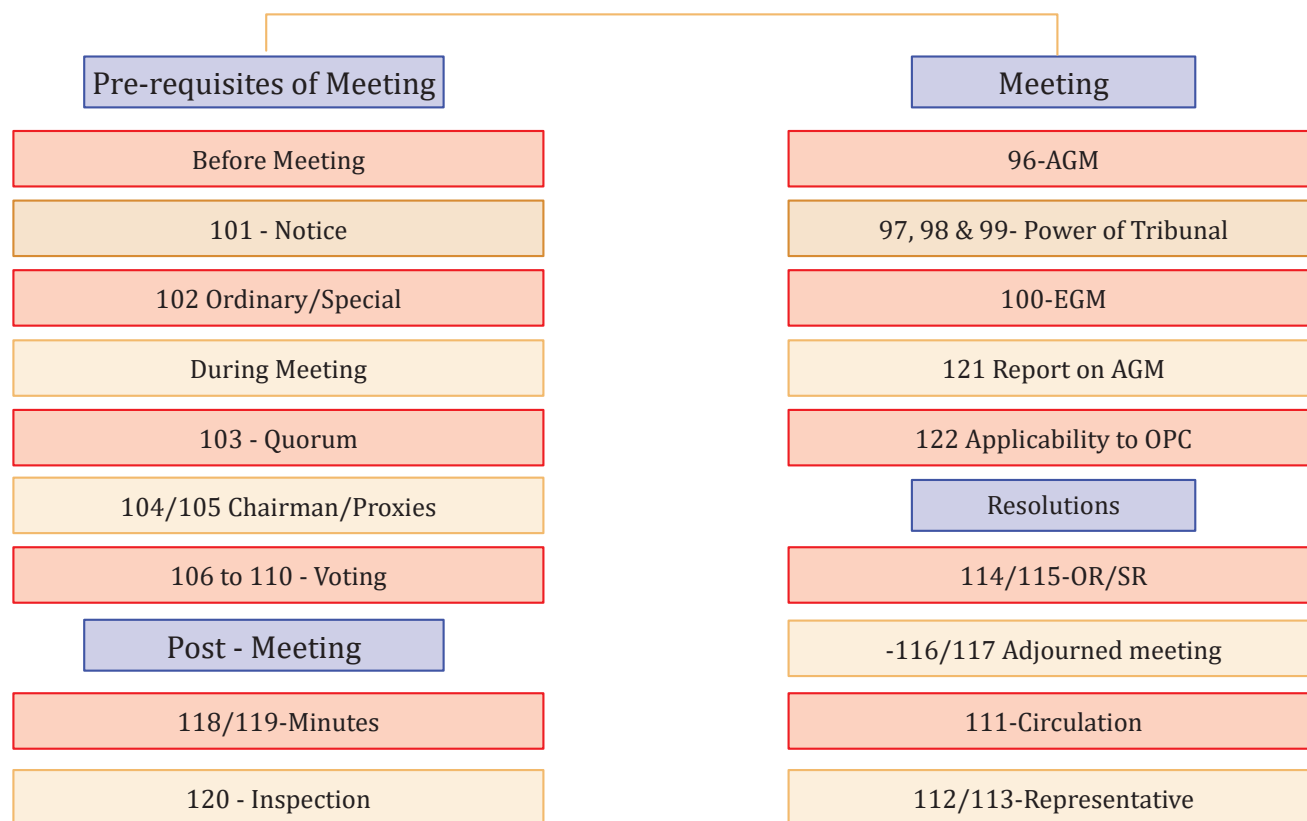
authorized by the Board for the following period:

- (a) 8 years from the date of issue of the debentures or other securities
 - (b) 8 years from the date of redemption**
 - (c) 8 years from the end of the financial year in which the name was first entered in the register
 - (d) Permanently
- 24. Copies of annual return along with copies of all the certificates and documents required to be annexed shall be preserved for**
- (a) 8 years from the date of filing with the Registrar**
 - (b) 8 years from the end of the Financial year for which the annual return pertains
 - (c) 8 years from the date of the Annual General Meeting where the annual return was adopted
 - (d) Permanently
- 25. Register of member shall be open for inspection during business hours for not less than _____ on every working day.**
- | | |
|-------------|--------------------|
| (a) 3 hours | (b) 2 hours |
| (c) 4 hours | (d) 6 hours |

■ [SECTION 95] - REGISTERS, ETC. TO BE EVIDENCE

The registers, their indices and copies of annual returns maintained under sections 88 and 94 shall be prima facie evidence of any matter directed or authorized to be inserted therein by or under this Act.

■ PART - B (MEETINGS & RELATED SECTIONS)



■ REQUISITES OF A VALID MEETING (3C)

Meetings and General Meeting	
Meaning of Meeting	A meeting may be defined as the gathering, assembly or coming together of two or more persons for transacting any lawful business.
General Meeting (GM)	The meetings of all the members (shareholders) of a company are referred to as general meetings.
Purpose	Decision making
Pre-Requisites of Meetings	
<ul style="list-style-type: none"> <input type="checkbox"/> Properly call = Proper authority and notice (Sections 101/102) <input type="checkbox"/> Properly convened = Quorum and chairman (Sections 103,104) and <input type="checkbox"/> Properly conducted = Business must be validly transacted through resolutions and minutes and follow the ACT. (Various sections and 118/119) 	
Types of Meetings	
<ul style="list-style-type: none"> <input type="checkbox"/> General meeting: Meeting of Shareholders <input type="checkbox"/> Board meeting: Meeting of BOD and <input type="checkbox"/> Class meetings: Meeting of special class of persons like creditors, PSHs etc 	

Proper authority to call a meeting

- Board:** Common power but individual director or MD can't. Sanction of board is required otherwise notice is invalid. Can be delegated to Secretary, MGR etc. If without permission then BOD can ratify.
- Members:** If Board fails to call then members who fulfil the requirement
- Tribunal:** In few cases

■ [SECTION 96] - ANNUAL GENERAL MEETING (AGM)

Meaning	General Meeting (GM) held once every year is termed as AGM. As per section 96(1), every company shall hold an AGM every year except One Person Company .	
1st AGM [Sec. 96(1)]	Time Limits	1 st AGM to be held within 9 months from the date of closing of 1 st F.Y. It is not necessary for the company to hold any AGM in the year of its incorporation if 1 st AGM is duly held.
	No Extension	The Registrar shall not grant any extension for holding the 1 st AGM.
Subsequent AGM [Sec. 96(1)]	Time Limits	the last date for holding AGM shall be earliest of the below 3-time limits: (i) Within 6 months from the closure of the F.Y. (ii) Gap between previous AGM and the next AGM does not exceed 15 months i.e. AGM is to be held within 15 months of last AGM. (iii) AGM is to be held in each calendar year. (i.e. upto 31 st Dec.)
	Extension	The Registrar may, for any special reasons, extend the time for holding the AGM for any period not exceeding 3 months.

- First AGM = **Within 9 months** from the closing first FY (April to March)
- Subsequent AGMS - (Earliest)
 1. **Within 6 months** from the closing FY.
 2. AGM to be held in **each Calendar Yr**.
 3. **Gap** between two AGMs shall **not be more than 15 Months**
- When co is holding its first AGM then **no need to hold AGM in its year of incorporation**.
- Extension of time = 3 months only for subsequent** but not for the first AGM.

Time, Place & Day of holding AGM [Sec. 96(2)]	Time of AGM	AGM shall be held during business hours i.e between 9 am and 6 pm.
	Day of AGM	<input type="checkbox"/> AGM shall not be called on a day of National Holiday. <input type="checkbox"/> 'National Holiday' means and includes a day declared as National Holiday by the C.G.
	Place of AGM	AGM shall be held at the: (i) Registered office of the company; or (ii) Some other place within the city, town or village in which the registered office is situated. However, AGM of an unlisted company may be held at any place in India if consent is given in advance either in writing or by electronic mode by all the members.
Other Imp points	<input type="checkbox"/> The C.G may exempt any company from the provisions of Sec. 96(2) subject to conditions as it may impose. <input type="checkbox"/> Section 8 Company may hold its AGM at such time, date and place as decided upon before-hand by the Board of Directors having regard to the directions, if any, given by the shareholders in its general meeting. <input type="checkbox"/> Government Companies: Section 96(2) - Place for holding AGM Government Company may hold its AGM at: <input type="checkbox"/> such other place within the city, town or village in which the registered office of the company is situate or <input type="checkbox"/> such other place as the Central Government may approve in this behalf.	

- Applicable to all Public/Pvt except OPC – **ONCE IN A YEAR**
- Place:**
 - Gov.** At RO or some other place in the city, town, village where RO is situated or other place approved by CG
 - Unlisted:** Any place in India-consent of all members (writing/e-mode)
 - Other:** At RO or some other place in the city, town, village where RO is situated
- During **business hours – 9 am to 6 pm**
- Not on National holiday** (can be called on a STATE HOLIDAY) & Sunday in not a national holiday

MULTIPLE CHOICE QUESTIONS (MCQ)

- 26.** The Registrar may grant an extension by for holding AGM to any company for special reasons except in the case of first AGM of the company
- (a) 1 month (b) 9 months
(c) **3 months** (d) 6 months
- 27.** The gap between 2 AGMs must not be more than
- (a) 12 months
(b) 15 months
(c) 18 months

(d) 15 months as may be extended by Registrar of companies to 18 months

28. OPR Limited incorporated on 10th January, 2019 and closed its Financial Statement on 31st March, 2020. The First Annual General Meeting of the Members shall be held on or before

- (a) 31st October, 2020
- (b) 30th September, 2020
- (c) 31st December, 2020**
- (d) 30th November, 2020

29. Annual General Meeting of a company may be held on

- (a) any day
- (b) any day other than a public holiday
- (c) any day other than a national holiday**
- (d) any day other than Bank holiday and Sunday

30. Swiss Commodities Private Limited was incorporated in 2015. Company was not running its business properly due to unexpected ups and downs. It could not hold its first annual general meeting in the

year 2016. The company is planning to apply for extension of time for holding the AGM from the Registrar of Companies. On which grounds Company can get an extension?

- (a) They will not get any extension.**
- (b) If Company proves that their financial statements are confiscated.
- (c) If they prove that directors have fell below numbers.
- (d) If they prove that members are not available.

31. Soya Limited was incorporated in 2014 and has its registered office in Noida. Company wants to call its 4th Annual General Meeting in Mumbai Whether it is possible?

- (a) It is not possible as Annual General Meeting has to be held in Noida:
- (b) It is possible with consent of 50% members is received:
- (c) It is possible if consent of 75% members is received:
- (d) It is possible if consent of 100% members is received;**

■ [SECTION 97] - POWER OF TRIBUNAL TO CALL AGM

Member to apply to Tribunal	If any default is made in holding the AGM, any member may make an application to the Tribunal.
Powers of the Tribunal	<ol style="list-style-type: none"> 1. The Tribunal may call a GM or direct the calling of a GM, which shall be deemed to be an AGM of the company. 2. The Tribunal may give ancillary or consequential directions as it may think fit, including a direction that 1 member present in person or proxy shall be the quorum.

