

Lecture 34

Adjournment

Adjournment means suspending the proceedings of a meeting for the time being so that the meeting may be continued at a later date and time fixed in that meeting itself at the time of such adjournment or to be decided later on. Only the business not finished at the original meeting can be transacted at the adjourned meeting.

The majority of members at a meeting may move an adjournment motion at a meeting. If the chairman adjourns the meeting, ignoring the views of the majority, the remaining members can continue the meeting. The chairman cannot adjourn the meeting at his own discretion without there being a good cause for such an adjournment. Where the chairman, acting bona fide within his powers, adjourns the meeting as per the view of the majority, the minority members cannot continue with such meeting and, if they do the proceedings there will be null and void.

An adjourned meeting is merely the continuation of the original meeting and therefore, a fresh notice is not necessary, if the time, date and place for holding the adjourned meeting are decided and declared at the time of adjourning it. If a meeting is adjourned without stipulation as to when it will be continued, fresh notice of the adjourned meeting must be given.

Proxy

In case of a company having a share capital and in the case of any other company, if the articles so authorise, any member of a company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself. Every notice calling a meeting of the company must contain a statement that a member entitled to attend and vote is entitled to appoint one proxy in the case of a private company and one or more proxies in the case of a public company and that the proxy need not be a member of the company.

A member may appoint another person to attend and vote at a meeting on his behalf. Such other person is known as "Proxy". A member may appoint one or more proxies to vote in respect of the different shares held by him, or he may appoint one or more proxies in the alternative, so that if the first named proxy fails to vote, the second one may do so, and so on.

The member appointing a proxy must deposit with the company a proxy form at the time of the meeting or prior to it giving details of the proxy appointed. However, any provision in the articles which requires a period longer than forty eight hours before the meeting for depositing with the company any proxy form appointing a proxy, shall have the effect as if a period of 48 hours had been specified in such provision.

A company cannot issue an invitation at its expense asking any member to appoint a particular person as proxy. If the company does so, every officer in default shall be liable to fine up to Rs1,000. But if a proxy form is sent at the request of a member, the officer shall not be liable. Every member entitled to vote at a meeting of the company, during the period beginning 24 hours before the date fixed for the meeting and ending with the conclusion of the meeting may inspect

proxy forms at any time during business hours by giving 3 days notice to the company of his intention to do so.

The proxy form must be in writing and be signed by the member or his authorized attorney duly authorized in writing or if the appointer is a company, the proxy form must be under its seal or be signed by an officer or an attorney duly authorized by it.

The proxy can be revoked by the member at any time, and is automatically revoked by the death or insolvency of the member. The member may revoke the proxy by voting himself before the proxy has voted, but once the proxy has exercised the vote, the member cannot retract his vote. Where two proxy forms by the same shareholder are lodged in respect of the same votes, the last proxy form will be treated as the correct proxy form.

A proxy is not entitled to vote except on a poll. Therefore, a proxy cannot vote on show of hands.

Postponement

Postponement of a meeting means deferring the holding of the meeting itself at a later date. Postponement is done by the Board of Directors or by the person convening the meeting. In case of adjournment, it is the decision of the majority of the members present at the meeting itself.

Dissolution

Dissolution of a meeting means termination of a meeting. The meeting no longer exists once it has been dissolved. If within half an hour after the time appointed for holding a general meeting; the quorum is not present, the meeting shall stand dissolved if it was called on requisition by members.