



ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING



Amid the continuing restrictions on the movement of persons at several places and representations received, the **Ministry of Corporate Affairs (MCA) on 05th May, 2020 has addressed a circular** to all the Regional Directors (RD), Registrar of Companies (ROC) and all the stakeholders allowing to hold Annual General Meetings (AGMs) through Video conferencing (VC) and other audio visual means (OAVM). This circular needs to be read with General Circular 14/2020, dated 8th April,2020, the General Circular 17/2020, dated 13th April,2020.

The Circular has been divided into 2 parts:

- Companies required to provide facility of e-voting
- Companies not required to provide facility of e-voting

Link to MCA Circular:

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

HIGHLIGHTS OF THE CIRCULAR APPLICABLE IN BOTH THE CASES



The relaxation is provided for the AGM which will be conducted for the Calendar Year 2020.



The attendance of members through VC or OVAM shall be counted for quorum



Convenience of different persons positioned in different time zones shall be kept in mind before scheduling the meeting



Two-way teleconferencing or WebEx should be allowed to the members for posing questions



Appointment of proxies not allowed



**The recorded transcript of AGM to be created and kept in safe custody of the Company.
Public Companies to upload the recorded transcript on their website, if any**



The Company shall take all necessary steps to register the email addresses of all the persons who have not registered their email addresses with the Company



Items of special business are to be transacted at the AGM only if considered unavoidable



Copies of Financial Statements, Board's Report, Auditors Report or other documents required to be attached shall be sent only by email to the members, trustees of debenture holders of any debentures and to all other persons entitled to receive notice

HOLDING OF PHYSICAL AGM

In case, the Company has received the permission from relevant authorities to conduct its AGM at its registered office, or at any other place as provided under Section 96 of the Companies Act, 2013 after following the advisories issued from the authorities:

- ✓ The Company *may* in addition to holding such meeting with physical presence of some members, also provide the facility of VC or OAVM, so as to allow other members of the Company to participate in the meeting.
- ✓ All the members who are physically present in the meeting as well as members who attend the meeting through VC or OAVM shall be reckoned for the purpose of the quorum.
- ✓ All resolutions shall continue to be passed through the facility of e-voting system.

DIVIDEND

- ✓ Companies shall make adequate provisions for allowing the members to give their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service (ECS) or any other means.
- ✓ For shareholders, whose bank accounts are not available, Company shall upon normalization of the postal services, dispatch the dividend warrant/cheque to such shareholder by post.



OTHER COMPLIANCES

Companies shall ensure that all other compliances associated with the provisions relating to general meeting viz making of disclosures, inspection of related documents/registers by members, or authorizations for voting by bodies corporate, etc. as provided in the Act and the AOA of the Company are made through electronic mode.

COMPANIES REQUIRED TO PROVIDE FACILITY OF E-VOTING

1. The facility must have a capacity to allow at least 1000 members to participate on a first come first serve basis except for : Large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, KMP, Chairperson of Audit, NRC and SRC Committee, auditors.
2. VC or OVAM must allow joining of the meeting at least before 15 minutes of the scheduled time and shall not be closed till the expiry of 15 minutes after the scheduled time.
3. Remote E-voting facility to be provided in accordance with the Act.

4. The members can pose the questions in advance on the e-mail address of the Company.
5. Chairman of the meeting to ensure e-voting system available for the purpose of poll during the meeting.
6. Voting at the meeting to be conducted in the following manner:
 - Less than 50 members: Through E-voting or through show off hands
 - Other cases : Through E-voting
7. One Independent Director and the auditor or the authorised representative of the auditor to attend the meeting .

COMPANIES REQUIRED TO PROVIDE FACILITY OF E-VOTING

8. The Company should provide a helpline number through the RTA, technological provider for the shareholders
9. All the resolutions passed at the meeting (Ordinary or Special) shall be filed with ROC in Form MGT-14 within 60 days of the Meeting.

