

Section 96 – Annual General Meeting (AGM)

1. Statutory Requirement

- **Every company (other than OPC)** shall hold an **Annual General Meeting (AGM)** every year.
- AGM is **mandatory**, even if there is **only one item of business**.

2. Time Limit for Holding AGM

(a) First AGM

- May be held **within 9 months from the end of the first financial year**.
- **No requirement** to hold AGM in the year of incorporation.

(b) Subsequent AGMs

- Must be held **within 6 months from the end of the financial year**.
- **Gap between two AGMs** shall not exceed **15 months**.



The **Registrar may grant extension of time** (maximum **3 months**) for holding AGM **except for the first AGM**.

3. Day, Time and Place of AGM

(a) Day

- AGM shall be held **on a day which is not a National Holiday**.
 - National Holiday = Republic Day, Independence Day, Gandhi Jayanti, or any day declared by CG.

(b) Time

- AGM shall be held **during business hours**, i.e. **between 9 a.m. and 6 p.m.**

(c) Place

- AGM shall be held at:
 - **Registered Office of the company**, or

- **Any other place within the city, town or village where the registered office is situated.**

4. Special Provisions

(a) Unlisted Company

- AGM may be held at **any place in India**, if:
 - **Consent of all members** is obtained in advance (written or electronic).

(b) Listed Company

- AGM must be held at a place that is **easily accessible to shareholders**.

5. One Person Company (OPC)

- **Section 96 does not apply.**
- **OPC is not required to hold AGM.**

6. Default in Holding AGM

- If a company fails to hold AGM:
 - **Any member** may apply to the **Tribunal (NCLT)**.
 - Tribunal may:
 - Call or direct the calling of AGM, and
 - Give such **ancillary or consequential directions** as it thinks fit.

7. Penalty (Linked with Section 99 – for exam reference)

- **Company:**
 - Penalty up to **₹1,00,000**
 - Continuing default: **₹5,000 per day**
 - Maximum: **₹5,00,000**

- **Every Officer in Default:**
 - Penalty up to **₹1,00,000**
 - Continuing default: **₹5,000 per day**
 - Maximum: **₹5,00,000**

8. Exam Tips (Very Important)

- Always write:
 - **“Section 96 of the Companies Act, 2013”**
- Clearly mention:
 - **9 months / 6 months**
 - **15 months gap**
 - **Business hours (9 a.m.–6 p.m.)**
 - **Not a National Holiday**
- OPC exemption is a **frequently tested MCQ & short note area.**

Section 103 – Quorum for Meetings

1. Meaning of Quorum

Quorum means the **minimum number of members** required to be **personally present** to validly constitute a meeting.

2. Quorum for General Meeting

Unless Articles provide for a **larger number**, the quorum shall be:

(a) Public Company

Number of Members Quorum

Up to 1,000	5 members personally present
1,001 – 5,000	15 members personally present
More than 5,000	30 members personally present

(b) Private Company

- **2 members personally present**

3. Presence of Members

- Members must be **personally present**.
- **Proxy is not counted** for quorum.
- A member **present by video conferencing** is considered personally present (as per rules).

4. Quorum at Adjourned Meeting

- If quorum is not present **within 30 minutes** from the scheduled time:
 - Meeting shall stand **adjourned** to the same day, same time, same place **next week**
(or such other date/time/place as Board decides).
- **At adjourned meeting:**
 - Members present shall be the **quorum, irrespective of their number**.

5. Exception – Meeting called on requisition

If a meeting is called on requisition of members and quorum is not present:

- The meeting shall **stand cancelled** (not adjourned).

6. Important Exam Points / Keywords

- “Personally present”
- “Within 30 minutes”
- “Proxy not counted”
- “Members present form quorum in adjourned meeting”
- “Requisition meeting → cancelled”

7. Section at a Glance (One-Line Revision)

Sec 103: Fixes minimum number of members personally present to validly hold a general meeting; provides rules for adjournment and cancellation.

