# STATUTORY MEETING (SECTION 165)

Statutory Meeting is a special type of meeting of members of a public limited company, which is intended to be held only once in life time of a company.

## TYPES OF COMPANIES TO HOLD STATUTORY MEETING

The following type of companies are required to convene and hold a statutory meeting in accordance with the provisions of section 165 of the Companies Act, 1956:-

- A public Company limited by shares;
- A Public Company limited by guarantee having a share capital.

Therefore a private company and a private limited company, converted into public limited company is not required to hold statutory meeting.

## TIME LIMIT FOR HOLDING STATUTORY MEETING

Section 165(1) provides that a company which is obliged to hold statutory meeting shall within a period of not less than one month and not more than six month from the date at which the company is entitled to commence business shall hold a meeting of its members which shall be specified as Statutory Meeting.

The date of entitlement of commencement of business shall be considered as the date of certificate to commence business issued by the Registrar of Companies under section 149 of the Companies Act, 1956.

Meeting held prior to statutory period of one month is not a statutory meeting-{*Gardner v. Iredale* (1912) 1 Ch.700}.
Notice must says that meeting is intended to be a statutory meeting-{*Gardner v. Iredale* (1912) 1 Ch.700}.

## PROCEDURE FOR STATUTORY MEETING

1. **Convening and Conducting of Statutory Meeting:** As the statutory meeting is a meeting of the members of a company, all the provisions of general meeting under section 171 to 187B will be applicable.
2. **Statutory Report:** The Board of Directors shall prepare a statutory report containing all particulars as setout in sub-section (3) of section 165, in the prescribed e-Form-22.
3. **Certification of Statutory Report:** The Statutory Report is required to be certified by two or more director, one of them shall be the managing director, if there is one for correctness of the report. The said report is also certified by auditors of the company for correctness in respect of the shares allotted, cash received on allotment of shares and receipt and payments of the company.
4. **Notice of Statutory meeting:** At least 21 days notice should be given to all the members of the company for convening statutory meeting. Notice must says that meeting is intended to be statutory meeting. A statutory meeting may also be called at shorter notice.
5. **Adjournment of Statutory Meeting:** Statutory Meeting may adjourn from time to time and at any adjourned meeting, any resolution for which resolution has been given may be passed. The adjourned meeting shall have the same powers as an original meeting.
6. **Filing of Statutory Report with Registrar:** The Board of Directors of a company shall deliver a copy of the said report in e-Form electronically to the Registrar, digitally certified by directors and auditors as above along with filing fee after copy of the same have been sent to the members.
7. **Penalty:** If default is made in complying with the provisions of section 165 of the Act, every director or other officer of the company, who is in default shall be punishable with fine, which may extended to Rs. 5000. Failure to file statutory report or to hold statutory meeting are valid grounds for a petition for compulsory winding up of a company under section 433.

**CHECK LIST FOR STATUTORY REPORT**

- Down load Form 22 from www.mca.gov.in
- Prepare Notice calling statutory Meeting
- Prepare Statement of Receipt & Payment
- Prepare statement of Preliminary Expenses
- Prepare details of arrears
- Prepare Covering Note for auditors
- Make sure that form will be uploaded on the same date when notice is sent to auditors
- Prepare &file Minutes of the Meeting

# NOTICE

Notice is hereby given that the a Statutory General Meeting of ………………….. **Limited** will be held on ………day, …………., 20.. at …………… at….. a.m./ p.m. to transact the following business:

## SPECIAL BUSINESS

**Item No. 1. Approval of Statutory Report**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary resolution:

**"RESOLVED THAT** copy of Statutory Report as annexed with notice and duly certified by the directors and auditors of the company as required under the companies act, 1956 be and is hereby approved.

**RESOLVED FURTHER THAT** Mr…………… and Mr. ………………., Directors of the Company be and are hereby authorised to file the Statutory Report with the Registrar of Companies".

By order of the Board of Directors
**………………………………………….. Limited**

**Director**

Place: …………..
Date: …………..

**Notes:**

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on the member's behalf.**
2. **A proxy need not be a member of the Company**

3. **A proxy form must be received at the registered office, not less than 48 hours before the time for holding the meeting.**

## EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

**Item No. 1 & 2**

This Company is a Public Limited Company within the meaning of the Companies Act, 1956. As per section 165 of the said Act Statutory meeting is a special meeting of members of a public limited company, which is intended to be held only once in the life time of a company. At this meeting, the members are expected to acquaint with the company and get an opportunity to discuss various matters relating to promotion and to consider the statutory report.

Hence in this connection the Board recommends the passing of the resolution at Item No. 1 of this notice as an Ordinary resolution.

None of the Directors is concerned or interested in the proposed resolutions except to the extent of their shareholding in the Company.

By order of the Board of Directors
**…………………………………………… Limited**

**Director**

Place: ……………
Date: …………….