	Section 97 - Power of NCLT to call AGM	Section 98 - Power of NCLT to call EGM
Ground	There is DEFAULT in holding AGM.	It is IMPRACTICABLE to call EGM.
Who applied to NCLT	Any Member may apply to NCLT.	<input type="checkbox"/> NCLT suo-moto <input type="checkbox"/> Any Member <input type="checkbox"/> Any Director

MULTIPLE CHOICE QUESTIONS (MCQ)

- 32.** ABC Ltd. held its AGM for the financial year 2017-18 on 9th June, 2018. The company held its AGM for the following financial year on 30th September, 2019. With regard to the provisions of Companies Act, 2013, which of the following statement is correct?
- (a) The AGM for financial year 2018-2019 is valid since it is held 6 months from the date of closing of the financial year.
- (b) The AGM for financial year 2018-2019 is valid since it is held 9 months from the date of closing of the financial year.
- (c) The AGM for financial year 2018-2019 is not valid since more than 15 months have elapsed from the date of meeting of previous year.**
- (d) None of the above.
- 33.** The Annual General Meeting of XYZ Ltd., for the financial year ending 31-3-2019 was held on 27-9-2019. However, the audited accounts of the company are yet to be received from its auditors. Therefore, the meeting was held on due date to conduct the remaining business and it was adjourned and finally held on 31-1-2020 at which the audited financial statements were adopted. The AGM of previous year was held on 30-9-2018. With regard to the provisions of Companies Act, 2013, which of the following statement is correct?
- (a) The meeting held on 31-1-2020 is valid since not more than 15 months have elapsed from the date of meeting of previous year.
- (b) The meeting held on 31-1-2020 is invalid since the AGM, including any adjournment thereof, must be held not later than 6 months from date of closing of the Financial Year.**
- (c) The meeting held on 31-1-2020 can be validated by taking the approval from Registrar.
- (d) The meeting held on 31-1-2020 is invalid since there is no provision in law for adjournment of an AGM.
- 34.** The Annual General Meeting of an unlisted company may be held:
- (a) At the Registered Office of the company.
- (b) At some other place within the City, Town or Village in which the Registered Office of the Company is situated.
- (c) Any place in India if consent is given in writing or by electronic mode by all the members in advance.
- (d) Either of above**

■ [SECTION 99] - PUNISHMENT FOR DEFAULT IN COMPLYING WITH SECTION 96, 97 & 98

Applicability of Sec. 99	<ol style="list-style-type: none"> 1. If default is made in holding AGM u/s 96 or 97 or EGM u/s 98. 2. If default is made in complying with any directions of the Tribunal.
Punishment	<p>Company & officer-in-default:</p> <p><input type="checkbox"/> Fine upto Rs. 1 lakh</p> <p><input type="checkbox"/> Fine Rs. 5,000 per day in case of continuing default.</p>

MULTIPLE CHOICE QUESTIONS (MCQ)

- 35.** ABC Ltd. is a company incorporated in India and holds 100% shares of EFG GmbH, a company incorporate in Germany. An Extraordinary General Meeting of ABC Ltd. can be held:
- (a) At the Registered Office of ABC Ltd. or some other place within the City, Town or Village in which the Registered Office of the Company is situated.

- (b) **At any place in India.**
 (c) At any place outside India.
 (d) Either of above.
- 36.** ABC Ltd. is a wholly owned subsidiary of EFG GmbH, a company incorporated in Germany. An Extraordinary General Meeting of ABC Ltd. can be held:
 (a) At the Registered Office of ABC Ltd. or some other place within the City, Town or Village in which the Registered Office of the Company is situated.
 (b) At any place in India.
 (c) At any place outside India.
(d) Either of above.
- 37.** The Board of Directors of ABC Ltd. include two Directors representing financial institutions, which together hold more than 20% of the equity capital of the company. The financial institutions served a requisition under Section 100 of the Companies Act for calling an extraordinary general meeting for removal of Managing Director of the company. However, they refused to give any reasons for the removal of Managing Director. The company refused to convene the meeting on the ground that the requisition is not accompanied by a proper explanatory statement. Decide which of the following statement gives the correct state of law.
 (a) The stand taken by company is correct, since as per Section 102 of Companies Act, an explanatory statement is required to be annexed in respect of every item of special business.
(b) The requisitionists are under no obligation to attach the explanatory statement to the requisition.
 (c) The requisitionists an extraordinary general meeting of the company can be given by natural persons and no body corporate can call for an EGM.
 (d) None of the above.
- 38.** If the Board does not call a meeting requested by required number of members, the meeting may be called and held by the requisitionists themselves within a period of:
 (a) 60 days from the date of receipt of such requisition by the company.
 (b) 90 days from the date of receipt of such requisition by the company.
(c) 3 months from the date of the requisition.
 (d) 6 months from the date of the requisition.
- 39.** Under Section 98 of the Companies Act, the Tribunal may order a meeting of the company to be called, held and conducted in such manner as the Tribunal thinks fit and give such ancillary or consequential directions as it considers expedient. The order under Section 98 may be made by the Tribunal:
 (a) On its own motion.
 (b) On the application of any Director of the Company.
 (c) On application of any member entitled to vote at the meeting.
(d) Either of above.
- 40.** In case of one person company, if any item is required to be transacted at an AGM or EGM of the company by an ordinary or special resolution, it shall be passed:
 (a) By the member himself along with the Director or Secretary of the company.
(b) By means of communication of resolution by the member to the company and entering in the Minutes Book is required to be maintained and signed under the Act.
 (c) By means of communication of resolution by the member to the Registrar.
 (d) Either of above.

■ [SECTION 121] - REPORT ON AGM

Applicability [Sec. 121(1)]	Applicable only to listed public companies.
Legal Requirements	<ol style="list-style-type: none"> 1. The report shall confirm that the AGM was convened, held and conducted as per the provisions of this Act and rules. 2. File the copy of report with ROC within 30 days of conclusion of AGM in Form No. MGT-15, along with the fee. [Sec. 121(2) and Rule 31(3)] 3. The report shall be prepared in addition to minutes of GM.
Signing of the report	<p>The report shall be signed and dated by the Chairman of the meeting or in case of his inability to sign, by –</p> <ol style="list-style-type: none"> (a) any 2 directors of the company, one of whom shall be the Managing Director, if there is any; and (b) the company secretary of the company;
Contents of the report	<ol style="list-style-type: none"> (i) the day, date, hour and venue of the AGM; (ii) confirmation with respect to appointment of Chairman of the meeting; (iii) number of members attending the meeting; (iv) confirmation of quorum; (v) confirmation with respect to compliance of the Act and the Rules, secretarial standards made there under with respect to calling, convening and conducting the meeting; (vi) business transacted at the meeting and result thereof; (vii) particulars with respect to any adjournment, postponement of meeting, change in venue; and (viii) any other points relevant for inclusion in the report
Punishment [Sec. 121(3)]	<p>If the company fails to file the report within the prescribed period-</p> <p>Company: Penalty of Rs. 1 lakh and Rs. 500 per day for continuous default after the 1st default; subject to a maximum of Rs. 5 lakh.</p> <p>Officer in default: Penalty of at least Rs. 25,000 and Rs. 500 per day for continuous default after the 1st default; subject to a maximum of Rs. 1 lakh.</p>
<div style="border: 1px solid black; padding: 10px; background-color: #f0f0f0;"> <ul style="list-style-type: none"> <input type="checkbox"/> Form MGT-15 To ROC in 30 days that AGM was held as per Rule 31. <input type="checkbox"/> Report is in addition to minutes. <input type="checkbox"/> Signed and dated by – <ul style="list-style-type: none"> <input type="radio"/> Chairman of the meeting or if not then 2 directors (1MD) And Company Secretary <p>Fine: Co = 1 Lakhs and 500/day to 5 Lakhs & Officer = 25k and 500/day to 1L</p> </div>	

MULTIPLE CHOICE QUESTIONS (MCQ)

41. Every listed company shall file with the Registrar a copy of the report on each annual general meeting within of the conclusion of the annual general meeting.

- (a) 15 days **(b) 30 days**
 (c) 60 days (d) 90 days

Limited was held on 25th June 2022. According to the provisions of Companies Act, 2013, till what date the company should submit report on AGM to the registrar?

(2 Marks) (MTP Sep. 22)

- (a) 30.06.2022 (b) 10.07.2022
 (c) 24.07.2022 **(d) 25.07.2022**

42. The Annual General Meeting of Yellow

■ [SECTION 100] - EXTRAORDINARY GENERAL MEETING

Meaning	<input type="checkbox"/> All GM other than AGM is an Extraordinary General Meeting (EGM). <input type="checkbox"/> If there is any matter of urgent or special nature arising between two AGMs, an EGM may be held. <input type="checkbox"/> Every business transacted at such a meeting is special business .	
<u>Who can call an EGM?</u>		
<input type="checkbox"/> By Board (Suo Motu) - At any place in India (Except when company is WOS of a CIOI-o/s India) - 100(1)		
<input type="checkbox"/> By Board on requisition by Eligible members = SC and without SC = 10% of PSC or voting power 100(2)		
<input type="checkbox"/> If Board fails then Requisitionists will call on their own-100(4)		
<input type="checkbox"/> By Tribunal-Section 98 (In the same manner)		
By Board	BOD may call EGM whenever it deems fit.	
BOD may call EGM on Requisition being raised by the shareholders	Requisition By Whom?	(a) in the case of a company having a share capital, such number of members who hold, on the date of the receipt of the requisition, not less than 1/10th of Equity shares; (b) in the case of a company not having a share capital, such number of members who have, on the date of receipt of the requisition, not less than 1/10th of the total voting power.
	Essentials of a valid requisition	1. The requisition shall specify the matters for the consideration of which EGM is to be called. 2. The requisition shall be valid even if it does not 3. specify the reasons for the matters. 4. shall be SIGNED by the requisitionists and 5. sent to the REGISTERED OFFICE of the company.

	Action by Board	On receipt of a valid requisition <input type="checkbox"/> the Board shall proceed to call EGM within 21 days by issuing notice and <input type="checkbox"/> Call EGM within maximum 45 days
By requisitionists themselves [Sec. 100(4)]		<ol style="list-style-type: none"> 1. If the Board fails to call EGM within 45 days, it may be called by requisitionists themselves. 2. The EGM shall be held within 3 months from the date of deposit of the requisition. 3. The requisitionists shall call the EGM in the same manner in which a meeting is called by the BOD [Sec. 100(5)]. 4. All reasonable expenses incurred by the requisitionists in calling an EGM because of Board failure (To be deducted from Director's remuneration as per Section 197) shall be reimbursed to them by the company
Time, place, day for holding EGM		<ol style="list-style-type: none"> 1. The requisitionists should convene the EGM on any day except National Holidays. 2. The requisitionists should convene the EGM at the registered office or in the same city or town in which the registered office is situated. 3. However, the EGM of a wholly owned subsidiary of a company incorporated outside India shall be held within or outside India. 4. In case of Specified IFSC Private/Public Company, EGM may be 5. held within or outside India on consent of all the shareholders.

