



IN TOUCH

WHAT'S
INSIDE?

**RECENT UPDATES BY
MINISTRY OF CORPORATE
AFFAIRS (MCA)**

THE COMPANIES (MEETINGS OF BOARD AND ITS POWERS) AMENDMENT, RULES 2020

Considering the need to take precautionary steps to overcome the outbreak of the Novel Corona (COVID-19), the Ministry of Corporate Affairs has given few relaxation in holding the Board Meetings of the Company and made amendment in the Companies (Meetings of Board and its Powers) Rules vide Companies (Meetings of Board and its Powers) Amendment Rules, 2020 effective from 19.03.2020.

The major amendment brought in is that relaxation has been provided to transact the matters including approval of financial statements, board report, etc., which were earlier restricted to be transacted by way of video conferencing (unless physical quorum was present at the meeting) for the period beginning from commencement of this amendment and ending on 30th June, 2020.

Thus, such matters may now be transacted through video conferencing or other audio-visual means by duly ensuring the compliance of applicable rules till 30th June, 2020.

You may follow below mentioned link to refer the amendment:

http://www.mca.gov.in/Ministry/pdf/Rules_19032020.pdf





SPECIAL MEASURES UNDER COMPANIES ACT, 2013(CA-2013) AND LIMITED LIABILITY PARTNERSHIP ACT,2008 IN VIEW OF COVID-19 OUTBREAK

In order to support and enable Companies and Limited Liability Partnerships (LLP's) in India to focus on taking necessary measures to address the COVID-19 threat, including the economic disruptions caused by it, The Ministry of Corporate Affairs vide its Circular no.11/2020 dated 24th March, 2020 has taken the special measures. The Key highlights have been presented hereunder:

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 required to be fled with MCA irrespective of its due date

The Mandatory requirement of holdings meeting of the board of the companies within the intervals of 120 days as provided in Section 173 of the Act stands extended by a further period of 60 days in two quarters till 30th September, 2020.

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.

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 IDs of company have not been able to hold such meeting, the same shall not be viewed as violation.

**SPECIAL MEASURES UNDER COMPANIES ACT, 2013(CA-2013) AND
LIMITED LIABILITY PARTNERSHIP ACT, 2008 IN VIEW OF COVID-19
OUTBREAK**

Newly Incorporated Companies are required to file a declaration for Commencement of Business within 180 days of Incorporation under Section-10A of the Companies Act, 2013. 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, in terms of provisions of Section 149 of Companies Act, 2013, shall not be treated as a non-compliance for the financial year 2019-20.

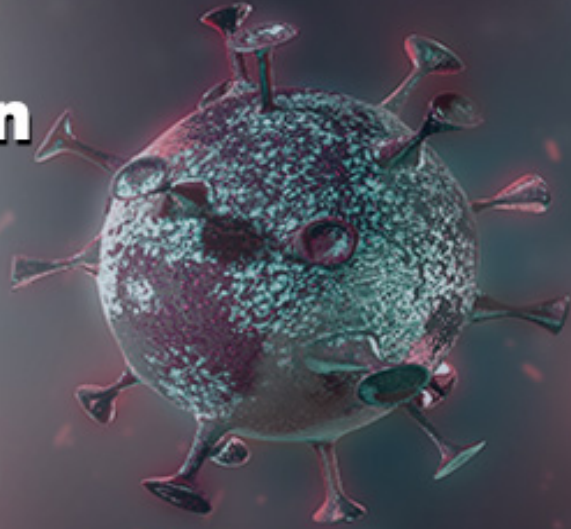
You may refer the circular by following below mentioned link:

http://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf



MCA

issues clarification on spending of CSR funds for Covid-19



CLARIFICATION ON SPENDING OF CSR FUNDS FOR COVID-19

The Ministry of Corporate Affairs in lieu of the Corona virus Outbreak in India vide circular no. 10/2020 dated 23rd March, 2020 has clarified that spending of Corporate Social Responsibility (hereinafter referred to as CSR) funds for COVID-19 is eligible as CSR activity.

The CSR funds spent for various activities related to COVID-19 under item no (i) and (xii) of Schedule-VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care and sanitation and disaster management is eligible as CSR activity.

