

The Oxford Dictionary defines a meeting as:

An assembly of number of people for entertainment, discussion or the like.

A meeting therefore, can be defined as a lawful association, or assembly of two or more persons by previous notice for transacting some business. The meeting must be validly summoned and convened. Such gatherings of the members of companies are known as company meetings.

Essentials of Company Meetings

The essential requirements of a company meeting can be summed up as follows:

1. **Two or More Persons:** To constitute a valid meeting, there must be two or more persons. However, the articles of association may provide for a larger number of persons to constitute a valid quorum.
2. **Lawful Assembly:** The gathering must be for conducting a lawful business. An unlawful assembly shall not be a meeting in the eye of law.
3. **Previous Notice:** Previous notice is a condition precedent for a valid meeting. A meeting, which is purely accidental and not summoned after a due notice, is not at all a valid meeting in the eye of law.
4. **To Transact a Business:** The purpose of the meeting is to transact a business. If the meeting has no definite object or summoned without any predetermined object, it is not a valid meeting. Some business should be transacted in the meeting but no decision need be arrived in such meeting.

Kinds of Company Meetings

The meetings of a company can be broadly classified into four kinds.

1. Meetings of the Shareholders.
2. Meetings of the Board of Directors and their Committees.
3. Meetings of the Debenture Holders.
4. Meetings of the Creditors.

1. Meeting of the Share Holders

The meetings of the shareholders can be further classified into four kinds namely,

1. Statutory Meeting,
2. Annual General Meeting,
3. Extraordinary General Meeting, and
4. Class Meeting.

The chart given below gives a classification of company meetings.

1. Statutory Meeting

This is the first meeting of the shareholders conducted after the commencement of the business of a public company. Companies Act provides that every public company limited by shares or limited by guarantee and having a share capital should hold a meeting of the shareholders within 6 months but not earlier than one month from the date of commencement of business of the company.

Usually, the statutory meeting is the first general meeting of the company. It is conducted only once in the lifetime of the company. A private company or a public company having no share capital need not conduct a statutory meeting.

Kinds of Company Meetings

2. Annual General Meeting

The Annual General Meeting is one of the important meetings of a company. It is usually held once in a year. AGM should be conducted by both private and public ltd companies whether limited by shares or by guarantee; having or not having a share capital. As the name suggests, the meeting is to be held annually to transact the ordinary business of the company.

3. Extra-ordinary General Meetings (EOGM)

Statutory Meeting and Annual General Meetings are called the ordinary meetings of a company. All other general meetings other than these two are called Extraordinary General Meetings. As the very name suggests, these meetings are convened to deal with all the extraordinary matters, which fall outside the usual business of the Annual General Meetings.

EOGMs are generally called for transacting some urgent or special business, which cannot be postponed till the next Annual General Meeting. Every business transacted at these meetings is called Special Business.

Persons Authorized to Convene the Meeting

The following persons are authorized to convene an extraordinary general meeting.

1. The Board of Directors.
2. The Requisitionists.
3. The National Company Law Tribunal.
4. Any Director or any two Members.

4. Class Meetings

Class meetings are those meetings, which are held by the shareholders of a particular class of shares e.g. preference shareholders or debenture holders.

Class meetings are generally conducted when it is proposed to alter, vary or affect the rights of a particular class of shareholders. Thus, for effecting such changes it is necessary that a separate meeting of the holders of those shares is to be held and the matter is to be approved at the meeting by a special resolution.

For example, for cancelling the arrears of dividends on cumulative preference shares, it is necessary to call for a meeting of such shareholders and pass a resolution as required by Companies Act. In case of such a class meeting, the holders of other class of shares have no right to attend and vote.

2. Meetings of the Directors

Meetings of directors are called Board Meetings. These are the most important as well as the most frequently held meetings of the company. It is only at these meetings that all important matters relating to the company and its policies are discussed and decided upon.

Since the administration of the company lies in the hands of the Board, it should meet frequently for the proper conduct of the business of the company. The Companies Act therefore gives wide discretion to the directors to frame rules and regulations regarding the holding and conduct of Board meetings.

The directors of most companies frame rules concerning how, where and when they shall meet and how their meetings would be regulated. These rules are commonly known as Standing Orders.

3. Meetings of Debenture Holders

Page | 4

The debenture holders of a particular class conduct these meeting. They are generally conducted when the company wants to vary the terms of security or to modify their rights or to vary the rate of interest payable etc. Rules and Regulations regarding the holding of the meetings of the debenture holders are either entered in the Trust Deed or endorsed on the Debenture Bond so that they are binding upon the holders of debentures and upon the company.

4. Meetings of the Creditors

Strictly speaking, these are not meetings of a company. They are held when the company proposes to make a scheme of arrangements with its creditors. Companies like individuals may sometimes find it necessary to compromise or make some arrangements with their creditors, In these circumstances, a meeting of the creditors is necessary.

Procedure of Meetings

All the meetings held in companies have to follow certain well defined rules and procedure for their efficacious functioning. There may be certain variations but general procedure is same. There are some steps that have to be mandatorily followed:

- **Issuance of notification**– The board of directors and all the concerned members have to be informed beforehand about the meeting to ensure their presence. It can be a long term or short notice depending on the situation.
- **Contents of notice**– The notice has to specify place, date , time, description about the matter of importance to be discussed and some brief about business. It has to be duly signed by the convener with the date of issuance.

- **Quorum**[xix] – The person responsible for notifying the meeting has to ensure that the meeting has been pre notified to appropriate quorum which has to be present in the meeting as specified in the Act. The quorum has to be maintained throughout the meeting. [xx]
- **Chairman**[xxi] – Every meeting has to be compulsorily presided by a chairperson. Generally, the chairman of the Board of Directors is the Chairman of the meeting.[xxii] He is responsible to initiate the discussion of motions in the meeting and conclude the same. It's his responsibility to ensure smooth functioning of the meeting. The chairman can also be selected by voting through hands.
- **Resolutions**– These are the decisions taken in every meeting. When these are put to consideration and voting there are certain procedures and rules to be followed. These are provided in various sections[xxiii].
- **Voting** – There might be matters on which there is no general consensus and voting has to be done. After detailed discussion, the chairperson may call the matters (if undecided) for voting. There have been specified requirements for voting in different meetings in the companies Act, 2013[xxiv]. The process of voting is supervised by the chairman.
- **Adjournment and Minutes** – After careful consideration and discussion, the meeting is concluded which is called as adjournment and subsequently dissolution where members disperse. These deliberations have to be documented in an official document of the company providing gist of every meeting which are called minutes of meeting. Every important detail of the meeting has to be included as said in companies' act 2013. [xxv]
- **Report**[xxvi] – companies are required to prepare report of the meeting as in case of AGM detailing the conduct of the meeting. The copy of the same has to be filed with the registrar.

Conclusion

A company is an enormous institution where every matter has to be decided by the members of the company using careful consideration and prudence. The companies Act thereof specifies various provisions for meetings to be held so that

decisions are taken place after vigilant deliberation. These provisions ensure smooth functioning of the companies and facilitate their effective working.