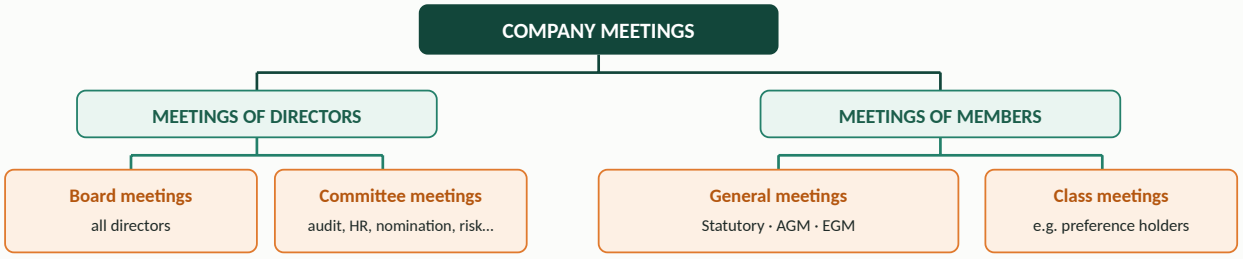
Chapter 7: Meetings and Resolutions

1 Chapter Roadmap

COMPANY MEETINGS statutory · AGM · EGM · SECP's power (Sec. 1) → **SERVICE OF DOCUMENTS & NOTICES** (Sec. 2) → **CONDUCT OF MEETINGS** notice · votes · poll · proxies · quorum (Sec. 3) → **RESOLUTIONS & RECORDS** (Sec. 4)

Theme: the kinds of meetings a company holds, the deadlines for each, how members are notified, how votes, polls and proxies work, what makes a quorum, and how resolutions and minutes are filed and kept.

2 Types of Meetings



Note: general meetings are chaired by the chairman of the board and attended by directors – but directors **vote only if they are also members**.

3 Statutory Meeting [Section 131]

Who must hold it

Every **public company having a share capital** – once in its lifetime. **Not required** if: the first AGM is held earlier; or a private company converts to public **after one year** of incorporation (conversion **within** one year → required).

When – the EARLIER of

- **180 days** from the date it is entitled to **commence business**; or
- **9 months** from **incorporation**.

Notice to members at least **21 days** before, with a copy of the **statutory report**.

Company	Incorporated	Commencement	180 days	9 months	Latest date
Ex. 01	3 Jan 2021	25 Apr 2021	22 Oct 2021	2 Oct 2021	**2 Oct 2021**
Ex. 02	7 Jan 2021	22 Feb 2021	21 Aug 2021	6 Oct 2021	**21 Aug 2021**
Joint Ltd	1 Feb 2018	1 Apr 2018	28 Sep 2018	31 Oct 2018	**28 Sep 2018**
Violet Ltd	1 Aug 2021	1 Oct 2021*	30 Mar 2022	30 Apr 2022	**30 Mar 2022**

*Entitlement date = registrar's acceptance of the declaration (not the date production actually started). Joint Ltd: directors' 30 Sep and 30 Oct proposals are both late – but holding the **first AGM** on 25 Sep 2018 removes the need. Violet Ltd cannot skip the meeting because of production problems. Greater Racket Ltd (inc. 2 Nov 2023, entitled 1 Feb 2024) → MCQ answer **29 July 2024**.

Chapter 7: Meetings and Resolutions

4 Statutory Report – Contents & Handling

The report states

a. total shares allotted – distinguishing those allotted **other than in cash** and the consideration;
b. total **cash received** against shares allotted;
c. abstract of **receipts & payments** up to a date within 15 days of the report – receipts (shares, debentures, others), payments, balance in hand, preliminary expenses (showing commission / discount on shares or debentures);
d. names, addresses, occupations of directors, CEO, secretary, auditors, legal advisers and changes since incorporation;
e. particulars of any contract to be modified needing the meeting's approval;
f. extent to which **underwriting contracts** have been carried out (and reasons if not);
g. **commission / brokerage** on issue of shares paid to any director, CEO, secretary, officer, or their private company.

Plus a brief account of the company's affairs since incorporation and its **business plan**.

