

SENGAMALA THAYAR EDUCATIONAL TRUST WOMEN'S COLLEGE, MANNARGUDI.



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CLASS : II.B.COM
SUBJECT : COMPANY LAW
SUBJECT CODE : 16CACCM1D

E-CONTENT MATERIALS

MEETINGS & RESOLUTIONS

INTRODUCTION:

- A Resolution is a legally binding decision made by limited company directors or shareholders. If a majority vote is achieved in favor of the decision, a resolution is 'passed'.

- Share holders can pass ordinary resolutions or special resolutions at general meetings, or they can pass written resolutions.

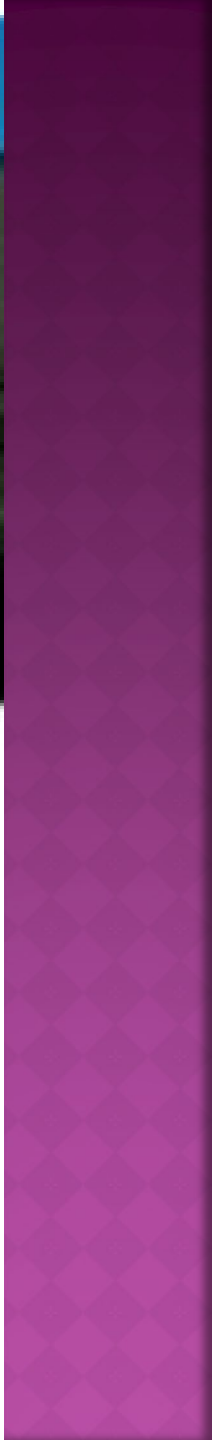
DEFINITION:

RESOLUTION:

□ A formal expression of opinion or intention made, usually after voting, by a formal organization , a legislature, a club, or other group.

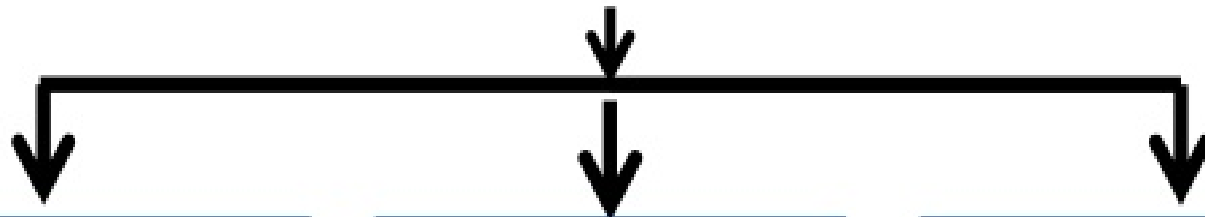


PRESENTATION ON:
COMPANY
MEETINGS



Classification Of Company Meeting:

Meeting



M
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M
B
E
R
S

Statutory meeting.

M
B
E
R
S

Annual General Meeting.

M
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E
R
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Extraordinary general meeting.

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Board of Directors.

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Committees of Directors.

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Debenture Holders.

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Creditors.

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R

Contributories.



*When we need to held
meetings?*

STATUTORY MEETING

DEFINITION:

- ▶ Statutory meeting is the first meeting of the members of a public company.
- ▶ It is held once in the life of a public company that limited by shares.
- ▶ Statutory means legal, so this meeting is totally based on law.
- ▶ Must be certified by at least two directors.

OCCASION:

- ▶ This meeting must be held not less than 1 month but before 3 months of obtaining the certificate of commencement of business.

THE PURPOSE OF STATUTORY MEETING

- ▶ To win confidence
- ▶ To provide latest information's
- ▶ To discuss future plans
- ▶ To discuss statutory report ; total numbers of shares issued , total receipts and total payments , cash received against shares allocated , details of the shares allocated.

ANNUAL GENERAL MEETING

DEFINITION:

- ▶ Every public company will hold Annual General Meeting of its members every year.
- ▶ This meeting is to be call and held by the directors of the company.
- ▶ Mandatory for every type of company or for that matter.

OCCASION:

- ▶ The first annual general meeting must be held within 18 months from the date of its incorporation.
- ▶ The next meeting must be held once in every calendar within 4 months after closing its financial year.

PURPOSE OF ANNUAL GENERAL MEETING

- To receive and consider the Director's and Auditors' reports.
- The Directors' report and the Auditor's report.
- To sanction or declaration of the dividend (if any) recommended by the directors.
- To appoint, or re-appoint, the directors.
- To appoint, or re-appoint, the auditors and fix their remuneration.