*You may follow below mentioned link to refer circular:
http://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf*

COVID-19 RELATED FREQUENTLY ASKED QUESTIONS (FAQS) ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Ministry in view of receipt of several references/ representations from various stakeholders seeking clarifications on eligibility of CSR expenditure related to COVID-19 activities has issued a set of FAQs along with clarifications vide General Circular Number 15/2020 dated 10th April, 2020, for better understanding of the stakeholders.

*You may follow below mentioned link to refer circular:
http://www.mca.gov.in/Ministry/pdf/Notification_10042020.pdf*



COMPANIES FRESH START SCHEME,2020:

In order to facilitate the companies registered in India to make a fresh start, the Ministry has decided to take certain alleviative measures for the benefit of all companies. Accordingly, the Ministry of Corporate Affairs vide its General Circular 12/2020 dated 30th March, 2020, has provided for Companies Fresh Start Scheme,2020 thereby providing defaulting companies opportunity to complete their pending compliances by filing necessary documents including Annual filing without late fees till 30th September,2020.

The Scheme shall come into force on the 01st day of April, 2020 till 30th day of September, 2020.

Key highlights of the Scheme:

- *Any defaulting company is permitted to file belated documents which were due for filing on any given date;*
- *Immunity from prosecution and penalty for delay in filing of belated documents only to the extent as specified under the Scheme;*
- *Scheme shall not apply in certain cases:*
 1. *Companies against which action of final notice of strike off has been initiated;*
 2. *Companies which have filed application for strike off;*
 3. *Companies which have amalgamated;*
 4. *Companies which have filed the application for obtaining dormant status;*
 5. *Others as detailed in the scheme*

You may follow below mentioned link to refer the scheme:

http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf

CLARIFICATION ON PASSING OF ORDINARY AND SPECIAL RESOLUTIONS BY COMPANIES UNDER THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER ON ACCOUNT OF THE THREAT POSED BY COVID-19

In view of outbreak of COVID-19 and basis the representations received by the Ministry, to allow the Companies to pass ordinary and special resolutions of urgent nature, the matter has been examined and the Ministry of Corporate Affairs (MCA) vide its General Circular Number 14/2020 dated 08.04.2020 read with General Circular Number 17/2020 dated 13.04.2020, has permitted the holding of the Extra-ordinary General Meeting (EGM) through Video Conferencing or any other audio visual means in unavoidable circumstances.

The Circular provides for procedure to be followed by the Companies which are required to provide the facility of e-voting under the Act, or any other company which has opted for such facility and for the companies which are not required to provide the facility of e-voting under the Companies Act, 2013.

Following be ensured for EGM to be convened through Video conferencing by companies not required to follow e-voting under Companies Act, 2013:

- Convenience of different persons positioned in different zones shall be kept in mind before scheduling the meeting.
- All care must be taken to ensure that such meeting through video conferencing allows two way teleconferencing.
- The proceedings of the meeting shall be recorded and preserved in safe custody.
- The notice of the meeting shall make disclosures with regard to the manner that video conferencing shall be available for use by the members and also contain clear instructions on how to access and participate in the meeting.
- In case of notice has been served prior to the date of this circular, the framework may be adopted in case shorter notice consent of members has been obtained and a fresh notice of shorter duration is issued consequently.
- The notice of meeting may be given only through e-mails registered with the Company and where the e-mail id are not registered with Company, it will contact to shareholders for providing the same.
- Despite such efforts, If company could not get the mail id, a notice will be publish in newspapers in this regards.
- The voting be done by way of show of hands during the meeting, however, in case of voting by poll is demanded, the Company shall provide a designated e-mail address to all members so that the member may from their registered e-mail id convey their vote and the confidentiality of the password and other issues associated with the designated email address be maintained by the Company.
- And after that result will be declared at the meeting itself. In case counting of votes requires time, the said meeting would be adjourned and called later to declare the result.

The circular may be referred by following below mentioned link:

http://www.mca.gov.in/Ministry/pdf/Circular14_08042020.pdf

http://www.mca.gov.in/Ministry/pdf/Circular17_13042020.pdf



EGM
EXTRAORDINARY
GENERAL MEETING

STAY
HOME, STAY
Safe



Disclaimer: All data and information provided in this issue is for informational purposes only and is not intended for any factual use.

In case of any query/discussion/clarification required, you may reach us at:



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