



Chapter VII



MANAGEMENT AND ADMINISTRATION

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PRACTICAL QUESTION	
Question 1	The paid-up share capital of Golden Shoes Limited is ` 25,00,000 divided into 2,50,000 equity shares of ` 10 each. Some of the shareholders holding 2,500 equity shares are residents of London for whom a foreign register of shareholders is opened thereat on November 1, 2022. Advise Golden Shoes Limited, within how much time after opening of ‘foreign register’, it is required to file with the Registrar of Companies, a notice of situation of the London office. (RTP Nov 23)
Law:	<p>Section 88 (4) of the Companies Act, 2013, permits a company to keep in any country outside India, a part of the register of members, called ‘foreign register’, containing the names and particulars of the members, debenture-holders, other security holders or beneficial owners residing outside India.</p> <p>Rule 7 of the Companies (Management and Administration) Rules, 2014 requires that 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 office along with the fee where such Register is kept.</p>
Conclusion:	Accordingly, Golden Shoes Limited is required to file with the jurisdictional Registrar of Companies a notice of situation of the London office within 30 days from November 1, 2022 (i.e. the date on which the ‘foreign register’ is opened) along with requisite fee.



	<p>2.Explain the following as per the provisions of the Companies Act, 2013:</p> <p>(i) Abridged Form of Annual Return</p> <p>(ii) Signing of Annual Return(5 Marks) (MTP April 24)</p>
	<p>(i) <u>Abridged Form of Annual Return</u></p> <p>In terms of Second Proviso to Section 91(1) of the Companies Act, 2013, the Central Government may prescribe abridged form of annual return for One Person Company, small company and such other class or classes of companies as may be prescribed.</p> <p>As per Rule 11 (1) One Person Company and small company shall file the annual return in Form No. MGT-7A.</p> <p>(ii) <u>Signing of Annual Return</u></p> <p>The annual return shall be signed by a director of the company and the company secretary; and in case, there is no company secretary, by a company secretary in practice.</p> <p>In relation to One Person Company, small company and private company (if such private company is a start-up), the annual return shall be signed by the company secretary, or where there is no company secretary, by the director of the company.</p>

PRACTICAL QUESTION	
Question 3	<p>ABC Pvt. Ltd. is a One Person Company (OPC) incorporated in 2024. The company has not appointed a company secretary due to its small scale of operations. At the end of the financial year 2024-25, the company needs to file its annual return. The director in state of dilemma, consulted the company law expert whether they need to submit a full- fledged annual return or an abridged version and who should sign the document.</p> <p>Based on the provisions of the Companies Act, 2013, advise on the following:</p> <p>(i) What form should ABC Pvt. Ltd. use to file its annual return?</p> <p>(ii) Who is authorized to sign the annual return? (RTP May 25)</p>
Law:	Law same like above question
Conclusion:	<p>Accordingly, following are the advise given by the expert:</p> <p>(i) As per Section 92 and Rule 11(1), since ABC Pvt. Ltd. is a One Person Company (OPC), it should file its annual return in Form MGT-7A (abridged form) for the financial year 2024-25.</p> <p>(ii) In the absence of a company secretary, the annual return should be signed by the sole director of the company as per the provisions applicable to One Person Companies</p>
	<p>4.Enumerate the provisions of the Companies Act, 2013 in respect to the following:</p> <ol style="list-style-type: none"> 1. Time limit for filing of annual return when Annual General Meeting is held. 2. Time limit for filing of annual return when Annual General Meeting is not held.(5 Marks) (MTP Sep 24)
	<p>Time limit for Filing of Annual Return</p> <p>(i) A copy of annual return shall be filed with the Registrar of Companies (RoC) within 60 days from the date on which the Annual General Meeting ('AGM') is held.</p> <p>(ii) Where no annual general meeting is held in any year, it shall be filed with the Registrar of Companies (RoC) within 60 days from the date on which the annual general meeting should have been held, along with the reasons for not holding the AGM.</p>

PRACTICAL QUESTION	
Question 5	Due to heavy rains and floods Chennai Handloom Limited was unable to convene annual general meeting upto 30th September, 2017. The company has not filed the annual financial statements, or the annual return as the directors of the company are of the view that since the annual general meeting did not take place, the period of 60 days for filing of annual return is not applicable and thus, there is no contravention of Section 92 of the Companies Act, 2013. Discuss whether the contention of directors is correct. (NOV 2018)
Law:	As per the provisions of Section 92(4) of the Companies Act, 2013, every company shall file with the Registrar a copy of the annual return, within 60 days from the date on which the annual general meeting is held or where no annual general meeting is held in any year, within 60 days from the date on which the annual general meeting should have been held, together with the statement specifying the reasons for not holding the annual general meeting, with such fees or additional fees as may be prescribed
Conclusion:	In the given question, even in the case of not holding of Annual General Meeting, the company shall file with the Registrar a copy of the annual return along with a statement specifying the reasons for not holding the annual general meeting within 60 days from the date on which the annual general meeting should have been held. Hence, the contention of directors is not correct.

PRACTICAL QUESTION	
Question 6	Bazaar Limited called its AGM in order to lay down the financial statements for Shareholders' approval. Due to want of Quorum, the meeting was cancelled. The directors did not file the annual returns with the Registrar. The directors were of the idea that the time for filing of returns within 60 days from the date of AGM would not apply, as AGM was cancelled. Has the company contravened the provisions of Companies Act, 2013? If the company has contravened the provisions of the Act, how will it be penalized?(MAY 2018) (MTP NOV 2020) (Nov 23)
Law:	According to section 92(4) of the Companies Act, 2013, every company shall file with the Registrar a copy of the annual return, within sixty days from the date on which the annual general meeting is held or where no annual general meeting is held in any year within sixty days from the date on which the annual general meeting should have been held together with the statement specifying the reasons for not holding the annual general meeting, within the time specified under section 403. Sub-section (5) of Section 92 also states that if a company fails to file its annual return under sub-section (4), before the expiry of the period specified under section 403 with additional fees, the company shall be punishable with fine which shall not be less than

	fifty thousand rupees but which may extend to five lakhs rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.
Conclusion:	<p>In the instant case, the idea of the directors that since the AGM was cancelled, the provisions requiring the company to file annual returns within 60 days from the date of AGM would not apply is incorrect.</p> <p>In the above case, the annual general meeting of Bazaar Limited should have been held within a period of six months, from the date of closing of the financial year but it did not take place. Thus, the company has contravened the provisions of section 92 of the Companies Act, 2013 for not filing the annual returns and shall attract the penal provisions along with every officer of the company who is in default as specified in Section 92(5) of the Act.</p>

