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Communication In Business Environment

Learning Objectives

After reading this chapter, you will be able to understand

- ◆ Understand how the notice and minutes of a meeting are to be drafted.
- ◆ Understand the importance and different types of Press Releases.
- ◆ Understand how the Corporate Announcements by Stock Exchanges are made.

18.1 Specimen of Notice

Notice is hereby given that the 10th Annual General Meeting of the Members of XYZ Ltd. will be held on Thursday, the 15th day of September, 2014, at the Registered Office of the Company at Plot Nos. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (HP), at 10.00 a.m. to transact the following business –

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March, 2014 and the Profit & Loss Account for the year ended on that date and Auditor's and Directors' Reports thereon.
2. To declare dividend for the year ending 31st March, 2014.
3. To appoint a director in place of Mr. who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. who retires by rotation and begin eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the company; and fix their remuneration.

Special business:

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

“Resolved that pursuant to the provisions of sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 the consent of the Company be and is hereby accorded to the re-appointment of and remuneration payable to Mr. P.S. Gill as Managing Director for a period of five years w.e.f. 1st July, 2014 on the following terms and conditions:

(A) Salary: ₹ 1,50,000 per month

(B) Perquisites:

(i) Medical reimbursement:

Expenses incurred for self and family subject to a ceiling of one month salary in a year or three month's salary over a period of three years.

(ii) Leave travel concession for self and family once in a year in accordance with the Rules of the Company.

(iii) Club fee:

Fees of clubs, subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.

(iv) Personal accident insurance:

Premium not to exceed ₹ 1,0000.

(v) Company's contribution towards pension/superannuation fund as per Rules of the Company for the time being in force but such contribution together with P.F. shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income-tax Act,1961.

(vi) Company's contribution towards P.F. as per rules of the company for the time being in force but not exceeding 10% of the salary.

(vii) Gratuity not exceeding half month's salary for each completed year subject to a ceiling of ₹ 20 lakhs.

(viii) Free use of the telephone at residence but personal long distance calls shall be billed by the company.

(ix) Free use of company's car with driver for the business of the company.

(x) Earned / Privilege Leave:

One months' leave with full pay and allowances for every 11 months of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

Regd. Office:

16-18, New Electronics Complex

Chambaghat

Distt: Solan (HP)

For and on behalf of Board of Directors

Chairman of the Meeting

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Notes:

- ◆ A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
- ◆ Explanatory statement relating to special business is annexed to this Notice as required under section 102 of the Companies Act, 2013.
- ◆ The Register of members and the Share Transfer Books of the Company will remain closed from 7th day of September, 2014 to 15th day of September, 2014 both days inclusive.
- ◆ Members are requested to notify immediately change of address, if any, to company's Registered Office. While communicating to the company, please quote the folio number.

Shareholders desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions to the company's Head office, so as to reach at least 5 days before the date of the meeting so that the information may be made available at the meeting to the best extent possible.

18.2 Specimen of Minutes of Annual General Meeting

Third annual general meeting held at

Place.....

Date.....

Time.....

Present

1. Shri in the chair
2. directors.
3. Members in person and
4. representative of C.A.
5. Secretary

a. Notice

The notice convening the meeting was read by the Secretary.

b. Directors' Report and Accounts.

With the consent of the members present, the Director's Report and Accounts having already been circulated to the members were taken as read.

c. Auditors' Report

The Auditors' Report was read

d. Adoption of Directors' Report, etc.

The Chairman then invited queries from the members present on Directors' report, Accounts and Auditors' and auditor's Report, but there was no query. Thereafter, the Chairman proposed the following resolution which was seconded by.....

"Resolved that the Directors' Report, audited Balance Sheet as on 31st March, 2014 and Profit and Loss Account for the year ended 31st March, 2014 and Auditors' Report thereon be and the same are hereby received, considered and adopted."

Carried unanimously.

e. Dividend

Proposed by Shri

Seconded by Shri

"Resolved that the Dividend as recommended by the Board of Directors for the year ended 31st March, 2014 at the rate of ₹ per share on the equity share capital of the company, subject to deduction of tax at source be and is hereby declared for payment to those shareholders whose names appeared on the Register of Members as on 2014."

Carried unanimously

f. Directors

Proposed by

Seconded by

"Resolved that Shri who retires by rotation and is eligible for re-appointment to and is hereby re-appointed a director of the company."

Carried unanimously.

g. Auditors

Proposed by

Seconded by

"Resolved that M/s Chartered Accountants, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration of ₹"

Carried unanimously.

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

Dated2014.

Chairman

18.3 Specimen of Chairman's Speech

Chairman's Speech at Annual General Meeting 2011
-----Limited

Annual General Meeting

-----, 2011

Speech of the Chairman

Mr.-----

My dear shareholders, ladies and gentlemen: I am very pleased to extend a warm welcome to each of you to the 95th Annual General Meeting of our company. I trust all of you are pleased with the results for the year ended March, 2011 and our recommendation for a dividend at the rate of ₹ 50 per share - which will be the highest dividend ever declared in the 95-year life of our company.

