UNIT 13 COMPANY MEETING

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13.1 LEARNING OBJECTIVES

After going through this unit, you will be able to :

- discuss the concept and meaning of meeting
- describe types of meeting
- discuss secretarial practices relating to holding of Meetings
- discuss about minutes writing and types of Minutes
- learn drafting or writing of Minutes

13.2 INTRODUCTION

In the previous unit we discussed about correspondences and its different forms.In this unit we will discuss about the concept and meaning of meeting. Meeting can be defined as; any gathering, assembly or coming together of two or more persons for the transaction of some lawful business of common concern". We will also discuss the types of meeting and secretarial practices relating to holding of Meetings.

At the end of this unit , we will get a fair idea about minutes writing and types of Minutes and learn drafting or writing of Minutes.

13.3 MEANING OF MEETING

A meeting is an assembly of two or more persons for discussing matters related to the organisation or the firm. Usually, meetings are an integral element of company form of organisation, but its significance for any other type of entity cannot be ignored. The manager or a concerned individual with the requisite authority in an organisation may call for a meeting to discuss or communicate management problems or decisions. The condition and decision to hold a meeting may prove to be useful or wasteful depending upon the planning and conduct of the meeting.

The following are some of the definitions given by scholars:

Sharp vs. Dawes (1971), defined meeting as "An assembly of people for a lawful purpose" or "the coming together of at least two persons for any lawful purpose."

According to P.K. Ghosh "Any gathering, assembly or coming together of two or more persons for the transaction of some lawful business of common concern is called meeting."

According to K. Kishore, "A concurrence or coming together of at least a quorum of members by previous notice or mutual agreement for transaction business for a common interest is meeting."

From the above definitions of meeting, it can be concluded that meeting is the congregation of several persons in a particular place for the purpose of discussing some important matters and expressing their opinion on the questions raised.

13.4 TYPES OF MEETING

Meetings can be of different types depending upon the purpose and objectives of holding the meeting. However, according to the companies act, 1956, company meetings may be classified into three broad categories:

A) Meetings of Shareholders: These are meetings meant for discussing issues pertaining to shareholders' interests from time to time. Shareholder meetings can be of three types, namely:

i) **Statutory Meeting:** This is the first official general meeting of the shareholders of a public company and is held only once in the life time of the company. A company meeting must be held within a period of not less than one month and not more than six months from the date of commencement of the company. It is held with the objectives of informing the members about the progress of the company since registration and the finance issues in addition to making them familiar with each other. It further enables discussions on future prospects and matters of formation of the company.

ii) **Annual general meeting:** It is the general meeting held once in every year within six months of closure of the annual accounts. A notice convening the meeting is to be given in writing 21 days before the scheduled date of the meeting and it is to be held during the business hours on working days at the registered office. The objective of an annual general meeting is to facilitate the review of the company's performance over the past one year on the basis of annual accounts and reports given by the auditors and directors. Dividend approval and the election or appointment of directors and auditors alongwith fixing up the remuneration are also a matter of consideration in this meeting.

iii) **Extra-ordinary General Meeting:** Certain urgent issues which need immediate discussion and cannot be postponed to the next annual meeting are raised in the extra ordinary general meeting. Such extra ordinary matters may be like increasing the share capital, alteration of the Memorandum or Articles of Association etc.

B) Meetings of Directors: The Directors of the company are entrusted with the managerial tasks of the company and they represent the shareholders as well. So they have their directors' meetings for discussing the management affairs of the company and other such matters related to the company. The meetings of the directors can be of two types, namely:

i) **Board Meetings:** The Directors of a company meet at regular intervals to discuss the day-to-day matters of the business. This interval is usually for three months and the meeting must be held four times a year. The

board meeting entails discussions on confirmation of minutes of the previous meeting and consideration of financial accounts of the company. It further discusses the transfer, transmission or forfeiture and reissue of shares. Debenture related matters are also held raised in the board meetings in addition with profit, dividend and other matters.

ii) **Committee Meetings:** Since it is not always possible for the Directors to attend to every work or aspect of the business, sub-committees are formed to look into these matters. Such committees meet at regular intervals to discuss issues like evaluation of new projects, investigation of matters, etc. These meetings are referred as the committee meetings.