Section 112 – Representation of President & Governor

- Applicable when **President of India / Governor of State** is a **member** of company.
- May appoint **any person** as **representative**.
- Appointment must be **in writing**.
- Representative can **attend, speak & vote**.
- Representative is **counted for quorum**.
-

Section 113 – Representation of Body Corporate

- Applicable when **body corporate** is a **member** of company.
- May appoint **authorised representative** by **Board resolution**.
- Representative can **attend, speak & vote**.
- Representative is **counted for quorum**.
- **One person cannot represent more than one body corporate** in same meeting.

Section 101 – Notice of Meeting

(Companies Act, 2013)

1. Meaning of Notice

- **Notice of a meeting** means an **intimation given to members** about:
 - Date
 - Day
 - Time
 - Place
 - Business to be transacted at the meeting

2. Length of Notice – General Rule (Section 101(1))

- A **general meeting** (AGM / EGM) may be called by giving:
 - 👉 **Not less than 21 clear days' notice**

📌 **Clear days** =

- Exclude:
 - Day of sending notice
 - Day of meeting

3. To Whom Notice Must Be Given (Section 101(3))

Notice shall be given to:

1. **Every member** of the company
2. **Legal representative** of deceased member
3. **Assignee of insolvent member**
4. **Auditor(s)** of the company
5. **Directors** of the company

4. Mode of Sending Notice (As per Act & Rules)

Notice may be sent by:

- Hand delivery
- Post
- Registered post
- Speed post
- Courier
- **Electronic means (e-mail)**

 Company must ensure **proof of dispatch**.

5. Shorter Notice (Section 101(1) – Proviso)

A meeting may be called at **shorter notice** if consent is given:

(A) Annual General Meeting (AGM)

- Consent of **at least 95% of members entitled to vote**

(B) Extra-Ordinary General Meeting (EGM)

- Consent of:
 - **95% of members entitled to vote**, OR
 - **Majority of members** (in case of private company, if Articles so provide)

 Consent may be:

- Written, or
- Electronic mode

6. Business Transacted at Shorter Notice

- Business transacted at a valid shorter notice meeting is **fully valid**.

7. Important Clarifications (Exam Focus)

- Notice period of **21 clear days is mandatory**, unless valid consent for shorter notice is obtained.
- **Accidental omission** to give notice to a member **does not invalidate** the meeting.
- Section 101 applies to:
 - AGM
 - EGM
 - Requisitioned meetings

Section 102 – Explanatory Statement

(Companies Act, 2013)

1. Meaning of Explanatory Statement

- **Explanatory Statement** is a statement annexed to the notice of a general meeting
- It explains **material facts** relating to **special business** to enable members to take an informed decision.

2. Applicability of Section 102

Type of Business **Explanatory Statement**

Ordinary business  Not required

Special business  Mandatory

 Applies to:

- AGM (for special business)
- EGM (all business is special)

3. What is Special Business?

(A) AGM

Special business includes **all business other than**:

1. Consideration of financial statements
2. Declaration of dividend
3. Appointment of directors in place of retiring directors
4. Appointment / fixation of remuneration of auditors

(B) EGM

- **All business is special business**

4. Contents of Explanatory Statement (Section 102(1))

The explanatory statement shall disclose:

1. **Material facts** concerning each item of special business
2. **Nature of concern or interest**, financial or otherwise, if any, of:
 - Directors
 - Manager
 - Key Managerial Personnel (KMP)
 - Relatives of the above
3. Any other information enabling members to understand:
 - Scope
 - Implications
 - Interest involved

5. Special Requirement – Related to Directors / KMP

- If a resolution relates to:
 - Appointment
 - Re-appointment

- Variation of terms
- Statement must disclose:
 - Nature of concern or interest of such person

6. Consequences of Non-Disclosure (Section 102(5))

If required information is **not disclosed**:

- Any benefit accruing to:
 - Promoter
 - Director
 - Manager
 - KMP
- Shall be:
 **Held in trust for the company**
- Company may recover such benefit.

