



CLARIFICATION ON HOLDING OF AGM THROUGH VIDEO CONFERENCING(VC) OR OTHER AUDIO VIDEO VISUAL MEANS (OAVM)



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CLARIFICATION ON HOLDING OF ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING(VC) OR OTHER AUDIO VIDEO VISUAL MEANS (OAVM)

Ministry of Finance Vide General Circular No.20/2020, {F.No. 2/4/2020-CL-V} dated 05.05.2020 has notified that Annual General Meeting can be held via Video Conferencing or other Audio Visual Means (OAVM).

In view of the continuing restrictions on the movement of persons at several places in the country, the Central Government has 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 fulfilment of the following requirements:

1. 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 –

- 1.1 The following procedures shall be adopted for the purposes of conducting AGM through video conferencing (VC) or other audio - visual means (OAVM)
 - 1.1.1 The recorded transcript of the conference shall be maintained in safe custody and in case of Public Company, the recorded transcript of the meeting, shall as soon as possible, be also made available on the website (if any) of the company.
 - 1.1.2 Convenience of different persons in different time zones shall be kept in mind before scheduling the meeting.
 - 1.1.3 Meeting through VC or OAVM facility should allow two-way teleconferencing or webex for the ease of participation and participants must be allowed to pose questions concurrently or in advance by email to the company.
 - 1.1.4 It should allow at least 1000 members to participate on a first come first serve basis. The following persons shall be allowed to attend the meeting without restriction on account of first come first served basis.
 - a. Shareholders holding 2% or more
 - b. Promoters
 - c. Institutional Investors
 - d. Directors
 - e. Key Managerial Personnel

- f. Chairperson of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship committee
 - g. Auditors
- 1.1.5 The facility of joining the meeting shall be kept open at least 15 minutes before its commencement and shall not be closed till the expiry of 15 minutes after such scheduled time.
- 1.1.6 Before the actual date of meeting the facility of remote e-voting shall be provided in accordance with the Act & the Rules.
- 1.1.7 Attendance of members through VC or OAVM shall be counted for the purpose of quorum.
- 1.1.8 Only those members, who are present in the meeting through VC or OAVM facility and have not cast their vote on resolutions through remote e-voting and are otherwise not barred from doing so, shall be allowed to vote through e-voting system or by show of hands in the meeting.
- 1.1.9 Unless Articles require any specific person to be appointed as chairman, Chairman shall be appointed in the following manner:
 - a. Where the members are <50 present in meeting, the members personally present at the meeting shall elect one of themselves to be the Chairman thereof on a show of hands in accordance with Section 104.
 - b. In all other cases, the Chairman shall be appointed by a poll conducted through the e-voting system during the meeting.
- 1.1.10 The Chairman present at the meeting shall ensure that the facility of e-voting system is available for the purpose of conducting a poll during the meeting held through VC or OAVM. The voting shall be conducted in the following manner:
 - a. where there are less than 50 members present at the meeting, the voting may be conducted either through the e-voting system or by a show of hands. If a demand for poll is made in accordance with section 109 of the Act the voting shall be conducted through the e-voting system.
 - b. In other cases, voting shall be conducted through e-voting system.
- 1.1.11 Since general meetings under this framework will be held through VC or OAVM, where physical attendance of members in any case has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members will not be available for such meetings. However, in pursuance of section 112 and

section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC or OAVM.

- 1.1.12 At least one independent Director and Auditor or his authorised representative, shall attend such meeting through VC or OAVM.
- 1.1.13 The Company should provide a helpline number for those who need assistance in using the technology. A copy of the meeting notice shall be prominently displayed on the website of the company and due intimation to be made to exchanges in case of listed company.
- 1.1.14 All resolutions passed in accordance with this mechanism shall be filed with the Registrar of Companies within 60 days of the meeting, clearly indicating that the mechanism provided herein along with other provisions of the Act and rules were duly complied with during such meeting.
- 1.1.15 The notice for the General Meeting should contain clear instructions as to how to access and participate in the meeting.
- 1.1.16 The manner and mode of issuing notices are as follows:
 - a. The notices to members may be given only through emails registered with the company or with the depository participant/ depository.
 - b. While publishing the public notice as required under rule 20(4)(v) of the rules, following matters should be stated:
 - i. A statement that EGM has been convened through VC or OAVM in compliance with the applicable provisions of the act.
 - ii. The date and time of EGM through VC or OAVM.
 - iii. Availability of notice of meeting on the website of the company and the stock exchange.
 - iv. The manner in which members who are holding shares in physical form or have not registered their email addresses can cast their vote through remote e - voting or through e - voting system during the meeting.
 - v. The manner in which the members who have not registered their email addresses can get the same registered with the company.
 - c. The chairman of the meeting shall satisfy himself and cause to record the same before considering the business that all efforts have been made by the company to enable members to participate and vote in the meeting.

