**Goenka College of Commerce and Business Administration**

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

Subject- Business Communication Teacher: W.H.

Lecture No. – 1

 **Topic Name: Minutes and Resolutions**:

**Definition of Minutes:**

Minutes are the official recording of the proceedings of the meetings and the decisions reached there in. It is a summarized official record of the business transacted in a meeting Minutes is a full but concise clear, lucid, true and accurate record of the business transacted at the meeting and the decisions and resolutions adopted there at. It is prepared after the meeting from the notes taken during the proceedings of the meeting. The recording of minutes and maintenance of proper minutes of meetings is obligatory for public bodies or co-operative societies. The object of preparation of the minutes is to preserve the business transacted in the meeting and decision taken on the discussion in a clear, concise and accurate way for future guidance.

**Objective of Meeting:**

In Accordance with Companies Act every company is required to maintain proper minutes of every meeting of shareholders and directors. The objectives of minutes are as follows

1) It helps to keep a clear and accurate record of the business transacted in the meeting.

2) It is considered as legal document when it is confirmed by the next meeting

3) Minutes is the official record of proceedings and decisions of the meeting.

**Types of Minutes:**

Minutes may be of two types:

1. Minutes of decision and

2. Minutes of narration.

Minutes of decisions record only decisions and resolutions arrived at he meeting along with names of proposers and seconders.

Minutes of narration record of the brief discussion and circumstances leading to the resolution in addition to the resolution passed.

**Basic principles of writing the minutes:**

Minutes should be written in different paragraphs, each for separate subject. The paragraph should be written in lucid and simple language and should be brief as far as practicable.

The following principles should be kept in your mind at the time writing minutes.

1) Minutes of each meeting must clearly state the nature of the meeting at the beginning

2) It should must mention the date, place and time of the meeting

3) The name of the chairman and other members present at the meeting should be noted in the minutes.

4 Each minute should have a serial no. and an appropriate index

5) The tone of the minutes should be impersonal.

6) It should discuss separately the every financial and other special terms discussed in the meeting.

**Proceedings**

Proceedings are the detailed record of the matter discussed in a meeting. It gives a description how the speakers debated upon them and how the resolutions were adopted as well as the voting procedure followed.

**Difference between Minutes and proceedings:**

Distinction between Minutes and proceedings may be stated as below

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| --- | --- | --- |
| Points of Distinction | Minutes | Proceedings |
| Definition | Minutes is the official recording of the proceedings of a meeting and the decision reached therein | Proceedings are the detailed record of the discussion held in a meeting. |
| Time of preparation | It is prepared after the meeting | It is prepared at the time of meeting |
| Contents  | Minutes contain fair and correct summary of proceedings. | Proceedings contain detailed discussions of the meeting. |
| Recordings | It records the resolutions only | It records discussion of the meeting |

**Definition of Resolutions:**

A resolution is the decision of a meeting. A motion becomes resolution when it is voted upon and the majority of members passes it with or without amendment. When a resolution adopted and recorded in the minutes book becomes the official decision of the meeting.

**Types of Resolution:**

Resolution may be of two types.

a) Ordinary Resolution

b) Special Resolution.

**Ordinary Resolution:**

According to section 114(1) of the Companies Act 2013 an ordinary resolution is one which is passed by simple majority of members entitled to vote including the casting vote of the chairman, if any.

The following are the areas where an ordinary resolution is required as per the Companies Act 2013.

1) Approval of statutory report

2) Appointment of auditors

3) Removal of auditors

4) Election of directors

5) Declaration of Dividend

**Special Resolution:**

The term special resolution is specified under section 114(2) of the Companies Act 2013. According to the act a special resolution is a resolution for which a notice is to be given in the agenda indicating the intention to propose it as a special resolution. The special resolution requires a three-fourths majority of the members voting either in person or by proxy.

Special resolutions are passed in the following cases:

1) Change in the name of the company

2) Change of Registered Office of the company from one state to another.

3) Change of the objects mentioned i in the Memorandum of Association.

4) Alternations of the Articles of Association of the company.

5) Reduction of share capital subject to confirmation of the court.

**Difference between Ordinary Resolution and Special Resolution.**

|  |  |
| --- | --- |
| Ordinary Resolution | Special Resolution |
| An ordinary resolution is one which is passed by simple majority of members present at the general meeting of a company. | A special resolution is one which is passed by 3/4 majority of members present at the general meeting of a company. |
| For the purpose of ordinary resolution no previous notice is essential | For the purpose of special resolution a 21 days notice must be there. |
| Normally an ordinary resolution does not require filing with the registrar |  A copy of the special resolution must be filed with the registrar of companies within 30 days from the date of its passing. |
| An ordinary resolution is required to transact ordinary business. | A special resolution is required to deal with special business  |