Auditors' report

Accompanies the statutory report on correctness of **allotment, cash received, receipts and payments**.

Certified by

The **CEO and at least one director** (listed company: also the **CFO**).

Filing

Copy (with auditors' report) delivered to the registrar **forthwith** after sending it to members.

At the meeting

List of members (names, occupations, nationality, addresses, shares) open throughout. Members may **discuss** anything about formation or the report without notice – but **no resolution** without proper notice. May be **adjourned**; adjourned meeting has the same powers.

5 Annual General Meeting [Section 132]

FIRST AGM within **16 MONTHS** of incorporation → **THEREAFTER** once in every **CALENDAR YEAR**, within **120 DAYS** after the close of the financial year → **EXTENSION** up to **30 DAYS** – by the **COMMISSION** (listed) or **REGISTRAR** (others), for special reason

Every company **except a single member company**. Called on the order of the **directors** (not members).

Case	Working	Latest date
ABC Ltd – inc. 1 Apr 2020; first AGM	16 months	**31 July 2021**
ABC Ltd – AGM for year ended 30 June 2022	120 days after 30 June	**28 October 2022**
XYZ Ltd – YE 30 Sep 2022 (first AGM held 1 Nov 2021)	120 days = 28 Jan 2023, but one AGM **in each calendar year**	**31 December 2022**
KTL – inc. 1 Mar 2019; directors plan first AGM 10 Aug 2020	16 months	**30 June 2020** – plan is late
Sole Fish Ltd – inc. 12 Aug 2021; YE 30 Sep	16 months (no extension)	**12 December 2022**

Place

Listed: in the town of the registered office or the nearest city; members in another city holding **10%** of paid-up capital may demand **video-link** at least **7 days** before. **Others:** no restriction – anywhere in Pakistan (Cod Ltd).

Notice

At least **21 days** to members and all entitled persons. **Listed:** also sent to the **Commission** and published in one **English and one Urdu** daily newspaper with nationwide circulation.

Chapter 7: Meetings and Resolutions

6 Extra-Ordinary General Meeting [Section 133]

Meaning
Every general meeting **other than the AGM and the statutory meeting**. May be called any time; the statutory meeting is once in a lifetime.

BOARD CALLS
any time for a matter needing members' approval

REQUISITION
members with ≥ **1/10 OF VOTING POWER** (no share capital: 1/10 of members); states objects, signed, deposited at registered office

→

BOARD MUST PROCEED
forthwith; if not within **21 DAYS**
→ requisitionists may call it themselves

→

HELD WITHIN 90 DAYS
of deposit of requisition – either way

Requisitionists' expenses
Reasonable expenses are **reimbursed by the company** and deducted from the fees / remuneration of the **defaulting directors**.

Notice
21 days. **Unlisted** company: shorter notice if **all members** entitled to attend and vote agree (not for listed). Sent to members, directors and auditors.

7 SECP's Power to Call Meetings [Sections 147 & 148]

When
Default in holding the **AGM or statutory meeting**; or directors fail to call an **EGM on requisition**. The Commission may give directions on calling, holding, conducting and documents.

Effects
May direct that **one member** present in person or by proxy is a meeting. Deemed duly called and held. Costs paid by the **company**, unless recovered from an officer as directed. Default → penalty **level 3**.

8 Service of Documents & Notices [Sections 53–55]

On company / officers
At the **registered office** – against acknowledgement, post or courier, electronic means, or any specified manner. (A complaint letter to Aluminium Ltd goes this way.)

On Commission / registrar
Against acknowledgement, post or courier, electronic means, or any specified manner.

On a member
At his **registered address**, or if none in Pakistan, the address he supplied – same four modes.