	7.As per the provisions of the Companies Act, 2013, every company is required to file with the Registrar of Companies, the Annual Return as prescribed in section 92, in Form MGT -7. Explain the particulars required to be contained in it.(MAY 2018)
	<p>Every company is required to file with the Registrar of Companies, the annual return as prescribed in section 92, in Form MGT – 7 as per Rule 11(1) of the Companies (Management & Administration) Rules, 2014.</p> <p>The particulars contained in an annual return, to be filed by every company are as follows–</p> <ol style="list-style-type: none"> 1 Its registered office, principal business activities, particulars of its holding, subsidiary and associate companies; 2 Its shares, debentures and other securities and shareholding pattern 3 Its indebtedness; 4 Its members and debenture-holders along with the changes therein since the close of the previous financial year; 5 Its promoters, directors, key managerial personnel along with changes therein since the close of the previous financial year; 6 Meetings of members or a class thereof, Board and its various committees along with attendance details; 7 Remuneration of directors and key managerial personnel; 8 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; 9 Matters relating to certification of compliances, disclosures; 10 Details in respect of shares held by or on behalf of the Foreign Institutional Investors including their names, addresses, countries of incorporation, registration and percentage of shareholding held by them; 11 Such other matters as may be prescribed

PRACTICAL QUESTION	
Question 8	<p>M/s. Techno Ltd. maintains its Register of Members at its registered office in Mumbai. A group of members residing in Kolkata want to keep the register of members at Kolkata.</p> <p>(i) Explain with provisions of Companies Act, 2013, whether the company can keep the Registers and Returns at Kolkata.</p> <p>(ii) Does Mr. Ranjit, Director (but not a shareholder) of the company have the right to inspect the Register of Members?(MAY 2018)</p>
	<p>Maintenance of the Register of Members etc.:</p> <p>(i) As per section 94(1) of the Companies Act, 2013, the registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 shall be kept at the registered office of the company:</p> <p>Provided that such registers or copies of return may also be kept at any other place in India in which more than one-tenth 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.</p> <p>So, Techno Ltd. can also keep the registers and returns at Kolkata after compliance with the above provisions, provided more than one-tenth of the total number of members entered in the register of members reside in Kolkata.</p> <p>(ii) As per section 94(2) of the Companies Act, the inspection of the records, i.e. registers and indices, and annual return can be done by members, debenture-holders, other security holders or beneficial owners of the company.</p> <p>Accordingly, a director Mr. Ranjit, who is not a shareholder of the company, has no right to inspect the Register of Members of company, as per the provisions of this section.</p>

PRACTICAL QUESTION	
Question 9	<p>Rijwan Limited, a listed company, is in the business of garment manufacturing and has its registered office at 123, N Tower, Commercial Beta Complex, Biwadi, Rajasthan. The company has called its 6th Annual General Meeting at 3 PM on 22nd August, 2019 at Hantal Plaza, Bhiwadi. Some of the members of the company have opposed to calling of the meeting at Hantal Plaza. The company has approached you to advise them in this regard. Suppose, Rijwan Limited is an unlisted company and wants to call their 6th AGM at Jaipur, will your answer differ.(RTP NOV 2019)</p>
Law:	<p>As per sec 96 of companies act,2013, AGM shall be held at the:</p> <p>(i) Registered office of the company; or</p>

	<p>(ii) Some other place within the city, town or village in which the registered office is situated.</p> <p>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.</p>
Conclusion:	<p>In present case ,</p> <p>(i) Opposition of members of Rijwan ltd of taking AGM at hintal plaza is not tenable as AGM of listed company can be held not only in registered office of company but some other place within the city, town or village in which the registered office is situated. And therefore can be held in hintal plaza in Rajasthan.</p> <p>(ii) If Rijwan ltd is unlisted company , it can hold AGM anywhere in India including Jaipur as 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</p>



PRACTICAL QUESTION


Question 10	<p>Shambhu Limited was incorporated on 1.4.2018. The company did not have much to report to its shareholders, so no general meeting of the company has been held till 30.4.2020. The company has recently appointed a new accountant. The new accountant has pointed out that the company required to hold the Annual General Meeting. The company has approached you a senior Chartered Accountant. Please advise the company regarding the time limit for holding the first annual general meeting of the Company and the power of the Registrar to grant extension of time for the First Annual General Meeting. (5 Marks)(MTP M 21)</p>
Law:	<p>According to Section 96 of the Companies Act, 2013,</p> <p>(i) every company shall be required to hold its first annual general meeting within a period of 9 months from the date of closing of its first financial year.</p> <p>(ii) Registrar does not have the power to grant extension to time limit for the first AGM of the company.</p>
Conclusion:	<p>In Present case, The first financial year of Shambhu Ltd is for the period 1st April 2018 to 31st March 2019, the first annual general meeting (AGM) of the company should be held on or before 31st December, 2019. Further, the Registrar does not have the power to grant extension to time limit for the first AGM of the company</p>


PRACTICAL QUESTION	
Question 11	<i>Pran Limited is an unlisted company, having its registered office at Agartala. The company scheduled its Annual General Meeting (AGM) on 31st July, 2024 in Goa. The meeting commenced at 3:00 PM and concluded at 6:00 PM. It is also provided that by 1st July, 2024, the company had obtained written consent from all members via email, agreeing to hold the AGM at this out-of-state location. As per the Companies Act, 2013, evaluate whether the AGM was validly conducted. (RTP Jan 25)</i>
Law:	<p>According to Section 96 of the Companies Act, 2013,</p> <p>(i) every annual general meeting shall be called during business hours, that is, between 9 AM and 6 PM on any day that is not a National Holiday</p> <p>(ii) It shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.</p> <p>Provided that annual general meeting of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance.</p>
Conclusion:	In the given question, Pran Limited is an unlisted company and consent of all members to conduct the AGM at Goa has been received in advance (by 1st July, 2024). Also, the meeting was started well within the prescribed time i.e. at 3.00 PM. Hence, the meeting was validly called.

PRACTICAL QUESTION	
Question 12	<p><i>Kedar Limited, an unlisted company, registered in the state of Haryana with 100 shareholders want to organize the Annual General Meeting of the company for the financial year 2023-2024 as under:</i></p> <p><i>(i) The meeting shall be held on 28th September 2024 which happens to be Rakshanda, a declared as holiday by the Haryana Government.</i></p> <p><i>(ii) The venue for the meeting shall be Lonavala, a hill resort in Maharashtra. Out of 100 shareholders, 98 have given their consent in writing for conducting the meeting in Lonavala.</i></p> <p><i>Advise the company on the feasibility of the above with reference to the provisions of the Companies Act, 2013.(5 Marks) (MTP Jan 25)</i></p>
Law:	Section 96(2) of the Companies Act, 2013, states that every Annual General Meeting (AGM) shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the

