

Meetings of the Board through VC

With a view to provide flexibility for participation of the Directors, Meetings of the Board through Video Conferencing (VC) has become part of CA 2013 though the provision had been introduced in 2011 by the Ministry vide a Circular.

Sec 173(2) read with the Companies (Meetings of the Board and its Powers) Rules, 2014

In terms of Section 173(2), directors may participate in a meeting of the Board either in person or through video conferencing or other audio visual means, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.

Rule 3 of the Companies (Meetings of the Board and its Powers) Rules, 2014 deals with the procedure to be followed in case of VC meetings which are detailed below:

1. Notice shall contain the information about the availability of VC option to attend the meeting.
2. A Director intending to participate via VC shall give prior intimation to the Company.
3. A Director, who desires to participate through e-mode, may intimate his intention at the beginning of the calendar year and such declaration would be valid for one calendar year.
4. In the absence of any intimation, it shall be assumed that the Director would attend the meeting in person.
5. Chairperson of the meeting and the Company Secretary, if any, shall take due & reasonable care:
 - To safeguard the integrity of the meeting w.r.t. security & identification procedure.
 - To ensure availability of proper VC facilities.
 - To record proceedings and prepare the minutes.
 - To store the proceedings and keep the record atleast till the completion of the audit of that particular year.
 - To ensure no person other than the director / authorised person is attending / having access to VC proceedings.
 - To ensure participants are able to hear and see the other participants clearly during the meeting.
6. At the commencement of the meeting, a roll call shall be taken by the Chairperson. Every director participating through VC or other audio visual means shall state the following for the record:

(a) Name

- (b) The location from where he is participating
 - (c) That he has received the agenda and all the relevant material for the meeting
 - (d) That no one other than the concerned director is attending or having access to the proceedings of the meeting at the location mentioned in clause (b)
7. After roll call Chairperson shall inform name of the invitees to the Board who are attending the meeting with the permission of the Chairperson.
 8. Quorum should be present throughout the meeting.
 9. Venue of the VC meeting shall be in India.
 10. Every participant shall identify himself for the record before speaking on any item of business on the agenda.
 11. At the end of discussion on each agenda item, the Chairperson shall announce the summary of the decision taken on such item along with names of the directors, if any, who dissented from the decision taken by majority.

For the purpose of convenience, instead of summarising at the end of discussion of each agenda item, the Chairman may summarise the entire agenda item at the end of the meeting.

12. Draft minutes shall be sent to all the directors, who have attended the meeting, within 15 days from the date of meeting. Directors shall confirm or give their comments within 7 days from the date of circulation, failing which approval shall be presumed. Minutes shall be approved and signed by the Chairman within 30 days from the date of the meeting.

Finalisation of the minutes is a tight time bound exercise. It is mandatory to honour the timeline prescribed under the law.

13. Details mentioned under point no.6, 7, 10 & 11 shall be recorded properly in the minutes.
14. Matters not to be dealt with in a VC meeting
 - Approval of the annual financial statements
 - Approval of the Board's report
 - Approval of the prospectus
 - Audit Committee Meetings for consideration of accounts
 - Approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover

In a globalised world where people travel frequently and work across time zones, physical attendance at Board Meetings is a challenge. VC meeting is a welcome move to ease this pain. It also helps directors to ensure that they don't vacate office for not attending atleast 1 Board Meeting in a period of 12 months. Attendance through VC is counted for this purpose.

 **Ratnamala Hegde**
Company Secretary