Rule	Meaning	Example
Notice by post	Deemed served by properly **addressing, prepaying and posting**; effective when it would be delivered in the ordinary course of post	Zahid's notice posted 2 Feb (normally 2 days) arrives 19 Feb for AGM on 27 Feb → **validly served**
Joint holders	Notice to the joint holder **named first** in the register	Azam, Babar, Chand – notice sent to Babar → Azam's claim valid; Chand's not
Death / insolvency	To the person entitled, by name or title (representative / assignee), at the address he supplied	Official assignee of insolvent Sajid gets the EGM notice

Chapter 7: Meetings and Resolutions

9 Notice of a General Meeting [Section 134]

Contents
Place, **day and hour** + statement of the business. Must prominently state the **right to appoint a proxy** and be accompanied by a **proxy form**. Listed: mention the **video-link** option for 10% holders in another city. Special resolution: attach the **draft resolution**. Election: number of directors fixed and names of retiring directors.

Sent to
(i) every **member** (or class); (ii) every **director**; (iii) person entitled on **death or bankruptcy** of a member (if notified); (iv) the **auditors**. **Accidental omission** or non-receipt by a member does **not invalidate** the meeting.

ORDINARY business (AGM only)
① consideration of **financial statements** and reports of board & auditors
② **declaration of dividend**
③ **election of directors** in place of those retiring
④ **appointment of auditors** & fixing their remuneration

SPECIAL business = everything else
e.g. obtaining a Rs. 100m financing facility, disposal of a significant segment, investment in / loan to an associated company. Attach a **statement of material facts**: nature and extent of every director's interest; time and place to inspect any document to be approved.

10 Chairing, Votes & Participation

① **CHAIRMAN OF THE BOARD** presides → ② **ANY DIRECTOR PRESENT** elected – if no chairman, absent after **15 MINUTES**, or unwilling → ③ **A MEMBER** chosen by members – if no director present / willing

Votes (share capital)
Proportionate to the **paid-up value** of voting shares, per class entitlement; fractions ignored. Guarantee company without share capital: **one vote** per member.

Participation
In person, via **video-link** or by **proxy**. On a poll: personally, video-link, proxy or **postal ballot**. Articles cannot debar a voting member – the **Act overrides** (Goliath Grouper).

Single member company
All meeting / approval / election requirements are met if the decision is recorded in the minutes book and **signed** by the sole member / director.

11 Show of Hands vs Poll [Sections 141–145]

	Show of hands	Poll
When	Default method – unless a poll is demanded	Chairman's own motion, or demanded by members with ≥ **1/10 of voting power** (present, video-link or proxy) – before or on declaration of the show-of-hands result
Votes	**One vote per member** regardless of shares	Votes per paid-up value of shares
Result	Chairman's declaration (and minutes entry) is **conclusive** – no count needed	Scrutinised by chairman / nominee + representative of demanders; announced by chairman; = decision of meeting
Timing	At once	Election of chairman / adjournment → **forthwith**; others → within **14 days** of demand
Secret ballot	—	Chairman's motion or demand by 1/10 of voting power

Demand may be **withdrawn** by those who made it. Result effective on the date the poll is actually held (Penguin Ltd – secret ballot next week is fine).

Chapter 7: Meetings and Resolutions

12 Proxies [Section 137]

Rules

- Member entitled to attend and vote may appoint a proxy to **attend, speak and vote**.
- Not allowed in a company **without share capital** unless articles permit.
- **Only one proxy** per meeting – if more than one instrument is deposited, **all are invalid**.
- Proxy must be a **member** unless articles allow a non-member.
- Instrument in **writing**, signed by appointer / authorised attorney (body corporate: officer or authorised attorney). Table A form cannot be questioned.
- Lodged at least **48 hours** before the meeting – non-working days not counted; contrary article is void.
- Proxy may **demand a poll** and may abstain / not use full votes.
- Every voting member may **inspect** proxies during business hours.
- Proxies deposited before an **adjournment** remain valid for the adjourned meeting.

48-hour rule – Jellyfish Ltd (Mon–Sat working)

AGM **Monday 20 Sep 2021, 11:00 a.m.**
Mon 00:00–11:00 = 11 h · Sunday not counted · Saturday = 24 h → 35 h · Friday 11:00–24:00 = 13 h → **48 h**
Latest: **Friday 17 Sep 2021, 11:00 a.m.**

Body corporate & Government [s.138, 139]

A body corporate member (or creditor) authorises an individual by **board resolution** to represent it – he need not be its director or employee (JKM Ltd / Mr. Waheed). Federal (through Minister-in-Charge) or Provincial Government appoints a representative – deemed a member, may appoint a proxy.

