

**M.COM. – FIRST YEAR**

**(II SEMESTER)**

---

---

**Paper: Corporate Laws And Governance**

---

---

---

**UNIT -III: The Company Act' 2013**

---

---

**Topic: Extraordinary General Meeting (EGM)**

---

---

**Lecture: 13**

---

---

---

---

**By: Dr. Reena**

## **Provisions of the Companies Act' 2013 relating to Extraordinary General Meeting (EGM)**

Every general meeting (i.e. meeting of members of the company) other than the statutory meeting and the annual general meeting or any adjournment thereof, is an extraordinary general meeting. Such meeting is usually called by the Board of Directors for some urgent business which cannot wait to be decided till the next AGM. Every business transacted at such a meeting is special business. An explanatory statement of the special business must also accompany the notice calling the meeting. The Articles of Association of a Company may contain provisions for convening an extraordinary general meeting.

### **Objectives (Purposes) of Extraordinary General Meeting:**

The main purpose (Objectives) to hold these meetings are:

- a) Change in memorandum of association.
- b) Change in articles of association.
- c) Reduction or reorganization of share capital.
- d) Issue of debentures.
- e) Removal of directors.
- f) Removal of auditors.

The business transacted at an extraordinary general meeting, being special business, every notice of such meeting must be accompanied by an explanatory statement.

### **Legal Provisions Relating to Extraordinary General Meeting (EGM):**

#### **1. By Whom EGM is called:**

a) **By the Board of directors:** EGM may be called by the board whenever it deems fit by depositing a valid requisition at the registered office. On receipt of a valid requisition, the board shall within 21 days proceed to call an EGM to be held not later than 45 days from the date of deposit of requisition. The notice shall be given to those members whose names appear in the register of members within 3 days of receipt of a valid requisition.

**b) On the Requisition of shareholders:** EGM may be called on requisition of members holding 1/10th or more of the paid up equity share capital if company have share capital. If company do not have share capital, on requisition of members holding 1/10th or more of total voting power. The requisition shall specify the matters for the consideration of which EGM is to be called and it is signed by all the requisitionists or a requisitionists duly authorised.

**c) By the requisitionists themselves:** If the board fails to call an EGM, it may be called by the requisitionists themselves as follows:

- The EGM shall be held within 3 months from the date of deposit of the requisition.
- The EGM shall be called in the same manner in which a meeting is called by the board of directors.
- The requisitionists shall be entitled to receive a list of members from the company.
- The EGM should be convened on a working day at the registered office or in the same city or town in which the registered office is situated.
- The notice of EGM shall be given by speed post or registered post or electronic mode.
- The notice of EGM shall disclose the place, date, day, hours and business to be transacted at the meeting.

**d) By the tribunal:** If for any reason it is impracticable to call a meeting of a company, other than annual general meeting, in any manner in which meeting of the company may be called, or to hold or conduct the meeting of the company in the manner prescribed by this act or the articles, the tribunal may, either of 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 order a meeting of the company to be called, held and conducted in such manner as the tribunal thinks fit and give such ancillary directions as the tribunals thinks necessary.