

F. No. 2/4/2020-CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhawan,
Dr. R. P. Road, New Delhi-110001
Dated: 5th May, 2020

To

All Regional Directors,
All Registrar of Companies
All Stakeholders

Subject: Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)

Sir/Madam,

Several representations have been received in the Ministry for providing relaxations in the provisions of Companies Act, 2013 (the Act) or rules made thereunder to allow companies to hold annual general meeting (AGM) in a manner similar to the one provided in General Circular No. 14/2020, dated 08.04.2020 (EGM Circular - I) and General Circular No. 17/2020 dated 13.04.2020 (EGM Circular - II), which deal with conduct of extraordinary general meeting (EGM).

2. In the meanwhile, by virtue of the General Circular No. 18/2020, dated 21.04.2020, the companies whose financial year ended on 31st December, 2019, have been allowed to hold their AGM by 30th September, 2020.

3. The matter has been further examined and it is stated that 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 year 2020, subject to the fulfillment of the following requirements:

A. For companies which are required to provide the facility of e-voting under the Act, or any other company which has opted for such facility –

- 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 *mutatis mutandis* for conducting the AGM.
- II. In such meetings, other than ordinary business, only those items of special business, which are considered to be unavoidable by the Board, may be transacted.
- III. In view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the company, and to all other persons so entitled.
- 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 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 a wide circulation in that district, preferably both newspapers having electronic editions, and specifying in the advertisement the following information:-

- a. statement that the AGM will be convened through VC or OAVM in compliance with applicable provisions of the Act read with this Circular;
 - b. the date and time of the AGM through VC or OAVM;
 - c. availability of notice of the meeting on the website of the company and the stock exchange, in case of a listed company;
 - d. the manner in which 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;
 - e. the manner in which the persons who have not registered their email addresses with the company can get the same registered with the company;
 - f. the manner in which the members can give their mandate for receiving dividends directly in their bank accounts through the Electronic Clearing Service (ECS) or any other means;
 - g. any other detail considered necessary by the company
- V. In case, the company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the company shall upon normalization of the postal services, dispatch the dividend warrant/cheque to such shareholder by post.
- VI. In case, the company has received the permission from the relevant authorities to conduct its AGM at its registered office, or at any other place

as provided under section 96 of the Act, after following any advisories issued from such 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 such meeting. All members who are physically present in the meeting as well as the members who attend the meeting through the facility of VC or OAVM shall be reckoned for the purpose of quorum under section 103 of the Act. All resolutions shall continue to be passed through the facility of e-voting system.

B. For companies which are not required to provide the facility of e-voting under the Act -

- I. AGM may be conducted through the facility of VC or OAVM only by a company which has in its records, the email addresses of at least half of its total number of members, who –
 - a. in case of a *Nidhi*, hold shares of more than one thousand rupees in face value or more than one per cent. of the total paid-up share capital, whichever is less;
 - b. in case of other companies having share capital, who represent not less than seventy-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting;
 - c. in case of companies not having share capital, who have the right to exercise not less than seventy-five per cent. of the total voting power exercisable at the meeting.
- II. The company shall take all necessary steps to register the email addresses of all persons who have not registered their email addresses with the company.

- III. The framework provided in para 3-B of EGM Circular – I and the manner and mode of issuing notices provided in sub-para (i)-B of EGM Circular – II shall be applicable *mutatis mutandis* for conducting the AGM.
- IV. In such meetings, other than ordinary business, only those items of special business, which are considered to be unavoidable by the Board, may be transacted.
- V. Owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the company, and to all other persons so entitled.
- VI. The companies shall make adequate provisions for allowing the members to give their mandate for receiving dividends directly in their bank accounts through the 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.

4. The companies referred to in paragraphs 3 (A) and (B) above, shall ensure that all other compliances associated with the provisions relating to general meetings 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 articles of association of the company are made through electronic mode.

5. The companies which are not covered by the General Circular No. 18/2020, dated 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 under section 96 of the Act.

6. This issues with the approval of the competent authority.

Yours faithfully



Sridhar Pamarthi

Joint Director

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1. e-Governance Section and Web contents officer to place this circular on the Ministry's website.
2. Guard File