

Announcement

MCA has issued Clarification on holding of Annual General meeting through video conferencing or other audio-visual means

[Refer MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular - I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular - II)]

Section 96 (2) of the Companies Act, 2013 (the Act) requires that every annual general meeting shall be called and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate subject to the conditions.

However, the Ministry of Corporate Affairs (the MCA) has allowed companies to hold annual general meeting (AGM) in a manner similar to the one provided in, which deal with conduct of extraordinary general meeting (EGM) and by virtue of the same the companies have been allowed the holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM).

Further, companies whose financial year ended on 31st December, 2019, have already been allowed to hold their AGM by 30th September, 2020 as per General Circular No. 18/2020 dated 21.04.2020.

In view of the continuing restrictions on the movement of persons at several places in the country, it has been decided that the companies be allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM), during the calendar at year 2020, subject to the fulfilment of the following requirements:

A. Companies where e-voting is required

- i. The framework provided in para 3 -A of EGM circular - I and the manner and mode of issuing notices provided in sub-para (i)-A of EGM Circular – II shall be applicable for conducting the AGM. (Please refer our Announcement of EGM).
- ii. In AGM, besides ordinary business, any special business. If unavoidable, shall be transacted.

- iii. Financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), shall be sent by email to members and the other persons entitled to receive.
- iv. Before sending the notices and copies of the financial statements, etc., a public notice by way of advertisement be published at least once in a vernacular language and in English language in respective language newspaper mentioning therein:
 - Statement that the AGM will be convened through VC / OAVM as per applicable legal prescriptions.
 - The date and time of the AGM through VC / OAVM
 - Availability of notice of the meeting on the website of the company (on stock exchange by listed entities)
 - For members who are holding shares in physical form or who have not registered their email addresses with the company – stating they can cast vote through e-voting/remote e-voting.
 - Manner for registration of unregistered members for registration
 - Manner to mandate receiving dividends directly in member's bank account.
- v. The company, upon normalization of the postal services, is allowed to dispatch the dividend warrant/cheque by post for dividend remaining unpaid.
- vi. Where Company has received permission to conduct AGM physically, then the persons attending such meetings physically as well as persons attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum. All resolutions shall continue to be passed through the facility of e-voting system.

B. For Companies where e-voting is not required:

- i. AGM can be conducted by Companies which has in its records, the email addresses of half the number of prescribed category of members.
- ii. Manner for registration of unregistered members for registration
- iii. The framework provided in para 3 -A of EGM circular - I and the manner and mode of issuing notices provided in sub-para (i)-A of EGM Circular – II shall be applicable for conducting the AGM.
- iv. In AGM, besides ordinary business, any special business. If unavoidable, shall be transacted.

- v. Financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), shall be sent by email to members and the other persons entitled to receive.
- vi. The company, upon normalization of the postal services, is allowed to dispatch the dividend warrant/cheque by post for dividend remaining unpaid.

The companies shall also ensure all other compliances associated with the provisions relating to general meeting viz. making of disclosures, inspection of related documents/register by members or authorisations for voting by bodies corporate etc as provided in the law are made through electronic mode.

Further, the Companies which are not covered by the General Circular No. 18/2020, 21.04.2020 and are unable to conduct their AGM in accordance with the framework provided in this Circular are advised to prefer applications for extension of AGM at a suitable point of time before the concerned Registrar of Companies.

Details are available at http://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf
http://www.mca.gov.in/Ministry/pdf/Circular14_08042020.pdf
http://www.mca.gov.in/Ministry/pdf/Circular17_13042020.pdf

With Kind Regards,

Chairman

Corporate Laws & Corporate Governance
Committee

Vice- Chairman

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