13 Quorum of General Meeting [Section 135]

Company	Minimum quorum (articles may fix larger)
Listed	**10 members** present personally or via video-link, representing at least **25%** of total voting power (own or proxy)
Other – with share capital	**2 members** present personally or via video-link, representing at least **25%** of voting power
Without share capital	As provided in the **articles**

NO QUORUM WITHIN ½ HOUR → **REQUISITIONED BY MEMBERS → DISSOLVED**

CALLED BY DIRECTORS → ADJOURNED to same day next week, same time & place → **ADJOURNED MEETING** no quorum in ½ hour → members present (**NOT LESS THAN TWO**) are the quorum

Business transacted without quorum is **void**. Waiting only 15 minutes before adjourning (Mastermind Technologies) is wrong – wait **half an hour**.

Chapter 7: Meetings and Resolutions

14 Quorum & Voting – Worked Cases

Case	Working	Conclusion
Blue Amber Ltd (listed, 50m shares): 10 in person (10m shares) + 5 proxies (2m shares) at 9:00 for 8:30 AGM	Members ≥ 10 ✓ · 12m ÷ 50m = 24% < 25% ×	No quorum → **adjourn to 13 March 2021**
VX Ltd (listed): only 4 shareholders attend AGM	Fewer than 10	Adjourn to same day next week; then ≥ 2 members
Palla Ltd (unlisted, 50m shares)	2 members with 25% × 50m	**12.5m** voting rights
Kino Ltd (unlisted, 200,000 shares) – Baber 30,000 + Fiza 60,000 attend	90,000 ÷ 200,000 = **45%** ≥ 25%	Quorum **valid**
Kino Ltd – Essa's proxy lodged 8 Sep 11 AM for 10 Sep 10 AM EGM	Only 47 hours	Proxy **invalid**
Kino Ltd – Fiza votes for, Baber against	60,000 ÷ 90,000 = **67%**	Ordinary resolution **passes**; special (75%) **fails**
Penguin Ltd – Class A 80m × Rs. 10; Class B 15m × Rs. 20	A = 80m votes; B = 15m × 2 = 30m; total 110m	Only Class A at poll → special resolution needs **60m** (¾ × 80m)
ML – Class A 50m (1 vote), B 30m (2), C 20m (3); Saleem holds 50% of A	25m ÷ (50+60+60 = 170m) = **14.71%**	> 1/10 → may requisition; change needs ¾ of affected classes B & C

15 Court May Declare a General Meeting Invalid [Section 136]

WHO
members with ≥
10% OF VOTING POWER

WHERE & WHEN
petition to the
COURT
within
30 DAYS
of the meeting

GROUND
material defect / omission in the
NOTICE
or
IRREGULARITY IN PROCEEDINGS
that prevented members from using their rights

ORDER
proceedings (or part) invalid;
FRESH MEETING

Noke Jhoke / Cartier Metal: complaining to the **chairman or board** achieves nothing; mere disappointment with the chairman is not enough. CML EGM 9 March 2023 → petition by **8 April 2023**. Rhenium Ltd (Rs. 15m ÷ Rs. 50 = 300,000 shares) → 10% = **30,000 shares**, to the **Court**.

Trade Ltd complaints: non-receipt of a properly sent notice – not valid · meeting began 11:25 for 11:00 (quorum within ½ hour) – valid · poll not demanded in time – complaint fails · proxy lodged late – invalid · two proxies for one member – **both invalid** · company represented by an authorised non-employee – valid.

Chapter 7: Meetings and Resolutions

16 Resolutions [Sections 140, 146 & 149]

Notice of resolution [s.140]

Notice states the general nature of each business; **special resolution → draft attached**. Members with ≥ **5% voting power** may propose a resolution (with supporting statement) – it must reach the company with the requisition, or otherwise at least **10 days** before the meeting; company circulates it forthwith. Mr. Dinshaw (13.5%) gave notice on 22 May for a 30 May AGM → too late; company not liable.