*C) **Other Meetings:*** Any other matter that needs proper discussion over and above consideration in the already mentioned categories is classified under other meetings category. These generally include meetings of creditors and debenture holders to discuss and resolve matters affecting their interest.



CHECK YOUR PROGRESS

Q1: Define meeting.

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Q2: Name any three types of meetings

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13.5 SECRETARIAL PRACTICES RELATING TO HOLDING OF MEETINGS

Office communication is a crucial element of organisational success. Proper communicative forms, especially for internal communication provides the initial support for smooth organisational functioning. It is the

responsibility of the concerned secretary for ensuring adequate communication for the exchange of information within the organisation. There are diverse forms of office communication, and the choice of the ideal form depends upon the expertise and knowledge of the concerned individual. An organisation is free to evolve its own style as per its requirement, but the primary factor is ensuring that the chosen form serves the purpose of the communication. Notices, circulars, orders etc. are such important forms of communication which have been discussed below.

- ***Notice:*** In regard to holding a meeting, a proper notice of the meeting should be given for informing the members. Usually, a time span of 21 days or the specific time period as stated in the organisational bye-laws is given to all members for a general meeting with details of the place, day and time of the meeting and the business to be transacted. It may also be attached in a separate list known as an agenda. The secretary prepares the notice in consultation with the chairperson of the meeting taking note of all the rules and regulations of the same.Many notices require signatures of staff or some other indication or agreement with a proposal or policy decision. They are generally pinned on a wall notice board and prove to be an effective way of reaching out to the members for whom they are meant. The following are the essential features of a notice of a meeting:

a) *Contents:* The notice of the meeting must mention the body which is to meet, the day, date, place and time of the meeting in addition to the purpose and signatures concerned.

b) *Enclosure:* A notice usually has some relevant documents attached like the minutes of the previous meeting, agenda of the current meeting, the other documents supporting the decisions of the members etc.

c) *Other information:* The notice may also provide details of duration of the meeting, the refreshment break, travelling expense etc.

- ***Agenda:*** An agenda is a document which outlines the contents, or issues to be discussed at a meeting. It is prepared by the secretary and sent out with the notification for the information of the members. Preparing an agenda is one of the most important duties of a secretary

since it helps the members to come prepared for the meeting and also for the chairperson to conduct the meeting smoothly. The agenda is an official list of the things to be dealt with at the meeting and may also be not circulate in advance, in case the secretary or chairperson does not want the members to know for the larger interest of the business.

The basic features of an agenda demand for the details of the contents in terms of day, date, place and time of meeting and the business to be transacted. It is also accompanied by necessary documents such as copies of budgets, project proposals etc. Items in the agenda are numbered and sequenced in order of their importance, with the most important ones at the beginning and the routine matters at the end. However, certain routine items like the confirmation of the minutes of the previous meeting is made at the start of the meeting and the last item is marked as 'Any other matter' with the prior approval of the chairperson.

Importance of Agenda:

a) It provides with advance intimation to the members about the upcoming meeting and the business to facilitate necessary preparation.

b) It enables the smooth conduct of the meeting in a proper sequence and eliminates the possibilities of irrelevant discussions.

c) It facilitates the preparation of the minutes of the meeting.

- ***Quorum:***The minimum number of members essential for constituting a valid meeting is known as the quorum for the meeting. If the quorum is not present within half an hour of the scheduled time of the meeting, the meeting stands adjourned for the next date which is usually the same day and time in the next week. The quorum is generally fixed by the articles of the company.
- ***Motions:*** The definite proposal placed before the members in a meeting for discussion and decision is a motion. In fact it is the business of the meeting and must be in writing. It must also be drafted in clear unambiguous terms in affirmative form covering the scope of the business of the meeting and signed by the mover. A motion must be formally placed by a person and seconded by another, following which

the chairman may invite for debate and discussion. On completion, it is put to voting and if it is passed, it becomes a resolution.

- ***Resolutions:*** A motion, after being discussed and passed in the meeting, takes the form of a resolution. It is basically the recorded decision of a meeting on the motion that is placed and accepted. Resolutions must be in writing, recorded in the minute book word by word, and cannot be revoked in that same meeting.