EXTRAORDINARY GENERAL MEETING

DEFINITION:

- ▶ All general meetings other than annual general meeting and statutory meeting are known as Extra-Ordinary General Meetings.
- ▶ This meeting is held on the special occasions or it can say in the emergency situations when directors think that is necessary. For example; at the plan of merger.

OCCASION:

- ▶ This meeting is held on the special occasion and in the emergency situation.

NOTICE OF THE METING:

- ▶ The directors will send a notice of the meeting to all the members of the company at least 21 days before the meeting.

Topic:

***MEETING
&
RESOLUTIONS***

RESOLUTIONS:

❖ An ordinary resolution is refers to a resolution, passed by the members of the company by a bare majority. A special resolution, on the other hand, is the resolution, that is affirmed by the members of the company by three-fourth majority.

What is a special resolution?

In the context of limited companies, a special resolution is a motion or proposal that requires approval of at least 75% of shareholders' votes. This kind of resolution is reserved for important and rare decisions, such as:

- Changing a company name.
- Reducing share capital.
- Allotting more shares.
- Issuing different share classes.
- Altering the articles of association.
- Removing pre-emption rights.
- Re-registering a company.

- Changing a private company to a public company, or vice versa.
- Winding up a company by members voluntary liquidation.

The companies act 2006 specifies the types of decisions requiring a special resolution. Where no type of resolution is specified, shareholders may pass an ordinary resolution with a simple majority of 50.01% of the votes.

What decisions require an ordinary resolution?

- ❖ Appointing and removing directors.
- ❖ Appointing and removing secretaries.
- ❖ Matters pertaining to directors employment contracts.
- ❖ Amending directors powers.
- ❖ Authorizing directors loans.
- ❖ Authorizing the transfer of shares.

DEFINITION OF SPECIAL RESOLUTION:

- Special resolution (SR) is a resolution in which the votes cast in favor of the resolution must be three times higher than the votes cast against it. there are certain things, which can be done by the company only if a special resolution is affirmed at the duly constituted general meeting.

DEFINITION OF ORDINARY RESOLUTION:

- Ordinary resolution means a resolution in which the votes cast in favor of resolution exceeds the votes cast against it. The resolution affirmed by more than half members, present in person or proxy at the general meeting.

CONTENT: Ordinary Resolution Vs Special Resolution.

- ✓ Comparison chart.
- ✓ Definition.
- ✓ Key differences.
- ✓ Conclusion.

Basic for comparison	Ordinary Resolution	Special Resolution
Meeting	When at the general meeting, simple majority is required to move the resolution, is called as ordinary resolution.	When at the general meeting, super majority is required to pass the resolution, it is known as special resolution.
Consent of members	At least 51% members should be in favor of the motion.	At least 75% members should be in favor of the motion.
Business transacted	Ordinary business or special business, depending or requirements of the act.	Special business.

MERCANTILE LAW

Winding up of a company

DEFINITION

- The existence of a company can be terminated by means of winding up.

The process of which the company is dissolved is known as winding up of a company.

The winding up of a company is a proceeding in which the co business is closed down sell off it's asset and the creditor are paid. the balance of asset are distributed to the members

MODES OF WINDING UP

Under section 297 there are 3 different kinds of winding up a company.



MODES OF WINDING UP: COMPULSORY WINDING UP BY COURT:

- ❖ That the petitioner had the right to present the petition.
- ❖ That on the ground set out in the act as justifying.
- ❖ If the company is unable to pay its debts.
- ❖ The company does not commence its business within a year from its incorporation. Or suspends its business for a whole year.

VOLUNTARY WINDING UP:

VOLUNTARY WINDING UP OF A COMPANY:

Voluntary winding up means winding up **by the members or creditors** of a company without interference of the court.

RESOLUTIONS FOR WINDING OF A COMPANY:

The resolutions may be of two types:

- ❖ Ordinary resolution
- ❖ Special resolution.

Procedures of Creditors Voluntary Winding up

1. Passing a resolution
2. Meeting of Creditors (Sec. 500)
3. Notice of the Meeting (Sec. 500 (1) &(2))
4. Statement of affairs to be presented
5. Resolution for winding up
6. Notice of Resolution to the Registrar
(Sec. 501)
7. Appointment of Liquidator (Sec. 502)