Kinds of Company Meetings

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Meaning of company meeting

The word meeting is not defined anywhere in the Companies Act. Ordinarily, a company may be defined as gathering, assembling or coming together of two or more persons (by previous notice or by mutual arrangement) for discussion and transaction of some lawful business.
Kinds of Company meetings:
I)Meetings of shareholders: 1)Statutory meeting
2)Annual general meeting (AGM) 3) Extra ordinary general meeting
4)Class meetings
II) Meetings of Directors
1) Meeting of Board of Directors 2)Meetings of directors
III)Meetings of creditors,debenture holders and contributaries

I)Meetings of shareholders

The shareholders are the real owners of the company, but due to certain limitations they cannot take part in the management of the company.Meeting of shareholders can be classified as under:

1)Statutory Meeting:

Every public company having share capital must convene a general meeting of shareholders within a period of not less than one month and not more than six months after the date on which it is authorised to commence its business. This is the first meeting of the shareholders of the company and it is held once in the whole life of the company.The statutory meeting is held to inform the shareholders about matters relating to incorporation, allotment of share, the details of the contracts concluded by the company, etc

2)Annual General Meeting (AGM):

The object of holding this meeting is to review the progress and prospects of the company and elect its office-bearers for the coming year.The first annual general meeting of the company is held within 18 months of its incorporation.Subsequent annual general meeting must be held by the company each year within six months of the closing of the financial year.The Board of Directors has to call Annual General Meeting giving 21 days notice to all the members entitled to attend the meeting.

3)Extraordinary General Meeting:

Extraordinary meeting is a general meeting which is held between two Annual General Meetings. Extraordinary General Meeting is Called to discuss any particular matter of urgent importance to the company.This meeting is called for the consideration of any specific subject, decision of which cannot be postponed to the next Annual General Meeting.This meeting may also be called to discuss the following:

(i) Alteration of any clause of Memorandum of Association; or

(ii) Changes in the Articles of Association; or

(iii) Scheme of the reduction of share capital etc

The special resolutions passed at Extraordinary General Meeting have to be filed with the Registrar within 15 days.

4)Class Meetings:

When the meeting of a particular class of shareholders takes place such as preference shareholder meeting, it is known as class meeting.Such a meeting can be attended only by that class of shareholders.Such a meeting is called for the alteration in the rights and privileges of the shareholders and for the purpose of conversion of one class of shares into another.

II)Meetings of Directors:

1**) Meetings of Board of Directors:**

The directors of a company exercise most of their powers in a joint meeting called the meeting of the Board.In the case of every company, a meeting of the Board of Directors must be held:(i) At least once in every three months, and(ii) At least four such meetings shall be held in every year. [Sec. 285]Board meetings are called for the following business:(i) To issue shares and debentures.(ii) To make calls on shares.(iii) To forfeit the share(iv) To transfer, the shares.(v) To fix the rate of dividend.(vi) To take loan in addition to debentures.(vii) To invest the wealth of the company.(viii) To think over the difficulties of the company.(ix) To determine the policies of the company.

2)Meetings of the Committees of Directors:

The Board of Directors may form certain committees and delegate some of its powers to them. These committees should consist of only directors. The delegation of powers to such committees is to be authorised by the Articles of Association and should be subject to the provisions of the Companies Act.

In a large company routine matters like Allotment, Transfer, Finance are handled by sub-committees of the Board of Directors.

III)Meetings of creditors,debenture holders and contributaries:

The meetings of creditors are called when the company proposes to make a scheme for arrangement with its creditors.Section, 391 to 393 of the Companies Act not only give powers to the company to compromise with the creditors but also lay down the procedure of doing so.Meetings of the debenture holders are held from time to time where the interests of debenture holders are involved at the time of reconstruction, reorganisation, amalgamation or winding up of the company.