**Goenka College of Commerce and Business Administration**

 **B. Com (Hons.) Semester-II**

Subject- Company Law Teacher: W.H.

Lecture No. – 1 (Under Unit-V, Chapter- Corporate Meeting)

 **Topic Name: Board Meeting**:

**Board Meeting (Section 173):**

A company is a body corporate and it possesses distinct entity. Company management is a democratic form of management and is independent of shareholders. The shareholders as owners cannot take part in the day to day activities the company. The affairs of the company are looked after and managed by a representative body of the owners. The body is known as the Board of Directors. The directors have to frequently meet on policy matters and review progress of work in the company from time to time. These meetings are called as board meetings. The provisions relating to Board Meetings are mentioned in sec173 to 175 of the Companies Act 2013. All such procedures and provisions contained in Company’s articles must be compiled with calling and holding a Board Meeting.

**Committee Meeting:**

Not only Board Meeting is called and held but also different committee meetings are essential for proper maintaining and managing day to day activities also the survival of the company. Committee meeting also must be convened in the proper way which indicates the issuing of notice for calling a committee meeting and quorum for such type of meeting. The meeting must be presided by the chairperson as per Companies Act, 2013.

**Rules for Board Meeting:**

There are some specific provisions in relation to Board Meeting as per U/S 173 of Companies Act. 2013. These are discussed as below:

**Holding of First Meeting of Board of Directors [Section 173(1)]**

Every company shall hold the first meeting of the Board of Directors within thirty days of the date of its incorporation.

**Minimum number of meetings and time gap between two board meetings [Section 173(1)]**

Holding a minimum number of four meetings of its Board of Directors every in such a manner that not more than one hundred twenty (120) days shall intervene between two consecutive meetings of the board.

**Direction of the central government [Section 173(1)]**

The central government my, by notification direct that the provisions of this sub-section shall not apply in relation to any class or description of companies or shall apply subject to such exception, modification, or conditions as may be specified in the notification.

**Participation of directions in person or through videoconference [Section 173(2)]**

The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means as may be prescribed, which are capable of recording and recognizing and participation of the directors and of recording and storing the proceedings of such meetings along with date and time.

**Notice of Board Meeting [Section 173(3)]**

A meeting of the board shall be called by giving not less than seven days’ notice in writing to every director at his/her addresses registered with company and such notice shall be sent by hand delivery or by post of by electronic means.

**Short notice to transact urgent business** **[Section 173(3)]**

A meeting of the board may be called at short notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting.

**Penalty for not holding meeting in time** **[Section 173(4)]**

Every officer of the company whose duty is to give notice under this section and who fails to do so shall be liable to a plenty of Rs. 25000/- (Twenty five thousand only).

**Holding of one Person Company, small company, and dormant company meetings [Section 173(4)]**

A one person company, small company and dormant company shall be deemed to have complied with the provisions section if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the time gap between two meetings is not less than 90 (ninety) days.

**Quorum for Board Meeting [Section 174]**

Section 174 of the Companies Act 2013 seeks to provide that the quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the directors participating by video conferencing or other audio visual means shall be counted for quorum. It further provides that where the number of interested directors exceeds, or is equal to, two- thirds of the total strength of the Board, the number of directors who are not interested and present at the meeting, being not less than two, shall be the quorum. The section further provides that the meeting shall adjourned it could be held for want of quorum

 **Passing of Resolution by Circulation [Section 175]**

As per section 175(1) of the Companies Act, 2013, no resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or member of the committee, as the case may be, at the address registered with the company in India, by hand delivery, post, courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

 As per section 175(2) (1) a resolution shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be and made part of the minutes of such a meeting.