	<p>company or at some other place within the city, town or village in which the registered office of the company is situated.</p> <p>However, AGM of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance.</p> <p>Explanation—For the purposes of this sub-section, ‘National Holiday’ means and includes a day declared as National Holiday by the Central Government.</p>
Conclusion:	<p>In the instant case</p> <p>(i) Kedar Limited, an unlisted company, can hold its AGM on 28th September, 2024 which happens to be a holiday declared by Haryana Government because this is not a national holiday.</p> <p>(ii) Kedar Limited cannot hold its AGM in Lonavala, a hill resort in Maharashtra because consent for this has to be given by all the members in advance and here only 98 members out of 100 have given their consent for conducting the meeting in Lonavala.</p>

	<p>13. Discuss the provisions of the Companies Act, 2013 regarding the time limit for holding the first annual general meeting of a company. Also, state the power of the Registrar to grant extension of time for the First Annual General Meeting. Explain with the help of an example. (5 Marks) (MTP Mar. 24)</p>
	<p><u>First Annual general meeting</u></p> <p>(i) According to section 96 of the Companies Act, 2013, every company shall be required to hold its first Annual General Meeting within a period of 9 months from the date of closing of its first financial year.</p> <p>(ii) No extension of time can be granted by the Registrar for the holding of the first annual general meeting.</p> <p>(iii) Example: ABC Limited was incorporated on 1.4.2021. No General Meeting of the company was held till 30.4.2023. The first financial year of ABC Ltd is for the period 1st April 2021 to 31st March 2022, the first Annual General Meeting (AGM) of the company should be held on or before 31st December, 2022.</p>

	<p>14. Examine the validity of the following statements in respect of Annual General Meeting (AGM) as per the provisions of the Companies Act, 2013:</p> <p>(i) The first AGM of a company shall be held within a period of six months from the date of closing of the first financial year.</p> <p>(ii) The Registrar may, for any special reason, extend the time within which the first AGM shall be held. (Mar. 22) (4 Marks)</p>
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	<p>(i) According to section 96 of the Companies Act, 2013, first annual general meeting of the Company should be held within nine months from the closing of the first financial year. Hence, the statement that the first Annual General Meeting (AGM) of a company shall be held within a period of six months from the date of closing of the first financial year is Incorrect.</p> <p>(ii) According to proviso to section 96(1), the Registrar may, for any special reason, extend the time within which any annual general meeting, other than the first annual general meeting, Shall be held, by a period not exceeding three months. Thus, the Registrar cannot extend (for any reason) the time period within which the first AGM shall be held. Given statement is incorrect.</p>
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PRACTICAL QUESTION

Question 15	<p><i>Verma Limited has Equity Share Capital of 20,000 shares @ `10 each. The Company has received a requisition from Mr. Jai and Mr. Narayan each holding 3,000 equity shares to call an Extraordinary General Meeting to remove Managing Director of the company who has been found to be involved in some malpractices. The company failed to call the said meeting. The requisitionist desires to call the meeting by themselves to pass the resolution to remove the Managing Director. Explain the validity of such resolution passed in the said meeting referring the provisions of the Companies Act, 2013.(5 Marks) (MTP Jan 25)</i></p>
Law:	<p>(i) As per section 100(2) of the Companies Act, 2013, read with Rule 17 of the Companies (Management and Administration) Rules, 2014, the Board shall on the requisition of, in the case of company having a share capital, such number of members who hold, on the date of receipt of requisition, at least 1/10th of such paid-up capital of the company as on that date carries the right of voting, shall call for the meeting.</p> <p>(ii) The requisition made under sub-section (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.</p> <p>(iii) The Board must, within 21 days from the date of receipt of a valid requisition, proceed to call a meeting on a day not later than 45 days from the date of receipt of such requisition.</p> <p>(iv) If the Board does not, within 21 days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than 45 days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition. [Sub-Section 4].</p> <p>(v) Sub-section (5) of Section 100 provides that the requisitionists shall call and hold the meeting in the same manner in which the meeting is called and held by the Board.</p>

	(vi) Sub-section (6) of Section 100 any reasonable expenses incurred by the requisitionists in calling a meeting under sub-section (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.
Conclusion:	In the given case, meeting called by requisitionists to pass the resolution to remove the Managing Director in the said meeting can be said to be valid as the requisition moved from Mr. Jai and Mr. Narayan holding 60,000 (each holding ` 30,000) equity share capital (1/10th of 1,00,000) is in compliance with the legal requirement and will be binding on the company, its officers and members provided if all the conditions for a valid meeting are satisfied



PRACTICAL QUESTION

Question 16	The Board of Directors of a company refuse to convene the extraordinary general meeting of the members on the ground that the requisitionists have not given explanatory statement for the resolution proposed to be passed at the meeting. .(3 Marks) (MTP Oct. 23)
Law:	<p>(i) As per section 100(2) of the Companies Act, 2013, read with Rule 17 of the Companies (Management and Administration) Rules, 2014, the Board shall on the requisition of, in the case of company having a share capital, such number of members who hold, on the date of receipt of requisition, at least 1/10th of such paid-up capital of the company as on that date carries the right of voting, shall call for the meeting.</p> <p>(ii) The requisition made under sub-section (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.</p> <p>(iii) No explanatory statement need be annexed to the notice of an extraordinary general meeting convened by the requisitionists and the requisitionists need not disclose the reasons for the resolution(s) which they propose to move at the meeting.(Rule 17)</p>
Conclusion:	Hence, the Board of Directors cannot refuse to convene the extraordinary general meeting of the members on the ground that the requisitionists have not given the explanatory statement i.e reason for holding meeting for the resolution proposed to be passed at the meeting.

PRACTICAL QUESTION

Question 17	<i>Primal Limited is a company incorporated in India. It owns two subsidiaries- Privy Limited (in which it holds 75% shares) and Malvy Limited (a wholly owned subsidiary). Both the subsidiaries are incorporated outside India. The Board of Directors of Primal Limited intends</i>
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	<p><i>to call an Extraordinary General Meeting (EGM) of Primal Limited on urgent basis. Advise the Board of Directors on the following:</i></p> <p><i>(i) EGM be held in India</i></p> <p><i>(ii) EGM be held in Netherlands (RTP MAY 2019)</i></p>
Law:	<p>According to section 100 of the Companies Act, 2013, the Board may, whenever it deems fit, call an extraordinary general meeting of the company.</p> <p>Provided that an extraordinary general meeting of the company, other than of the wholly owned subsidiary of a company incorporated outside India, shall be held at any place within India.</p>
Conclusion:	<p>In the light of the above provisions:</p> <p>(i) The Board of Directors can call the EGM in India.</p> <p>(ii) The Board of Directors cannot call the EGM of Primal Limited outside India as it is a company incorporated in India.</p>

	<p>18. Enumerate the persons who are entitled to receive the Notice of the General Meeting, as per the provisions of the Companies Act, 2013. (5 Marks) (MTP Sep 24)</p>
	<p><u>Persons entitled to receive the Notice of the General Meeting</u></p> <p>According to section 101(3) of the Companies Act, 2013, the notice of every meeting of the company shall be given to:</p> <p>(1) every member of the company, legal representative of any deceased member or the assignee of insolvent member;</p> <p>(2) the auditor or auditors of the company;</p> <p>(3) every director of the company.</p>