MULTIPLE CHOICE QUESTIONS (MCQ)

- 43.** An extraordinary general meeting may be convened by
 (a) Board resolution
 (b) Requisitions
 (c) Tribunal
(d) All of the above
- 44.** The request to call an extraordinary general meeting may be given to Board by members holding of the paid-up share capital carrying voting rights
 (a) One-fourth **(b) One-tenth**
 (c) One-third (d) One-eighth
- 45.** On the request of requisitions, the Board must proceed to call EGM within ___ days for the consideration of that matter on a day not later than __ days from the date of receipt of such requisition
 (a) 30;60 (b) 21;90
 (c) 30;90 **(d) 21;45**
- 46.** The Board of Directors of Gama Ltd. did not call the Extra Ordinary General meeting within 21 days from the date of receipt of requisition from members, then the requisitionists may themselves call a meeting within a period of from the date of requisition.
 (a) 15 days (b) 30 days
 (c) 1 month **(d) 3 months**

■ [SECTION 101] - NOTICE OF MEETING

Meaning	Intimation of time, place, date and agenda of the meeting to the members and invitation to attend the meeting.						
Who can give notice?	<ol style="list-style-type: none"> 1. A general meeting has to be called by the Board. 2. An individual director has no authority to call a GM. 3. BOD can delegate its powers to secretary, manager, etc. 4. If secretary or other issue notice without the sanction of the Board, notice will be invalid. However, it can be ratified by the BOD. 						
Who are entitled to receive notice? [Sec. 101(3)] D.A.M.A.D	<p>The notice of every meeting of the company shall be given to –</p> <ol style="list-style-type: none"> (a) Every member of the company, or (b) Legal representative of any deceased member, or (c) Official assignee of an insolvent member; and (d) Auditor of the company, and (e) Every director of the company; <p>Note: In case of joint holding, notice is to be given to First named joint holders.</p>						
Time limit (Length of notice) [Sec. 101(1)]	<ol style="list-style-type: none"> 1. Notice shall be sent at least 21 clear days before the meeting. 2. A section 8 company may give notice at least 14 clear days before the meeting provided no default has been made in filing F.S u/s 137 or annual return u/s 92 with the Registrar. 3. The following days are not counted in 21 clear days: - <ol style="list-style-type: none"> (a) Day of Dispatch = 1 day. (b) Date of meeting = 1 day. (c) Deemed Postage Duration u/s 20 = 2 Days (48 Hours) 						
Shorter Notice [Proviso to Sec. 101(1)]	<p>A GM may be called after giving shorter notice than that of 21 clear days, if consent, in writing or by electronic mode, is given:</p> <table border="1"> <tr> <td>AGM</td> <td>Not less than 95% of the members (ESH) entitled to vote.</td> </tr> <tr> <td>EGM</td> <td> Case-1: If the company has a share capital <ol style="list-style-type: none"> (a) Majority in number of members (ESH) entitled to vote AND (b) who represent 95% of ESC. </td> </tr> <tr> <td>EGM</td> <td> Case-1: If the company has no share capital Members holding at-least 95% of the total voting power. </td> </tr> </table>	AGM	Not less than 95% of the members (ESH) entitled to vote.	EGM	Case-1: If the company has a share capital <ol style="list-style-type: none"> (a) Majority in number of members (ESH) entitled to vote AND (b) who represent 95% of ESC. 	EGM	Case-1: If the company has no share capital Members holding at-least 95% of the total voting power .
AGM	Not less than 95% of the members (ESH) entitled to vote.						
EGM	Case-1: If the company has a share capital <ol style="list-style-type: none"> (a) Majority in number of members (ESH) entitled to vote AND (b) who represent 95% of ESC. 						
EGM	Case-1: If the company has no share capital Members holding at-least 95% of the total voting power .						

<p>Contents of the Notice [Sec. 101(2)]</p>	<p>A valid notice must state:</p> <ol style="list-style-type: none"> 1. Time, day, date, place of the meeting. 2. Agenda (business) of the meeting. 3. Documents accompanying notice: <ol style="list-style-type: none"> (i) AGM → Financial Statement, Auditors Report, Directors Report, Admission Slip, Proxy Form. (ii) EGM → Explanatory Statement, Admission Slip, Proxy Form.
<p>Omission [Sec. 101(4)]</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Accidental Omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting. <input type="checkbox"/> Deliberate Omission shall invalidate the meeting. Not sending under the belief that it will not reach is a deliberate one. <input type="checkbox"/> Failure in transmission – Do not invalidate.
<p>Serving of Notice</p>	<ol style="list-style-type: none"> 1. As per Sec. 20 of the Act; notice may be served on any member by: <ol style="list-style-type: none"> (a) Post or registered post or speed post; or (b) Courier; or (c) Personal delivery; or (d) Electronic mode; or other as prescribed. 2. However, if the Articles prescribe the mode of delivery of notice, it should be given accordingly. 3. A member may request delivery through a particular mode on payment of fees as determined by the company in its AGM.
<p>Manner of giving Notice [Sec. 101(1)]</p>	<p>The notice shall be given-</p> <ol style="list-style-type: none"> (i) In writing; or (ii) By electronic mode, in manner as per Rule 18. (iii) Oral not allowed
<p>Notice through electronic mode [Rule 18]</p>	<p>Meaning of electronic mode Any communication sent secured computer programme which is capable of producing confirmation and keeping record of it</p> <p>Notice given by e-mail Notice may be sent through e-mail as a:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Text; or attachment to e-mail; or <input type="checkbox"/> Notification providing electronic link or Uniform Resource Locator for accessing such notice. <p>E-mail to whom? Addressed to the person entitled to receive such e-mail:</p> <ol style="list-style-type: none"> (a) As per records of the company; or (b) As provided by the depository.

Register and update e-mail

The company shall provide an advance opportunity atleast once in a F.Y, to the members to register their e-mail addresses and to update their e-mail addresses.

Download Software

If notice is sent in the form of a non-editable attachment, such attachment shall be:

- (i) In the Portable Document Format (PDF); or
- (ii) In a non-editable format together with a 'link or instructions' for recipient for downloading relevant version of the software.

Failure in Transmission

- (i) The company's obligation shall be satisfied when it transmits the e mail.
- (ii) The company shall not be held responsible for a failure in transmission beyond its control.
- (iii) If a member fails to provide or update relevant e-mail address to the company, or to the depository participant as the case may be, the company shall not be in default for not delivering notice via e-mail.

Notice to be paced on website

The notice of GM shall be simultaneously placed on

- (i) the website of the company, if any; and
- (ii) such website as may be notified by CG

Illustration: Mr. Abhinav, a member of Elixir Logistics Limited, filed a complaint against the company for not serving him a notice for attending the Annual General Meeting. The company, in turn, provided the proof that they had sent the notice, by way of an email to Mr. Abhinav, inviting him to attend the annual general meeting of the company. Mr. Abhinav alleges that he never received the email. State whether the company is liable to be guilty for contravening the provisions of section 101 of the Companies Act, 2013 read with the applicable Rules.

Answer: As per Rule 18 (3) (v) of the Companies (Management & Administration) Rules, 2014, the company's obligation shall be satisfied when it transmits the e-mail and the company shall not be held responsible for a failure in transmission beyond its control. Also, Rule 18 (3) (vi) if a member entitled to receive the notice depository participant as the case may be, the company shall not be in default for not delivering notice via e-mail. Accordingly, Elixir Logistics Limited shall not be held guilty if there was a failure in transmission beyond its control or in case where Mr. Abhinav did not update his e-mail address.

Illustration: The paid-up share capital of Aakash Soaps Limited is fifty lakh divided into five lakh shares of 10 each. The directors of the company are desirous of calling an extra-ordinary general meeting (EGM) by giving a shorter notice which is less than 21 days. Sixty percent of the members holding shares worth forty lakh accorded their consent by electronic mode to the shorter notice. Whether EGM can be validly called.

Answer: In the above case, consent to call the EGM by shorter notice has been accorded by sixty percent members holding shares worth forty lakh which works out to 80% ($40,00,000/50,00,000 \times 100$) whereas the requirement is that majority in number of members who represent not less than 95% of paid-up share capital which gives them a right to vote at the meeting (i.e. shareholders holding shares worth 47,50,000) must consent to shorter notice. Therefore, the EGM cannot be validly called and held.

MULTIPLE CHOICE QUESTIONS (MCQ)

47. DBSL convene its 7th AGM on 10th September 2020 at the registered office of the company. Notice for same was served on 21st August 2020. 78% of members gave consent to convening AGM at shorter notice due to ambiguity and possibility of another lockdown starting from 11th September 2020 on account of the second wave of COVID-19. Considering the provision relating to length of Notice for AGM, pick out the right option: (RTP MAY 2021)
- (a) Notice served by DBSL is not valid, because notice given within a shorter duration has to be consented to by all the members entitled to vote at AGM.
- (b) Notice served by DBSL is not valid, because notice given within a shorter duration has to be consented to by at-least 95% of members entitled to vote thereat.**
- (c) Notice served by DBSL is valid because the shorter length has been consented to by 75% of members entitled to vote thereat.
- (d) Notice served by DBSL is not valid, because notice given within a shorter length duration needs has to by at-least 50% of the members entitled to vote at AGM that too in writing.
48. Annual general meeting needs to be called by giving 21 days' clear notice. However, it can be called on a shorter notice if members entitled to vote in that meeting give their consent in writing or by electronic mode. In such case, how many members have to give their consents? (MTP MAY 2019)
- (a) 75% of members entitled;
(b) 90% of members entitled;
(c) 91% of members entitled;
(d) 95% of members entitled;
49. A general meeting of a company can be convened by giving a notice not less than clear days before the date of the meeting.
- (a) 14 **(b) 21**
(c) 30 (d) 45
50. A general meeting of a company licensed under Section 8 of the Companies Act, 2013 can be convened by giving a notice not less than clear days before the date of the meeting.
- (a) 14 (b) 21**
(c) 30 (d) 45
51. The notice of a general meeting of a company can be given:
- (a) Orally
(b) In writing or electronically

- (c) By publishing as an advertisement in the newspaper
- (d) All of the above

52. The auditor of a company complains that he was no given notice of an ensuing general meeting of the company. The Secretary of the company contend that as no part of the business of that meeting concerned the auditor, no notice was required to be given to him. In view of the provisions of Companies Act, 2013, which of the following statement is correct?

- (a) **The notice of general meeting must be given to the Auditor of company, irrespective of the fact that any matter therein concerns him or not.**
- (b) The Secretary of the company is correct and if in the proposed agenda, there

is nothing concerning the Auditor, the notice is optional.

- (c) No notice of general meeting, other than Annual General Meeting, is required to be given to the Auditor of the company.
- (d) None of the above.

53. In case of shares held jointly by more than one shareholder, the notice of the general meeting shall be given to:

- (a) To every joint holder whose name appears in the records of the company.
- (b) **To the first joint holder i.e. person whose name appears first as per records of the company.**
- (c) To any joint holder which shall be deemed as notice to all.
- (d) None of the above.

■ [SECTION 102] - ORDINARY BUSINESS AND SPECIAL BUSINESS

Ordinary Business [Sec. 102]	<p>1. At an AGM Following business shall be ordinary business:</p> <ul style="list-style-type: none"> (i) Consideration and adoption of Financial Statements, Auditor's Report and Board's Report. (ii) Declaration of Dividend. (iii) Appointment & Removal of directors (iv) Appointment, Reappointment and Removal of auditors and fixing of remuneration of auditors. <p>2. At EGM No business is ordinary.</p>
Special Business	<p>1. At an AGM All business except those specified u/s 102(2)(a) shall be deemed as special business.</p> <p>2. At EGM All business shall be deemed to be special business.</p> <p>3. Explanatory Statement Explanatory statement shall be annexed to the notice of transacting every item of special business.</p>
Other point	Ratification at every AGM in case of Appointment of auditor is an ordinary business only.

