

HOLDING OF ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING DURING COVID-19



BACKGROUND



MCA vide circulars dated 8th April, 2020 & 13th April, 2020 allowed holding of **Extra-ordinary General Meeting** through Video Conferencing (**VC**) or Other Audio Video Means (**OAVM**).



MCA further circular dated 5th May, 2020 allowed holding of **Annual General Meeting** through VC or OAVM, during the calendar year 2020.



For holding AGM, procedural compliances prescribed in all the aforesaid circulars issued by MCA, to the extent applicable, shall be complied.



TOPICS COVERED

- ✍ **Timelines for Holding AGM through Video Conferencing**
- ✍ **Eligibility for Holding AGM through Video Conferencing**
- ✍ **Modes of VC or OAVM & Facilities to be provided**
- ✍ **Disclosures in AGM Notice**
- ✍ **Advertisement**
- ✍ **Manner of collating Emails**
- ✍ **Dispatch of Notice of AGM and Annual Report**
- ✍ **Voting on resolutions**
- ✍ **Participation in meeting through VC or OAVM**
- ✍ **Inspection of Documents**
- ✍ **Shareholders Queries**
- ✍ **Takeaways for Scrutinizer**
- ✍ **Post Meeting Compliances**
- ✍ **Holding of Meetings other than VC or OAVM**
- ✍ **Virtual Meeting Vs. Physical Meeting**



HOLDING OF ANNUAL GENERAL MEETING



HOLDING ANNUAL GENERAL MEETING

TIMELINES

- ✍ Companies having FY ending as on 31st December, 2019, can hold their **AGM on or before 30th September, 2020.**
- ✍ Other Companies shall hold their **AGM within 6 months of closure of financial year.**
- ✍ Companies other than those whose financial year ends on 31st December, 2019, **can apply for extension of 3 months**, if AGM can't be held within prescribed time.

For such companies, no relaxation has been granted from compliance of provision of maximum gap of 15 months between two meetings.



HOLDING ANNUAL GENERAL MEETING (CONTD.)

ELIGIBILITY



Eligibility for Companies providing e-voting facility?

- ✍ All companies which are required to provide the facility of e-voting;
- ✍ Companies who has opted to provide the facility of e-voting.



Eligibility for Companies **not** providing e-voting facility?

Companies 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 INR 1,000 in face value or more than 1% of the total paid-up share capital, whichever is less;
- ✍ For companies with share capital, represent not less than 75% of paid-up share capital which right to vote;
- ✍ For companies without share capital, represent not less than 75% of the total voting power exercisable at the meeting.

MODES FOR VC OR OAVM & FACILITIES AVAILABLE?