PRACTICAL QUESTION

Question 19	<p><i>Madurai Bakes Ltd. issued a notice for holding of its Annual General Meeting on 7th September, 2024. The notice was posted to the members on 16th August, 2024. Some members of the company alleged that the company had not complied with the provisions of the Companies Act, 2013 with regard to the period of notice and as such the meeting was not valid. Referring to the provisions of the Act, decide:</i></p> <p><i>(i) Whether the meeting has been validly called?</i></p> <p><i>(ii) If there is a shortfall, state and explain by how many days does the notice fall short of the statutory requirement?</i></p> <p><i>(iii) Can the delay in giving notice be condoned? (Module) (RTP NOV 2020) (MAY 2019)</i></p>
Law:	<p>According to section 101(1) of the Companies Act, 2013,</p>

	<p>(i) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed.</p> <p>(ii) Also, it is to be noted that 21 clear days mean exclude that the date on which notice is served and the date of meeting</p> <p>(iii) Further in case of delivery by post, such service shall be deemed to have been effected- in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted.</p>
Conclusion:	<p>Hence, in the given question:</p> <p>(i) In the given question, only 19 clear days' notice is served (after excluding 48 hours from the time of its posting and the day of sending and date of meeting). Therefore, the meeting was not validly called.</p> <p>(ii) As explained in (i) above, notice falls short by 2 days.</p> <p>(iii) The Companies Act, 2013 does not provide anything specific regarding the condonation of delay in giving of notice. Hence, the delay in giving the notice calling the meeting cannot be condoned. However, company may take prior consent to give shorter notice to avoid invalidation of meeting .</p>



PRACTICAL QUESTION

Question 20	<p><i>With a view to transact some urgent business, Ratna, Rimpi and Ratnesh, the three directors of Shilpkaar Constructions Limited are desirous of calling a general meeting of shareholders by giving shorter notice than 21 days' clear notice. The fourth director, Nilesh is of the opinion that such an action will attract penalty provisions since there is contravention. The paid-up share capital of the company is ` 30 crore divided into 3 crore shares of ` 10 each. Keeping in view the applicable provisions of the Companies Act, 2013, discuss regarding the possibility of calling a general meeting by giving shorter notice (module).</i></p>
Law:	<p>(i) Normally, general meetings are to be called by giving at least 21 clear days' notice as required by Section 101 (1) of the Companies Act, 2013.</p> <p>(ii) As an exception, first proviso to Section 101 (1) states that a general meeting may be called after giving shorter notice than that specified in sub-section (1) of Section 101, if consent, in writing or by electronic mode, is accorded thereto—</p> <p>(A) in the case of an annual general meeting, by not less than ninety-five per cent. of the members entitled to vote thereat; and</p> <p>(B) in the case of any other general meeting, by members of the company—</p>

	<p>(a) Holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety- five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or</p> <p>(b) Having, if the company has no share capital, not less than ninety- five per cent. of the total voting power exercisable at that meeting.</p>
Conclusion:	In view of the above provisions, Shilpkaar Constructions Limited is permitted to call the requisite general meeting by giving a shorter notice. However, the members holding at least ninety-five per cent of the paid-up share capital of the company which gives them a right to vote at the meeting must consent to the shorter notice. Hence, the opinion of Nilesh that there shall be contravention of relevant provisions attracting penalty if a general meeting is called at shorter notice than usually required is not correct.

PRACTICAL QUESTION

Question 21	<p><i>Amar, a director of Gokul Electricals Ltd. gave in writing to the company that the notice for any general meeting and of the Board of Directors' meeting be sent to him only by registered post at his residential address at Kanpur for which he deposited sufficient money. The company sent notice to him by ordinary mail under certificate of posting. Amar did not receive this notice and could not attend the meeting and contended that the notice was improper. Decide, as per the provisions of the Companies Act, 2013:</i></p> <p><i>(i) Whether the contention of Amar is valid.</i></p> <p><i>(ii) Will your answer be the same if Amar remains in U.S.A. for one month during which the notice of the meeting was served and the meeting was held? (April 22)(5 Marks)</i></p>
Law:	<p>According to section 20(2) read with sec 101 of the Companies Act, 2013, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed.</p> <p>Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting</p>
Conclusion:	<p>Accordingly, the questions as asked may be answered as under:</p> <p>(i) The contention of Amar shall be tenable, for the reason that the notice was not properly served. However company may claim accidental omission to preserve notice from making invalid</p> <p>(ii) In the given circumstances, the company is bound to serve a valid notice to Amar by registered post at his residential address at Kanpur and not outside India.</p>

PRACTICAL QUESTION	
Question 22	<p><i>P Limited had called its Annual General Meeting on 30th August 2019. Mr. Pawan has filed a complaint against the company, that he could attend the meeting as the company did not serve the notice to him 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. Pawan, inviting him to attend the annual general meeting of the company. Mr. Pawan alleged that he never received the email.</i></p> <p><i>In the light of the provisions of the Companies Act, 2013, advise the whether the company has erred in serving the notice of Annual General Meeting to Mr. Pawan. (4 Marks) (MTP M 21)</i></p>
Law:	As per Rule 18 of the Companies (Management & Administration) Rules, 2014, read with sec 101 of companies Act, 2013, 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, if the member entitled to receive the notice 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.
Conclusion:	Hence, the company has not erred in serving notice of Annual General Meeting to Mr. Pawan.
	23. Referring to the provisions of the Companies Act, 2013 state the matters relating to 'Ordinary Business' which may be transacted at the Annual General Meeting of a Company. (MTP MAY 2017)
	<p><u>Ordinary Business [Sec. 102]</u></p> <p>At a 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.

PRACTICAL QUESTION	
Question 24	<p>Om Ltd. served a notice of General Meeting upon its members. The notice stated that the following resolutions will be considered at such meeting:</p> <p>(i) Resolution to increase the authorised share capital of the company.</p> <p>(ii) Appointment and fixation of the remuneration of Mr. Pramod as the statutory auditor.</p> <p>A shareholder complained that the amount of the proposed increase and the remuneration was not specified in the notice. Is the notice valid under the provisions of the Companies Act, 2013. (RTP Sep 24) (5 Marks) (MTP sep 24)</p>
Law:	<p>1. At a 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.