7. Penalty for Default (Section 102(4))

- **Promoter, Director, Manager or KMP** responsible:
 - Penalty up to ₹50,000
- If benefit accrued:
 - Amount recoverable + penalty

8. Important Exam Points / Traps

- Explanatory statement is **part of notice**
- Not required for **ordinary business**
- Mandatory even if **resolution is unanimous**
- Applies to **postal ballot** also

- Omission or misstatement → **penalty & recovery**

Section 105 – Proxies

(Companies Act, 2013)

1. Meaning of Proxy

- A **proxy** is a person **appointed by a member** to:

- Attend a general meeting
- Speak and vote on behalf of the member

 **Proxy need not be a member** of the company.

2. Right to Appoint Proxy (Section 105(1))

- Every member **entitled to attend and vote** at a meeting:

- May appoint **another person as proxy**
- To attend and vote **instead of himself**

 **Proxy can vote only on a poll**, not on show of hands.

3. Proxy is Not a Member

- Proxy:

- **✗ is not entitled to speak** at the meeting
- **✗ is not counted for quorum**
- **✓ can vote on poll**

4. Restriction on Number of Proxies (Section 105(1) Proviso)

A person cannot act as proxy for more than:

- **50 members, AND**
- Members holding **not more than 10% of total voting power**
 - 👉 If a person holds **more than 10% voting power**, he may appoint **only one proxy**, and that proxy **cannot act as proxy for any other member**.

5. Form and Deposit of Proxy (Section 105(6))

- Proxy must be:
 - **In writing**
 - Signed by the appointer or authorised person
- Proxy form must be deposited:
 - 👉 **At least 48 hours before the meeting**
 - 👉 Articles **cannot require a longer period**.

6. Inspection of Proxies (Section 105(8))

- A member entitled to vote:
 - May inspect proxy forms
 - By giving **not less than 3 days' notice** in writing
- Inspection allowed during:
 - **24 hours before meeting**

7. Revocation of Proxy

- Proxy can be revoked:
 - By attending and voting personally
 - By issuing a fresh proxy
 - By death or insolvency of member (if known to company)

8. Proxy in Case of Company Member

- Body corporate may:
 - Appoint proxy
 - Or authorise a representative under Section 113

9. Penalty for Invitation to Appoint Proxy at Company's Expense (Section 105(5))

- If company issues invitation to appoint proxy at its expense:
 - Fine up to **₹1,00,000**
 - Every officer in default → fine up to **₹5,000**

10. Important Exam Traps / MCQs

- Proxy ≠ Member
- Proxy not counted for quorum
- Proxy can vote only on poll
- Maximum **50 members + 10% voting power**
- Deposit time = **48 hours (not more)**

Section 100 – Calling of Extraordinary General Meeting (EGM)

(Companies Act, 2013)

1. Meaning of EGM

- **Extraordinary General Meeting (EGM)** is a general meeting **other than AGM**.
- It is called to transact **urgent or special business** which cannot wait till the next AGM.

2. Who Can Call an EGM?

(A) Board of Directors – Section 100(1)

- The Board may **suo motu** call an EGM whenever it deems fit.

(B) Requisitionists (Members) – Section 100(2)

Members may requisition the Board to call an EGM if they hold:

(i) In case of company having share capital:

- **Not less than 1/10th (10%) of paid-up share capital**
- Carrying **voting rights**

(ii) In case of company not having share capital:

- **Not less than 1/10th (10%) of total voting power**

 Voting power is calculated **on the date of requisition**.

3. Requisition for EGM – Procedure

(A) Form of Requisition

- Requisition must:
 - Be **in writing**
 - State the **matters to be considered**
 - Be **signed by requisitionists**
 - Be **deposited at the registered office**

(B) Duty of Board (Section 100(4))

- Board must:
 - **Proceed to call EGM within 21 days** of valid requisition
 - Meeting must be held **within 45 days** of requisition date

4. Failure of Board to Call EGM (Section 100(4) & (5))

If Board **fails** to call EGM:

(A) Who can call?