MODES FOR VC or OAVM

FOR COMPANIES PROVIDING E-VOTING FACILITY



Currently Available



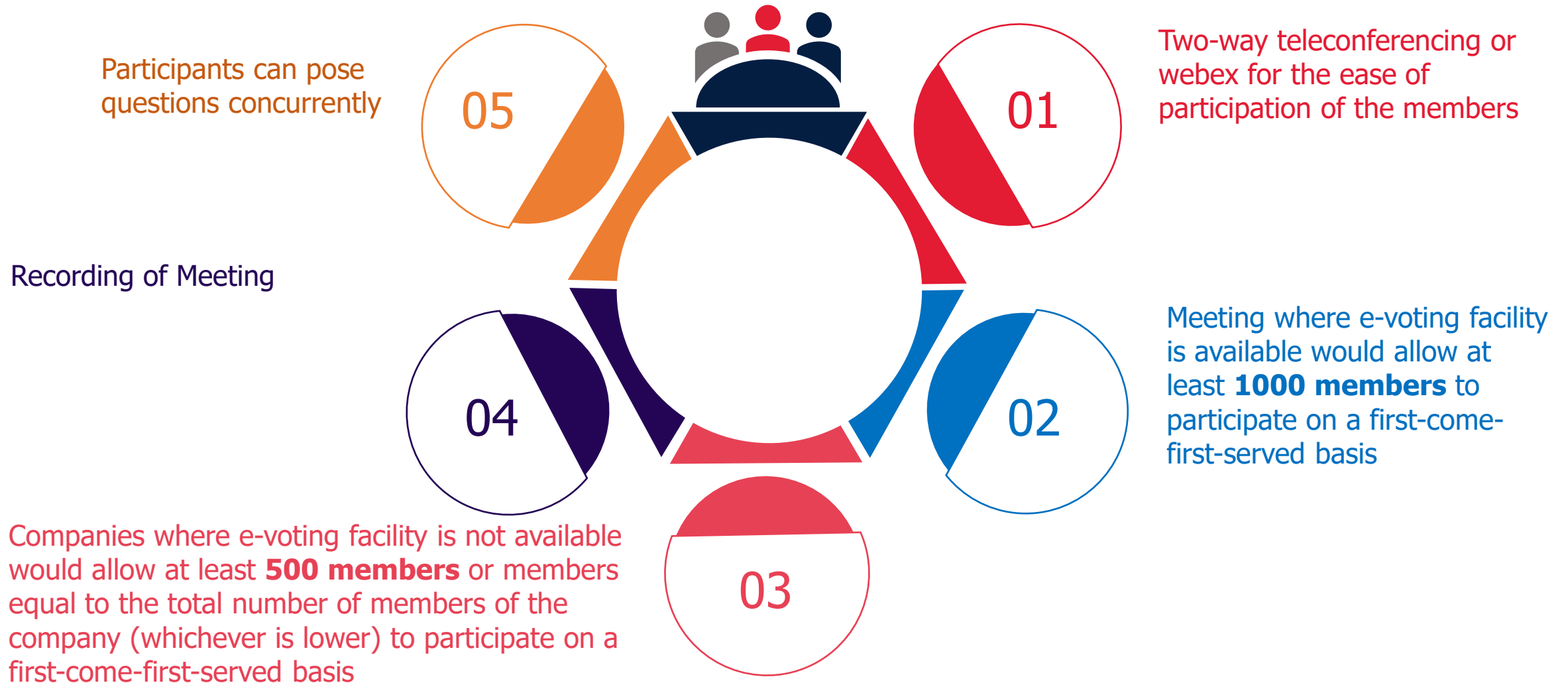
Launching Soon

MODES FOR VC or OAVM

FOR OTHER COMPANIES



FACILITIES AVAILABLE IN VC or OAVM

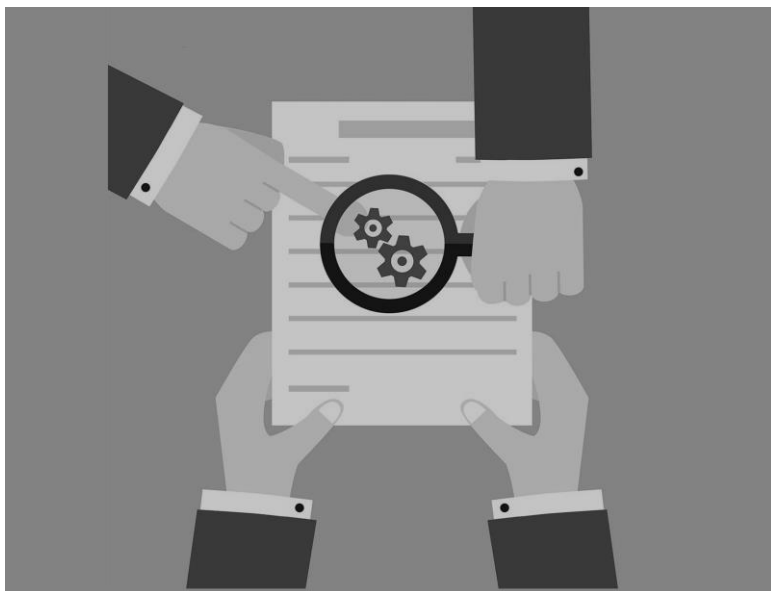


DISCLOSURES IN AGM NOTICE



DISCLOSURES IN AGM NOTICE

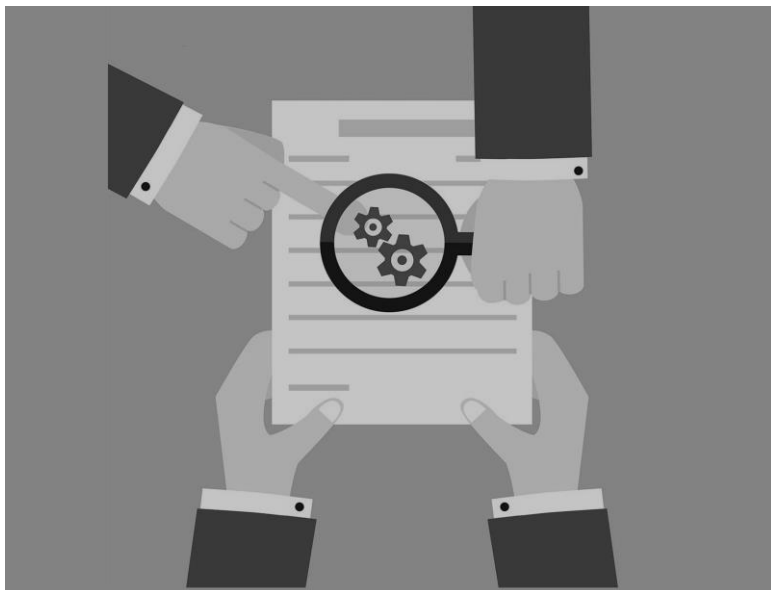
COMMON DISCLOSURES



- ✍ AGM is being called through VC or OVAM in **compliance of MCA Circulars.**
- ✍ Members of the Company joining through VC and OVAM shall be **reckoned for the purpose of quorum under section 103 of the Act.**
- ✍ The **facility to appoint proxy to attend and cast vote** for the members is **not available for this AGM.**

DISCLOSURES IN AGM NOTICE (CONTD.)

COMMON DISCLOSURES



