

---

## **Companies (Meetings of Board and its Powers) Amended Rules, 2020**

---

### **Introduction:**

The Ministry of Corporate Affairs vide circular dated 19<sup>th</sup> March 2020, General Circular No. 1/32/2013-CL-V, has amended Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 vide Companies (Meetings of Board and its Powers) Amended Rules, 2020 (“**Amendment Rules**”). The Amendment Rules shall come into force from the date of publication in the official gazette (“**Effective Date**”).

### **Background:**

Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 contains provisions which respect to the matters which shall not dealt with in a meeting through video conferencing or other audio visual means.

Such matters inter alia covers:

1. the approval of the annual financial statements;
2. the approval of the Board’s report;
3. the approval of the prospectus;
4. the Audit Committee Meetings for consideration of financial statement including consolidated financial statement if any, to be approved by the board under sub-section (1) of section 134 of the Companies Act, 2013; and
5. the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

Provided that where there is quorum presence in a meeting through physical presence of directors, any other director may participate conferencing through video or other audio-visual means.

### **Amendment Rules:**

The Amended Rules provides that from the Effective Date till 30th June 2020, the meetings on the matters as mentioned above may be held through video conferencing or other audio-visual means in accordance with rule 3 Companies (Meetings of Board and its Powers) Rules, 2014.

### **Conclusion:**

In light of the outbreak of Novel Corona Virus (COVID-19) as global pandemic advising against mass congregating, the Ministry of Corporate Affairs seeks to allow the company to comply with the regulatory provisions of the applicable laws by availing the Amended Rules in the spirit of corporate governance.

## **DISCLAIMER**

*This alert has been written for general information of our clients and should not be treated as a substitute for legal advice. We recommend that you seek proper legal advice prior to taking any action pursuant to this alert. We disclaim all liability for any errors or omissions. For further clarifications you may write to Hitesh Jain ([hitesh.jain@parinamlaw.com](mailto:hitesh.jain@parinamlaw.com)) and Mallika Noorani ([mallika.noorani@parinamlaw.com](mailto:mallika.noorani@parinamlaw.com)).*

### **MUMBAI**

4<sup>TH</sup> Floor Express Towers, Ramnath Goenka Marg, Nariman Point, Mumbai - 400 021

Tel - 022 42410000

### **NEW DELHI**

4 Todarmal Lane, Bengali Market, New Delhi 110001

Tel - 9810400283

### **PUNE**

2nd Floor, Kundan Chambers, Thube Park, Next to Sancheti Hospital, Shivajinagar, Pune- 411 005.

Tel - 020 2553 0711

WWW.PARINAMLAW.COM