- Requisitionists themselves may call the EGM

(B) Time Limit

- Meeting must be held:
 **Within 3 months** from date of requisition

(C) Manner of Calling

- Same manner as Board would call
- Expenses incurred:
 - **Reimbursed by company**
 - Recoverable from **defaulting directors**

5. Chairperson of Requisitioned EGM

- Chairperson elected by:
 - Members present
- If Articles provide otherwise → follow Articles

6. Important Special Points (Exam-Focused)

- Only **members with voting rights** can requisition
- Requisitionists must **hold qualification continuously**
- Business at EGM = **special business**
- If quorum not present:
 - **Requisitioned EGM stands cancelled** (Section 103)

7. Comparison Chart (High-Scoring)

Particulars	Board-called EGM	Requisitioned EGM
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Particulars	Board-called EGM Requisitioned EGM	
Who calls	Board	Members
Minimum holding	Not applicable	10% voting power
Time to call	Any time	21 days
Time to hold	Any time	45 days
If default	Not applicable	Members call within 3 months

8. Common MCQ / Case Law Traps

- 10% refers to **voting power**, not number of members
- If Board does not act → **members get statutory right**
- Requisitioned meeting ≠ adjourned meeting
- **No AGM business** at EGM

9. One-Line Memory Tool

👉 EGM = **Urgent | 10% members | 21 days call | 45 days hold | 3 months by members**

Section 109 – Demand for Poll

(*Companies Act, 2013*)

1. Meaning of Poll

- **Poll** means voting by members based on **voting rights attached to shares**, instead of voting by **show of hands**.
- Poll reflects the **true sense of shareholders**.

2. When Can Poll Be Demanded?

- A poll may be demanded:
 - **Before** declaration of result of voting by show of hands, or
 - **Immediately after** declaration of result

3. Who Can Demand a Poll? (Section 109)

A poll can be demanded by:

(A) In case of company having share capital:

Members present in person or by proxy who represent:

- **Not less than 1/10th (10%) of total voting power, OR**
- Shares on which **aggregate sum paid-up \geq ₹5,00,000**

(B) In case of company not having share capital:

- Members present in person or by proxy having:
 - **Not less than 1/10th (10%) of total voting power**

 Demand must be made by **eligible members only**.

4. Chairman's Role in Poll

- Chairman **must order a poll** if valid demand is made.
- Chairman **cannot refuse** a valid demand for poll.

5. Timing of Poll (Section 109(2))

Nature of Business **Time for Taking Poll**

Election of Chairman Immediately

Adjournment of meeting Immediately

Any other matter **Within 48 hours**

6. Withdrawal of Demand

- Demand for poll **can be withdrawn** before the poll is taken.
- If withdrawn → result by show of hands stands.

7. Effect of Poll

- Result of poll **supersedes** result of voting by show of hands.
- Resolution is deemed to be passed on:
👉 **Date of meeting**, not date of poll.

8. Important Exam Points / Traps

- Proxy **can demand poll**
- Chairman **cannot deny** poll if conditions satisfied
- ₹5 lakh criterion applies **only if company has share capital**
- Poll demand ≠ automatic poll
- Section 109 applies to **general meetings only**

9. Comparison: Show of Hands vs Poll (Quick View)

Basis	Show of Hands	Poll
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Voting right 1 vote per member Based on shareholding

Proxy	Cannot vote	Can vote
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Accuracy	Less accurate	More accurate
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Section 112 – Representation of President & Governors in Meetings

1. Applicability

- Applies **only when**:
 - **President of India**, or
 - **Governor of a State**
is a **member of a company**.

2. Right of Representation (Section 112)

- President or Governor **may appoint any person** as his **representative**.
- Appointment is:
 - **In writing**
 - Signed by the President / Governor
 - Delivered to the company

3. Rights of Representative

- The representative shall be:
 - Entitled to **attend meetings**
 - Entitled to **vote** at meetings
- Such representative is deemed to be:
 **A member personally present**

 Important distinction:
Representative ≠ Proxy

4. Exam-Focused Points

- Representative:
 - ✓ counted for **quorum**
 - ✓ can vote on **show of hands & poll**
- Appointment can be **withdrawn / changed** anytime.

