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**Some important changes happened in the Corporate and Legal world in the month of May, 2020:**

### **1. Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)**

- Ministry of Corporate Affairs vide general circular dated 05.05.2020 has issued a circular on clarification regarding holding of AGM.
- In view of the continuing restrictions on the movement of persons at several places in the country, it has been decided that the companies be allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM), for the calendar year 2020.
- There are various requirements to be followed by different companies based on the need to provide the facility of E-Voting or not. Detailed circular is enclosed as an attachment.
- The companies which are unable to conduct their AGM in accordance with the framework provided are advised to prefer applications for extension of AGM before the concerned Registrar of Companies under Section 96 the Act.

**Impact:** This clarification has solved various queries of stakeholders regarding holding of AGM and a clear direction has been given which needs to be followed in the current COVID-19 pandemic situation.

### **2. Clarification for Dispatch of Notice by Listed Companies for Rights Issue opening upto 31<sup>st</sup> July, 2020**

- Ministry of Corporate Affairs vide General Circular dated 11.05.2020 has issued a circular regarding Opening of Rights Issue by Listed Companies.
- This circular was issued to solve difficulties faced by companies regarding mode of dispatch of notice under Section 62(1)(a)(i) i.e dispatch of Notice through postal or courier services for Rights Issue by listed companies as per Section 62(2).
- It has been clarified that for right issues opening upto 31<sup>st</sup> July, 2020, inability to dispatch the notice to shareholders by listed companies through Registered Post or Speed post will not be viewed as a violation of Section 62(2) of the Act.



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**Impact:** This clarification has provided Relaxation to listed companies for complying with the provisions of the Act and be compliant company.

### 3. Amendment to Schedule VII of Companies Act, 2013

- Ministry of Corporate Affairs vide Notification dated 26.05.2020 has issued an Amendment to Schedule VII of Companies Act, 2013. Schedule VII of the Companies Act, 2013 refers to Activities which may be included by Companies in the Corporate Social Responsibility Policy.
- For item number (viii) after the words “Prime Minister’s National Relief Fund”, the words “or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)” shall be inserted.
- This Notification shall be deemed to be in force from 28<sup>th</sup> March, 2020.

**Impact:** The contribution made by any company to PM CARES Fund can form a part of their Corporate Social Responsibility Policy and can be classified as Corporate Social Responsibility Expenditure.

### 4. Procedure for Conducting Board Meeting through Video Conferencing or other Audio Visual Means.

In the current situation of COVID-19 pandemic, it has become imperative to take important decisions by the Board of Directors. These decisions relate to the Financials, Management of the company, and Future Prospects.. Since Directors reside in various parts of the world and cannot travel for meetings, Conducting Meetings through Video Conferencing has become the need of the hour.

Therefore, we are attaching the Procedure for conducting Board Meeting through Video Conferencing or other Audio Visual Means.

**Impact:** The Board of Directors will be aware of the procedure to be followed for conducting Board Meeting through Video Conferencing or Other Audio Visual Means.

#### Disclaimer:

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We suggest readers to draw their conclusions after taking into consideration various other relevant sections, rules to be notified from time to time and applicable Secretarial Standards, Accounting Standards and Guidance notes and other notifications, circulars and amendments notified from time to time.

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