

## **Notification/ Circular/ Advisories Issued by the Ministry of Corporate Affairs in view of COVID-19 Outbreak**

In order to support and enable Companies and Limited Liability Partnerships (LLPs) in India to focus on taking necessary measures to address the COVID-19 threat, including the economic disruptions caused by it, the following measures have been implemented by the Ministry of Corporate Affairs to reduce their compliance burden and other risks:

### **1. Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak**

- No additional fees shall be charged for late filing during a moratorium period from 01st April to 30th September 2020, in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date, which will not only reduce the compliance burden, including financial burden of companies/LLPs at large, but also enable long-standing noncompliant companies/LLPs to make a 'fresh start'.
- The mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 (CA-13) (120 days) stands extended by a period of 60 days till next two quarters i.e., till 30th September.
- The Companies (Auditor's Report) Order,2020 shall be made applicable from the financial year 2020-2021 instead of being applicable from the financial year 2019-2020.
- For the financial year 2019-20, if the Independent Directors (IDs) of a company have not been able to hold such a meeting, the same shall not be viewed as a violation. The IDs, however, may share their views amongst themselves through telephone or e-mail or any other mode of communication, if they deem it to be necessary.
- Requirement under section 73(2)(c) of CA-13 to create the deposit repayment reserve of 20% of deposits maturing during the financial year 2020-21 before 30th April 2020 shall be allowed to be complied with till 30th June 2020.
- Newly incorporated companies are required to file a declaration for Commencement of Business within '180 days of incorporation under section 10A of the CA-13. An additional period of 180 more days is allowed for this compliance.

- Non-compliance of minimum residency in India for a period of at least 182 days by at least one director of every company, under Section 149 of the CA-1 3 shall not be treated as a non-compliance for the financial year 2019-20.

## **2. Companies Affirmation of Readiness towards COVID-19 Form**

MCA has issued Companies Affirmation of Readiness towards COVID-19 Form which is a simple web form with minimum fields and which can be filed from anywhere. There is no requirement of DSC and does not involve payment of any fee. Companies/LLPs have been advised to use the service w.e.f 23rd March 2020 onwards at the earliest convenience. Stakeholders may at their convenience file this form.

## **3. Board meetings under the Companies Act, 2013**

The Government has in-principle decided to relax the requirement of holding Board meetings with physical presence of directors under section 173 (2) r/w rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 for approval of the annual financial statements, Board's report, etc. Such meetings may till 30th June, 2020 be held through video conferencing or other Audio Visual means by duly ensuring compliance of rule 3 of the said rules.

## **4. Sensitization of Nidhi companies**

Sensitization of Nidhi companies towards compliance of provisions of section 406 of Companies Act, 2013 and Nidhi Rules, 2014 as amended vide Nidhi (Amendment) Rules, 2019 w.e.f 15.08.2019 and general public to invest in genuine and compliant Nidhis only.

## **5. Clarification on spending of CSR funds for COVID-19**

Spending of CSR funds for COVID- 19 is eligible CSR Activity. Funds may be spent for various activities related to COVID- 19 related to health care including preventive health care and sanitation, and, disaster management.