A resolution as specified in the Companies Act can be generally of three types, namely; ordinary resolution, special resolution and resolution requiring special notice. An ordinary resolution is necessary for matters concerned with annual accounts, declaration of dividend, appointment of auditors etc. it is passed by a simple majority of votes, where the votes cast in favour exceeds the votes cast against it. The special resolution is passed by at least ¾ of the members voting by show of hands or poll and the intention to propose the resolution as a special resolution is mentioned in the notice of the meeting. It covers matters pertaining to alteration in the articles or memorandum of the company, reduction in capital or making changes in voting rights etc. There may be resolutions which require a special notice, and they are passed after giving an advance notice of such resolution much ahead of the meeting. It may be in regard to removal or appointment of a director or appointment of an auditor.

- ***Adjournment of meeting:*** Generally, a meeting a meeting, once convened, cannot be postponed by subsequent notice and before the meeting is convened, unless there is a specific statutory provision to this effect or the bye-laws or the regulations constituting the body convening the meeting permit. But once convened, a meeting may be adjourned to continue its unfinished business on some other date or due to want of the proper quorum. The date, place and time of the adjourned meeting are decided on that same meeting. In case of disorder, even if the relevant rules do not give the Chairman the power to adjourn the meeting, he may do so but for no longer than as considered necessary and the same must be communicated to those present in

that meeting.

13.6 MINUTES WRITING

Minutes are official records of the proceedings of a meeting. Minutes writing gives a summary of the discussions, debate or negotiations that take place during a meeting. It is very important for any business organisation to keep minutes of every meeting held. Minutes are a strict record of who said what and how the meeting was conducted, and are kept for years in order to facilitate easy reference as and when needed. However, the benefits of minutes are not limited to commercial organisations alone. Non-commercial entities too can benefit from proper maintenance of their minutes. Companies must maintain the minutes in a formal manner and state the important records for the awareness and information of the other members. Writing of minutes is a crucial part of office secretarial practices. It is usually the secretary of the unit which holds the meeting, who has the responsibility of writing the minutes of the meeting held.

13.6.1 Types of Minutes

Generally, minutes are of two types, namely the minutes of resolution and the minutes of narration.These are explained as below:

a) **Minutes of resolution:** This type of minutes makes a record of only the resolutions passed in the meeting as approved by the participating members of the meeting. No other detailsof the meeting are recorded.

b) **Minutes of narration:** In this type of minutes, a summary of all discussions, actions and decisions taken at the meeting are recorded along with a mention of the names of the participants and the mover and supporter of a resolution. This is a more detailed record of a meeting.

Apart from this classification, minutes are also categorised as:

i) **Verbatim minutes:** This form of minutes makes a word-for-word record of the meeting and is mostly followed in case of a legislative meeting or a Parliamentary meeting.

ii) **Decisions-only minutes:** It is a record of only the decisions taken in the meeting and no other details are noted.

iii) **Anecdotal minutes:** This type of minutes makes a record of the discussions and the decisions as well in a summarised form.

13.6.2 Minute book and Contents of minute

Minute book

The minute book is mostly a bounded book which contains the deliberations or discussions of a meeting. In other words, the minutes of a meeting are maintained in this minute book. It is a must to maintain a minute book for writing the minutes of a meeting. It is specially bound and contains suitable ruled ledger paper with pages that are consecutively numbered. There may be separate minute books for separate members and their meetings.

Contents of minute

The minutes of a meeting is a record of its proceedings and may also provide with details of the initial discussions prior to the final concluding points depending upon the type of meeting and the need of the minutes. However there are certain contents that every minute should contain such as:

i) **Heading:** The minutes of a meeting must have a clear heading that indicates the particular meeting of which they are a record. It must also indicate details of when and where the meeting was held. This is a vital record for any meeting.

ii) **Attendance:** It is very important to mention the attendance at the meeting with details of the names of the people who were present and also of the Chairman or President of the respective meeting. In case of committee meetings the names of the directors and members must be recorded. While the record of names of attendees to a meeting is an important record, it is impossible to record all the names of people present in a meeting of a large scale. Under such conditions, only the total number of people present at the meeting is recorded.

