Announcement

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:

i. 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 Circulars specifying detailed requirements in this regard are being issued separately.

ii. 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. Accordingly, as a one-time relaxation the gap between two consecutive meetings of the Board may extend to 180 days till the next two quarters, instead of 120 days as required in the CA-13.

iii. 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 notified earlier. This will significantly ease the burden on companies & their auditors for the financial year 2019-20. A separate notification has been issued for this purpose.
iv. As per Para VII (1) of Schedule IV to the CA-13, Independent Directors (IDs) are required to hold at least one meeting without the attendance of Non-independent directors and members of management. For the financial year 2019-20, if the 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.

v. 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.

vi. Requirement under rule 18 of the Companies (Share Capital & Debentures) Rules, 2014 to invest or deposit at least 15% of amount of debentures maturing in specified methods of investments or deposits before 30th April 2020, may be complied with till 30th June 2020.

vii. 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.

viii. 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 have been requested to please note that there is no fee applicable for FORM CAR (Companies Affirmation of Readiness Towards COVID-19). SHs may also
please note that the form has been deployed as a purely confidence building measure to assess the readiness of the companies to deal with COVID-19 Threat in India. As such no penalty or enforcement related action is applicable. Stakeholders may at their convenience file this form. It is purely voluntary as part of our contribution towards joining the movement to fight against the spread of the disease. Since the portal may experience heavy load, it would indicate 'Busy' alert whenever peak traffic is reached.

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

   Considering the need to take precautionary steps to overcome the outbreak of the coronavirus (Covid-19), 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(40 KB)

5. **Non Availability of MCA21 Voice and Ticketing Helpdesk services**

   Please be informed that in view of present total lockdown imposed on transport and people movement by the Government, availability of MCA21 Voice and Ticketing Helpdesk services have been severely impacted. The same would not be available till further notice. Stakeholders may kindly note and cooperate.

6. **View Public Document (VPD) requests disabled till 31st March**

   View Public Document (VPD) requests would be disabled till 31st March 2020. Stakeholders are requested to plan accordingly.

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.