- ✍ Copies of the Annual Report and notice of AGM is being **sent only by email to the members** and to all other persons so entitled and who have registered their email addresses with the Company/ Depository Participant (DP)/Company's Registrar and Transfer Agent (RTA).
- ✍ Manner in which members whose Email ID is not registered **can register their email id for receiving the physical copies of the Annual Report and notice of AGM.**

DISCLOSURES IN AGM NOTICE (CONTD.)

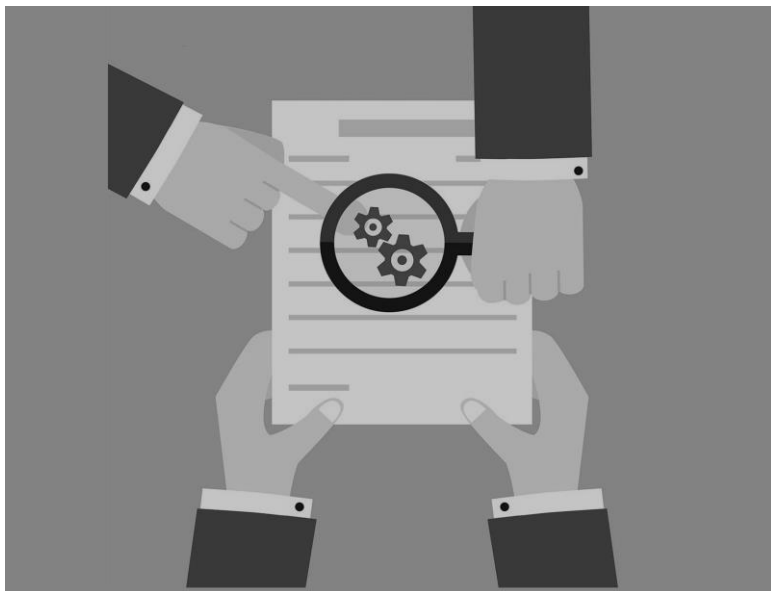
COMMON DISCLOURES



- ✍ Statement that post successful registration of the email, the member would get soft copy of the Annual Report along with Notice of the AGM & details of voting.
- ✍ Details of the manner in which members can join the AGM through VC or OAVM. This will be provided by VC facility provider
- ✍ Details of contact person for any technical assistance.

DISCLOSURES IN AGM NOTICE (CONTD.)

