

MCA allows companies to hold Annual General Meetings (AGMs) through VC or OAVM

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The Ministry of Corporate Affairs (MCA) vide its General Circular No. 18/2020, dated 21.04.2020 has already allowed the companies whose financial year ended on 31st December, 2019, to hold their AGM by 30th September, 2020.

However on account of need for continuous adherence to the social distancing norms and restrictions placed on movement of persons, it has become necessary and hence it has been decided to allow companies to hold their annual general meeting (AGM) by Video Conferencing (VC) or other audio visual means (OAVM) during the calendar year 2020. Accordingly, the General Circular No: 20/2020 has been issued today for this purpose.

The framework provided in the earlier Circulars for holding of extraordinary general meeting (EGM) would be applicable *mutatis mutandis* for conduct of AGMs during 2020, based on the classification of companies which are required to: (i) provide the facility of e-voting or have opted for the same, and (ii) those companies which are not required to provide such a facility.

Owing to the difficulties in sending physical copies of the financial statements, the Circular allows the companies to send the financial statements, along with Board's reports, Auditor's reports and other documents required to be attached therewith, only through email. The companies are also required to provide a window to the shareholders for registering their mandate for transferring dividends electronically to them through the Electronic Clearing Service (ECS) or any other means.

The measure has been taken to facilitate Companies to conduct their ordinary & special business through AGMs conducted by leveraging the Digital India platforms. The circular is available at http://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf

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