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**MCA General Circular No. 14/2020 dated 08.04.2020**

We all are aware that there is no provision under the Companies Act, 2013 (“**the Act**”) regarding holding of General Meetings through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Keeping in view the difficulties being faced by the Companies in passing ordinary and special resolution on account of the threat posed by COVID-19, the Ministry of Corporate Affairs (“**MCA**”) has issued a General Circular (No. 14/2020) dated April 08, 2020 *vide* which the MCA has given an option to the Companies to conduct the Extra-Ordinary General Meeting(s) which is / are unavoidable through VC and OAVM by complying a detailed procedure given in said Circular and any other requirement provided in the Act or the rules made thereunder.

The said Circular provides separate procedure for –

*(i) companies which are required to provide the facility of e-voting or any other company which has opted such facility;*

*(ii) companies which are not required to provide the facility of e-voting*

in case holding of EGMs is considered as unavoidable

The Circular has clearly clarified that the companies can take all decisions of urgent nature requiring the approval of members, other than items of ordinary business or business where any person has a right to be heard through Postal Ballot / e-voting as per the provisions of the Act.

Therefore, it is amply clear that companies may take approval of its members for urgent matters (which are permissible through Postal Ballot / e-voting), if EGM could be avoided, otherwise, companies need to adopt the procedure as set out in the said Circular.

This Circular shall be applicable only on those Extra-Ordinary General Meeting(s) held **on or before June 30, 2020**.

For ease of reference, we have tabulated the key details as under:

S. No.	Points	For Companies which are required to provide	For Companies which are not required to provide
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		<b>the facility of e-voting under the Act (i.e. listed company or company having at least 1000 members) or any other company which has opted for such facility</b>	<b>the facility of e-voting under the Act</b>
1.	Period till this circular shall be effective	June 30, 2020	June 30, 2020
2.	Notice of General Meeting	<p>The notice for general meeting should contain the following information:</p> <p>a) Instruction as to how the members can access and participate in such meeting;</p> <p>b) Helpline number of Registrar and Transfer Agent and technology provider for assistance of members;</p> <p>Further, copy of notice shall be displayed on the website of the Company and also intimation shall be given to stock exchange, in case of listed company.</p>	<p>The notice for general meeting should contain the following information:</p> <p>a) Instruction as to how the members can access and participate in such meeting;</p> <p>b) Helpline number of Registrar and Transfer Agent and technology provider for assistance of members;</p> <p>c) A designated e-mail address so that members can convey their vote, if a poll is required to be taken in the meeting.</p> <p>Further, copy of notice shall be displayed on the website of the company</p>
3.	Applicability to those companies, who have already issued a notice for meeting prior to this Circular	<p>Yes, if a company complies the following two conditions:</p> <p>a) Consent from the members shall be obtained in accordance with Section 101(1) of the Act ; and</p> <p>b) A fresh shorter</p>	<p>Yes, if a company complies the following two conditions:</p> <p>a) Consent from the members shall be obtained in accordance with Section 101(1) of the Act ; and</p> <p>b) A fresh shorter</p>



		notice in accordance with this circular shall be issued to members.	notice in accordance with this circular shall be issued to members.
4.	Facility for remote e-voting before the meeting	Provided	Not provided
5.	Business/Items which can be transacted	All business/items can be transacted except- a) Ordinary Business b) Business in which any person has right to be heard.	All business/items can be transacted in this meeting except a) Ordinary Business b) Business in which any person has right to be heard.
6.	Minimum Capacity of Members to whom facility shall be provided	This facility must have a capacity to allow 1000 members to participate on a first come first served basis.  However, the following person can attend the meeting without the restriction on account of first come first served basis principle: a) Shareholders holding 2% or more shareholding; b) Promoters, c) Institutional investors; d) Directors; e) KMP; f) Chairperson of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee; and g) Auditors	This facility must have a capacity to allow 500 members or members equal to total number of members of the company, whichever is lower to participate on a first come first served basis.  However, the following person can attend the meeting without the restriction on account of first come first served basis principle: a) Shareholders holding 2% or more shareholding; b) Promoters, c) Institutional investors; d) Directors; e) KMP; f) Chairperson of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee; and g) Auditors



7.	Person required to compulsorily attend the meeting	<p>a) At least one Independent Director(if any);</p> <p>b) Auditor or his authorized representative.</p> <p>Further, where institutional investors are member of Company, they must be encouraged to attend and vote in the meeting held through VC or OAVM.</p>	<p>a) At least one Independent Director(if any);</p> <p>b) Auditor or his authorized representative.</p> <p>Further, where institutional investors are member of Company, they must be encouraged to attend and vote in the meeting held through VC or OAVM.</p>
8.	Time for joining the meeting	The facility for joining meeting shall be kept open at least 15 minutes before the scheduled time of the meeting and shall be remain open till the expiry of 15 minutes of the scheduled time of the meeting.	The facility for joining meeting shall be kept open at least 15 minutes before the scheduled time of the meeting and shall be remain open till the expiry of 15 minutes of the scheduled time of the meeting.
9.	Proxy	Proxy cannot be appointed for this meeting.	Proxy cannot be appointed for this meeting.
10.	Authorised Representatives	Authorised Representatives under Section 112 and Section 113 can be appointed for this meeting.	Authorised Representatives under Section 112 and Section 113 can be appointed for this meeting.
11.	Appointment of Chairman of the Meeting	<p>a) If the members present in meeting are less than 50, then Chairman shall be appointed in accordance with Section 104 of the Act; and</p> <p>b) If the members present in the meeting are 50 or more than 50, then Chairman shall be appointed by a poll</p>	<p>a) If the members present in meeting are less than 50, then Chairman shall be appointed in accordance with Section 104 of the Act; and</p> <p>b) If the members present in the meeting are 50 or more than 50, then Chairman shall be appointed by a poll</p>



		conducted through e-voting system.	conducted in the manner provided in point 12.
12.	Manner of Voting	<p>a) If the members present in meeting are less than 50, then voting may be conducted either through e-voting system or by show of hands.</p> <p>However, a demand for poll is made under Section 109 of the Act, then meeting shall be conducted through e-voting only not by show of hands.</p> <p>b) If the members present in the meeting are 50 or more than 50, then voting shall be conducted only through e-voting not by show of hands.</p>	<p>a) If the members present in meeting are less than 50, then voting may be conducted by show of hands.</p> <p>However, a demand for poll is made under Section 109 of the Act, then the members shall cast their vote only by sending e-mail at designated e-mail address provided in the notice through their e-mail address which are registered with the Company.</p> <p>b) If the members present in the meeting are 50 or more than 50, then the members shall cast their vote only by sending e-mail at designated e-mail address provided in the notice through their e-mail address which are registered with the company.</p>
13.	Members who are entitled for voting in the meeting	Only those members who are present in the meeting through VC or OAVM and have not casted their votes on resolutions through remote e-voting, will be allowed to vote in the meeting through e-voting or by show of hands, as the case may be.	All members are entitled to vote in this meeting.



14.	Transcript of meeting	After concluding the meeting, Recorded transcript of the meeting shall be maintained in safe custody of the Company.  In case of public company, recorded transcript of meeting shall be available on the website of the Company, if any.	After concluding the meeting, Recorded transcript of the meeting shall be maintained in safe custody of the Company.  In case of public company, recorded transcript of meeting shall be available on the website of the Company, if any.
15.	Resolution filed to ROC	All resolution passed in accordance with this mechanism shall be filed with Registrar of Companies within 60 days of the meeting and clearly indicating therein that the mechanism provided in this circular along with other provisions of the Act and rule are duly complied with.	All resolution passed in accordance with this mechanism shall be filed with Registrar of Companies within 60 days of the meeting and clearly indicating therein that the mechanism provided in this circular along with other provisions of the Act and rule are duly complied with.

**DISCLAIMER:-**

The entire contents of this note are solely for information purpose and have been prepared on the basis of relevant provisions and as per the information existing at the time of the preparation by the Author. Kindly consider this note for informative purpose. There is no Professional Advice is given to anyone. In no event we shall be responsible for any loss or damage in any circumstances whatsoever resulting from or arising out of or in connection with the use of aforesaid information.

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