	<p>(ii) Declaration of Dividend.</p> <p>(iii) Appointment & Removal of directors</p> <p>(iv) Appointment, Reappointment and Removal of auditors and fixing of remuneration of auditors.</p> <p>2.At EGM - No business is ordinary.</p> <p>3.Under section 102(2)(b) of the Companies Act, 2013, in the case of any meeting other than an Annual General Meeting, all business transacted thereat shall be deemed to be special business.</p> <p>4.Following are contents of explanatory statement</p> <p>(a) All material facts concerning each item of business to enable members to take decisions.</p> <p>(b)The nature of concern or interest (financial or non-financial) of:</p> <p>(i) Every director and manager;</p> <p>(ii) Every other key managerial person;</p> <p>(iii) Relatives of (i) and (ii) above.</p> <p>(c) 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 atleast 2% of the paid up share capital of the other company [Proviso to Sec. 102(2)]</p> <p>(d) 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)]</p> <p>5. Section 102 also prescribes ordinary businesses for which explanatory statement is not required.</p>
Conclusion:	<p>In present case,</p> <p>(i) Part (i) of the question relating to increase in the Authorized Capital falls under special business and The information about the amount is a material fact with reference to the proposed increase of authorized share capital ,hence in the absence of amount of proposed increase of share capital, the notice will be treated as invalid.</p> <p>(ii) Part (ii) is an ordinary business and hence explanatory statement is not required. However, considering the two resolutions mentioned in the question are to be passed in the same meeting, notice of the meeting is invalid.</p> <p>(iii)The notice is, therefore, not a valid notice under Section 102 of the Companies Act, 2013</p>

PRACTICAL QUESTION

Question 25	<i>Zorab Garments Limited served a notice of General Meeting upon its members. The notice stated that a resolution to increase the share capital of the company would be considered at such meeting. Roshni, a shareholder of the company complained that the amount of the proposed increase was not specified in the notice. Is the notice valid? (5 Marks) (MTP sep 24) (5 Marks) (MTP Jan 25)</i>
Law:	Same as above question
Conclusion:	Thus, the objection of the shareholder is valid since the details of the item to be considered at the general meeting are not fully disclosed i.e information about the amount is a material fact with reference to the proposed increase of share capital. The notice is, therefore, not a valid notice considering the provisions of section 102 of the Companies Act, 2013.

PRACTICAL QUESTION	
Question 26	<p>KMN Ltd. scheduled its annual general meeting to be held on 11th March, 2024 at 11:00 A.M. The company has 900 members. On 11th March, 2024 following persons were present by 11:30 A.M.</p> <p>(1) P1, P2 & P3 shareholders</p> <p>(2) P4 representing ABC Ltd.</p> <p>(3) P5 representing DEF Ltd.</p> <p>(4) P6 & P7 as proxies of the shareholders</p> <p>(i) Examine with reference to relevant provisions of the Companies Act, 2013, whether quorum was present in the meeting.</p> <p>(ii) What will be your answer if P4 representing ABC Ltd., reached in the meeting after 11:30 A.M.?</p> <p>(iii) In case lack of Quorum, discuss the provisions as applicable for an adjourned meeting in terms of date, time & place.</p> <p>(iv) What happens if there is no Quorum in the Adjourned meeting?(5 Marks) (MTP sep 24)</p>
Law:	<p>(i) According to section 103 of the Companies Act, 2013, unless the articles of the company provide for a larger number, the quorum for the meeting of a Public Limited Company shall be 5 members personally present, if the number of members is not more than 1000</p> <p>(ii) 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 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>(iii) 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.
Conclusion:	<p>(i) (1) P1, P2 and P3 will be counted as three members.</p> <p>(2) P4 and P5 representing ABC Ltd. and DEF Ltd. respectively will be counted as two members.</p> <p>(3) P6 and P7 shall not be counted in quorum.</p> <p>In the light of the provision of the Act and the facts of the question, it can be concluded that the quorum for Annual General Meeting of KMN Ltd. is 5 members personally present. Total</p>

	<p>5 members (P1, P2, P3, P4 and P5) were present. Hence, the requirement of quorum is fulfilled.</p> <p>(ii) The section further states that, if the required quorum is not present within half an hour, the meeting shall stand adjourned for the next week at the same time and place or such other time and place as decided by the Board of Directors. Since, P4 is an essential part for meeting the quorum requirement, and he reaches after 11:30 AM (i.e. half an hour after the starting of the meeting), the meeting will be adjourned as provided above.</p> <p>(iii) In case of lack of quorum, the meeting will be adjourned as provided in section 103. In case of the adjourned meeting or change of day, time or place of meeting, the company shall give not less than 3 days' notice to the members either individually or by publishing an advertisement in the newspaper.</p> <p>(iv) Where quorum is not present in the adjourned meeting also within half an hour, then the members present shall form the quorum</p>
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PRACTICAL QUESTION

Question 27	<p>The Articles of Association of ABC Limited require the personal presence of 7 members to constitute quorum of General Meetings. The company has 870 members as on the date of meeting. The following persons were present in the extra-ordinary meeting to consider the appointment of Managing Director:</p> <p>(i) A, the representative of Governor of Karnataka.</p> <p>(ii) B and C, shareholders of preference shares,</p> <p>(iii) D, representing Green Limited and Blue Limited</p> <p>(iv) E, F, G and H as proxies of shareholders.</p> <p>Can it be said that the quorum was present in the meeting?(6 Marks) (MTP Sep. 22)</p>										
Law:	Same like above										
Conclusion:	<p>Calculation of Quorum u/s 103</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Counting u/s 103</th> </tr> </thead> <tbody> <tr> <td>(i) A, the representative of Governor of Karnataka.</td> <td style="text-align: right;">1</td> </tr> <tr> <td>(ii) B and C, shareholders of preference shares,</td> <td style="text-align: right;">0</td> </tr> <tr> <td>(iii) D, representing Green Limited and Blue Limited</td> <td style="text-align: right;">2</td> </tr> <tr> <td>(iv) E, F, G and H as proxies of shareholders.</td> <td style="text-align: right;">0</td> </tr> </tbody> </table> <p>In view of the above there are only three members personally present however quorum required is 7. Thus, it can be said that the requirement of quorum has not been met and it shall not constitute a valid quorum for the meeting.</p>	Particulars	Counting u/s 103	(i) A, the representative of Governor of Karnataka.	1	(ii) B and C, shareholders of preference shares,	0	(iii) D, representing Green Limited and Blue Limited	2	(iv) E, F, G and H as proxies of shareholders.	0
Particulars	Counting u/s 103										
(i) A, the representative of Governor of Karnataka.	1										
(ii) B and C, shareholders of preference shares,	0										
(iii) D, representing Green Limited and Blue Limited	2										
(iv) E, F, G and H as proxies of shareholders.	0										

PRACTICAL QUESTION

Question 28	The Board of Directors of ABC Ltd. called an extra-ordinary general meeting upon the requisition of members. However, the meeting was adjourned on the ground that the quorum was not present at the meeting. In the light of the provisions of the Companies Act, 2013, the Board of directors on the decision to adjournment of the meeting. (5 Marks) (MTP sep 24)
Law:	As per section 103(2)(b) of the Companies Act, 2013, if the quorum is not present within half an hour from the appointed time for holding a meeting of the company, the meeting, if called on the requisition of members, shall stand cancelled
Conclusion:	Therefore, the meeting stands cancelled and the stand taken by the Board of Directors to adjourn it, is not proper and valid.