COMMON DISCLOSURES



- ✗ Members may join the meeting 15 minutes before and after the scheduled time of the commencement of the meeting
- ✗ The facility of participation at the AGM through VC will be made available for 1000/500/ Total number of members on first come first served basis.
- ✗ In case company has a website, link where the Notice of AGM along with Annual Report, has been uploaded.

DISCLOSURES IN AGM NOTICE (CONTD.)

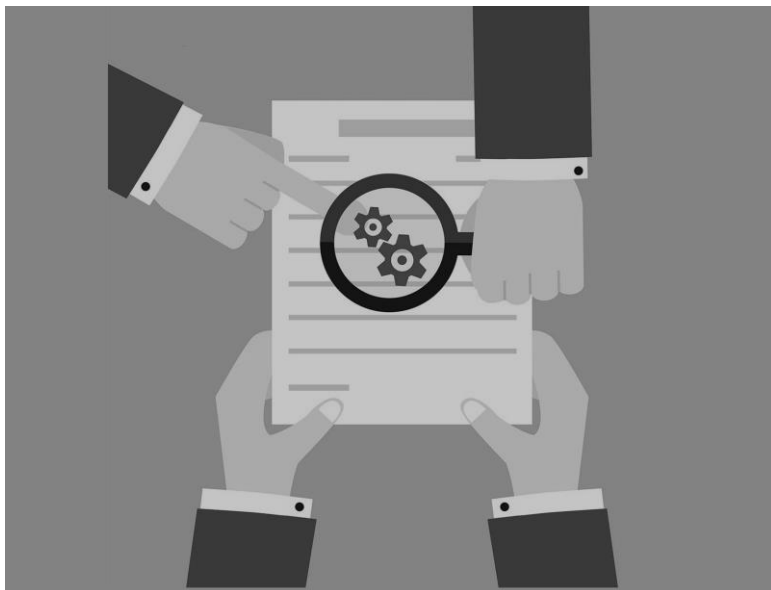
COMMON DISCLOSURES



- ✍ Large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, KMPs, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Auditors can attend meeting without restriction of first come first served basis.
- ✍ Manner in which documents & statutory registers will be available for inspection

DISCLOSURES IN AGM NOTICE (CONTD.)

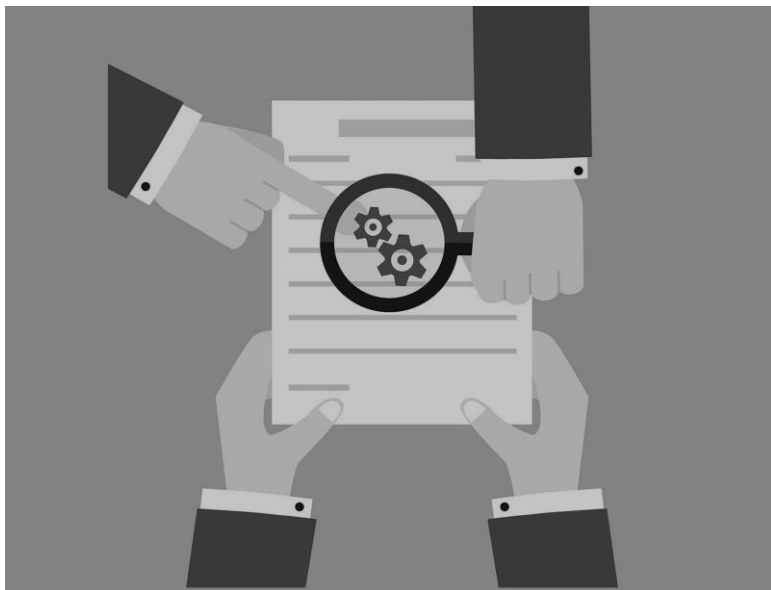
COMMON DISCLOURES



- ✎ Instructions for members holding shares in physical form as to manner in which they can register the Electronic Clearing Service (ECS) mandate.
- ✎ Clarification that member who have not provided requisite ECS mandate, the Company will send dividend warrants/cheques through post once the postal services are resumed.
- ✎ Instructions for manner in which shareholders can ask queries during the meeting. This will be provided by VC facility provider

DISCLOSURES IN AGM NOTICE (CONTD.)