In case of Non or insufficient disclosure In Explanatory statement and any benefit accrues P/D/MFR/KMPs or their relatives and shall compensate the co. to the extent derived by them – Section 102(4)

Contents of explanatory statement
[Sec. 102(1)]

Contents of explanatory statement

1. **All material facts** concerning each item of business to enable members to take decisions.
2. The nature of concern **or interest** (financial or non-financial) of:
 - (i) Every director and manager;
 - (ii) Every other key managerial person;
 - (iii) Relatives of (i) and (ii) above.
3. If any item of the special business **affects any other company**, then the **extent of shareholding of every director and manager** in that company in case their shareholding interest is **at least 2% of the paid-up share capital** of the other company [Proviso to Sec. 102(2)]
4. If special business refers to any document which is to be considered at the GM, **the time and place where such document can be inspected** shall be specified in the Explanatory Statement. [Sec. 102(3)]

Penalty for contravention of this section – 102(5)

Every Promoter/Director/Manager or other KMPs in default shall be punished 50k or 5 times the Amt. of benefit whichever is higher

MULTIPLE CHOICE QUESTIONS (MCQ)

54. Which one of the following requires ordinary resolution? (MTP MAY 2020)
 - (a) to change the name of the company
 - (b) to alter the articles of association
 - (c) to reduce the share capital
 - (d) **to declare dividends.**
55. Which of the following is not an ordinary business at the Annual General Meeting of the company:
 - (a) Consideration of Financial Statements and the reports of the Board of Directors and Auditors.
 - (b) **Buy-back of shares**
 - (c) Declaration of Dividend
 - (d) Appointment of Directors
56. Under Section 102(1) of Companies Act, 2013, where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Promoter, Director, Manager, KMP is required to be disclosed, if the extent of such shareholding is:
 - (a) **Not less than 2% of the Paid-up share capital of that other company.**
 - (b) Not less than 5% of the Paid-up share capital of that other company.
 - (c) Not less than 10% of the Paid-up share capital of that other company.
 - (d) Not less than 20% of the Paid-up share capital of that other company

■ [SECTION 103] - QUORUM FOR MEETINGS

<p>Meaning</p>	<p>Minimum number of members who must be present in order to constitute a valid meeting.</p> <div style="border: 1px solid black; background-color: #e91e63; color: white; padding: 10px; text-align: center; margin: 10px auto; width: fit-content;"> <p>No. of minimum mebers to be present to constitute a valid meeting WHO ARE ENTITLED TO VOTE</p> </div>
<p>Quorum Required [Sec. 103(1)]</p>	<p>(i) Private Company: 2 members shall be personally present as quorum.</p> <p>(ii) Public Company:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Requirement for exact 1000 members will be 5 and exact 5000 members will be 15. <input type="checkbox"/> However, articles may provide for larger numbers as the quorum in both private and public company.
<p>Counting of Quorum</p>	<p>The following shall be counted as quorum:</p> <ol style="list-style-type: none"> 1. Members personally present. 2. Representative of: <ol style="list-style-type: none"> (a) President (b) Governor of States (c) Body corporate (d) A donee of a power of attorney. 3. Person in more than one capacity is counted as such for quorum. One person can be an authorized representative of more than one body corporate. In such a case, he is treated as more than one member for the purpose of quorum. 4. Joint members are considered as one member for counting as quorum. <p>The following shall not be counted as quorum:</p> <ol style="list-style-type: none"> 1. Proxy is not counted as quorum. 2. Preference shareholders are not counted for quorum except for business which affects their rights.

Discussed later in the chapter:

Section 112-Representations of President of India and Governor of a State
These people can appoint such person as their representatives at GM and can exercise same rights and powers as of a members (Deemed member)

Section 113-Representations of Corporations
(Applicable to Foreign cos as well)
By a BR they can also appoint and shall exercise same rights and powers as of a members (Deemed member)

**If No Quorum Present
[Sec. 103(2)]**

If the quorum is not present within half-an-hour from the time decided for holding a meeting of the company, then:

- (i) The EGM, if called by requisitionists u/s 100; the meeting shall stand cancelled.
- (ii) In other cases;
 - (a) The meeting shall adjourn to such day, time and place (DTP) as may be determined by the Board.
 - (b) However, if it is not determined by the Board, the meeting shall automatically adjourn to same day, time and place in the next week.
 - (c) Atleast 3 days' notice of adjourned meeting shall be given to the members either individually or by publishing in advertisement in 2 newspapers (1 in English and 1 in vernacular language).
 - (d) If at the adjourned meeting also, quorum is not present; members present will form the quorum.

Rule: But there should be at least 2 members; hence, quorum of a meeting cannot be 1 member.

However, there are exceptions to the above rule:

- (a) Where 1 person holds all the shares of a particular class, he alone can constitute a meeting of that class.
- (b) Where the meeting is called by an order of Tribunal u/s 97 or 98, it may direct that 1 member present in person or by proxy shall constitute a valid meeting.

Lack of Quorum (Quorum shall be present within half an hour):

- Meeting shall be adjourned to such DTP as decided or **if not then same DTP next week or as Board may decide**
- If meeting adjourned was u/s 100 i.e EGM (called by requisition) **then it stands cancelled.**
- Minimum 3 days notice of adjourned meeting or 2NW** to be given to all member
- If at adjourned also members not present then **present members will be quorum (>1) means minimum two is required** except in case of:
 - Class meeting** where **only one person holds all the shares** and
 - When Tribunal calls for the meeting under 97 & 98.**

Other Important Points

1. If all the members are present, it is immaterial that the quorum required is more than the total number of members.
2. Quorum must be present throughout the meeting and not just at the time of commencement.
3. The quorum is required even if some members have already cast their votes through E-voting facility; such members shall have right to attend the GM and shall be counted for quorum.

MULTIPLE CHOICE QUESTIONS (MCQ)

57. Red Flag Ltd., which has its registered office at Delhi and having 12500 members is holding its Annual General Meeting in Ashoka Hotel. Despite swanky arrangements most of the members did not turn up and quorum was not present within half an hour of the schedule time of the meeting, as a result meeting was adjourned. However, due to heavy booking schedule, hotel authorities could not make available, for adjourned meeting, sufficient space in the same hall where meeting was originally called but allowed conduct of meeting in a different hall on a different floor next week at same time. Please advise the option available to board: (RTP NOV 2020) (Nov 23)
- (a) The meeting stands adjourned automatically to the same place and time next week as per provisions of law. There is no alternate but to hold meeting in the same hall.
- (b) **As same banquet hall is not available meeting can be held at different place as may be decided appropriate by the Board.**
- (c) As the same hall is not available to conduct meeting after one week, a fresh notice of 21 days is needed for a different location.
- (d) As the same hall is not available to conduct the meeting, the company needs to conduct meeting electronically through internet and give sufficient notice to shareholders.
58. The Articles of ABC Ltd. having 998 members, provide that the quorum for its general meeting shall be 7 members personally present. With regard to provisions of Companies Act, 2013, decide what will be the quorum for its general meeting.
- (a) Five members personally present.
- (b) Seven members personally present.**
- (c) Two members personally present.
- (d) Whatever number of members greater than two that are present at the meeting.

59. According to the Register of Members of ABC Ltd., it has 998 members. In the general meeting of the company, four members are personally present and three proxies are present on behalf of other members. Which of the following statement is correct?

(a) The quorum of company which has not more than 1000 members as on the date of meeting is 5 members. Since there are seven members present either in person or by proxy, the quorum is complete for the general meeting.

(b) The quorum of company which has not more than 1000 members as on the date of meeting is 5 members personally present. Since there are only four members present in person, the quorum for the general meeting is not there.

(c) The quorum of company which has not more than 1000 members as on the date of meeting is 2 members personally present. Since there are four members present in person, the quorum is complete for the general meeting.

(d) None of the above.

60. The Articles of Association of X Ltd. require the personal presence of seven members to constitute quorum of general meetings. At an EGM called by the company, the following persons were present at the time of commencement of the meeting:

1. Mr. G, being representative of Governor of Punjab.
2. Mr. A and Mr. B, preference shareholders
3. Mr. L and Mr. M, equity shareholders
4. Mr. R, representing 3 member companies P Ltd., Q Pvt. Ltd. and R Ltd.

Mr. E, Mr. F, Mr. G and Mr. H, who were proxies of shareholders. Which of the following statement is correct in respect of the quorum at the EGM?

(a) Number of members personally present are six. Therefore, the quorum is not complete.

(b) Number of members personally present are eight. Therefore, the quorum is complete.

(c) Number of members personally present are 10. Therefore, the quorum is complete.

(d) Number of members personally present are 12. Therefore, the quorum is complete.

61. In which of the following case(s), a single member present can constitute valid meeting:

(a) Where one person who holds all the shares of a particular class, is present at the Class meeting.

(b) Annual General Meeting convened as per directions of Tribunal under Section 97, if it directs that one member can constitute valid meeting.

(c) Extraordinary General Meeting convened as per directions of Tribunal under Section 98, if it directs that one member can constitute valid meeting.

(d) All of the above.

62. If the quorum is not present within half an hour from the time appointed for holding a general meeting of the company (other than that called by requisitionists under Section 100), the meeting:

(a) Shall stand adjourned to the same day in the next week at the same time and place, or such other date and such other time and place as the Board may determine.

(b) Shall stand cancelled.

(c) Shall stand postponed indefinitely.

(d) None of the above.

■ [SECTION 104] - CHAIRMAN OF MEETINGS

<p>Who is Chairman?</p>	<p>'Chairman' is the person who has been designated or elected to preside over and conduct the proceedings of a meeting.</p> <div style="border: 1px solid black; border-radius: 10px; padding: 10px; text-align: center; margin: 10px auto; width: fit-content;"> <p>A person who is elected to conduct the proceedings of the meeting.</p> </div>
<p>Election of Chairman by members [Sec. 104(1)]</p>	<p>If the articles do not provide manner of election of the Chairman, the members personally present at the meeting shall elect one of themselves to be the Chairman by show of hands.</p>
<p>Demand of poll [Sec. 104(2)]</p>	<p>If a poll is demanded on the election of the Chairman, the Chairman elected by show of hands shall continue to be the Chairman until some other person is elected as Chairman as a result of poll.</p>
<p>Table F of Schedule I (Regulation 45, 46, 47) (If Company adopts Table F)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> If the BOD have appointed a Chairperson, that Chairperson, if present, will preside as Chairperson of the meeting. <input type="checkbox"/> If there is no such Chairperson, or is not present within 15 minutes after the time fixed for holding meeting, or is unwilling to act as chairperson; the directors present shall elect one of themselves as Chairperson of the meeting. <input type="checkbox"/> If at any meeting, no directors are willing to act as Chairperson or if no director is present within 15 minutes after the time fixed for holding the meeting, the members present shall choose one of themselves as chairperson.
<p>Casting Vote</p>	<p>It means that in event of equality of vote (tie) on a particular business being transacted at the meeting, the Chairman shall have a right to cast a vote.</p>
<p>Powers and Duties of Chairman</p>	<ol style="list-style-type: none"> 1. To maintain order and decorum of the meeting. 2. Execute the minutes of the meeting, post meeting. To ensure that the meeting is properly convened and constituted (required quorum is present). 3. To adjourn the meeting. 4. To declare the result of voting by show of hands. 5. To appoint scrutinizers to scrutinize the votes given on the poll and to report to him. 6. To see that the proceedings of the meeting are conducted according to rules and the business is discussed in order set out in agenda.

Chairman of Adjourned Meeting	<ol style="list-style-type: none"> 1. The Chairman of the original meeting should be the Chairman of the adjourned meeting, since an adjourned meeting is a continuation of the original meeting. 2. However, if such chairperson is unable or unwilling to act or is validly removed at the meeting, the procedure of election of Chairperson should be followed to elect a new Chairman to preside at the adjourned meeting.
<ul style="list-style-type: none"> <input type="checkbox"/> Appointment as per AOA and if Articles do not provide then: <input type="checkbox"/> Election by show of hands by present and voting members to elect chairman amongst themselves. <input type="checkbox"/> If poll is demanded then it shall take place and during the poll chairman elected by show of hands shall continue to be chairman for that meeting unless some other is elected in the poll <input type="checkbox"/> Power of chairman = To manage meeting and post meeting work (minutes) <input type="checkbox"/> The chairman has a casting (second) vote - In case of equal no of vote only if AOA permits 	

■ [SECTION 105] - PROXIES

Meaning	<ul style="list-style-type: none"> <input type="checkbox"/> A person who is appointed by a member to represent themselves to attend the meeting and vote on their behalf. <input type="checkbox"/> A proxy is an agent of person appointing him. <input type="checkbox"/> The form in which proxy is appointed is called as proxy form.
Who can appoint a proxy? [Sec. 105(1)]	Any member of a company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person (whether member or not) as his proxy to attend and vote on his behalf.
Who can be appointed as proxy? [Rule 19]	<ol style="list-style-type: none"> 1. Any person member or non-member can be appointed as a proxy. However, in case of a Section 8 Company, a member cannot appoint a non-member as a proxy. 2. A person can act as proxy on behalf of member- <ol style="list-style-type: none"> (i) Not exceeding 50; (ii) Holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. <p>Note: However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy, provided that such person shall not act as proxy for any other person or shareholder.</p>

Proxy Form	Time to Deposit [Sec.105(4)]	<ul style="list-style-type: none"> (i) The instrument appointing proxy needs to be deposited with the company at least 48 hours before the meeting. (ii) Articles may specify lesser period but not more than 48 hours. (iii) If articles specify more than 48 hours, it shall have effect as if a period of 48 hours had been specified.
	Inspection [Sec. 105(8)]	<ul style="list-style-type: none"> (i) Any member can inspect the proxy form; at any time during the business hours. (ii) However, at least 3 days' notice in writing to inspect must be given to the company. (iii) Inspection can be done during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
	Requirements of Proxy form	<ul style="list-style-type: none"> 1. Company can send its own proxy form or can straightaway use Form No. MGT-11. 2. Same applies to person appointing proxy form
	Rights of proxy	<ul style="list-style-type: none"> 1. A proxy has the right to attend the meeting. 2. A proxy has the right to vote on poll. 3. A proxy, if eligible u/s 109, has the right to demand a poll.
	Limitations of a proxy	<ul style="list-style-type: none"> 1. A proxy has no right to speak at the meeting. 2. A proxy cannot vote on a show of hands. 3. A proxy is not counted for the purpose of quorum. 4. A proxy cannot appoint another person as his proxy.