PRACTICAL QUESTION

Question 29	Kurt Limited is a company engaged in the business of manufacturing papers. The company has approached you to explain them the following as per the provisions of the Companies Act, 2013: (a) Quorum for the general meeting if the company has 800 members. (b) Quorum for the general meeting if the company has 6500 members. (c) Quorum for the general meeting if the company has 5500 members. The articles of association has prescribed the quorum for the meeting to be 50.(April 22) (5 Marks)
Law:	According to section 103(1) of the Companies Act, 2013, unless the articles of the company provide for a larger number, in case of a public company: (1) five members personally present if the number of members as on the date of meeting is not more than one thousand, (2) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand, (3) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand. The term 'members personally present' as mentioned above refers to the members entitled to vote in respect of the items of business on the agenda of the meeting.
Conclusion:	Thus, (a) If the company has 800 members, quorum shall be 5 members personally present. (b) If the company has 6500 members, quorum shall be 30 members personally present.

	(c) If the company has 5500 members, quorum shall be 30 members personally present. However, since the articles of association has prescribed the quorum for the meeting to be 50, the quorum shall be 50 (higher of 30 and 50).
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PRACTICAL QUESTION

Question 30	The Annual General Meeting of KMP Limited was held on 30th April, 2015. The Articles of Association of the company is silent regarding the quorum of the General Meeting. Only 10 members were personally present in the above meeting, out of the total 2,750 members of the company. The Chairman adjourned the meeting for want of quorum. Referring to the provisions of the Companies Act, 2013, examine the validity of Chairman's decision. (MAY 2015)
Law:	<p>(i) Section 103 of the Companies Act, 2013 provides that fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>(ii) CONSEQUENCES OF NO QUORUM: If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –</p> <ol style="list-style-type: none"> the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or the meeting, if called by requisitions (under section 100), shall stand cancelled.
Conclusion:	<p>In the instant case, KMP Limited is a public company with total number of 2750 members, hence atleast 15 members should have been personally present in order to constitute a valid quorum for the Annual General Meeting.</p> <p>Thus, the meeting shall automatically stand adjourned to the same day in the next week at the same time and place, if the quorum is not present within half –an-hour from the time appointed for holding a meeting of the company. Further, the Board of Directors may decide for such other date and such other time and place, which they may deem fit. Section 103 of the said Act itself provides for automatic adjournment of the meeting to the same day in the next week at the same time and place, rather the Chairman obviating to take a decision on the matter of the meeting. The question of validity of Chairman's decision does not arise.</p>

PRACTICAL QUESTION

Question 31	<i>PQ Limited is a public company having its registered office in Mumbai. It has 3680 members. The company sent notice to all its members for its Annual general Meeting to be held on 2nd September 2019 (Monday) at 11 :00 AM at its registered office. On the day of meeting there were only 12 members personally present upto 11:30 AM. The Chairman adjourned the meeting to same day in next week at the same time and place.</i>
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	<p><i>On the day of adjourned meeting only 10 members were personally present. The Chairman initiated the meeting after 11:30 AM and passed the resolutions after discussion as per the agenda of the meeting given in the notice. Comment whether the AGM conducted after adjournment is valid or not as per the provisions of section 103 of Companies Act 2013 by explaining the relevant provisions in this regard.</i></p> <p><i>What would be your answer in the above case, if PQ Limited is a Private company?(2 + 2 = 4 Marks) (Nov 2020)</i></p>
Law:	<p>(i) According to section 103 of the Companies Act, 2013, unless the articles of the company provide for a larger number, in case of a public company, fifteen members personally present may fulfil the requirement of quorum, if the number of members as on the date of meeting is more than one thousand but up to five thousand.</p> <p>(ii) If the specified quorum is not present within half an hour from the time appointed for holding a meeting of the company, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and place as the Board may determine.</p> <p>(iii) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.</p>
Conclusion:	<p>In the instant case, there were only 12 members personally present on the day of meeting of PQ Limited upto 11:30 AM. This was not in compliance with the required quorum as per the law. In the adjourned meeting also, the required quorum was not present but in the adjourned meeting, the members present shall be considered as quorum in line with the provisions of section 103.</p> <p>Hence, the AGM conducted by PQ Limited after adjournment is valid.</p> <p>As per the provisions of section 103(1)(b), in case of a private company, two members personally present, shall be quorum for the meeting of a company. Therefore, in case, PQ Limited is a private company, then only two members personally present shall be the quorum for AGM and there was no need for adjournment</p>

PRACTICAL QUESTION

Question 32	<p><i>A General Meeting of ABC Private Ltd was scheduled to be held on 15th April, 2024 at 3.00 P.M. As per the notice, the members who will be unable to attend the meeting in person can appoint a proxy and the proxy forms duly filled should be sent to the company, so that the company can receive it within time. Mr. X, a member of the company appoints Mr. Y as his proxy and the proxy form dated 10-04-2024 was deposited by Mr. Y with the company at its registered office on 11-04-2024. Similarly, another member, Mr. W, also gives two separate proxies to two individuals named Mr. M and Mr. N. In the case of Mr. M, the proxy dated 12-04-2024 was deposited with the company on the same day and the proxy form in favour of Mr. N was deposited on 14-04-2024. All the proxies viz., Y, M and N were present before the meeting.</i></p> <p><i>According to the provisions of the Companies Act 2013, who would be the persons allowed to represent as proxies for members X and W respectively? (5 Marks) (MTP Jan 25) (RTP MAY 2021) (MTP MAY 2019)</i></p>
Law:	A Proxy is an instrument in writing executed by a shareholder authorizing another person to

	<p>attend a meeting and to vote thereat on his behalf and in his absence.</p> <p>As per the provisions of section 105 of the Companies Act, 2013,</p> <p>(i) every shareholder who is entitled to attend and vote has a statutory right to appoint another person as his proxy.</p> <p>(ii) Section 105(4) provides that a proxy received 48 hours before the meeting will be valid.</p> <p>(iii) 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.</p>
Conclusion:	<p>Thus, in case of member X, the proxy Y will be permitted to represent as proxy on his behalf as form for appointing proxy was submitted within the permitted time.</p> <p>However, in the case of member W, the proxy M will be permitted to represent as the proxy. Whereas submission of form authorizing N to represent as proxy was deposited in less than 48 hours before the meeting, so N will not be allowed to represent W</p>

