Holding of the Annual General Meeting through Video Conferencing (VC) or other Audio Video Means (OAVM)

Purpose: To relax the some provisions of the Companies act 2013 or Rules made there under subject to the current situation due to the Covid 19.

Relevant Circulars: 20/2020 dated 05.05.

Circular 20/2020 dated 05.05.2020

As per this Circular Companies be allowed to conduct their AGM through VC (Video Conferencing) or (OAVM) other Audio Video means, during the calendar year 2020.

There are following required to conduct an AGM through the modes as mentioned above.

A. For the Companies which are required the facility of e-voting under the Act, or any other Company which has opted for such facility.

   As mentioned in the para 3-A of EGM Circular –I and the manner of issuing notices provided in the sub para (i) –A of EGM Circular –II shall be applicable Mutatis mutandis for conducting the AGM

   Only for Unavoidable Special Business
   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.

   Financial statements shall be sent only by the mode of Email
   Subject to the prevailing situation there are lots of difficulties involved in dispatching of the physical Copies of the Financial Statements, so by considering this problems these financial statements shall be sent only by the Email-

1. To the members,
2. Trustee of debenture holders of any debentures,
3. Or any other person so entitled

Notice shall be published in the Newspaper

Before sending the notice and copies of the financial statements or any other documents, a public notice by way of advertisement be published at least once in a-

1. At least 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
2. And at least once in English language in an English newspaper having a wide circulation.

In Newspaper shall specifying the following things

a. Statements that the AGM will be convened through VC or OAVM compliance with applicable provisions of the Act read with this circulars,
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 stock exchange, in case of the a listed company;
d. The manner in which the members who are holding shares in the 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
e. The manner in which the person who have not registered their email addresses with the Company can get the same registered with the Company.
f. Any other details considered necessary by the Company.

Service of Dividend warrant/Cheque

In case 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.

In case if request received by the Companies from the authorities to conduct AGM at Registered Office or any other place of the Company

Subject to the provision of Section 96 of the Companies Act, 2013 and after following the Advisory issued by the Authorities, the Companies 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 to participate in such meeting.

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

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-

In case of Nidhi Company-

Hold shares of more than Rs/- 1000 in face value or more than 1% of total paid up share capital, whichever is less.

In case of Companies having share Capital -

Who represent not less than 75% of such part of the paid-up share capital of the Company as give a right 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.

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

The Framework provided in para 3-B of EGM Circular – I and the manner and mode of issuing notice provided in sub-para (i) –B of EGM Circular- ii shall be applicable mutatis mutandis for conducting the AGM.

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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 circular are advisable to prefer applications for extension of AGM at a suitable point of time before the concerned ROC under section 96 of the Act.