Other Imp Points regarding Proxy:

1. The proxy can be revoked by the member at any time.
2. If after appointment of proxy, the member himself attends the GM, it is automatic revocation of proxy.
3. Once the proxy has voted, it cannot be revoked; the member cannot recast his vote.
4. In case of joint holders, holder whose name is first in the register of members should sign proxy form.
5. Proxy will be valid for original meeting as well as adjourned meeting.
6. If more than one proxy is appointed by the same member, the proxy received later in time shall be considered provided it has been duly received by the company 48 hours before the meeting.

MULTIPLE CHOICE QUESTIONS (MCQ)

63. A proxy appointed by a member of the company shall not have:
- (a) Right to speak at a meeting.
 - (b) Right to vote except on a poll.
 - (c) Both (a) and (b)**
 - (d) None of the above.
64. With regard to the provisions of Companies Act, 2013, which of the following statement is correct:
- (a) A member who has already cast his vote through remote E-Voting may appoint a proxy to attend the meeting instead of himself, but such proxy will not be able to cast his vote at the meeting.**
 - (b) A member who has already cast his vote through remote E-Voting cannot appoint a proxy to attend and vote at the meeting.
 - (c) A member who has already cast his vote through remote E-Voting may appoint a proxy to attend the meeting instead of himself, and such proxy can cast his vote at the meeting.
 - (d) None of the above.
65. Mr. P was duly appointed as proxy by Mr. M, a member of XYZ Ltd, to attend the AGM and vote on his behalf. Mr. M died and Mr. P attended and voted in a poll at the AGM. Decide which of the following statement is correct with regard to the vote cast by Mr P.
- (a) If the company becomes aware of the death of Mr. M before the meeting, the proxy stands cancelled.
 - (b) The vote cast by Mr. P shall be valid, if the company has no notice of death of Mr. M.
 - (c) Both (a) and (b).**
 - (d) None of the above.
66. A person can act as proxy on behalf of members not exceeding and holding in the aggregate not more than of the total share capital of the company carrying voting rights.
- (a) 10,0%
 - (b) 50, 5%
 - (c) 20, 20%
 - (d) 50, 10%**
67. A member holding more than of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- (a) 5%
 - (b) 10%**
 - (c) 20%
 - (d) 50%
68. A member of shall not be entitled to appoint any other person as his proxy unless such other person is also a member of such company
- (a) Government Company
 - (b) Unlimited Company
 - (c) Section 8 Company**
 - (d) Private Company
69. A member entitled to vote at a meeting of the company, or on any resolution to be moved thereat, shall be entitled to inspect the proxies received by the company, provided he gives notice to the company in writing of the intention so to inspect, minimum days before the meeting.
- (a) 3**
 - (b) 5
 - (c) 7
 - (d) 10
70. The inspection of proxies lodged can be made at any time during the business hours of the company, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with:
- (a) 12 hours before the meeting.
 - (b) The commencement of the meeting.
 - (c) The conclusion of the meeting.**
 - (d) 24 hours after the conclusion of the meeting.
71. Mr. M after, appointing Mr. P as proxy, himself attends the AGM of ABC Ltd. Decide which of the following statement is correct.

- (a) Both Mr. M and Mr. P can attend and vote at the meeting.
- (b) **Only Mr. M can vote in person and the proxy stands revoked.**

- (c) Both Mr. M and Mr. P can attend but only Mr. P, the proxy can vote at the meeting.
- (d) None of the above.

■ VOTING [SECTION 106-109]

Meaning	Voting is a method by which the meeting decides whether it approves or disapproves the resolution.
Types of voting	<ul style="list-style-type: none"> <input type="checkbox"/> Restriction on Voting rights (Sec. 106) <input type="checkbox"/> Voting by Show of Hands (Sec. 107) <input type="checkbox"/> Voting by Electronic means (Sec. 108) <input type="checkbox"/> Voting by Demand of Poll (Sec. 109) <input type="checkbox"/> Voting by Postal Ballot (Sec. 110)

■ [SECTION 106] - RESTRICTION ON VOTING RIGHTS

Provision in Articles	An express provision in the articles is required to restrict the voting rights of members.
Grounds for imposing restrictions [Sec.106(1)]	<p>A company may restrict the voting rights of members only if valid grounds are (means co. can't prohibit a member other than these reasons)</p> <p>(i) Calls on shares or any other sums payable by the member have not been paid.</p> <p>(ii) The company has exercised any right of lien on shares.</p>
Other imp Points	<ul style="list-style-type: none"> <input type="checkbox"/> A company shall not restrict the voting right of any member on any other ground. [Sec. 106(2)] <input type="checkbox"/> If there is no provision contained in the articles, then a member cannot be prevented from voting, even though, calls or other sums remain unpayable to the company or the company has exercised right of lien on such shares.

Section	Voting Methods	Vote Count
107	Voting by Show of Hands	1 member = 1 vote
108	Voting through Electronic Means	1 share = 1 vote
109	Demand for Poll	1 share = 1 vote
110	Postal Ballot	1 share = 1 vote

■ [SECTION 107] - VOTING BY SHOW OF HANDS

Basics	At a GM, a resolution shall be passed by show of hands, unless: (a) A poll is demanded u/s 109; or (b) Voting is carried out electronically u/s 108.
Other imp Points	<ul style="list-style-type: none"> <input type="checkbox"/> Proxy cannot vote by show of hand <input type="checkbox"/> When is considered as conclusive evidence ? - When declared by the chairman and entry in the minutes is passed with respect to resolutions passed or failed (No. of votes details not required) <input type="checkbox"/> Here every member present in person shall have 1 vote; and [1 member = 1 vote] <input type="checkbox"/> Where the articles contain any such provision, and the shares forfeited for non-payment of calls have been re-allotted, the new allottee being liable for the balance, if any, remaining unpaid on the shares would not be entitled to vote so long as any calls presently payable on the shares remain unpaid. <p>Illustration: Suppose Mr. Subramaniam and Mrs. Sneha are joint shareholders of Sports Equipment Private Limited holding 500 equity shares. In respect of a particular special business being transacted at the extra-ordinary general meeting (EGM) of the company, Mr. Subramaniam is in favour of passing the resolution whereas Mrs. Sneha does not favour the resolution. Decide how should the vote be casted in case such a situation arises?</p> <p>Answer: The voting in case of joint shareholders is done in the order of seniority, which is determined on the basis of the order in which their names appear in the register of members. The joint-holders have a right to instruct the company as to the order in which their names shall appear in the register of members. Accordingly, in case of Mr. Subramaniam and Mrs. Sneha, it is to be seen as to whose name appears first in the register of members; and then to decide whether the vote is casted in favour of resolution or against it.</p>

MULTIPLE CHOICE QUESTIONS (MCQ)

72. A company by its Articles may provide that no member shall exercise any voting right in respect of any shares registered in his name.
- (a) On which any calls or other sums presently payable by him have not been paid.
 - (b) In regard to which the company has exercised any right of lien.
 - (c) **Both (a) and (b).**
 - (d) None of the above.

73. Mr. S, a member of KKR & Co. Ltd., holding shares in his own name on which final call

money has not been paid is denied voting right at a general meeting. The Articles of the company are silent about this matter. With regard to the provisions of the Companies Act, 2013, decide what is correct position of law?

- (a) Section 106 of Companies Act, 2013 provides that a member can be prohibited from exercising his voting rights if his calls are in arrears.
- (b) **If the Articles of company do not provide for restriction of voting**

rights on shares on which calls etc. are not paid, the company cannot prohibit any member from exercising his voting right.

- (c) The Board of Directors of company can impose any restriction on voting rights of any member.
- (d) The voting rights of a member cannot be restricted in any case.

74. Mr. A, a member of XYZ Ltd., who purchased and registered the shares of company few weeks before its AGM, is denied voting right at the meeting on the grounds that company's Articles prohibit a member from voting if he has not held the shares for minimum 3 months. With regard to the provisions of

the Companies Act, 2013, decide what is correct position of law?

- (a) A company cannot by its Articles, prohibit any member from exercising his voting right on any ground except if his calls/other sum due is in arrears or if the shares are under lien.
- (b) A company can by its Articles provide for grounds on which a member can be prohibited from exercising his voting rights.
- (c) The Board of Directors of company can impose any restriction on voting rights of any member.
- (d) The voting rights of a member cannot be restricted in any case.

■ [SECTION 108] - VOTING BY ELECTRONIC MEANS (READ WITH RULE 20)

Applicability	<p>The prescribed classes of companies for this purpose, are: [Rule 20(2)]</p> <ul style="list-style-type: none"> (i) Every listed company. (ii) All companies having members \geq 1000. <p>Exception:</p> <p>A Nidhi or an enterprise or institutional investor referred in SEBI Regulations, 2009 is not required to provide the facility to vote by electronic means.</p>
Notice of the meeting	<p>Contents of Notice: The notice of the meeting shall clearly state:</p> <ul style="list-style-type: none"> (a) that the company is providing facility for voting by electronic means and the business may be transacted through such voting; (b) that the facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting; (c) that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again; <p>Additional content of notice: The notice shall indicate:</p> <ul style="list-style-type: none"> (a) the process and manner for voting (b) time period during which the votes may be cast by remote e-voting; (c) details about the login ID; (d) process and manner for generating or receiving the password and for casting of vote in a secure manner.

Display of Notice on website	The notice shall also be placed on the website, if any, of the company and of the agency immediately after it is sent to the members.
Advertisement	<ol style="list-style-type: none"> The company shall issue public notice by way of an advertisement on completion of dispatch of notices, but at least 21 days before the date of GM Via courier, Reg. post, speed post or e-mode etc The advertisement shall be published in following manner: <ol style="list-style-type: none"> At least once in a vernacular newspaper of the district in which the registered office is situated, and having a wide circulation in that district; and At least once in English newspaper having country wide circulation. The advertisement shall contain all details of E-voting - Process and manner, login id, time schedule etc.
Voting Rules	<ol style="list-style-type: none"> Cutoff date (eligible members) – Not earlier than 7 days of GM The facility for remote e-voting shall remain open for atleast 3 days. The facility shall close at 5.00 pm on the date preceding the date of the GM. Once voted, it cannot be changed
Scrutinizer	<ol style="list-style-type: none"> Appointment of Scrutinizer: Appointed by BOD with written consent Who can be appointed: <ol style="list-style-type: none"> CA in practice; or Cost Accountant in practice; or Company Secretary in practice; or An Advocate; or Other person not in employment of the company, authorised by the Board. Duties and Rights of Scrutinizer: <ol style="list-style-type: none"> count the votes Unlock the in the presence of at least 2 witnesses not in the employment of the company. make a consolidated scrutinizer's report to the Chairman within 3 days of conclusion of the GM.
Declaration of Result	<ol style="list-style-type: none"> The Chairman shall declare the result of the voting. If the requisite number of votes are cast in favour of the resolution, the resolution shall be deemed to be passed on the date of the relevant GM. The result declared along with the report of the scrutinizer shall be placed on the website of the company, if any, immediately after the result is declared by the Chairman.