ADDITIONAL DISCLOSURES FOR COMPANIES PROVIDING E-VOTING FACILITY



- ✍ Instructions for remote e-voting.
- ✍ Voting at the AGM will take place through electronic voting and members who have not cast their votes through the remote e-voting and are participating in the AGM can only cast their vote during the meeting through electronic voting.
- ✍ The instructions for voting in the AGM through electronic voting. This will be provided by VC facility provider

DISCLOSURES IN AGM NOTICE (CONTD.)

ADDITIONAL DISCLOSURES FOR COMPANIES NOT PROVIDING E-VOTING FACILITY



- ✍ Manner in which poll will be conducted during the meeting (if number of members exceeds 50).
- ✍ Designated Email ID for sending votes. The the designated email id may be of the scrutinizer otherwise, any other email can be used.
- ✍ Ballot paper may be sent along with the notice or assent/dissent on mail may also work.
- ✍ Details of Scrutinizer appointed for supervising and giving report on voting results.
- ✍ Instruction that email id from which the vote will be cast, must be registered with the company.

ADVERTISEMENT





ADVERTISEMENT

WHEN TO PUBLISH?

- ✗ For Companies providing e-voting facility: Advertisement shall be published **before & after sending the Notice of AGM**
- ✗ For Companies not providing e-voting facility: Advertisement shall be published **before sending the Notice of AGM**, where the contact details of any of members are not available with the company or could not be obtained.

WHERE TO PUBLISH?

- ✗ 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.
- ✗ At least once in English language in an English newspaper having a wide circulation in that district, preferably.
- ✗ Both the newspapers shall have electronic editions.

WHAT SHOULD BE THE CONTENTS OF ADVERTISEMENT?

FOR COMPANIES PROVIDING E-VOTING FACILITY

Statement that AGM will be convened through VC or OAVM in compliance of the Act & MCA Circulars

Date and time of the AGM through VC or OAVM

Availability of notice of the meeting on the website of the company

Manner in which the members whose email id is not available, can cast their vote through remote e-voting or through the e-voting system during the meeting


Manner in which members can get their Email ID registered

Manner in which the members can register Electronic Clearing Services (ECS) mandate for receiving dividend


Any other details considered necessary by the company

WHAT SHOULD BE THE CONTENTS OF ADVERTISEMENT?

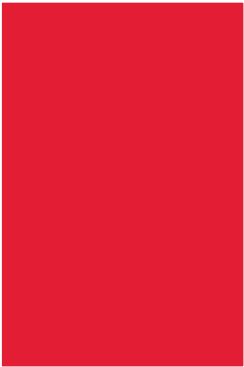
FOR COMPANIES NOT PROVIDING E-VOTING FACILITY



Statement that the AGM will be convened through VC or OAVM in compliance of the Act and MCA Circulars



For the said purpose it proposes to send notice to all its members by e-mail after, at least, 3 days from the date of publication of the public notice



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.

MANNER OF COLLATING EMAILS



MANNER OF COLLATING EMAILS?

FOR COMPANIES WHICH ARE PROVIDING E-VOTING FACILITY

Seek following information through email:

- ✍ Name /Address
- ✍ Email
- ✍ Copy of PAN,
- ✍ DPID/Client ID or Folio Number
- ✍ Number of shares held.

MANNER OF COLLATING EMAILS?

FOR OTHER COMPANIES

- I. For Companies in which entire shares are in DEMAT form, Email ID will be available with DP.**
- II. For members holding Physical shares:**
 - ✍ Reach out members through phones/SMS
 - ✍ Email address, if any, should be preferably be taken on mail or through SMS to ensure authenticity
 - ✍ Publish advertisement, if no mode is successful

DISPATCH OF NOTICE & ANNUAL REPORT



DISPATCH OF NOTICE & ANNUAL REPORT



- ✗ The notice of AGM along with Annual Report needs to be sent to the **members only through email.**
- ✗ **Physical dispatch is not mandatory.**
- ✗ If **postal services are resumed**, notice & Annual Report **may be sent through post & other permitted modes** but other necessary compliances will still be required.
- ✗ In case of **companies other than listed entities**, if possible, **a shorter notice can be sent** subject to receipt of requisite consent.
- ✗ In case of members, whose **email ID is registered post-dispatch of notice through email**, notice can still be shared without requirement of compliance of shorter notice.



