

# VC FOR AGM EXTENDED AND ADDITIONAL DECLARATION FOR SHREHOLDERS

## DISCLAIMER

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# 2022

## **Conducting of AGM/EGM by Companies by Video Conferencing (VC) / other audio visual means (OAVM) extended till 31st December 2022.**

On account of COVID19, the Ministry of Corporate Affairs had issued various circulars allowing conduct of AGM through Video Conferencing / Other Audit Visual means. Originally the MCA has allowed companies to conduct AGM through Video Conferencing / Other Audio-Visual means by way of circular No.20/2020 dated 05.05.2020 and it has been extended by way of various circulars and the last one is Circular No.02/2022 dated 05.05.2022.

Similarly, the MCA had issued various circulars allowing conduct of EGM through Video Conferencing / Other Audit Visual means or conduct of items through postal ballot. The last circular on the subject was Circular No.03/2022 dated 05.05.2022.

Now as per the circular No.02/2022 dated 05.05.2022, MCA has allowed companies whose **AGM** are due in 2022 to conduct through Video Conferencing / Other Audio-Visual means on or before 31st December 2022 (previously it was allowed till 30th June 2022).

The Circular further specifically says that it shall not be construed as conferring any extension of time for holding of AGMs and the companies which have not adhered to the relevant timelines shall be liable to legal action under appropriate provisions of the act.

Further, as per the circular No.03/2022 dated 05.05.2022, MCA has allowed companies to conduct **EGM** through Video Conferencing (VC) / Other Audio- Visual means (OAVM) or transact items through postal ballot in accordance with the framework provided in the earlier circulars in this regard till 31st December 2022 (previously it was allowed till 30th June 2022).

### **Additional declaration From Shareholders**

The Ministry of Corporate vide its Notification No. G.S.R. 335(E) dated 04th May, 2022 has notified Companies (Share Capital and Debentures) Amendment Rules, 2022 to amend the existing Companies (Share Capital and Debentures) Rules, 2014. The amendment pertains to insertion of a declaration in form SH-4 (form for transfer of shares) with regards to whether transferee is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares or not. In case no such approval is required then the transfer will take place in the normal course of action whereas if such an approval is required to be obtained then it is mandatory to enclose the approval letter with form SH-4. This notification shall come into force on the date of its publication in the Official Gazette i.e., 04th May, 2022.

A similar amendment has been made in PAS 4 form which deals with Private Placement of shares as per Companies (Prospectus and Allotment of Securities) Rule 2014.

### **MCA Link for the above notifications / circulars**

<https://www.mca.gov.in/bin/dms/getdocument?mds=B400yqqCuZOF0zkykpo8KA%253D%253D&type=open>

<https://www.mca.gov.in/bin/dms/getdocument?mds=z0TPPBoxhsbnobHAN7dyxw%253D%253D&type=open>

<https://www.mca.gov.in/bin/dms/getdocument?mds=ArgX2%252B%252BjjiObjlpD2nMcUA%253D%253D&type=open>

<https://www.mca.gov.in/bin/dms/getdocument?mds=JBdXGa0hUFPRoITMEqTz6g%253D%253D&type=open>