PRACTICAL QUESTION

Question 33	<i>Sekhar, a shareholder, gives a notice for inspecting proxies, five days before the meeting is scheduled and approaches the company two days before the scheduled meeting for inspecting the same. What is the legal position relating to his actions (as per the provisions of the Companies Act, 2013)? (MTP MAY 2017)</i>
Law:	Under section 105 (8) of the Companies Act, 2013 every member entitled to vote at a meeting of the company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.
Conclusion:	In the given case, Sekhar has given proper notice. However, such inspection can be undertaken only during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting. So, Sekhar can undertake the inspection only during the above mentioned period and not two days prior to the meeting

PRACTICAL QUESTION

Question 34	Mr. John held certain partly paid up shares of Ltd. company. The company asked him to pay the final call money on the shares. Due to some unavoidable circumstances he was unable to pay the amount of call money to the company. At a general meeting of the shareholders, the chairman disallowed him to cast his vote on the ground that the articles do not permit a shareholder to vote if he has not paid the calls on the shares held by him. John contested the decision of the Chairman. Referring to the provisions of the Companies Act, 2013 decide whether the contention of John is valid. (RTP May 2015) (MTP NOV 2017)
Law:	Section 106 (1) of the Companies Act, 2013 states that the articles of a company may provide that no member shall exercise any voting right in respect of any shares registered in his name

	on which any calls or other sums presently payable by him have not been paid, or in regard to which the company has exercised any right of lien.
Conclusion:	In the present case the articles of the company do not permit a shareholder to vote if he has not paid the calls on the shares held by him. Therefore, the chairman at the meeting is well within its right to refuse him the right to vote at the meeting and Mr. John's contention is not valid.

PRACTICAL QUESTION

Question 35	'X' a member of LKM Ltd. is holding 250 shares, which are partly paid. The company held its general meeting where voting right was denied to 'X' claiming he has not paid the calls on the shares held by him. Examine the validity of company's denial to 'X' with reference to the relevant provisions of the Companies Act, 2013, assuming that Articles of association of the Company do not restrict the voting right of such members. (NOV 2018)
Law:	According to the Section 106 of companies act , 2013: <ol style="list-style-type: none"> 1 Notwithstanding anything contained in this Act, the articles of a company may provide that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums are presently payable by him have not been paid, or in regard to which the company has exercised any right of lien. 2 A company shall not, except on the grounds specified in sub-section (1), prohibit any member from exercising his voting right on any other ground.
Conclusion:	In the given question, Mr. X (member) holding 250 shares of LKM Ltd. has not paid certain calls on the shares. The company has denied his voting rights in the general meeting though the Articles of association of the company does not contain any restriction in the voting rights of such members. On examination of the above provisions of the Act and the facts of the case, LKM Ltd.'s denial to 'X' for exercising his voting rights is not valid.

PRACTICAL QUESTION

Question 36	Prabhas Limited is a company having its shares listed on a recognised stock exchange. The company has 5,000 members. The Annual General Meeting of the company is to be held on 07-09-2022. As per the provisions of the Companies Act, 2013, advise the company, the remote e- voting period and the time of closing of remote e-voting.(RTP Nov. 22)
Law:	Sec 108 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, provides that: <ol style="list-style-type: none"> 1. Every company which has listed its equity shares on a recognised stock exchange and company having not less than one thousand members shall provide to its members facility to exercise their right to vote on resolutions proposed to be considered at a general meeting by electronic means. 2. The facility for remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on the date preceding the date of the general meeting.

Conclusion:	In the question, Prabhas Limited has its shares listed on recognised stock exchange and has 5,000 members, hence, it has to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at a general meeting by electronic means. Thus, if the Annual General Meeting of Prabhas Limited is going to be held on 7.9.2022, the facility for remote e- voting shall open on 4.9.2022 and close at 5.00 p.m. on 6.9.2022.
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PRACTICAL QUESTION

Question 37	If a member of a listed company who has casted his vote through electronic voting can attend general meeting of the company and change his vote subsequently and can he appoint a proxy?(MAY 2019)
Law:	According to sec 108 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the notice of the meeting shall clearly state 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.
Conclusion:	- In the instant case, a member of a listed company who has casted his vote through electronic voting can attend general meeting of the company but cannot change his vote subsequently and is not permitted to appoint a proxy.

PRACTICAL QUESTION

Question 38	<i>Examine the validity of the following decision of the Board of Directors with reference to the provisions of the Companies Act, 2013:</i> <i>In an Annual General Meeting of a company having share capital, 80 members present in person or by proxy holding more than 1/10th of the total voting power, demanded for poll. The chairman of the meeting rejected the request on the ground that only the members present in person can demand for poll.(5 Marks) (MTP Jan 25)</i>
Law:	Section 109 of the Companies Act, 2013 provides for the demand of poll before or on the declaration of the result of the voting on any resolution on show of hands. Accordingly, law says that:- Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf:- (i) In the case a company having a share capital, by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid-up; and (ii) in the case of any other company, by any member or members present in person or by proxy, where allowed, and having not less than one tenth of the total voting power
Conclusion:	In the given question, 80 members present in person or by proxy holding more than 1/10 th of the total voting power, demanded for poll. Hence, the contention of the Chairman is not valid.



PRACTICAL QUESTION	
Question 39	‘A’ and his wife ‘B’ has joint Demat Account in Vrinda Limited. The company’s Annual General Meeting is to be held on 28.08.2022. In such a case, who will cast the vote in the Annual General Meeting? Give your answer as per the provisions of the Companies Act, 2013. (RTP Nov. 22)
Law:	<p>According to sec 109 read with Rule 21 of the Companies (Management and Administration) Rules, 2014</p> <p>(i)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/ shareholders. The joint- holders have a right to instruct the company as to the order in which their names are to appear in the register</p> <p>(ii)the Scrutinizers shall arrange for Polling papers and distribute them to the members and proxies present at the meeting; in case of joint shareholders, the polling paper shall be given to the first named holder or in his absence to the joint holder attending the meeting as appearing in the chronological order in the folio</p>
Conclusion:	Thus, in the given case, ‘A’ or his wife ‘B’, whosoever names appears first in chronological order in the register of members/ shareholders shall be entitled to vote.