VOTING ON RESOLUTIONS



VOTING ON RESOLUTIONS

COMPANIES PROVIDING E-VOTING FACILITY



- ✍ Remote e-voting will be provided as usual.
- ✍ Electronic voting at the AGM may happen in following manner
 - VC will be integrated with e-voting facility
 - Login through ID and password provided by the Company
 - During course of meeting , on the instructions of Chairman, voting will be done in manner similar to remote e-voting

Using VC without integration of e-voting will pose following challenges

- Member will have to use two different system for attending and voting
- Allowing only members attending the meeting to vote through an non-integrated system , will
- This will also create problem in exercise of voting during the meeting

VOTING ON RESOLUTIONS

COMPANIES PROVIDING E-VOTING FACILITY



- ✍ Clear instructions for manner of voting during the AGM shall be provided in the notice of AGM and on the day of meeting
- ✍ Please make sure that only persons attending the meeting can vote through electronic voting. This can be done in following ways:
 - Activating voting for only those who joins the meeting.
 - Post voting, cross checking the votes with attended members.
- ✍ VC facility should have the provision for login and voting . NSDL is currently facilitating this.
- ✍ Voting during the meeting shall be enabled only for a specified period of time.

VOTING ON RESOLUTIONS

COMPANIES NOT PROVIDING E-VOTING FACILITY

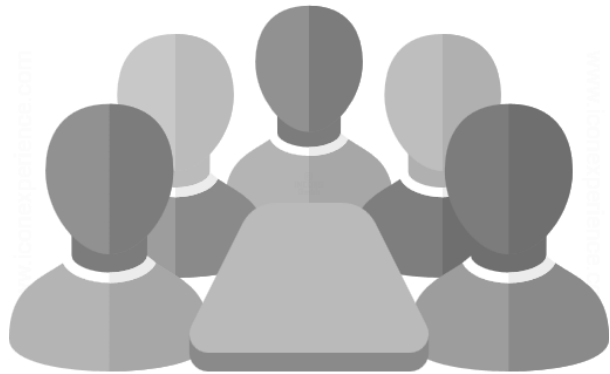


- ✍ Where shareholders are not more than 49, voting will be done by show of hands unless poll is demanded.
- ✍ Where shareholders are not more than 49, voting will be done by poll by way of email:
 - During the meeting, after resolutions are being read, Chairman will request members to vote by sending assent/dissent on the resolutions to designated email id through their registered email addresses.
 - Chairman will provide a specific time upto which votes shall be sent
 - Post receipt of votes, Scrutinizer will prepare the report.
 - In case the counting of votes requires time, the meeting may be adjourned and called later to declare the result.

PARTICIPATION IN MEETING THROUGH VC OR OVAM



PARTICIPATION IN MEETING



- ✗ Company can **provide a general user id and password** for attending the meeting but **it is not advisable**;
- ✗ Better to generate individual member **specific password**, if the VC system allows.
- ✗ Members can be **requested** to inform their **intention to attend** the meeting and basis their request, meeting link, user id and password can be shared.
- ✗ The facility for joining the meeting shall be kept open at **least 15 minutes before** the time scheduled to start the meeting and shall not be closed till the expiry of **15 minutes after** such scheduled time.
- ✗ Video of members shall be kept open but they can be muted for proper management.
- ✗ Member unique login shall be used for purpose of attendance and identification

INSPECTION OF DOCUMENTS



INSPECTION OF DOCUMENTS



- ✍ Documents mentioned in the **explanatory statement, statutory registers, certificate from statutory auditor in case of ESOP** etc., are required to be made available/kept for **inspection** during the AGM.
- ✍ In case of AGM through VC, such documents can be **uploaded** on the website of the Company and a **link** of same can be provided in AGM notice.
- ✍ With respect to statutory registers, uploading them on website will be a challenge. Following options can be evaluated
 - **Extract of changes** made since last AGM can be uploaded.
 - **Excel template** of details of Directors on AGM date can be uploaded in PDF

