



# Meetings

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In every company there are two types of meetings.

1. Directors Meetings (Board Meetings)
2. Shareholders Meetings (General Meetings)

### **Directors Meetings (Board Meetings)**

Directors meetings can be convened (called) whenever the directors think it is necessary. Members cannot take part in directors meetings. In these meetings decisions regarding the day to day management of the company are made. Procedures regarding these meetings are governed by the Articles.

### **Shareholders Meetings (General Meetings)**

There are 2 classes of General meetings. They are –

- i. Annual General Meeting and
- ii. Extraordinary General Meeting

#### **Annual General Meeting (Section - 133)**

Every company in each calendar year must hold a meeting called its annual general meeting for its shareholders. As per sec.133, it is the board of directors who should call this meeting.

The annual general meeting must be held not later than six months after the balance sheet date of the company, here the balance sheet date means as per sec.529, the 31st day of March or such other date as the board adopts.

A company is not required to hold its first annual general meeting in the calendar year of its incorporation, but it should hold its first annual general meeting within eighteen months from the date of its incorporation.

Subsequent annual general meetings must be held within fifteen months from the previous Annual General Meeting.

#### ***Consequences if there is a Default***

1. If default is made in holding the meeting, on the application of any shareholder of the company, the Registrar may call or direct the calling of an annual general meeting of the company and he may give any directions including a direction to the effect that one shareholder of the company present in person or by proxy shall be deemed to constitute a meeting.
2. Where default is made in holding a meeting of the company or in complying with any directions of the Registrar.
  - (a) the company shall be guilty of an offence and be liable on conviction to a fine not exceeding Rupees One Hundred Thousand; and
  - (b) every officer of the company who is in default shall be guilty of an offence, and be liable on conviction to a fine not exceeding Rupees Fifty Thousand.

### ***Period of notice***

According to sec.135 the minimum period of notice for the calling of an Annual General Meeting is 15 working days for both Public and Private Companies.

However if it is agreed by all the shareholders entitled to attend and vote at such meeting shorter notice than those specified above is permitted.

### ***Substitute for an AGM***

As per sec.144, It shall not be necessary for a company to hold an annual general meeting of shareholders, if everything required to be done at that meeting is done by a resolution in writing signed by not less than eighty-five per centum of the shareholders who are entitled to vote at that meeting.

That is, without holding an AGM, by way of a written resolution signed by not less than eighty-five per centum of the shareholders matters of an AGM can be performed.

### **Extra Ordinary General Meeting (Egm)**

Extraordinary General Meetings are the common general meetings in a company which are held depending on the requirements.

#### ***Convening the EGM***

An EGM can be convened by the directors, by the shareholders or by the court.

#### ***By the Directors***

##### **Optional**

- If articles permit, these meetings may be convened by the directors whenever they think it is necessary.  
Generally to call an EGM in a Private Company Five working days notice should be given by the directors. In Public Companies Ten working days notice should be given. However at the EGM if any Special Resolution is going to be passed Fifteen working days notice should be given in both companies.  
However if shareholders holding ninety five percent of the voting rights agree shorter notice than specified above can be given.

##### **Compulsory**

- But under sec.134, the directors must hold the EGM, if a requisition is made by the shareholders holding not less than ten per centum of the votes.  
The requisition shall state the issue or issues to be considered and voted on at the meeting and shall be signed by the requisitionists and deposited at the registered office of the company.

If such a requisition is made

- Within fifteen working days from the date of the deposit of the requisition the directors should give notice regarding the meeting and
- The meeting must be held within thirty working days from the date of the deposit of the requisition.

### ***By the Shareholders***

- Where the directors do not give notice to call the meeting within fifteen working days from the date of the deposit of the requisition, the requisitionists or any of them representing more than one-half of the total voting rights may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

A meeting convened by the requisitionists shall be convened in the same manner and as nearly as possible as that is convened by the directors. Any reasonable expenses incurred by the requisitionists shall be repaid to the requisitionists by the company, out of any sums due or to become due to the directors who were in default.

- As per sec.136, if the articles do not provide otherwise two or more shareholders holding shares which carry not less than ten per centum of the votes which may be cast on an issue, may call a meeting to consider and vote on that issue.

### **By the Court**

- According to sec.137 where for any reason it is impracticable to call a meeting in the manner specified by the company's articles or by the Act, the court may either of its own motion or on the application of any director or of any shareholder of the company who would be entitled to vote at the meeting, order a meeting of the company to be called and conducted and may give any direction as it thinks expedient, any such direction may include a direction that one shareholder of the company present in person or by proxy shall be deemed to constitute a meeting.

### **Re Opera Photographic Ltd**

There were two shareholders in a company called X and Y. X was holding 51% of shares and Y held the balance 49%. As per the articles the quorum for a shareholders meeting was two. X wished to remove Y from the post of director, but Y intentionally avoided the meeting knowing that if he attends the meeting he will be removed from the post of director. When the matter was referred to the court, the court (applying a similar provision as sec.137) held that one shareholder is sufficient to constitute a meeting.