- 1.2 In such meetings, other than ordinary business, only those items of special business, which are considered to be unavoidable by board, may be transacted.
- 1.3 Owing to the difficulties involved in dispatching of physical copies of Financial Statements (including Boards Report, Auditors Report or other documents to be attached therewith) due to the prevailing situations, such statements shall be sent only by email to the members, trustees for the debenture holders of any debenture issued by the company and to all other persons so entitled.
- 1.4 Before sending the notices and copies of Financial Statements, 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:
 - 1.4.1 A statement that the AGM will be convened through VC or OAVM
 - 1.4.2 The date and time of AGM through VC or OAVM
 - 1.4.3 Availability of notice of the meeting on the website of the company and the stock exchange, in case of listed company.
 - 1.4.4 The manner in which members who are holding shares in physical form or have not registered their email addresses can cast their vote through remote e voting or through e voting system during the meeting.
 - 1.4.5 The manner in which the members who have not registered their email addresses can get the same registered with the company
 - 1.4.6 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.
- 1.5 In case the company is unable to pay the dividend by electronic mode due to non - availability of details of bank account, on normalization of postal services, dispatch the dividend warrant/cheque to such shareholder by post.
- 1.6 In case the company has received permission from relevant authorities to conduct its AGM at its registered office or at any other place as provided u/s 96 of the act, the company may in addition to holding such meeting with

physical presence of some members, also provide the facility of VVC or OAVM, so as to allow other members of the company to participate in such meeting.

2. For Companies which are not required to provide the facility of e voting under the Act –

- 2.1 AGM may be conducted through the facility of VC or OAVM only by a company which has in its records, the email addresses of atleast half of its total number of members, who –
- a. In case of a Nidhi, hold shares of more than Rs.1000 in Face value or more than one percent of the total paid up share capital, whichever is less.
 - b. In case of other companies, who represent not less than 75% of the paid up share capital 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 75% of the total voting power exercisable at the meeting.
- 2.2 The company shall take all necessary steps to register the email addresses of person who have not registered their email addresses with the company.
- 2.3 The framework and the manner of conducting the AGM is given below:
- 2.3.1 The procedures given in para 1.1.1 to 1.1.15 excluding paras 1.1.6, 1.1.8 and 1.1.10 shall be applied mutatis mutandis. Additionally, the below mentioned shall also be followed.
 - 2.3.2 The company shall provide a designated email address to all members at the time of sending the notice of meeting so that the members can convey their vote, when a poll is required to be taken during the meeting on any resolution, at such designated email address.
 - 2.3.3 The confidentiality of the password and other privacy issues associated with the designated email address shall be strictly maintained by the company at all times. Due safeguards with regard to authenticity of email address(es) and other details of the members shall also be taken by the company.
 - 2.3.4 During the meeting held through VC or OAVM facility, where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails through their email addresses which are registered with

the company. The said emails shall only be sent to the designated email address circulated by the company in advance.

2.3.5 Where less than 50 members are present in a meeting, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with section 109 of the Act. Once such demand is made, the procedure provided in the preceding sub-paragraphs shall be followed.

2.3.6 In case the counting of votes requires time, the said meeting may be adjourned and called later to declare the result.

2.4 The manner and mode of issuing notices is given below:

2.4.1 Notice shall also be prominently displayed on the website of the company, if any.

2.4.2 In order to ensure that all members are aware that a general meeting is proposed to be conducted in compliance with applicable provisions of the Act read with General Circular No. 14/2020 dated 8th April 2020, the company shall

a. contact all those members whose e-mail addresses are not registered with the company over telephone or any other mode of communication for registration of their e-mail addresses before sending the notice for meeting to all its members, or

b. where the contact details of any of members are not available with the company or could not be obtained as per (a) above, it shall cause a public notice by way of advertisement to be published immediately 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. that the company intends to convene a general meeting in compliance with applicable provisions of the Act and for the said purpose it proposes to send notices to all its members by e-mail at least, 3 days from the date of publication of the public notice:

- b. the details of the e-mail address along with a telephone number on which the members may contact for getting their e-mail addresses registered for participation and voting in the general meeting.
- 2.4.3 The Chairman of the meeting shall satisfy himself and cause to record the same before considering the business in the meeting that all efforts feasible under the circumstances have indeed been made by the company to enable members to participate and vote on the items being considered in the meeting.
- 2.5 In such meetings, other than ordinary business, only those items of special business, which are considered to be unavoidable by board, may be transacted.
- 2.6 Owing to the difficulties involved in dispatching of physical copies of Financial Statements(including Boards Report, Auditors Report or other documents to be attached therewith) due to the prevailing situations, such statements shall be sent only by email to the members, trustees for the debenture holders of any debenture issued by the company and to all other persons so entitled.
- 2.7 The companies shall make adequate provisions for allowing members to give their mandate for receiving dividends directly in their bank accounts through Electronic Clearing Service (ECS) or any other means. In case the company is unable to pay the dividend by electronic mode due to non - availability of details of bank account, on normalization of postal services, dispatch the dividend warrant/cheque to such shareholder by post.

NOTE:

1. The companies referred in Paragraph 1 and 2 above, shall ensure that all other compliances relating to General Meeting as provided in the act and the articles of association of the company are made through electronic mode.
2. The companies which are not covered by the General Circular No. 18/2020, dated 21.04.2020 and are unable to conduct the AGM as per the framework provided, are advised to prefer application for extension of AGM before the concerned ROC u/s 96.

CONTACT US AT THE FOLLOWING LOCATIONS

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Thousand Lights,
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Phone No. : +91 -44-2825 1140, 2825 1150
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44, Santhi Nagar,
Near Housing Board Junction,
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