	<p>4. In case of listed companies, the company shall, simultaneously, forward the results to the concerned stock exchange and such stock exchange shall place the results on its website.</p> <p>5. A resolution proposed to be considered through voting by electronic means shall not be withdrawn.</p>
Other imp points	Quorum should be present in the Physical GM otherwise e-votes will be lost.

MULTIPLE CHOICE QUESTIONS (MCQ)

- 75. The remote e-voting facility shall be kept open for minimum**
- (a) 1 day (b) 2 days
(c) 3 days (d) 5 days
- 76. The remote e-voting facility shall conclude**
- (a) 72 hours before the meeting
(b) with the start of the meeting
(c) 48 hours before the start of the meeting
(d) at 5:00 pm one day before the meeting
- 77. The cut-off date for e-voting shall be within maximum _____ days before the date of General Meeting.**
- (a) 30 (b) 15
(c) 7 (d) 3
- 78. Member who has already voted in the remote e-voting**
- (a) Cannot attend the general meeting
(b) Can attend the general meeting but will not be counted in the quorum
(c) Can attend the general meeting and will also be counted in the quorum but cannot vote
(d) Can attend and vote at the meeting and his previous vote will be automatically revoked

■ [SECTION 109] - VOTING BY DEMAND OF POLL

When Poll can be demanded? [Sec. 109(1)]	Poll can be demanded at any time before or on the declaration of the result of the voting on any resolution on show of hands.	
Who can Demand Poll? [Sec. 109(1)]	Poll can be demand by: (i) Chairman – Suo moto; or (ii) On Request of Required number of members:	
	Company has a share capital	Demand shall be made by members present in person or by proxy
	YES	<input type="checkbox"/> Members having 1/10th of the total voting power or <input type="checkbox"/> Members holding shares of ₹5,00,000 PUSC.
	NO	<input type="checkbox"/> Members having 1/10 of the total voting power.
Withdrawal of Poll	The demand for a poll may be withdrawn at any time before declaration of results by Poll.	

Time for taking Poll	Case 1	If Poll is demanded for: (a) Adjournment of GM (b) Election of Chairperson	Forthwith (immediately)
	Case 2	Poll for any other matters	48 hours
Process or Procedure in case of Poll [Rule 21]	Appointment of Scrutinizers	The Chairman shall appoint scrutinizer to report on result on poll. [Sec. 109(5)]	
	Distribution of Polling Papers	<input type="checkbox"/> The scrutinizers shall arrange for polling papers and distribute them to the members and proxies present at the meeting. <input type="checkbox"/> The polling papers shall be in Form MGT-12 .	
	Counting of vote and Scrutinizer's Report	<input type="checkbox"/> The scrutinizer shall count the votes cast on poll and prepare a report on it, addressed to the Chairman, in the Form No. MGT-13 . <input type="checkbox"/> The report shall be submitted by them to the Chairman within 7 days from the date the poll is taken.	

MULTIPLE CHOICE QUESTIONS (MCQ)

79. In case of company having share capital, the poll may be demanded by

- (a) Members holding at least one-tenth of the total voting power: or
- (b) Members holding paid-up share capital of INR 5 lakh
- (c) **Either (a) or (b)**
- (d) Both (a) and (b)

80. On which of the following matters, poll shall be taken forthwith

- (a) appointment of CEO
- (b) appointment of CFO
- (c) **appointment of chairman**
- (d) removal of auditor

81. The scrutinizer needs to submit his report on the poll within days from the date on which poll is taken

- (a) 3 days
- (b) 5 days
- (c) **7 days**
- (d) 30 days

■ [SECTION 110] - VOTING BY POSTAL BALLOT

Read with Rule 22 of Companies (Management & Administration) Rules, 2014.	
Meaning of Postal Ballot [Sec. 2(65)]	Postal Ballot means voting by post or through any electronic mode instead of transacting such items in GM
Applicability of Postal Ballot	Following companies are not required to transact any business through postal ballot: (i) One Person Company; (ii) All other companies (public or private) having members upto 200.

<p>Businesses Mandatorily transacted through Postal Ballot [Rule 22]</p>	<p>The following businesses shall be transacted only by means of voting through a postal ballot:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Section 13 and 18 - Alterations in object clause in MOA and AOA (Pvt to Public /V.V. conversion) <input type="checkbox"/> Section 12 - Change in the place of RO o/s local limits <input type="checkbox"/> Change in object for which money has already been raised from the public <input type="checkbox"/> Section 43 - Issue of DVRs <input type="checkbox"/> Section 48 - Variations in the rights of a class of SH <input type="checkbox"/> Section 151 - Election of Director appointed by Small Shareholder <input type="checkbox"/> Section 180 - Sale of Undertaking <input type="checkbox"/> Section 181 - Giving Loans /Guarantee / Security in excess of limits of section 186 <input type="checkbox"/> Section 68 – But Back of shares
<p>Businesses for which Postal Ballot is can't be used</p>	<ol style="list-style-type: none"> 1. Ordinary Businesses (F.D.D.AR.) and 2. Removal of Auditors/Directors (where they have right to be heard).
<p>Procedure for Postal Ballot [Rule 22]</p>	<ol style="list-style-type: none"> 1. The Board shall appoint a scrutinizer who shall be a non employee person for managing the process with his consent 2. The Board shall pass BR for postal ballot. 3. The company shall send a notice to all the shareholder (not to auditors and directors) along with a draft resolution and requesting them to send their assent or dissent, within period of 30 days from the date dispatch of notice. 4. The scrutinizer shall submit his report as soon as possible but not later than 7 days. <p>Note: The other provisions as to notice, advertisement, Register and its custody with scrutinizer as u/s 108, shall apply mutatis mutandis to section 110/Rule 22.</p>
<p>Declaration of Result</p>	<ul style="list-style-type: none"> <input type="checkbox"/> The result of postal ballot along with scrutinizer's report shall be placed on website of the company. <input type="checkbox"/> The resolution if assented by the requisite majority by means of postal ballot, it shall be deemed to have been duly passed at GM convened in that behalf.

MULTIPLE CHOICE QUESTIONS (MCQ)

- 82.** Decide which of the following statement is correct in respect of any member who has participated in electronic voting.
- (a) **A member may participate in the general meeting even after voting electronically but shall not be allowed to vote again.**
 - (b) A member after voting electronically shall not be allowed to participate and vote in the general meeting.
 - (c) A member may participate in the general meeting even after voting electronically and can be allowed to vote again.
 - (d) None of the above.
- 83.** A Chairman of a general meeting may order a poll:
- (a) On his own motion.
 - (b) On demand made in that behalf by members present in person or proxy, having not less than 10% of the total voting power.
 - (c) On demand made in that behalf by members present in person or proxy, holding shares on which not less than narrow- in aggregate is paid-up.
 - (d) **Either of above.**
- 84.** The demand for poll made at a general meeting can be withdrawn at any time by:
- (a) **The persons who made it.**
 - (b) The Chairman of the meeting.
 - (c) The members present at the meeting.
 - (d) None of the above — a demand for poll cannot be withdrawn.
- 85.** A company may transact any business by means of postal ballot, except:
- (a) Any item of ordinary business.
 - (b) Any business in respect of which directors or auditors have a right to be heard at any meeting.
 - (c) **Both (a) and (b)**
 - (d) None of the above.

■ [SECTION 111] - CIRCULATION OF MEMBERS' RESOLUTION

Number of members needed	A company shall be bound to act on the requisition of such number of members as are eligible to call an EGM u/s 100: [1/10th of ESC or VP]
Rights of Requisitionists [Sec.111(1)]	Members may requisition u/s 111 to: <ul style="list-style-type: none"> (i) Include a business and move such resolution at the GM. (ii) Circulate to members any statement w.r.t. matters referred to in proposed resolution or business to be dealt with at that meeting.
Time limit	A copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company— <ul style="list-style-type: none"> (i) in the case of a requisition requiring notice of a resolution, at least 6 weeks before the meeting; (ii) in the case of any other statement, at least 2 weeks before the meeting

Exception from circulation of any statement	(i) The company shall not be bound to circulate any statement, if CG on application by company or person aggrieved; is satisfied that rights u/s 111 are abused. (ii) CG may also order that the requisitioner shall pay to the company the cost incurred by the company in making application to CG.
Effect of default	Company and every officer will be liable for 25,000 penalty

■ [SECTION 112 & 113] - TO ACT AS A REPRESENTATION OF THE PRESIDENT & GOVERNOR AND FOR BODY CORPORATES

President & Governor [Sec. 112]	Representative of The President of India or the Governor of a State shall be deemed to be a member of such company and shall be entitled to exercise the same rights and powers including the right to vote by proxy and by postal ballot, as the President or Governor could exercise as a member of the company.
Body Corporates [Sec. 113]	<p>REPRESENTATIVE shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the company.</p> <p>Note: The following points have been prescribed by Secretarial Standard- 2:</p> <ol style="list-style-type: none"> 1. One person can be an authorised representative of more than one body corporate. In such a case, he is treated as more than one Member present in person for the purpose of Quorum. However, to constitute a meeting, at least two individuals shall be present in person. Thus, in case of a public company having not more than one thousand members with a Quorum requirement of five members, an authorised representative of five bodies corporate cannot form a Quorum by himself but can do so if at least one more member is personally present. 2. Members who have voted by Remote e-voting have the right to attend the General Meeting and accordingly their presence shall be counted for the purpose of Quorum. 3. A Member who is not entitled to vote on any particular item of business being a related party, if present, shall be counted for the purpose of Quorum. 4. The stipulation regarding the presence of a Quorum does not apply with respect to items of business transacted through postal ballot.

■ [SECTION 114] - ORDINARY & SPECIAL RESOLUTION

Basic Requirements	<ol style="list-style-type: none"> 1. The notice required under this Act has been duly given 2. The votes may be cast by a show of hands, or electronically or on a poll, or by postal ballot and include the casting vote, if any, of the Chairman.
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Ordinary Resolution [Sec. 114(1)]	The votes cast in favour of the resolution, are required to exceed the votes cast against the resolution. (VF > VA)
Special Resolution [Sec. 114(2)]	The votes cast in favour of the resolution, are required to be at least 3 times the number of votes cast against the resolution.

1. Specified Majority – 3 times of the number of votes cast against
2. Resolution shall be set out in the notice
3. Proper notice of 21 days is given for holding the general meeting
4. Explanatory Statement should be annexed to the notice for conducting special business

Counting of Votes	The votes will be counted only of members present, whose votes are valid and are not abstained to vote.
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Resolution	Formula 1	Formula 2	Percentage
Ordinary Resolution	VF > VA	VF > ½ of Total Votes	> 50%
Special Resolution	VF ≥ 3VA	VF ≥ ¾ of Total Votes	≥ 75%

Section 114 - OR and SR

- BASIC CONDITION** for both - Proper notice (Clear 21 days) of GM has been duly given.
- OR** = Majority i.e. favour ones are > against ones.
- SR(2)** = Favour ones are 3 times (75%) and Intention of SR in notice is given.
- Copy of every SR to ROC in 30 days with explanatory statement
- Manner:** 106 to 110 and proxies are also counted. Casting vote of chairman shall be included.