Those of you who have seen our accounts for the year 2010-2011 and have read our Directors' Report will know that this level of dividend distribution is well justified by the financial results of your company. The reasons and circumstances responsible for these results have been discussed in the Directors' Report. Instead, considering the fact that this is our 95th Annual General Meeting, it may be appropriate to reflect upon the nature and performance of your company in an historical perspective.

Today, just before this AGM, we presented the film We Are -----Co. providing different domestic products, which was seen by many of you. That film, in 75 minutes, tells the story of how the company we own has gone about its business over the last 95 years. It tells this story in the words of people who know the company well, either because they work in the company or because they deal with the company or because they use the company's products. I hope that those of you who have seen this film have got a better understanding of what your company is all about and how it has produced the results that you have got so far.

Those of you who attended the AGM last year may remember that I spoke about the seven elements in the DNA of our products. I hope you have been able to see today these seven elements in the film, We Are ----- Co. What are these seven principles?

1. Follow the Golden Rule. "Do unto others as you would that they do unto you".
2. Respect both Ends and Means. The results have to be achieved and the means have to be right.
3. Seek the Best. From the choice of materials and machines to the selection and promotion of our people, we choose to work with the best we can get or create.

4. Hot Focus. Today, as a result of following this policy of Hot Focus over many decades, we know as much or more than any other manufacturer in the world about pressure cookers and cookware.
5. Prudence. We don't "Bet the Company" on anything - no matter how exciting the prospect.
6. Courage and Resolution. Where an important principle is involved, be bold, brave and resolute.
7. Do Your Best and Leave the Rest to God. Apart from anything else, this allows us to sleep soundly at night.

Let us now move from the inward examination of our motives and actions over the last 94 years to the judgment of the stock market. Your company was started by my father, Mr. -----, in the year----- as a Private Limited Company with a share capital of ₹ 10,000. The company went public in 1978. The face value of the share was ₹ 10 and the premium was ₹ 2½ - making a total cost of ₹ 12.50 per share. The original number of shares issued and converted in the initial public issue in 1978 were 8,20,000 shares, giving a total market value of ₹ 102.5 lakhs. Since then, there were various further issues of additional shares either by way of rights issue or bonus issue and today we have a total of 52,87,815 shares, the market value of which is ₹ 1,150 per share (based upon the average daily closing balance in the period July 1 to July 21, 2011). This gives us a market value of the company of ₹ 608 crores, up from the market cap of ₹ One crore in the year of the initial public issue in 1978. The compound average growth rate in the market cap of the company over 35 years is 25% per annum.

In this journey, dear shareholders, we, you and I, have been fellow-travellers. For me personally, it has been a very satisfying journey, as a professional manager and investor. I do hope that each of you, dear shareholders, have found this journey equally satisfying - not only as investors but as citizens proud to be associated with this enterprise.

The financial results of the June quarter of 2011-12 are good. Net Sales are ₹ 61.8 crores, up 15% over June quarter in the previous year. Net Profit After Tax is ₹ 8.1 crores, up 14% over June quarter in the previous year.

Finally, I must express my profound gratitude to all of you, dear shareholders, for the steadfast confidence you have reposed in our Company and the Team through thick and thin. And thank you for your patient hearing of my thoughts today

18.4 Press Releases

The term press release in its narrower sense is used for releases covering news. The press release contains worthwhile material which has some news value. It is not only unnecessary expenditure but also damages the reputation of the concerned publicity / information department if the release is on a very trivial matter.

The press release should be written in a journalistic style. It should provide facts or

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information of interest to the readers and should attempt to cover all aspects of a specific subject. There should not be any loose ends. It should be on a subject which is recent or in news. The release should not be generally lengthy. It should be concise and to the point. It has not much place for subsidiary or background material. The release is a piece of clear writing without any ambiguity, without any effort towards colour or ornamentation.

The introduction or lead should be in a summary format as it is a news story. The relative value of the various ingredients of the subjects in the press release is weighted and evaluated and the most pertinent of them are included in the lead.

The releases should have a consistent format. Generally, the name of the organization from where the release emanates is given on the top. The date and place are indicated on the top right side. The release should have a title and a sub-title also, if necessary. It should have a suitable introductory paragraph. In the case of releases from non-official organization, it is desirable also to mention the designation of the person issuing the release and his telephone number.

The press releases covering news in the case of the government are mainly of our types – press communiqués, press notes, handouts, and unofficial stories or unofficial hand-outs.

The *press communiqués* are issued when some important government decisions or announcements are made such as cabinet appointments, conclusion of the foreign dignitaries' visits, international agreement, etc. The press communiqué is formal in character. It carries the name of the ministry or department and the place the date at the bottom left-hand corner of the release. Generally, the press is expected to reproduce the press communiqué without any substantial change. No heading or subheading is given on press communiqués.