- Section applies to **General Meetings only**.

5. One-Line Memory Tool

👉 President / Governor → Written representative → Treated as member personally present

Section 113 – Representation of Corporations at Meetings

1. Applicability

- Applies where:
 - A **body corporate** (company, LLP, statutory corporation, etc.)
 - Is a **member or creditor** of another company.

2. Appointment of Representative (Section 113)

- Body corporate may:
 - **Authorize a person** to act as its representative
- Authorization:
 - By **resolution** of Board / governing body
 - Copy of resolution must be **submitted to company**

3. Rights of Corporate Representative

The authorized representative shall have:

- Same rights as the body corporate:
 - ✓ Attend meeting
 - ✓ Vote
 - ✓ Speak

- Deemed to be:
👉 **Member personally present**

📌 Even if Articles restrict proxies, **corporate representative cannot be restricted**.

4. Corporate Representative vs Proxy (Very Important)

Basis **Corporate Representative Proxy**

Legal status	Deemed member	Not a member
Quorum	Counted	Not counted
Voting	Show of hands & poll	Poll only
Speaking	Allowed	Not allowed
Appointment Board resolution		Member's authority

5. Section 113 – Creditors' Meetings

- Corporate representative may also:
 - Represent body corporate at:
 - Creditors' meetings
 - Debenture-holders' meetings

6. Important Exam Traps / MCQs

- Corporate representative ≠ Proxy
- Board resolution is **mandatory**
- Representative enjoys **full member rights**
- Section 113 applies to:
 - Members
 - Creditors

- Debenture holders

7. Combined Snapshot (High-Scoring)

Section	Who appoints	Who represents
112	President / Governor	Any individual
113	Body Corporate	Authorized person

8. One-Line Memory Tool

👉 Sec 112 = President / Governor | Sec 113 = Body Corporate

Section 118 – Minutes of Proceedings of General Meeting, Board Meeting and Other Meetings

1. Meaning of Minutes

- **Minutes** are the **official written record** of proceedings of:
 - General Meetings
 - Board Meetings
 - Meetings of Committees of the Board

2. Mandatory Maintenance of Minutes (Section 118(1))

Every company shall:

- Prepare
- Sign
- Keep **minutes of proceedings**

📌 Minutes must be prepared **within 30 days** of conclusion of the meeting.

3. Manner of Recording Minutes (Section 118(2))

- Minutes shall:
 - Contain **fair and correct summary** of proceedings
 - Include:
 - Appointment of directors
 - Appointment of KMP
 - Resolutions passed

4. Minute Book (Section 118(1))

- Minutes shall be:
 - Entered in **Minute Books**
 - Kept at:
 - **Registered Office**
 - Pages shall be:
 - **Consecutively numbered**

5. Signing of Minutes (Section 118(1))

(A) General Meeting

- Signed by:
 - **Chairman of the same meeting**, or
 - Chairman of the **next meeting**

(B) Board / Committee Meeting

- Signed by:
 - **Chairman of the meeting**
 - Or Chairman of the **next meeting**

6. Evidentiary Value of Minutes (Section 118(7))

- Minutes duly kept and signed:
 - Are **evidence of proceedings**
 - Until contrary is proved

7. Penalty for Non-Compliance (Section 118(11))

Person	Penalty
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Company	₹25,000
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Every officer in default	₹5,000
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8. Important Exam Points / Traps

- 30 days time limit is **mandatory**
- Chairman's signature is **essential**
- Minutes once entered **cannot be altered**
- Applies to **all companies**

9. One-Line Memory Tool

👉 Minutes = 30 days | Chairman signs | Evidentiary value

Section 121 – Report on Annual General Meeting (AGM)

