

Ivth unit continuation

B.com 1st year ,B.law 2nd semester for B.com honours A & B , general.

Q)What is resolution , Explain various kinds of resolutions ?

Ans: Resolution ;The decisions taken by the board of directors of a company in their board meetings –the decisions taken by majority share holders in the general meetings of a company are called resolutions .

Types of resolutions;

1)**Ordinary Resolutions**: u/s 114 (1)of C.A 2013 for taking a decision – if the votes casted in favour of a point exceeds the votes casted by members against that point –is ordinary resolution –which means simple majority –it may be by show of hands or E.means or poling or postal ballot – including casting vote by chairman if there is ‘tie ‘ - it is required in case of the following .

A) To change the name of company as per directions ROC .

B) Rectification of the name of company as per directions of central government .

C) Appointment of auditors in A.G.M.

D) Appointment of directors in the place of retiring directors in A.G.M.

E) Approval of financial statements like P&l account ,balance sheet , director’s report , auditor’s report ..etc.

F) Dividend declaration in A.G.M.. etc.

2)**Special resolutions** :u/s 114 (2) of C.A 2013 .if the intention to pass a resolution is mentioned in the notice of the meeting – and if the votes casted in favour of resolution are be not less than 3 times of the no. of votes casted against it – casting of votes may be in person or by proxy or by postal ballot or electronically (75% votes must have been casted in favour of the decision)-it is required in the following cases.

a) Alteration of memorandum of association.

b) Alteration of articles of association .

c) Purchasing of company’s own shares .

d) Reducing share capital .

e) Shifting registered office .

f) Issue convertible debentures .

g)To make director’s liability unlimited – etc.

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3)Resolutions requiring special notice :u/s 115 of C.A 2013 ,members having at least 5% voting power or having capital not exceeding Rs.5,00,000 paid up capital as per A.A. can give a notice at least 7 days before A.G.M. to pass a resolution on the following .

a) Removal of director before expiry of his term .

b) To take decision not to reappoint a retiring auditor .

c) Appointment of new director in the place of retiring director .

d) Appointment of new auditor in the place of retiring auditor.

4) Resolutions by postal ballot:u/s 110 of C.A 2013 the central government can declare some items of decisions to be taken through postal ballot .

Note : Students are advised to go through text book to have clear understanding.

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