The second category of press releases are *press notes*. They are less formal in character. They are issued on important matters, e.g., raising or lowering of tariff rates, etc. The press note also carries the name of the ministry/department and the place and date at the bottom left-hand corner. Heading or sub-heading are given in press notes.

The third category are *hand-outs*. They are issued on a variety of subjects and on day-to-day activities of the ministry/department, VIP speeches, questions and answers in parliament, etc. The hand-out is a less formal type of release and not issued under the government's formal authority. It bears the name of the PIB or other releasing agency on the top without any mention of the ministry/department to which the release pertains. The place and date are indicated on top at right-hand side. One of the most important common categories of hand-outs relate to the speeches of ministers or other high officials. The hand-out is released only when the speech is concerned with governmental activity. No official hand-out is issued if the minister has spoken in his personal capacity as a member of a political organization.

The speech when released to the press in the form of handout is summarized and properly edited. Formal introducing and concluding remarks are omitted and redundant and repetitive material taken out. A proper title and sub-title are given. The important aspects which are to be stressed are included in the beginning paragraph or in the lead. The full text of the speech

is not released unless the subject is of very great importance.

While covering inaugural and other functions where VIPs make speeches, the press release should stress on the significance of the function and try to spell out in concrete terms the gains to the community rather than reproducing the speech. For instance, the opening of a new branch of a bank or of power house at a particular place should be an opportunity to the communicator to bring out in the press release the specific gains which would accrue to the people of that area rather than only spotlighting on the dignitary and his speech.

The speech of the Prime Minister or of a very important dignitary at formal occasions or at important gatherings is generally released in full to ensure correct reporting. The full text is also helpful to the editors and column writers. It is also utilized for reference purposes in the future.

Unofficial hand-outs are issued on a subject where the government would not like to assume official responsibility in the matter but feels that there may be positive advantages in making information public unofficially. These hand-outs are supplements to oral briefings. They are given across the table to press correspondents and no general release is made. The unofficial hand-out do not have the imprint of the PIB or of other releasing agencies. The date and place are indicated at bottom left-hand corner.

Model Press Release

Press Note No 04/2005 Released by the Ministry of Corporate Affairs.

F. No. 17/78/2001/CL.V

Government of India
Ministry of Corporate Affairs
Press note – 04/2005

30th July 2005

Subject: Simplified Exit Scheme, 2005- Extension of scheme by a further period of one month

1. In order to give an opportunity to defunct companies desirous of getting their names struck off from the Register of Companies under the Companies Act, 2013 through a simplified procedure, the Central Government (Ministry of Corporate Affairs) had introduced a scheme namely, "the Simplified Exit Scheme, 2005" (SES, 2005) vide General Circular 2/2005 dated 28.1.2005. The Scheme was effective from 1st February, 2005 and was to come to an end on 31st July, 2005.
2. On account of difficulties experienced due to adverse weather conditions in different parts of the country, it has been decided to extend the scheme by a further period of one month up to 31.8.2005, to afford further opportunity to defunct companies to avail the benefits of the scheme.
3. Copy of this Press Note has also been placed on the Web page of the Ministry of Company Affairs

18.5 Corporate Announcements by Stock Exchanges

1. The Sirpur Paper Mills Ltd has informed the Exchange that the production on all machines and normal functioning at the mill at Sirpur Kaghaznagar, has re-started on August 06, 2006. Insurance claim has been lodged with necessary authorities.
2. Rama Newsprint And Papers Ltd has informed the Exchange that ICICI Bank Ltd (ICICI) has withdrawn nomination of Shri Nagesh Pinge as its Nominee Director on the Board of Directors of the Company w.e.f. August 2,2006 and has appointed Ms. Neeta Mukerji as its Nominee Director on the Board of the Company w.e.f. August 2,2006.
3. Satyam Computer Services Ltd has informed the Exchange regarding a press release dated August 07, 2006, titled "Satyam Partners with Planview, Inc.". The details of the press release shall be available on the NSE website (<http://www.nseindia.com>) under: Corporates > Latest Announcements and on the Extranet Server (/Common/Corporate Announcements
4. Wipro Ltd has informed the Exchange that the Board of Directors vide their Circular resolution effective August 04, 2006 resolved to issue and allot 29520 equity shares of ₹2/- each pursuant to exercise of the stock options by the eligible employees under the Wipro Employee Stock Options Plans i.e., WESOP 1999 and WESOP 2000.

5. **Board Meetings Announced**

Company	FLEX INDUSTRIES LTD.
NSE Symbol	FLEX
Board Meeting Date	17-AUG-2006
Purpose	Audited Accounts/ Others
Details	To consider and approve the Audited Annual Accounts for the financial year ended March 31,2006 and to fix the day, date and time of the AGM of the Company.