■ [SECTION 115] - RESOLUTIONS REQUIRING SPECIAL NOTICE

<p>When is a special notice required? [Sec. 115]</p>	<p>Special Notice by Members to Company is required in only 4 cases:</p> <p>Matters:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 140(4) = Appointment of auditor other than retiring auditor (removal) <input type="checkbox"/> 140(4) = Resolution for retiring shall not be appointed (removal) <input type="checkbox"/> 169(2) = Removing a director before expiry and appointment on its place. <input type="checkbox"/> 169(2) = Resolution to appoint another person in place of director who is removed in the same meeting <input type="checkbox"/> Or any other matter provided in AOA
<p>By whom?</p>	<p>The notice of the intention to move a resolution shall be given to the company by members-</p> <ul style="list-style-type: none"> (a) Holding atleast 1% of the total voting power; or (b) Holding shares on which aggregate sum does not exceed Rs. 5 lakh paid-up.
<p>Time Limits [Rule 23(2)]</p>	<p>The notice shall be sent by members-</p> <ul style="list-style-type: none"> (a) At least 14 days before the GM (minimum time); (b) But not before 3 months from the GM (maximum time). <p>The day of sending of notice and the day of the GM shall be excluded.</p>
<p>Reply by the Company [Rule 23(3)]</p>	<p>The company shall immediately after the receipt of notice, give notice of the resolution to its members at least 7 days before the meeting.</p>
<p>Publication of Notice</p>	<ol style="list-style-type: none"> 1. Where it is not practicable to give the notice in the same manner as given in any GM, the notice shall be published in both English and vernacular newspapers. Such notice shall also be posted on the website, if any, of the company. [Rule 23(4)] 2. The notice shall be published at least 7 days before the meeting, exclusive of the day of publication of the notice and day of the meeting. [Rule 23(5)] <p>Illustration: The Annual General Meeting of Super Star Bakers Limited was attended by 60 members. In respect of a particular business, the resolution was to be passed as a special resolution. Ten members voted against the resolution whereas five abstained themselves from the voting. The Chairman of the meeting Mr. Ravinder declared that the resolution was passed as a special resolution. Whether the declaration is valid.</p> <p>Answer: In case of a special resolution, the requirement is that the votes cast in favour of the resolution must be three times the number of the votes cast against it. In the above case, ten members voted against the resolution which implies that minimum thirty members (three times of ten) must vote in favour of the</p>

resolution. Ignoring five members who abstained themselves from voting, forty-five members (sixty minus ten minus five) voted in favour of the resolution which far exceeds the required majority of thirty members. Therefore, declaration by Mr. Ravinder, Chairman of the meeting, that the resolution was passed as a special resolution is valid.

Illustration: In the annual general meeting of Steel Products Limited, the notice contained the agenda for 8 special businesses to be transacted. The Chairman decided to move all the resolutions at one time in order to save time of the members present at the meeting. Discuss whether two or more resolutions can be moved together as per the provisions of the Companies Act, 2013.

Answer: For the sake of avoiding confusion and mixing up, the resolutions are moved separately. However, there is nothing illegal if the Chairman of the meeting decides that two or more resolutions should be moved together, unless any member requires that each resolution should be put to vote separately or unless a poll is demanded in respect of any.

The only case where a resolution should be moved separately is the one which requires that as regards the appointment of directors at a general meeting of a public or private company, where two or more directors may not be appointed as directors by a single resolution.

Where notice has been given of several resolutions, each resolution must be put separately. However, if the meeting unanimously adopts all the resolutions, this would be immaterial.

MULTIPLE CHOICE QUESTIONS (MCQ)

86. Supertech Computers Pvt. Ltd has 120 members. It sends notice to all of them. 20 members did not attend the meeting. Out of remaining 100 members, 20 members abstained from voting. Advice the company, how many members should vote in favour of resolution, if it has to be passed as a Special Resolution? (MTP MAY 2019)

- (a) 60 Votes (b) 80 Votes
(c) 41 votes (d) 20 votes

87. A resolution shall be a special resolution when the votes cast in favour of the resolution by members are not less than --- the number of votes, if any, cast against the resolution.

(1 Mark) (mtp M 21)

- (a) Twice **(b) Three times**
(c) One third (d) One fourth

88. A resolution shall be a special resolution when:

- (a) The intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution.
(b) The notice required under this Act has been duly given.
(c) The votes cast in favour of the resolution, are required to be not less than three times the number of the votes cast against the resolution.

(d) All of the above.

89. Where, by any provision contained in this Act or in the Articles of a company, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the company by such number of members holding not less than of total voting power or shares on which an aggregate sum of not less than has been paid up on the date of notice.

- (a) 1%; 1,00,000/-
(b) 1%; 5,00,000/-

- (c) 5%; 5,00,000/-
(d) 10%; 10,00,000/-

■ [SECTION 116] - RESOLUTION PASSED AT ADJOURNED MEETING

Date of passing of Resolution	Where a resolution is passed at an adjourned meeting of – (a) a company; or (b) the holders of any class of shares in a company; or (c) the BOD of a company; The resolution shall be deemed to be passed on actual date of passing and not on any earlier date.
Example	The general meeting of the company was due to be held on 13rd August 2022. However, due to want of quorum, the meeting was adjourned to a later date on 1st Sep 2022 and 3 resolutions were passed on that date. Answer: Now, as per section 116 of the Companies Act, 2013, the said 3 resolutions shall be deemed to have been passed on the adjourned date of meeting, i.e. 1st Sep 2022 and not on the earlier date.

- Resolutions passed at adjourned meeting at GM, BM or any class of shareholders.
- Date of passing of such resolution shall be -
 - Actually passed date (Actual or adjourned meeting date) and
 - Not the earlier one

Example: The extra-ordinary general meeting of the company, Purple Cosmetics Private Limited was due to be held on Thursday, 1st August, 2024. However, due to want of quorum, the meeting was adjourned to a later date on Thursday, 8th August, 2024 and two resolutions were passed on that date.

According to section 116 of the Companies Act, 2013, the said two resolutions shall be deemed to have been passed on the adjourned date of meeting, i.e. Thursday, 8th August, 2024 and not on the earlier date.

MULTIPLE CHOICE QUESTIONS (MCQ)

90. Notice of a meeting was sent on 1st April, 2018 to pass a resolution for issuing bonus shares for a meeting scheduled on April 30, 2018. The meeting however was adjourned to May 7, 2018 and then again to May 14, 2018, where the resolution was finally passed. What shall be deemed to be the date of passing of this resolution.

- (a) April 1, 2018 (b) April 30, 2018
(c) May 7, 2018 (d) May 14, 2018

91. Where a resolution is passed at an adjourned meeting of members, the resolution shall, for all purposes, be treated as having been passed:

- (a) On the date on which it was actually passed in the adjourned meeting.
 (b) On the date of original meeting.
 (c) On the date on which the minutes of the general meeting are signed by the Chairman.
(d) None of the above.

■ [SECTION 117] - RESOLUTIONS AND AGREEMENTS TO BE FILED

<p>Filing with ROC [Sec. 117(1)]</p>	<p>(i) The company shall file with ROC the copy of-</p> <p>(a) Every resolution or agreement specified u/s 117(3); and</p> <p>(b) Explanatory statement u/s 102, if any, annexed to the notice calling the meeting; within 30 days of passing of such resolution or making of such agreement in Form No. MGT-14 along with fees.</p> <p>(ii) In case of specified IFSC Public or Private Company, MGT-14 shall be filed within 60 days from date of passing or making resolution or agreement.</p> <p>(iii) Every resolution, which has the effect of altering the articles, and every agreement which is required to be filed u/s 117(3) shall be embodied in the articles; or annexed to the articles.</p> <div style="text-align: right; background-color: #e0e0e0; padding: 5px;"> <p><u>Penalty</u> Co - 10k + 100 day to 2L Officer - 10k + 100 day to 50k</p> </div>
<p>Resolutions and Agreements Required to be filed u/s 117(3)</p>	<p>(a) Special Resolutions</p> <p>(b) Resolutions which have been agreed to by all the members of a company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions</p> <p>(c) Any resolution of the BOD or agreement executed by a company, relating to the appointment, re-appointment or renewal of the appointment, or variation in terms of appointment, of a managing director.</p> <p>(d) Resolutions or agreements which have been agreed to by any class of members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind such class of members though not agreed to by all those members.</p> <p>(e) Resolutions for voluntary winding up of the company.</p> <p>(f) Resolutions passed in pursuance of section 179(3). However, no person shall be entitled u/s 399 to inspect or obtain copies of such resolutions. Exception: This Clause shall not be applicable to:</p> <p>(i) Banking company, any class of NBFC or housing finance company under NHB, in respect of a resolution passed to grant loans, or give guarantee or provide security in respect of loans u/s 179(3) in the ordinary course of its business.</p> <p>(ii) Private company which has not defaulted in filing its FS u/s 137 or annual return u/s 92 with the Registrar.</p> <p>(iii) Specified IFSC Public Company.</p> <p>(g) Any other resolution or agreement as may be prescribed and placed in the public domain.</p>

■ [SECTION 118] - MINUTES (READ WITH RULE 25)

Meaning	<ol style="list-style-type: none"> Minutes means a fair and correct summary of the proceeding of the meeting. It is official record of the company and it helps us in understanding decision taken at the meeting. 									
Applicability [Sec. 118(1)]	<p>Every company shall PREPARE, SIGN AND KEEP minutes of Proceeding of -</p> <ol style="list-style-type: none"> every GM; Class meeting; Every Board Meeting Every resolution passed by postal ballot. 									
<p>Note: A Section 8 company is not required to have minute book provided it has not defaulted in filing its F.S. u/s 137 an annual return u/s 92 with the Registrar.</p>										
Manner of Signing of minutes [Rule 25]	<p>Each page of every minute book shall be initialed or signed, and the last page shall be dated and signed, as follow:</p>									
	<table border="1"> <thead> <tr> <th data-bbox="499 922 887 968">Type of minutes book</th> <th data-bbox="895 922 1534 968">Signed by</th> </tr> </thead> <tbody> <tr> <td data-bbox="499 968 887 1099">Minutes of Board meetings and committee meetings</td> <td data-bbox="895 968 1534 1099"> <input type="checkbox"/> The chairman of the same meeting or the chairman of the next meeting. </td> </tr> <tr> <td data-bbox="499 1099 887 1318">Minutes of GM</td> <td data-bbox="895 1099 1534 1318"> <input type="checkbox"/> The chairman of the same meeting, within 30 days. <input type="checkbox"/> In the event of the death or inability of that chairman, by a director duly authorised by the Board for this purpose. </td> </tr> <tr> <td data-bbox="499 1318 887 1546">Resolutions passed by postal ballot</td> <td data-bbox="895 1318 1534 1546"> <input type="checkbox"/> The chairman of the Board, within 30 days. <input type="checkbox"/> If there is no chairman of the Board or in the event of the death or inability of the chairman of the Board, by a director duly authorised by the Board for this purpose. </td> </tr> </tbody> </table>	Type of minutes book	Signed by	Minutes of Board meetings and committee meetings	<input type="checkbox"/> The chairman of the same meeting or the chairman of the next meeting.	Minutes of GM	<input type="checkbox"/> The chairman of the same meeting, within 30 days. <input type="checkbox"/> In the event of the death or inability of that chairman, by a director duly authorised by the Board for this purpose.	Resolutions passed by postal ballot	<input type="checkbox"/> The chairman of the Board, within 30 days. <input type="checkbox"/> If there is no chairman of the Board or in the event of the death or inability of the chairman of the Board, by a director duly authorised by the Board for this purpose.	
Type of minutes book	Signed by									
Minutes of Board meetings and committee meetings	<input type="checkbox"/> The chairman of the same meeting or the chairman of the next meeting.									
Minutes of GM	<input type="checkbox"/> The chairman of the same meeting, within 30 days. <input type="checkbox"/> In the event of the death or inability of that chairman, by a director duly authorised by the Board for this purpose.									
Resolutions passed by postal ballot	<input type="checkbox"/> The chairman of the Board, within 30 days. <input type="checkbox"/> If there is no chairman of the Board or in the event of the death or inability of the chairman of the Board, by a director duly authorised by the Board for this purpose.									
Power of Chairman	<ol style="list-style-type: none"> The Chairman shall exercise absolute discretion as to inclusion or non-inclusion of any matter in the minutes on the grounds specified in section 118(5). No matter shall be included in the minutes, if the Chairman is of the opinion that it is - [Sec. 118(5)] <ol style="list-style-type: none"> Defamatory of any person; or Irrelevant or immaterial; or Detrimental to the interests of the company. 									

