



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

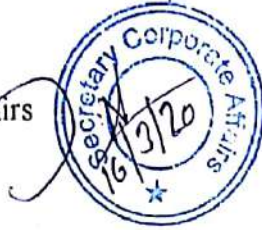
IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

MCA: March:2020

16<sup>th</sup> March, 2020

Shri Injeti Srinivas, IAS  
Secretary  
Ministry of Corporate Affairs  
Government of India  
Shastri Bhawan,  
Dr. Rajendra Prasad Road  
New Delhi – 110 001



**Subject: Request for relaxation in view of the ongoing travel restrictions**

Sir,

As your goodself is aware that the World Health Organization has declared COVID19 as a pandemic and many countries have issued travel restrictions. In this regard, few companies have also issued travel advisories to their employees. Hence, there is unwillingness in people to travel and this is also a preventive measure against COVID19. In view of the ongoing travel restrictions and representations received from various stakeholders, we submit that:

The Companies Act, 2013 read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 allows participation of directors in a meeting through video conferencing or other audio visual means. However, Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides that the Board of Directors of a company shall not exercise certain powers in a meeting through video conferencing or other audio visual means (hereinafter referred to as "Restricted matters").

Restricted matters are as follows:

- the approval of the annual financial statements;
- the approval of the Board's report;
- the approval of the prospectus;
- 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 Act; and
- the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

We wish to submit that several companies hold board meetings in the first quarter of every financial year wherein one or more of the restricted matters (including approval of annual financial statement) are considered. Further, as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed companies and their subsidiaries shall be holding meetings of their Boards and Audit Committees in April and May 2020 to approve their financial statements.

**Vision**

"To be a global leader in promoting good corporate governance"

**Motto**

सत्यं वद। धर्मं चर। इष्टकारं कुरु। तृप्तोः प्रवेष्टे। इयं कुरु।

**Mission**

"To develop high calibre professionals facilitating good corporate governance"

Connect with ICSI

ICSI Noida Office C-36 & 37, Sector-62, NOIDA (U.P.)-201 309  
tel 0120- 4522 000 fax +91-120-4264 443, 4264 445 email info@icsi.edu website www.icsi.edu



[www.taxguru.in](http://www.taxguru.in)

Scanned by CamScanner



We submit that the companies may be permitted to consider the aforesaid Restricted Matters at meetings of the Board conducted through video conferencing or other audio visual means in accordance with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 with effect from 16<sup>th</sup> March, 2020 till 30<sup>th</sup> June, 2020 or any other dates as you may deem fit and proper.

Draft amendment is proposed as follows:

In Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 (hereinafter referred to as the principal rules), the following proviso may be inserted after the first proviso, namely:-

“Provided that companies may consider the aforesaid matters at meetings of the Board conducted through video conferencing or other audio visual means in accordance with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 with effect from 16<sup>th</sup> March, 2020 till 30<sup>th</sup> June, 2020.”

Further, the third proviso to Section 96 of the Companies Act, 2013 provides that the Registrar of Companies may for any special reason, extend the time within which any annual general meeting, other than the first annual general meeting, shall be held, by a period not exceeding three months. In this regard, we humbly submit that all companies for which the due date of holding the forthcoming Annual General Meeting is on or before 30<sup>th</sup> June, 2020 and which are desirous seeking extension may be advised by the MCA to file an application for extension of time limit for holding the Annual General Meeting well in advance to avoid any inconvenience. Alternatively, the MCA may advise all the Registrar of Companies to suo motto grant extension upto 30<sup>th</sup> September, 2020 to such companies.

We shall be pleased to provide any further information in this regard on hearing from your goodself.

Thanking You,

Yours faithfully,

(CS Ashok Kumar Dixit)  
Officiating Secretary