PRACTICAL QUESTION	
Question 40	<p>Prakash and some of his friends are members of Focus Limited, a company with a paid-up share capital of ` one crore. They all intend to propose a resolution at the forthcoming General Meeting of the company which is going to be held in CP, New Delhi i.e. the place where Registered Office of Focus Limited is situated.</p> <p>(i)Kindly provide guidance to Prakash and his friends on the requisite minimum paid-up share capital they should hold to initiate a members' resolution.</p> <p>(ii)What are the other requirements that Prakash and his friends need to keep in mind for moving a members’ resolution. (RTP May24)</p>
Law:	<p>In terms of section 111 of the Companies Act, 2013, the members of a company are given a statutory right to propose resolutions for consideration at the general meetings. According to sub-section (1), the number of members required to make a requisition for moving resolution shall be same as required to requisition a general meeting as per section 100 (2). The requirement is as under:</p> <p>“In case of a company having share capital, such number of members who hold minimum 1/10th of the paid-up share capital that carries right of voting shall be eligible to make a requisition for moving a resolution at the general meeting.”</p>
Conclusion:	<p>(i)Accordingly, Prakash and his friends must hold minimum 1/10th of paid-up share capital (i.e. ` 10 lakh worth of share capital carrying right to vote) of Focus Limited in order to be eligible for moving a resolution at the general meeting.</p> <p>(ii) The other requirements as per section 111 for making a requisition to move a resolution at the general meeting which Prakash and his friends should keep in mind are as under:</p>

	<p>a) Two or more copies of the requisition are required to contain signatures of all the requisitionists i.e. Prakash and friends.</p> <p>b) The requisition must be deposited by them at CP where the registered office of Focus Limited is situated.</p> <p>c) In the case of a requisition requiring notice of a resolution, it needs to be deposited by them not less than six weeks before the meeting.</p> <p>d) In case of any other resolution, the same is to be deposited by them not less than two weeks before the meeting.</p> <p>e) A sum reasonably sufficient to meet the expenses to be incurred by Focus Limited in giving effect to proposing the resolution shall also be deposited by Prakash and his friends along with the requisition.</p>
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PRACTICAL QUESTION


Question 41	At a General meeting of a XYZ Limited, a matter was to be passed by a special resolution. Out of 40 members present, 20 voted in favour of the resolution, 5 voted against it and 5 votes were found invalid. The remaining 10 members abstained from voting. The Chairman of the meeting declared the resolution as passed. With reference to the provisions of the Companies Act, 2013, examine the validity of the Chairman's declaration. (MTP NOV 2019)
Law:	<p>(i) As per Section 114(2) of the Act, a resolution shall be a special resolution, when–</p> <p>(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;</p> <p>(b) The notice required under this Act has been duly given; and</p> <p>(c) The votes cast in favour of the resolution, are required to be not less than 3 times the number of the votes, if any, cast against the resolution by members so entitled and voting</p> <p>(ii) Thus, in terms of the requisite majority, votes cast in favour have to be compared with votes cast against the resolution.</p> <p>(iii) Abstentions or invalid votes, if any, are not to be taken into account.</p>
Conclusion:	Accordingly, in the given problem, the votes cast in favour (20) being more than 3 times of the votes cast against (5), and presuming other conditions of Section 114(2) are satisfied, the decision of the Chairman is in order

	42. Give the points of distinction between ordinary resolution and special resolution. (MAY 2019)
	<p>(i) Meaning - Section 114(1) of the Companies Act, 2013 states that a resolution shall be ordinary resolution, if the notice required under this Act has been duly given and the votes cast in the favour of the resolution, by any mode of voting should exceed the votes cast against it. Whereas As per Section 114(2) of the Act, a resolution shall be a special resolution, when–</p> <p>(d) 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;</p> <p>(e) The notice required under this Act has been duly given; and</p> <p>(f) The votes cast in favour of the resolution, are required to be not less than 3 times the number of the votes, if any, cast against the resolution by members so entitled and voting</p> <p>(ii) Matter – Special resolution are required on more critical matters as compared to matters requiring ordinary resolution</p> <p>(iii) Filing with ROC- Copy of every special resolution is filed with ROC within 30 days in MGt-14 whereas only in some cases required by law , ordinary resolution need to be file with ROC</p>

PRACTICAL QUESTION

Question 43	Members of ZA Ltd. holding less than 1% of total voting power want the company to give a special notice to move a resolution for appointment of an auditor other than retiring auditor. Explain whether members have complied with relevant provisions of the Companies Act, 2013 in making their request.(NOV 2018)
Law:	Section 115 of the Companies Act, 2013 states that where any provision of this Act specifically requires or Articles of Association of a company so require that a special notice is required for passing any resolution, then the notice of the intention to move such resolution shall be given to the company by such number of members holding not less than 1% of the total voting power, or holding shares on which such aggregate sum not exceeding ` 5,00,000/- has been paid-up.
Conclusion:	According to the given facts in the question, there is non-compliance of requirement of section 115 as stated above i.e. the notice of the intention to move such resolution as to appointment of auditor other than retiring auditor was given by members of ZA Ltd. holding less than 1% of the total voting power.

	44. Enumerate the provisions of the Companies Act, 2013 in respect to the following: (i) Matters not to be included in the minute, as per the opinion of the Chairman. (ii) Maximum time allowed for entering minutes of proceedings. (5 Marks) (MTP April 24)
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	<p>As per sec 118 of companies Act,2013</p> <p>(i) What to include or exclude in minutes is solely at discretion of Chairman . There shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting—</p> <ol style="list-style-type: none"> a) is or could reasonably be regarded as defamatory of any person; or b) is irrelevant or immaterial to the proceedings; or c) is detrimental to the interests of the company. <p>(ii) Maximum time allowed for entering minutes of proceedings: The minutes of proceedings of each meeting shall be entered in the books maintained for that purpose along with the date of such entry within 30 days of the conclusion of the meeting.</p>
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PRACTICAL QUESTION

Question 45	In a General Meeting of Amit Limited, the Chairman directed to exclude certain matters detrimental to the interest of the company from the minutes. Manoj, a shareholder contended that the minutes must contain fair and correct summary of the proceedings thereat. Decide, whether the contention of Manoj is maintainable under the provisions of the Companies Act, 2013?(RTP MAY 2018) (MTP NOV 2019)
Law:	Under Section 118 (5) of the Companies Act, 2013, chairman can exclude certain matters in Minutes of a meeting, which, in the opinion of the Chairman of the meeting: <ol style="list-style-type: none"> (i) is or could reasonably be regarded as defamatory of any person; (ii) is irrelevant or immaterial to the proceeding; or (iii) is detrimental to the interests of the company;
Conclusion:	Hence, in view of the above, the contention of Manoj, a shareholder of Amit Limited is not valid because the Chairman has absolute discretion on the inclusion or exclusion of any matter in the minutes for aforesaid reasons.

PRACTICAL QUESTION

Question 46	Pristine Limited, a listed public company, conducted its Annual General Meeting on 31st August, 2020. However, 10 days have passed since 31st August, 2020, but it has still not filed report on Annual General Meeting. The Accountant of the company has approached you to advise them whether Pristine Limited is required to file report on Annual General Meeting?(RTP MAY 2021)
Law:	According to Section 121, <ol style="list-style-type: none"> (i) every listed public company shall prepare a report on each annual general meeting including the confirmation to the effect that the meeting was convened held and conducted as per the provisions of the Act and the rules made thereunder. (ii) A copy of the report is to be filed with the Registrar in Form No. MGT. 15 within thirty days of the conclusion of AGM along with the prescribed fee.
Conclusion:	Since, Pristine Ltd. is a listed company, hence it has to file a copy of report of AGM with the Registrar within 30 days from 31st August, 2020.

CA WALLAH