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Overview

With the COVID-19 pandemic slowing down businesses across the world, governments have decided to ease the burdens attached to corporate governance practices which are to be undertaken by companies in an effort to facilitate and encourage measures which may act as deterrents towards the spreading of the virus like social distancing. In an effort to effectively equip the companies to address the current situation the Ministry of Corporate Affairs, Government of India (“MCA”) has *vide* a circular relaxed its requirement for holding board meetings in the physical presence of directors for any matters such as the approval of annual financial statements, the approval of the Board’s report, the approval of the prospectus, the Audit Committee Meetings for consideration of accounts, the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover, as is required under *Section 173(2) of the Companies Act, 2013 (“Act”) r/w Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 (“Rules”)*.

Such relaxation to conduct the meetings through video conferencing or other audio visual means, is provided by the MCA until 30 June 2020.

However, it is crucial to abide by the provisions of Rule 3 under the Rules which specifies the compliances to be undertaken by a company in case the Meetings of Board are conducted through video conferencing or other audio visual means.

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