1. Applicability

- Section 121 applies to:
 **Listed Public Companies only**

2. AGM Report (Section 121(1))

- Every listed public company shall:
 - Prepare a **report on AGM**
 - Confirming that:
 - AGM was convened, held and conducted
 - In accordance with the Act and Rules

3. Filing of AGM Report

- Report shall be:
 - Filed with **Registrar of Companies (ROC)**
 - In **Form MGT-15**
 - Within **30 days of AGM**

4. Contents of AGM Report

- Confirmation of:
 - Date, time and venue of AGM
 - Proper quorum
 - Compliance with Act & Rules
 - Voting results

5. Penalty for Default (Section 121(3))

Person	Penalty
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Person **Penalty**

Company ₹1,00,000

Officer in default ₹25,000

❖ Additional penalty:

- ₹500 per day
- Maximum ₹5,00,000 (company)
- Maximum ₹1,00,000 (officer)

6. Important Exam Traps / MCQs

- Section 121 **does not apply to private companies**
- Filing form = **MGT-15**
- Time limit = **30 days**
- Separate from Annual Return (Sec 92)

7. Comparison (High-Scoring Area)**Basis** **Section 118** **Section 121**

Subject Minutes AGM Report

Applicability All companies Listed public companies

Time limit 30 days 30 days

Filing with ROC No Yes

8. One-Line Memory Tool

👉 118 = Minutes | 121 = AGM Report (Listed Co.)

Section 92 – Annual Return

(Companies Act, 2013)

1. Meaning of Annual Return

- **Annual Return** is a statutory document containing:
 - Key information about the company
 - As on the **close of the financial year**
- It reflects the **ownership, management and compliance status** of the company.

2. Applicability

- **Section 92 applies to all companies:**
 - Public company
 - Private company
 - OPC
 - Section 8 company (with prescribed exemptions)

3. Contents of Annual Return (Section 92(1))

Annual Return shall contain particulars of:

1. Registered office, principal business activities
2. Particulars of:
 - Holding company
 - Subsidiary
 - Associate companies
3. Shares, debentures and other securities and shareholding pattern
4. Indebtedness
5. Members and debenture-holders

6. Promoters, directors and KMP and changes therein
7. Meetings of members / Board / Committees
8. Remuneration of directors and KMP
9. Penalties or punishments imposed
10. Matters relating to:
 - Compounding
 - Appeals
 - Compliance certifications

4. Form and Time Limit for Filing (Section 92(4))

Type of Company Form Time limit

OPC & Small Company **MGT-7A** Within **60 days** from AGM / due date

Other companies **MGT-7** Within **60 days** from AGM

 If AGM not held → within **60 days from the date AGM should have been held**.

5. Certification of Annual Return (Section 92(2))

(A) Listed Company

- Annual Return must be:
 - **Certified by a Company Secretary in Practice**
 - **In Form MGT-8**

(B) Other Companies

- Certification required **only if prescribed limits exceeded**.

6. Extract of Annual Return

- Requirement to attach extract in Board's Report has been **omitted**.

- Instead:
 - Annual Return shall be:
 - Placed on company's **website**
 - Web-link disclosed in Board's Report

7. Penalty for Default (Section 92(5))

Person	Penalty
Company	₹10,000 + ₹100 per day
Maximum (Company)	₹2,00,000
Officer in default	₹10,000 + ₹100 per day
Maximum (Officer)	₹50,000

8. Important Exam Points / Traps

- Annual Return ≠ Financial Statements
- AGM date is **crucial** for time limit
- Section 92 applies even if:
 - Company is **inactive**
- Certification by CS is a **high-weight MCQ area**
- MGT-7 ≠ MGT-15 (AGM Report)

9. Comparison (High-Scoring)

Section	Subject	Form
92	Annual Return	MGT-7 / MGT-7A
121	AGM Report	MGT-15

10. One-Line Memory Tool

👉 Sec 92 = Annual Return | 60 days | MGT-7 / MGT-7A | CS Certification