iii) **Previous minutes details:** The minutes also must contain the information of the previous minutes in terms of its approval, corrections and outstanding actions to be taken.

iv) **Action items:** This is a mention of any outstanding actions that need to be addressed from the previous meeting and the current issues as well. It also states the matters and opinions raised along with the mention of the name of the person who raises it.

v) **Announcements:** The minutes also indicate any form of announcement that is made by participants or those who sent their apologies for any matter related to the meeting, including proposed agenda items for the next meeting.

vi) **Notes:** Information pertaining to the date and place of the next meeting is also mentioned in the minutes.

vii) **Signatures:** The minutes must contain the signature of the person recording it or the secretary as the case may be along with the signature of the Chairman of the meeting.

13.6.3 Drafting or writing of Minutes

The writing or drafting of minutes need to be carried out in a careful manner taking note of certain issues and particulars. There are few requisites to be noted in order to attain the purpose of the minutes. Some of the features of an official record of minutes can be listed as below:

a) Minutes to large extent depend upon the skill, judgement and practice of the writer, in regard to which matter or aspect is to be recorded.

b) The record of minutes must be accurate, complete, precise and unbiased.

c) Minutes must be written in third person, indirect speech and in simple past tense.

d) The items in the minutes are to be serially numbered with suitable headings and chronologically set according to the agenda.

e) Minutes must be handwritten and pasting of typed matter must be avoided.

f) Minutes may be presented in a tabular form or a paragraph form, with a brief description of main points of discussion, the conclusions reached and the recommendations made.

g) Dates, figures, reference numbers of documents along with the day, time and place of meeting must be clearly recorded in the minutes. Also essential is the record of the names of members present at the meeting in their diverse capacities.

h) Any form of emotion displayed during the meeting, must be eliminated from record of the minutes and only the crucial facts, figures or discussions based on notes taken by the secretary must be recorded.

i) The minute book must be numbered for each page and signed by the chairperson to secure against any kind of tempering.



CHECK YOUR PROGRESS

Q3: Define minutes of resolution and minutes of narration

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Q4: Define Minute Book

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13.7 LET US SUM UP

- Meeting is the congregation of several persons in a particular place for the purpose of discussing some important matters and expressing their opinion on the questions raised.
- Meetings can be of different types depending upon the purpose and objectives of holding the meeting.They are: Statutory Meeting, Annual

general meeting, Extra-ordinary General Meeting,Board Meetings and Committee Meetings

- Notices, Agenda,Quorum,Motions,Resolutions,Adjournment of meeting are are such important forms of communication
- Generally, minutes are of two types, namely the minutes of resolution and the minutes of narration.
- The writing or drafting of minutes need to be carried out in a careful manner taking note of certain issues and particulars.



13.8 FURTHER READING

1) Herekar, P. M.() *Business Communication.*Phadke Prakashan
2) Pradhan, H., Bhende, D. S. & Thakur, V. *Business Communication.*



13.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: An assembly of people for a lawful purpose" or "the coming together of at least two persons for any lawful purpose

Ans to Q. No. 2: The types of meetings are: statutory meeting, annual general meeting and extra-ordinary general Meeting.

Ans to Q. No. 3: Minutes of resolution: This type of minutes makes a record of only the resolutions passed in the meeting as approved by the participating members of the meeting. No other detailsof the meeting are recorded.

Minutes of narration: In this type of minutes, a summary of all discussions, actions and decisions taken at the meeting are recorded along with a mention of the names of the participants and the mover and supporter of a resolution. This is a more detailed record of a meeting.

Ans to Q. No. 4: The minute book is mostly a bounded book which contains the deliberations or discussions of a meeting. In other words, the minutes of a meeting are maintained in this minute book.



13.10 MODEL QUESTIONS

Q 1: What is meant by meeting ?

Q 2: Describe different types of meeting

Q 3: Explain the secretarial practices relating to holding of Meetings

Q 4: Discuss about minutes writing and types of Minutes

Q 5: Write a note on drafting or writing of Minutes

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