SHAREHOLDERS QUERIES



SHAREHOLDERS QUERIES

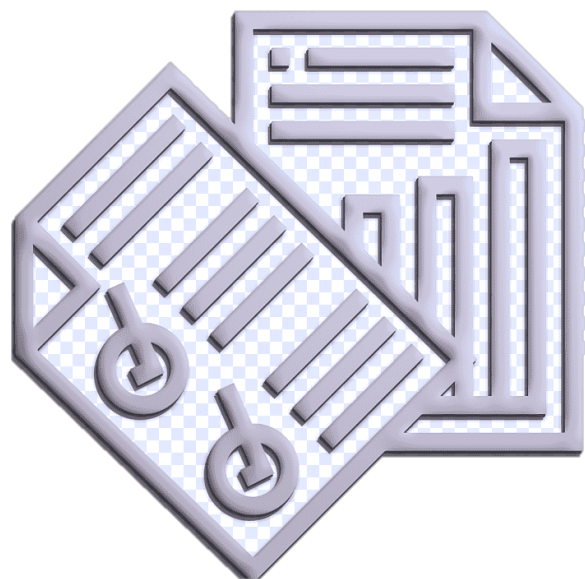


- ✍ VC facility shall allow **two-way video** conferencing; therefore, shareholders have a right to speak or raise queries even through VC.
- ✍ In listed companies, managing shareholder queries may be difficult, considering upto **1000 members** can participate
- ✍ Listed companies can request members either to **send** their queries or **intimate** their intention to speak at AGM, in advance.
- ✍ Opportunity to speak may first be provided to registered request and thereafter to others.
- ✍ Member can't be denied his right to speak at the meeting
- ✍ In order to manage the meeting, company can mute the members and unmute on individual members on case to case basis.
- ✍ Queries can also be sought from VC chat box

POST MEETING COMPLIANCES



POST MEETING COMPLIANCES



- ✍ Upload the transcript of the meeting on the website (if any) , in case of public companies.
- ✍ Declare voting result
- ✍ File all resolutions passed in the meeting in Form MGT-14 within 60 days with declaration that meeting was conducted in compliance of provisions of the Act and MCA circulars.

TAKEAWAYS FOR SCRUTINIZER



TAKEAWAYS FOR SCRUTINIZER



- ✍️ Kindly understand the voting process at the meeting carefully.
- ✍️ Make sure that voting of members attending the meeting, is only considered.
- ✍️ Match the attendance of the members with the vote cast in the meeting.
- ✍️ In case of poll,
 - if ballot paper is being used, ensure that authenticity of ballot paper by verifying the email through which it is sent.
 - Verify whether members email id is registered or not.
 - Ensure the integrity of designated email id

HOLDING AGM OTHER THAN THROUGH VC or OAVM



HOLDING AGM OTHER THAN THROUGH VC or OAVM

WHAT OPTIONS AVAILABLE?

- ✗ Company may with requisite permission from the relevant authorities & after following any advisories issued by such authorities, can convene AGM physically.
- ✗ In case of closely held companies or WOS, physical meetings can be held even without permission
- ✗ Company may also provide the facility of VC or OAVM, so as to allow other members of the company to participate in such meeting.
- ✗ If VC facility is provided, then facility of e-voting system shall also be provided.
- ✗ Until further MCA notice, notice and annual report for such meeting shall only be sent through email.
- ✗ Requisite compliance for obtaining email shall be undertaken as per circular.

VIRTUAL MEETING VS. PHYSICAL MEETING?