MANNER OF SENDING NOTICE

1. The notices may be given only through e-mails registered with the Company or with the depository participant/depository
2. The public notice by a way of an advertisement under Rule 20 of the Management and Administration Rules shall contain certain additional disclosures:
 - ✓ A statement that the AGM will be convened through VC or OAVM in compliance with the applicable provisions of the Act read with the General Circular 14/2020, dated 8th April,2020, the General Circular 17/2020, dated 13th April,2020 and General Circular No. 20/2020, dated 05th May, 2020.

COMPANIES REQUIRED TO PROVIDE FACILITY OF E-VOTING- MANNER OF SENDING NOTICE

- ✓ The date and time of the AGM through VC or OAVM and the availability of the notice on the website of the Company and the SE
 - ✓ The Manner of registration of email id for the members who have not registered e-mail ids with the Company and voting through remote e-voting or through the e-voting system during the meeting;
 - ✓ The way the members can give their mandate for receiving dividends directly in their Bank Account through Electronic Clearing Service (ECS) or any other means
 - ✓ The way the members who are holding shares in physical form or who have not registered their email addresses with the Company can cast their vote through remote e-voting or through the e-voting system during the meeting
 - ✓ Any other details considered necessary by the Company
3. The Chairman of the meeting shall satisfy and record before considering the business in the meeting that all efforts for the meeting have been made.

COMPANIES NOT REQUIRED TO PROVIDE FACILITY OF E-VOTING- CONDITIONS FOR HOLDING AGM THROUGH VC OAVM

The Company to have record of the email addresses of at least half of its total number of members, who :

- ✓ In case of Nidhi, hold shares of more than one thousand rupees in face value or more than 1% of the total paid up capital whichever is less;
- ✓ In case of other Companies having share capital, who represent not less than 75% of such part of the paid-up share capital of the Company as gives rights to vote at the meeting;
- ✓ In case of Companies not having share capital, who have the right to exercise not less than 75% of the total voting power exercisable at the meeting

COMPANIES NOT REQUIRED TO PROVIDE FACILITY OF E-VOTING-MANNER OF SENDING NOTICE

1. The notices may be given only through e-mails registered with the Company or with the depository participant/depository and the notice shall be displayed on the website of the Company.
2. For the purpose of awareness of the meeting to the members, the Company shall:
 - ✓ Contact members whose email Ids are not registered over the telephone or through any other mode of communication before sending the notice for the meeting;
 - ✓ If the contact details are not available with the Company, a public notice by a way of advertisement in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having wide circulation in that district, preferably both newspaper having electronic edition, and specifying the following information:
 - a. The Company intends to convene AGM in compliance with the above-mentioned circulars;

COMPANIES NOT REQUIRED TO PROVIDE FACILITY OF E-VOTING-MANNER OF SENDING NOTICE

- b. For the purpose of the meeting it proposes to send notices to all its members by email, at least 3 days from the date of publication of the advertisement;
 - c. The contact details on which the members can get their email address registered for participation in the general meeting and voting
3. The Chairman of the meeting shall satisfy and record before considering the business in the meeting that all efforts for the meeting have been made

APPOINTMENT OF CHAIRMAN

The meeting shall be chaired by person specified in the AOA and if the AOA does not provide for the same and the members present at the meeting are 50 or more, the chairman shall be elected by taking a poll at the meeting and if there are less than 50 members, chairman shall be elected by show off hands.

The voting on poll of any item to be considered at the meeting shall be considered only during the meeting and not before the meeting

COMPANIES UNABLE TO HOLD AGM.

The Companies whose financial year ends on 31.03.2020 and are unable to conduct their AGM in accordance with the framework laid down in the circular are advised to prefer applications for extension of AGM at a suitable point of time before the ROC.

Disclaimer: This note has been prepared for general guidance on matters of interest only and does not constitute a professional advice.

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