Preservation and custody	<p>(a) The minutes book of GM shall be kept at the registered office of the company, and shall be preserved permanently.</p> <p>(b) It shall be kept in the custody of the CS or any director duly authorised by the board. [Rule 25(1)(e)]</p> <p>(c) The minutes books of the Board and committee meetings shall be kept in the registered office or such place as Board may decide. [Rule 25(1)(f)]</p>
<p>Exemption to Section 8 Company</p> <p>Section 118 do not apply to Sec 8 co as a whole except the minutes may be recorded within 30 days of the conclusion of every meeting (Rule).</p>	
<p>Penalty for Contravention</p> <p><input type="checkbox"/> <i>In case of Default – Company</i> – Liable for 25000 and every officer 5000</p> <p><input type="checkbox"/> <i>In case of Tampering with the minutes</i> – By any person then liable for 25000 to 1,00,000 and imprisonment may extend to 2 years.</p>	

MULTIPLE CHOICE QUESTIONS (MCQ)

- 92. Minutes of every meeting are required to be prepared within days of conclusion of the meeting**
- (a) 10 (b) 15
(c) 30 (d) 60
- 93. _____ shall have absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes.**
- (a) Directors
(b) Chairman
- (c) Managing Director
(d) Manager
- 94. The minutes of a Board meeting shall be signed by**
- (a) Chairman of the said meeting
(b) Chairman of the next succeeding meeting
(c) Either (a) or (b)
(d) Managing Director

■ [SECTION 119] - INSPECTION OF MINUTES OF GM

Place and Time	<p>(a) The minutes book shall be kept at the registered office of the company.</p> <p>(b) Inspection can be done during business hours subject to reasonable restrictions imposed by articles or a resolution passed in GM. However, at least 2 hours in each business day shall be allowed for inspection.</p> <p>(c) Inspection can be done by any member without any charges.</p>
Copies of minute book	<p>(a) The copies of the minute book of any GM shall be made available by the company to any member, within 7 working days of the request made.</p> <p>(b) Payment of fees as specified in the AOA, but it shall not exceed Rs. 10 per page or part of any page.</p> <p>(c) However, if the member has made a request for soft copy of minutes of any GM held during immediately preceding 3 FYs, it shall be free of cost.</p>

Punishment	If inspection is refused or copy is not furnished, Company: Penalty of Rs. 25,000 } for each refusal Officer in default: Penalty of Rs. 5,000
Power of Tribunal [Sec. 119(4)]	If inspection is refused or copy is not furnished, the Tribunal may direct the company to allow immediate inspection or direct the company to immediately send the copy.

Section 119 – Inspection of Minutes of GM & Postal Ballot

- Inspection and copies allowed to any member
- Subject to reasonable restriction as per AOA
- Fees:**
 - Inspection:** Without fees and in 7 days (Min 2 hours)
 - Copies:** Lower of AOA or 10 rupees/page and free of cost if soft copies for GM held in 3FY
- If refused by co then same penalty as section 118 for each refusal and NCLT**

MULTIPLE CHOICE QUESTIONS (MCQ)

95. The opinion of one of the director, Mr. K was that minutes of second meeting of Board of Directors of GHWX Private Limited for financial year 2018-19 must be prepared and entered in minutes book of meeting of Board of Directors of GHWX Private Limited by the end of October, 2018 is incorrect. The opinion of Mr. K is incorrect because:

(RTP MAY 2020)

- (a) **Minutes of second meeting of Board of Directors of GHWX Private Limited for financial year 2018-19 must be entered in minute book of meeting of Board of Directors within thirty days of the conclusion of meeting on 7 September, 2018.**
- (b) Minutes of second meeting of Board of Directors of GHWX Private Limited for the financial year 2018-19 must be entered in minute book of meeting of Board of Directors within sixty days of the conclusion of meeting on 7 September, 2018.
- (b) Minutes of second meeting of Board of Directors of GHWX Private Limited for the financial year 2018-19 must be entered in minute book of meeting of Board of Directors within ninety days of the conclusion of meeting on 7 September, 2018.
- (c) Minutes of second meeting of Board of Directors of GHWX Private Limited for financial year 2018-19 must be entered in minute book of meeting of Board of Directors within one twenty days of the conclusion of meeting on 7 September, 2018.

96. The minute book of General meetings of Alpha Limited will be kept at:

(RTP MAY 2020)

- (a) That place where members of Alpha Limited will decide.
- (b) That place where all employees of Alpha Limited will decide.
- (c) **Registered office of the company Alpha Limited.**

(d) That place where senior officials of Alpha Limited will decide.

97. The Annual General Meeting (AGM) of Green Limited was held on 31.8.2022. Suppose the Chairman of the company after two days of AGM went abroad for next 31 days. Due to the unavailability of the Chairman, within time period prescribed for submission of copy of report of AGM with the registrar, the report as required was signed by two Directors of the company, of which one was additional Director of the company. Comment on the signing of this report of AGM.

(2 Marks) (MTP Oct. 22)

- (a) Yes, the signing is in order as the report can be signed by any director in the absence of Chairman.
- (b) No, the signing is not in order as only the Chairman is authorised to sign the report
- (c) Yes, the signing is in order, as in the absence of Chairman at least two directors should sign the report.
- (d) No, the signing is not in order, since in case the Chairman is unable to sign, the report shall be signed by any two directors of the company, one of whom shall be the Managing director, if there is one and company secretary of the company**

98. The minutes of general meeting shall be signed by:

(a) Chairman of the same meeting within period of 30 days of the conclusion of the meeting.

- (b) Chairman of the next general meeting.
- (c) Either (a) or (b)
- (d) None of the above.

99. In the event of the death or inability of the Chairman of a general meeting to sign the minutes within period of 30 days of the conclusion of the meeting, the minutes can be signed by:

- (a) Chairman whenever he is able to do so.
- (b) Chairman of the next general meeting.
- (c) A Director duly authorised by the Board for the said purpose.**
- (d) None of the above.

100. The Chairman has absolute discretion to exclude from the minutes, any matter:

- (a) Which is or could reasonably be regarded as defamatory of any person?
- (b) Which is irrelevant or immaterial to the proceedings of the meeting?
- (c) Which is detrimental to the interests of the company?
- (d) All of the above.**

101. The minutes book of general meetings of a company shall be preserved:

- (a) For a period of 5 years
- (b) For a period of 7 years
- (c) For a period of 10 years
- (d) Permanently**

■ [SECTION 120] - MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM

Scope of Sec. 120

Any document, record, register, minutes etc. :

- (a) required to be kept by a company, may be kept in electronic form:
- (b) allowed to be inspected by any person, may be inspected in electronic form;
- (c) copies to be given to any person by a company, may be given in electronic form.

<p>Companies Prescribed [Rule 27(1)]</p>	<ol style="list-style-type: none"> 1. Following classes of companies may maintain their records in electronic form: <ol style="list-style-type: none"> (a) Every listed company (b) A company having at least 1,000 shareholders, debenture holders and other security holders 2. In case of existing companies, data may be converted from physical mode to electronic within 6 months from the date of notification of provisions of Sec. 120.
<p>Manner of maintenance of records</p>	<p>The records shall be maintained in electronic form in such manner as the BOD of the company may think fit, provided that -</p> <ol style="list-style-type: none"> (a) the records are maintained in the same formats and in accordance with all other requirements as provided in the Act or the rules. (b) the information as required under the provisions of the Act or the rules should be adequately recorded for future reference: (c) the records must be capable of being readable, retrievable and reproducible in printed form: (d) the records are capable of being dated and signed digitally wherever it is required under the provisions of the Act or the rules. (e) the records, once dated and signed digitally, shall not be capable of being edited or altered; (f) the records shall be capable of being updated, according to the provisions of the Act or the rules, and the date of updating shall be capable of being recorded on every updation. <p>Explanation: For the purpose of this rule, the term 'records' means any register, index, agreement, memorandum, minutes or any other document required by the Act or the rules made thereunder to be kept by a company</p>
<p>Security of Records maintained in Electronic form [Rule 28]</p>	<p>Following persons shall be responsible for the maintenance and security of electronic records:</p> <ol style="list-style-type: none"> (i) The Managing Director (ii) Company Secretary (iii) Any other director or officer of the company as the Board may decide.
<p>Inspection and Copies of records maintained in electronic form. [Rule 29]</p>	<ol style="list-style-type: none"> (i) The records maintained in electronic form shall be made available for inspection by the company in the electronic form. (ii) Copies of the records maintained in electronic form shall be provided by the company in the electronic form on payment of not exceeding Rs. 10 per page.

■ [SECTION 122] - APPLICABILITY OF THIS CHAPTER TO OPC

<p>Non-applicability [Sec. 122(1)]</p>	<p>The provision of Sec. 98 and Sec. 100 to 111 shall not apply to OPC.</p>
<p>Manner of passing of resolution in GM [Sec. 122(3)]</p>	<p>(i) In case of OPC, for the purpose of transacting any business (whether ordinary or special) at any GM (whether AGM or EGM) by means of any resolution (whether ordinary or special), it shall be sufficient if</p> <ul style="list-style-type: none"> (a) the resolution is communicated by the member to the company; (b) the resolution is entered in the minutes-book; and (c) the minutes-book is signed and dated by the member. <p>(ii) The date of signing the minutes-book by the member shall be deemed to be the date of the meeting for all the purposes of this Act.</p>
<p>Business required to be transacted in BM [Sec. 122(4)]</p>	<p>(i) In case there is only one director in OPC, for transacting any business which is required to be transacted at a BM, it shall be sufficient if</p> <ul style="list-style-type: none"> (a) the resolution is entered in the minutes-book; and (b) the minutes book is signed and dated by such director. <p>(ii) The date of signing the minutes-book by the director shall be deemed to be the date of the meeting for all the purposes of this Act.</p>

Section 98 - Power of Tribunal to call EGM (Neither 96,97 and 98)
and

Section 100 to 111 (Both inclusive) is NA to OPCs

Manner of passing resolutions

For passing OR/SR or transacting OB/SB in AGM/EGM it shall be sufficient if:

- Resolution is communicated by the members to the co
- Resolution is entered in the Minutes books and
- The same is signed and dated by the member.
- Same is applicable in case of BM resolutions also (When only 1 Director)

Date of signing in minute book by the member shall be deemed to be date of meeting for the purpose of the Act.

Form No.	Purpose	Time Limit
MGT-1	Register of Members	Continuous record
MGT-2	Register of Debenture-holders	
MGT-3	Register of Other Security Holders	
MGT-4	Declaration by the registered owner of shares to company	Within 30 days of creation of beneficial interest
MGT-5	Declaration by the beneficial owner of shares to company	
MGT-6	Declaration of beneficial interest received by company	Within 30 days of receipt
MGT-7	Annual Return (other than OPC & Small company)	Within 30 days of receipt date Within 60 days of AGM or due
MGT-7A	Annual Return for OPC & Small company	
MGT-8	Certification of Annual Return by Listed company	Along with MGT-7
MGT-11	Proxy form	Deposited 48 hours before meeting
MGT-12	Poll result report	Within 7 days of poll
MGT-13	Report on scrutinizer's report (e-voting)	After voting, before declaration
MGT-14	Filing of resolutions & agreements with ROC	Within 30 days of passing resolution
MGT-15	Report on AGM	Within 30 days of AGM

