

## Green Initiative By MCA

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As part of its “Green Initiative in the Corporate Governance”, the Ministry of Corporate Affairs (“MCA”) has recently allowed Indian companies to hold board meetings/shareholders’ meetings through video conferencing.

While so allowing, the MCA has laid down detailed guidelines for the meetings being held through video conferencing, the key aspects whereof are briefly summarized below:

### A. For Board of Directors Meeting:

1. Every director must, in person, attend at least one meeting in each financial year;
2. Directors attending through video conferencing will be counted for the purpose of quorum;
3. Notices of the board meetings should mention the availability of participation by directors through video conferencing and give information to access the facility, and should request their confirmation as regards the preferred mode of participation in the meeting;
4. A roll call, in the specified manner, will be necessary at the start and at the end of the meeting to identify the participating directors;
5. Before a meeting ends, the chairman shall announce the summary of the decisions taken in that meeting in respect to each agenda item along with the names of the directors in favor of and against each such item. The video recording of this specific part of the meeting is required to be preserved for a year;
6. The place at which the chairman or the secretary is physically present during the meeting is directed to be taken as the place of the meeting under the Companies Act, 1956 (“Act”). All the statutory registers required to be placed in the meeting are to be placed before the chairman for the purposes of compliance with the Act. All statutory registers required to be signed by the directors shall be deemed to have been signed by the directors participating through video conferencing upon their giving consent to this effect; and
7. Draft minutes of the meeting shall be circulated in soft copy no later than 7 days of the meeting for comments/confirmation to the directors who attended the meeting. Thereafter, the minutes shall be entered in the minute books in terms of the Act. The minutes shall also record as to which all directors participated in the meeting through video conferencing.

### B. For Shareholders Meeting:

1. The notice must inform the shareholders regarding availability of participation through video conferencing, and provide necessary information enabling them to so participate in the meeting;
2. The chairman of the meeting and secretary shall have the responsibility to ensure proper video conference equipment/facilities; to pre-

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pare the minutes of each meeting; to ensure that no one other than the concerned shareholder or proxy to the shareholder attends the meeting through video conferencing;

3. Irrespective of participation of certain shareholders through video conferencing, the quorum for the meeting required in terms of the Act, as well as chairman of the meeting, have to be physically present at the place of the meeting; and
4. The listed companies may provide video conferencing connectivity in at least top five states/union territories of India, subject to the conditions prescribed.

This above initiative of the Government has been welcomed by the industry as it would help promoting participation in meetings in a cost effective manner.