

RELAXATION WITH REGARD TO HOLDING OF BOARD MEETINGS UNDER THE COMPANIES ACT, 2013 IN VIEW OF COVID-19 OUTBREAK

In light of the unprecedented times faced by the companies in India, the Ministry of Corporate Affairs (MCA) vide notification dated 19th March, 2020 has relaxed certain provisions with regard to the requirement of physical presence of the directors at the board meetings.

Now, all the board meetings to be held till 30th June, 2020 may be held through video conferencing or other audio visual means even for considering the following items, which otherwise require presence of the directors in person as per the provisions of the Companies Act, 2013:

- (i) approval of the annual financial statements;
- (ii) approval of the board's report;
- (iii) approval of the prospectus;
- (iv) approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

The companies will however, have to comply with the requirements laid out under the Act for holding board meeting via video conferencing, such as:

- presence of minimum quorum;
- recording of proceedings at the meeting;
- ensuring availability of proper video conferencing or other audio visual equipment or facilities for providing transmission of the communications for effective participation of the directors and other authorised participants at the Board meeting;
- ensuring that participants attending the meeting through audio visual means are able to hear and see the other participants clearly during the course of the meeting;
- safekeeping and marking the tape recording(s) or other electronic recording mechanism as part of the records of the company at least before the time of completion of audit of that particular year;
- Every participant shall identify himself for the record



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before speaking on any item of business on the agenda; and

- the minutes of the board meeting shall disclose the particulars of the directors who attended the meeting through video conferencing or other audio visual means.

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