Adjourned meeting [s.146]

A resolution passed at an adjourned meeting (company, class, board or creditors) is treated as passed on the date it was **actually passed**. Maria Ltd: AGM 17 Aug 2020 adjourned; resolution passed **31 Aug 2020** → that date.

Resolution by circulation – members [s.149]

- Allowed for a **private company** or **public unlisted company with not more than 50 members**
- Ordinary **or** special – but **not** the **ordinary business of the AGM**
- Signed by **ALL** members entitled to notice
- Circulated with necessary papers to all members
- Agreement, once signified, **cannot be revoked**
- As valid as at a meeting; noted at the next meeting and made part of its minutes

Majestic Ltd (name change) and Duck Fertilizers (loan to associated company) may use circulation if unlisted / within the member limit; otherwise call an EGM (21 days, or shorter if all agree for unlisted).

17 Filing of Special Resolutions [Section 150]

Registrar

Within **15 days** of passing, authenticated by a **director or the secretary** – filed with the **registrar**, not the Commission (Tripod Ltd).

Articles

A copy of every special resolution in force is embodied in or annexed to every copy of the **articles** issued afterwards.

Members

Copy to any member on request, on payment of the fee fixed by the company.

18 Records of Resolutions & Meetings [Sections 151 & 152]

Records [s.151]

Copies of members' resolutions passed otherwise than at meetings + **minutes** of all general meetings with names of participants. Authenticated by the chairman of that or the next meeting → **evidence**; meeting deemed duly held unless the contrary is proved. Kept at the **registered office**: **20 years** physical, **permanently** electronic.

Inspection & copies [s.152]

Members inspect minutes **free**, during business hours – at least **2 hours each day**. Certified copy: request any time **after 7 days** from the meeting; company supplies within **7 days** of the request, for a fee. Refusal → penalty **level 1**; **registrar** may direct immediate inspection / supply (complaint goes to the registrar).

Meeting	Earliest request	Copy due
RCL EGM 2 Dec 2020 (Farid asks on 5 Dec – too early)	10 Dec 2020	Within 7 days of the request
Trout Ltd AGM 7 Sep 2021	After 7 days	Request on 21 Sep → within 7 days
Hen (Pvt) Ltd AGM adjourned and concluded 6 Mar 2024	14 Mar 2024	**21 March 2024**

Chapter 7: Meetings and Resolutions

19 Altering Share Capital – Worked Practice Q (Crimson Ltd)

Step	Class A			Class B		
	Shares (m)	Face Rs.	Rs. m	Shares (m)	Face Rs.	Rs. m
Authorised – current	1,200	15	18,000	800	40	32,000
(i) Cancel 350m Class B	—			450	40	18,000
(ii) Consolidate 2 A → 1	600	30	18,000	—		
(iii) Sub-divide 1 B → 2	—			900	20	18,000
Paid up – current	600	15	9,000	400	40	16,000
After (ii) / (iii)	300	30	9,000	800	20	16,000

Procedure: general meeting (or circulation if unlisted with ≤ 50 members) with draft resolution and statement of material facts → **special resolution** → alter capital clause (if articles allow) → file with registrar within **15 days**. Cancellation does not affect paid-up capital.

20 Non-cash Deal Approved at General Meetings – Brown Enterprises Ltd

Orchid Ltd's direct holding in BEL: 125m ÷ 500m	25%
Through its subsidiary Teal Ltd: 130m ÷ 500m	26%
Total → BEL is a subsidiary of Orchid Ltd	**51%**

Zakir (NED of BEL and OL) swaps land for the 5th floor of BEL's mall → prior resolutions in general meetings of **BEL and OL**; notices give the land's and the floor's value by a **registered valuer** and a statement of material facts incl. Zakir's interest.