## Formats of attachment

1. Abstract of receipts and payments up to …………….. dd/mm/yyyy (Date should be a date within 7 days of the report) - Details to be provided should be as follows:

| **Receipts (In Rs.)** | **Payments (In Rs.)** |
|---|---|
| Equity | Commission on issue or sale of debentures |
| Redeemable preference shares | Discount on issue or sale of shares |
| Advance payment for shares | Capital expenditure-<br>Land<br>Building<br>Plant<br>Machinery |
| Debentures | Other items (to be specified) |
| Loans | |
| Deposits | |
| Other Sources (to be specified) | |
| | Balances<br>In hand<br>At Banks<br>At Post Office<br>Savings Bank |

2. Details of preliminary expenses (mention whether details are based on estimated in the prospectus or statement in lieu of prospectus). The details to be provided are as follows:

| **Particulars** | **Preliminary Expenses actually incurred up to aforesaid date (In Rs.)** | **Preliminary expenses estimated to be incurred after the aforesaid date (in Rs.)** |
|---|---|---|
| Law Charges | | |
| Other charges in connection with the preparation of the memorandum and articles of association | | |
| Printing Expenses | | |
| Registration charges | | |
| Advertisement Charges | | |
| Commission on issue or sale of shares | | |
| Discount on issue or sale of Shares | | |
| Other initial expenses (To be specified) | | |
| Total | | |

3. Details of the arrears, if any due on calls from directors or managers

Name of the person

Designation (Director or Manager)

Amount due (In Rs.)

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF ………………………. LIMITED HELD ON ……….. 2010 AT ……….A.M./P.M AT ………………………**

**PRESENT**

| | | |
|---|---|---|
| 1. | Ms. X | Director |
| 2. | Ms. Y | Director |
| 3. | Mr. Z | Director |

**CHAIRPERSON**

Ms. X was elected as Chairperson of the meeting. She took the chair and welcomed the Directors to the meeting of the Board.

**QUORUM**

The Chairperson declared the quorum complete and the meeting competent to transact business.

**CONFIRMATION OF THE MINUTES OF LAST BOARD MEETING**

The Minutes of the previous Board Meeting were placed before the Board and same were signed and confirmed.

**APPROVAL OF STATUTORY REPORT**

**"RESOLVED THAT** the Statutory Report, submitted to this meeting and initialed by the Chairperson for the purpose of identification, be and is hereby approved and the same be signed by Ms. X Director and Ms. Y Director on behalf of the Board of Directors, and that it be sent to all eligible members along with the Notice of the Statutory Meeting.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised to file the Statutory Report with the Registrar after it has been sent to members".

"**RESOLVED FURTHER THAT** the any Director of the Company be and is hereby authorized on behalf of the Board of Directors to do all such acts, deeds and things as may be required or deemed expedient to implement this resolution."

**NOTICE OF STATUTORY GENERAL MEETING**

**RESOLVED THAT** the statutory meeting of the company be held on …………, 2010 at ……..a.m./ p.m. at the registered office of the company.

**RESOLVED FURTHER THAT** the notice as per the draft placed on the table for for convening the Statutory Meeting of the Company be and is hereby approved and Ms. X Director authorized to sign and issue to all eligible members of the Company.

**VOTE OF THANKS**

There being no other business to transact, the meeting ended with a vote of thanks to the Chair.

**Date:**
**Place:** **CHAIRPERSON**

**EXTRACT OF MINUTES OF THE STATUTORY MEETING OF NAME OF THE CO.HELD ATADDRESS, ON DAY ,MDY, AT ……….. A.M./P.M. AT…………………..**

**PRESENT**

| | | |
|---|---|---|
| Ms. | - | MEMBER |
| Ms. | - | MEMBER |
| Ms. | - | MEMBER |
| Mr. | - | MEMBER |
| Mr. | - | MEMBER |

Ms. _____________was elected as the Chairperson

1. Notice.
   The notice convening the meeting was read by the Chairperson.

2. The Chairperson reported that the meeting was called to comply with the provisions of the Section 165 of the Companies Act, 1956.

3. The Chairperson informed the members present that a list showing the names, occupation and addresses of the members of the Company and the number of shares held by them respectively was ready for inspection and would remain open during the continuance of the meeting.

4. With the permission of members, the Statutory Report having been duly circulated among the members was taken as read.

The Chairperson explained the position of the company and progress made since incorporation of the Company and invited the members to ask the questions on matters contained in the Statutory Report and pertaining to the formation of the Company. After answering the queries raised by the members, the Chairperson proposed the following resolution which was seconded by Mr. ________

"**RESOLVED THAT** the Statutory Report dated Date as circulated among the members and forwarded to the Registrar of Companies, Mumbai be and is hereby considered, approved and adopted."

The meeting concluded with a vote of thanks to the Chair.

___________

**CHAIRPERSON**

Dated:

Place: