

Date: 11th May, 2022

To,
The General Manager
Corporation Finance Department,
SEBI

Dear Sir,

Sub: Relaxation with regard to sending physical annual reports during 2022

The Chamber of Tax Consultants, established in 1926, is one of the oldest non-profit organizations of tax practitioners, having Advocates, Chartered Accountants and Tax Practitioners as its members spread across Pan India. Many senior tax professionals who regularly appear before ITAT, High Courts and the Supreme Court are its Past Presidents. The Chamber has been making regular representations before various government agencies.

A. Relaxation granted by MCA during Covid period:

The Ministry of Corporate Affairs (MCA) had, vide Circulars dated 8 April 2020, 13 April 2020 and 5 May 2020 had given relaxation for convening Annual General Meeting (AGM), Extra-Ordinary General Meeting (EGM) **through Video Conference (VC) or Other Audio-Visual Means (OAVM)** or transact items through postal ballots **till 31 December 2020**.

Consequently **SEBI**, vide its Circular dated 12 May 2020 **had relaxed the below requirements under LODR** in case of equity listed entities and entities which have listed their non-convertible securities:

- (i) **Sending of hard copies** of abridged annual report **to shareholders** who have **not registered their email addresses** and hard copies of full annual report for those **who request for the same** under Reg 36(1)(b) & (c) and Reg 58(1)(b) & (c).
- (ii) Sending proxy forms under Regulation 44(4) in case of AGM / EGM held through electronic mode only.

This exemption was for the listed entities conducting their AGMs **till 31 December 2020**. Thereafter **following the extension given by MCA** for holding AGM / EGM by VC or OAVM in 2021, SEBI had, vide its Circular dated 15 January 2021, **extended the above relaxations for till 31 December 2021**.

B. Scenario in 2022:

The Ministry of Corporate Affairs (MCA) has, vide circulars dated 5 May 2022, **extended the relaxation** given during Covid-19 scenario for convening AGM, EGM through VC/OAVM or transact items through postal ballots **till 31 December 2022**, in accordance

with the framework provided under MCA Circulars dated 8 April 2020, 13 April 2020 and 5 May 2020.

Hence, as mentioned in MCA Circular dated 5 May 2020, **there is an exemption from sending physical annual reports for all companies conducting AGM by VC / OAVM till 31 December 2022.**

Earlier MCA had extended this relaxation till AGM / EGM / postal ballot to be held **till 30 June 2022** vide its Circular dated 8 December 2021. However, there is **no relaxation from SEBI** in this regard for the shareholders meeting in 2022 **since 1 January 2022 till date.**

C. Ambiguity arising for listed entities:

Most of the listed entities have their financial year from April to March. Hence, this is a time when most companies will be in process of making arrangements for convening their AGMs for the financial year ended on 31 March 2022 by 30 September 2022.

Even for those listed entities which have their financial year from January to December have the due date to convene their AGMs by 30 June 2022.

In the backdrop of extension of relaxation given by MCA for AGMs to be convened till 31 December 2022, and the relaxation given in sending physical annual reports by MCA, **there is an ambiguity** arising for **listed companies with regards to compliance of distribution of Annual Reports for the year ended March 31, 2022 and related General Meeting documents.**

D. Request for Relaxation from SEBI

MCA has given the relaxation for conducting AGM / EGM by VC / OAVM during the calendar year 2022, i.e., till 31 December 2022. As a part of the framework laid down in MCA circulars, listed companies may also convene AGMs through electronic mode only. There is also an exemption given from sending hard copies of financial statements including attachments in such cases.

It would be ideal if companies get aligned directions from both the Regulators (namely, MCA and SEBI). As such **specific relaxation given by SEBI** will clear the **ambiguity for listed companies and also among the other stakeholders.**

Hence, we request SEBI to grant following relaxations under SEBI LODR Regulations for the AGMs / EGMs to be held till 31 December 2022: -

- (i) **Sending of hard copies** of abridged annual report **to shareholders** who have **not registered their email addresses** and hard copies of full annual report for those **who request for the same** under Reg 36(1)(b) & (c) and Reg 58(1)(b) & (c).



President
Ketan Vajani

Hon. Jt. Secretaries
Neha Gada | Mehul Sheth

Vice President
Parag Ved

Treasurer
Vijay Bhatt

Imm. Past President
Anish Thacker

- (ii) **Sending hard copies of proxy forms** under Regulation 44(4) in case of AGM / EGM held.

Thanking you,

Yours Sincerely,

For **THE CHAMBER OF TAX CONSULTANTS**

Sd/-

Sd/-

Sd/-

Ketan Vajani
President

Mahendra Sanghvi
Chairman

Apurva Shah
Co-Chairman

Law & Representation Committee