**Semester II (UG)**

**Subject: Company Law**

**Name of the Teacher: Prof. MD SHAHJAHAN**

**Lecture Note 2**

**EXTRAORDINARY GENERAL MEETING**

All general meetings of a company other than the statutory and annual general meeting are called 'extraordinary meetings'. Extraordinary general meeting is a meeting which is held between two annual general meetings. These meetings are called in emergencies or on special occasions. This meeting is called to discuss some urgent special business which cannot, be postponed till the next annual general meeting, for example, alteration in the memorandum or articles of association, reduction of capital, issue of debentures etc. All business transacted at such meeting is deemed to be special business.

An extraordinary general meeting may be called by

a) Board of directors on its own motion; or

 b) the Board of directors on the requisition of members; or

c) the requisitionists themselves; or

d) the Company Law Board.

**a) By the Board of Directors**: Clause 48 of Tab1e A states that "the Board may, whenever it thinks fit, call an extraordinary general meeting. However, the Board has to pass the resolution for convening such meeting.

**b) By the Board on requisition**: According to Section 169 of the Act, the Board of directors must call an extraordinary general meeting of the company on the requisition of required number of members. The requisition letter for calling this meeting must be signed by members holding at least one-tenth of the paid-up capital and having a right to vote on the matter of requisition. In the case of a company having no share capital, it must be signed by those members who have at least one-tenth of the total voting power.

**c) By the Requisitionists**: If the Board of directors fails to call the meeting within 21 days and the meeting is not held within 45 days of the deposit of the requisition, the requisitionists may themselves proceed to call the meeting. But the requisitionists must hold the meeting within three months from the deposit of the requisition. Such meeting must, as nearly as possible, be held in the manner as called by the Board of directors. When the requisitionists themselves call a meeting, they may recover the reasonable expenses incurred from the company, and the company may deduct such amount from the amount of remuneration payable to the directors in default. If the meeting is called by requisitionists, it can only transact the special, business for which it has been expressly convened. The resolutions, which are properly passed at such requisitioned meeting, shall be binding upon the company.

**d) By the Company Law Board**: Under Section 186 of the Act, the Company Law Board is empowered to call, hold or conduct such a meeting, if for any reason it is impracticable to call or conduct an extraordinary general meeting. The term 'impracticable' means not possible to call, hold or conduct the meeting in accordance with the provisions of the Act and Articles, for example, if the meeting cannot be called because of the rivalry of two groups.

The Company Law Board may order for the calling, holding and conducting such a meeting either on its own motion or on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting. The Company Law Board should use this power sparingly and on being convinced that it is in the larger interest of the company. While calling a meeting, the Company Law Board may give such directions as it thinks fit, including the direction, that one-member present in person or by proxy would constitute the quorum.

Like any other general meeting, the notice of the extraordinary general meeting must also be given at least 21 days before the date of the meeting specifying the date, time and place of the meeting. The notice must also specify the special business to be transacted at the meeting. You should note that unlike an annual general meeting, extraordinary general meeting may be held on any day including a public holiday. The meeting may be held at a place other than the registered office of the company or even outside the city in which the registered office is situated.