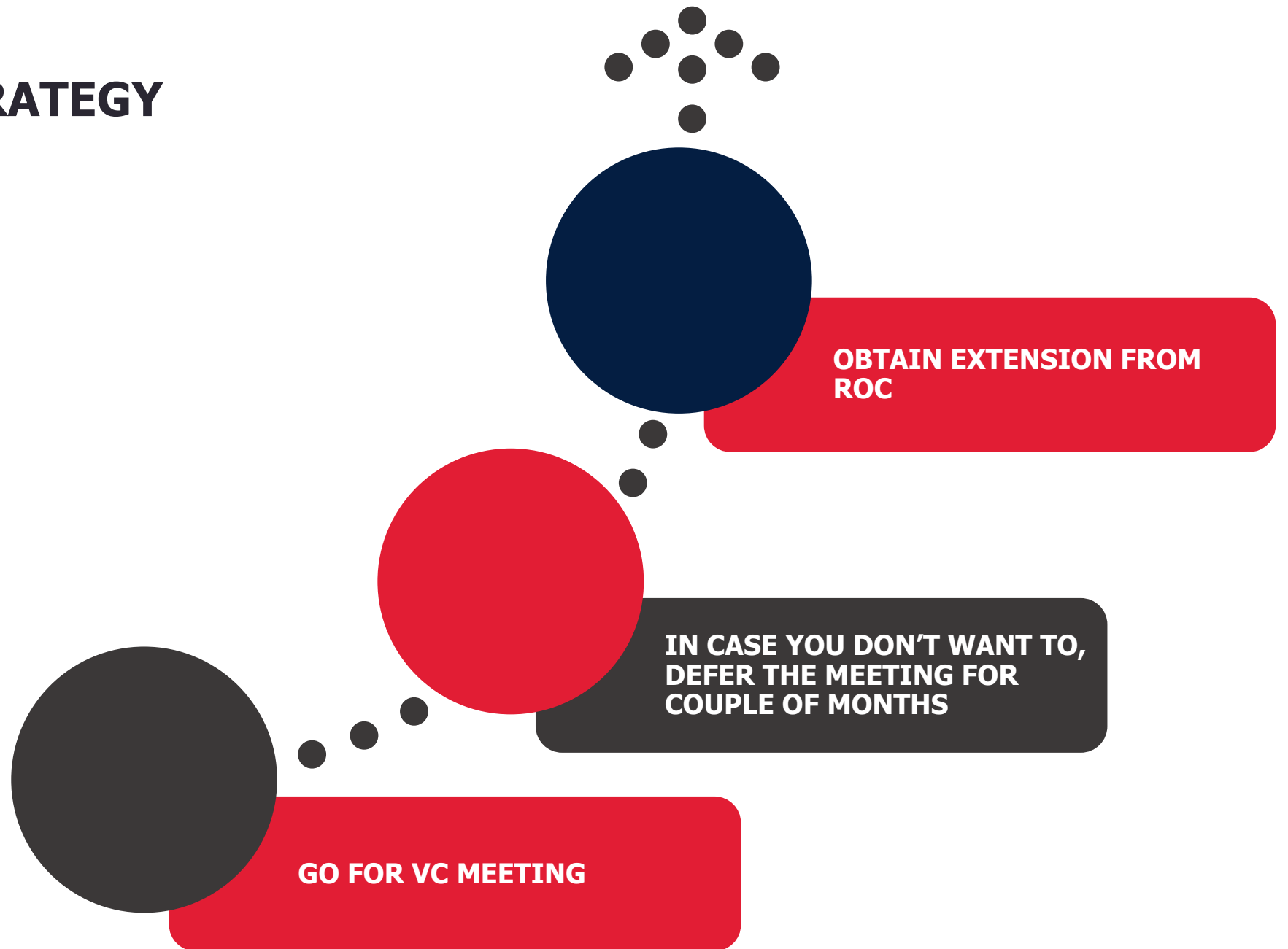


VIRTUAL MEETING VS. PHYSICAL MEETING?



- ✗ **Keeping in view social distancing and precaution against COVID-19, holding AGM through VC specifically for listed companies, is only advisable**
- ✗ **VC meeting also save cost and reduces logistics issues**
- ✗ **With no prior experience , managing a VC meeting with too many members, may create problems**
- ✗ **Currently huge cost on printing of Annual Report can also be saved. With resumption of postal services, physical dispatch may be resumed by MCA.**
- ✗ **Physical meeting is easy to convene and hold but there is always a risk of venue area being declared a red zone making it practically impossible to hold meeting.**

SUGGESTED STRATEGY



THANK YOU

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