21 Time Limits & Numbers – Master Table

Requirement	Limit	Section
Statutory meeting – earlier of commencement / incorporation	**180 days / 9 months**	131
Notice of statutory meeting / AGM / EGM	**21 days**	131–133
First AGM after incorporation	**16 months**	132
Subsequent AGM after year end (and once each calendar year)	**120 days**	132
Extension of AGM (Commission / registrar)	**≤ 30 days**	132
Video-link demand (listed; 10% holders in a city)	**7 days** before	132
EGM requisition – voting power / board to act / meeting held	**1/10 · 21 days · 90 days**	133
Chairman absent – directors elect one after	**15 minutes**	134
Quorum wait / adjourned to	**½ hour · same day next week**	135
Court petition against meeting (10% voting power)	**30 days**	136
Lodging of proxies (working time)	**48 hours**	137
Members' resolution – voting power / notice before meeting	**5% · 10 days**	140
Poll demand / poll taken within	**1/10 · 14 days**	143–145
File special resolution with registrar	**15 days**	150
Minutes – physical / electronic	**20 years / permanent**	151
Certified minutes – request after / supplied within	**7 days / 7 days**	152

Chapter 7: Meetings and Resolutions

22 Exam Question Patterns & MCQ Quick Clues

"Private company must hold a statutory meeting if it converts..."	→	**Within one year of incorporation**
"On a show of hands every member has..."	→	**One vote, irrespective of shares**
"Resolution by circulation is NOT allowed for..."	→	**Ordinary business of the AGM**
"Circulated special resolution (45 members) is passed only if signed by..."	→	**All members entitled to notice**
"Chairman present but unwilling to chair the AGM"	→	**Directors present elect one of them**
"Special resolution for filing is authenticated by..."	→	**A director or company secretary**
"Notice to joint shareholders Zaid, Rohan & Khalid"	→	**The one named first in the register**
"Member refused inspection of minutes – remedy"	→	**Complaint to the registrar**
"EGM vs statutory meeting"	→	**EGM any time; statutory once in a lifetime**

⚠ CHAPTER 7 EXAM TRAPS

Trap: Statutory meeting date = the **earlier** of 180 days from **entitlement** to commence and 9 months from incorporation – not the date operations actually began.

Trap: AGM must satisfy **both** the 120-day rule and the **once-per-calendar-year** rule. SMCs need no AGM.

Trap: Short-notice EGM is allowed only for **unlisted** companies with consent of **all** members.

Trap: No quorum → requisitioned meeting is **dissolved**; directors' meeting is **adjourned**.

Trap: Two proxies for one meeting → **both** invalid, not just the second.

Trap: Board minutes: 10 years physical; **general meeting** minutes: **20 years** physical (both permanent electronic).

Trap: Poll threshold 1/10 of voting power; members' resolution 5%; court petitions 10%.

CAF-04 – CHAPTER 7 IN 60 SECONDS

- **Statutory meeting:** public company with share capital · earlier of 180 days / 9 months · report certified by CEO + director (+ CFO if listed) with auditors' report.
- **AGM:** first within 16 months · then 120 days after year end and once per calendar year · +30 days extension · 21 days' notice.
- **EGM:** board or 1/10 requisition · board acts in 21 days · held within 90 days · SECP may call (one member may be quorum).
- **Notices:** registered address · post deemed served · first-named joint holder · to members, directors, heirs, auditors.
- **Business:** 4 ordinary AGM items · everything else special (statement of material facts).
- **Voting:** hands = 1 per member · poll by chairman or 1/10 · within 14 days · secret ballot possible.
- **Proxies:** one per meeting · member unless articles allow · 48 working hours · may demand poll.
- **Quorum:** listed 10 + 25% · others 2 + 25% · ½ hour → dissolve / adjourn · adjourned: 2 present.
- **Resolutions:** 5% may propose (10 days) · circulation for unlisted ≤ 50 members · special filed in 15 days.
- **Minutes:** 20 years physical / permanent · inspect free · certified copy after 7 days, within 7 days.

23 Chapter Memory Map

Types of Meetings | Statutory Meeting | Statutory Report | AGM – 16 Months / 120 Days | Place & Video-link
EGM & Requisition | SECP Calls Meeting | Service of Notices | Ordinary vs Special Business | Chairing | Number of Votes
Show of Hands vs Poll | Proxies – 48 Hours | Corporate Representative | Quorum | Court – 10% / 30 Days
Members' Resolutions | Circulation | Filing – 15 Days | Minutes & Inspection