

Relaxations provided by Ministry of Corporate Affairs (“MCA”) under Companies Act, 2013 (“Companies Act”) and Limited Liability Partnership Act, 2008(“LLP Act”)in view of COVID-19 outbreak

S. No.	Date of Notification/Circular	Notification/Circular	Section	Particulars	Details
1	24-Mar-20	General Circular No. 11/2020	-398 of Companies Act &-LLP Act	No Additional fees on late filings on MCA	No additional fees shall be charged for late filing of any document, return, statement etc., required to be filed on MCA w.r.t. to Companies Act and LLP Act, irrespective of its due date during a moratorium period from 1st April to 30th September, 2020.
2	24-Mar-20	General Circular No. 11/2020	173	Extension of Minimum gap between 2 Board Meetings	The mandatory requirement of holding Board Meetings of the Companies within the intervals of 120 days is extended by a period of 60 days till next two quarters i.e., till 30th September, 2020. Accordingly, as a one-time relaxation, the gap between 2 consecutive Board Meetings may extend to 180 days till the next 2 quarters, instead of 120 days as required in the Companies Act.
3	24-Mar-20	General Circular No. 11/2020	143	Applicability of Company Auditor's Report Order (“CARO”)	The Companies (Auditor's Report) Order,2020 shall be now made applicable from the Financial Year (“FY”) 2020-2021 instead of being applicable from the FY 2019-2020 notified earlier. <i>The Circular specifying detailed requirements in this regard are being issued separately (Refer Annexure I)</i>
4	24-Mar-20	General Circular No. 11/2020	Para VII (1) of Schedule IV	Meeting of Independent Directors	As per Para VII (1) of Schedule IV of the Companies Act, Independent Directors are required to hold at least 1 meeting without the attendance of Non- Independent Directors and members of management. For FY 2019-20, if the Independent Directors of a Company have not been able to hold such a meeting, the same shall not be viewed as a violation.

5	24-Mar-20	General Circular No. 11/2020	73(2)(c)	Extension of time period for creation of Deposit Repayment Reserve (“DRR”)	Requirement under section 73(2)(c) of Companies Act to create the DRR of 20% of deposits maturing during the FY 2020-21 before 30 th April, 2020 shall be allowed to be complied with till 30th June, 2020 .
6	24-Mar-20	General Circular No. 11/2020	Rule 18 of the Companies (Share Capital & Debentures) Rules	Investment of 15% of amount of debentures maturing on March 31 of the following year	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 30 th April, 2020, may be complied with till 30th June, 2020 .
7	24-Mar-20	General Circular No. 11/2020	10A	Declaration for Commencement of Business	An additional period of 180 days is allowed to file a Declaration for Commencement of Business for newly incorporated companies. Therefore, now the newly incorporated Companies can file this declaration within 360 days of Incorporation instead of 180 days.
8	24-Mar-20	General Circular No. 11/2020	149	Minimum Residency in India of at least one Director	Non-compliance of minimum residency in India for a period of at least 182 days by at least 1 director of every Company, under Section 149 of the Companies Act shall not be treated as a non-compliance for the FY 2019-20.
9	8-Apr-2020	General Circular No. 14/2020	100 & 114	Relaxation on passing Ordinary and Special resolution in Member's Meeting due to COVID-19	<p>General Meetings</p> <p>Companies are requested to take all decisions of urgent nature requiring the approval of members, through the mechanism of postal ballot/e-voting in accordance with the provisions of the Companies Act and rules made thereunder, without holding a General Meeting.</p> <p>Following items that cannot be passed through postal ballot/e-voting:</p> <ol style="list-style-type: none"> 1. Items of ordinary business, or 2. Business where any person has a right to be heard

					<p>Extra-Ordinary General Meeting (“EGM”)</p> <p>Companies are required to adopt below mentioned procedure for convening EGMs wherever holding such meeting is unavoidable, may be held through Video Conferencing (“VC”) or Other Audio-visual means (“OAVM”) on or before 30th June, 2020 (<i>Refer Annexure II</i>)</p>
10	10-Apr-20	General Circular No. 15 /2020	135	<p>CSR Expenditure Eligibility for Contribution to COVID-19 related activities</p>	<p>Frequently Asked Questions(FAQs) has been issued by MCA to bring more clarity on eligibility of CSR expenditure related to COVID-19 activities.</p> <p>(<i>Refer Annexure III</i>)</p>
11	13-Apr-20	General Circular No. 16 /2020	124, 125	<p>Filings under Companies Act 2013 w.r.t IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of emerging situation due to outbreak of COVID- 19</p>	<p>Relaxation has been sought in provisions related to transfer of money remaining unpaid or unclaimed for a period of seven years in terms of the provision of section 124(5) of the Companies Act, 2013 (the Act) and transfer of shares under Section 124(6) of the Act read with the IEPFA (Accounting, Audit, Transfer and Refund) Rules.</p> <p>It has been clarified that Ministry of Corporate Affairs has already allowed filing without additional fees till 30th September, 2020 through <i>General Circular No. 11/2020, dated 24th March, 2020 and General Circular No. 12/2020 dated 30th March, 2020.</i></p> <p>Therefore, the necessary relaxation, insofar as filing of various other IEPF e-forms (IEPF-1, IEPF-1A, IEPF-2, IEPF-3, IEPF-4, IEPF -7) and e-verification of claims filed in e-form IEPF-5 has already been provided.</p>
12	13-Apr-20	General Circular No. 17 /2020	101,114	<p>Clarification on passing of ordinary and special resolutions by companies on account of the threat posed by Covid-19</p>	<p>In reference to General Circular 14/ 2020 dated 8th April, 2020 specifying the procedure for passing Ordinary and Special Resolution, MCA has issued clarification to bring more clarity and remove difficulties in the procedure prescribed.</p> <p>MCA has provided clarification under below mentioned heads:</p> <ol style="list-style-type: none"> 1. Manner and mode of issue of notices to the members before convening the General Meeting 2. Requirement for voting by show of hands 3. Passing of certain items only through Postal Ballot without convening a General Meeting

					<p>4. Sending e-mails by members, where a poll on any item is required for companies where facility of e-voting is not available</p> <p><i>(Refer Annexure IV)</i></p>
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Annexure I

Ministry of Corporate Affairs Order No. S.O. 1219(E) dated 24th March, 2020 related to CARO

In the order of the Government of India in the Ministry of Corporate Affairs number S.O. 849(E), dated the 25th February, 2020, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 25th February, 2020, in paragraph “2. Auditor’s report to contain matters specified in paragraphs 3 and 4”, for the words and figures “1st April, 2019”, the words and figures “1st April, 2020” shall be substituted.

Annexure II

Procedure laid down by MCA due to COVID-19 outbreak for conducting unavoidable EGMs on or before 30th June, 2020, in addition to any other requirement of provided in the Companies Act

S. No.	Particulars	A. For Companies which are required to provide the facility of e-voting under the Companies Act, or any other Company which has opted for such facility -	B. For Companies which are not required to provide the facility of e-voting under the Companies Act-
1	Notice for the general meeting	<p>Following points shall be taken in consideration while sending Notice:</p> <p>1. Notice shall disclose with regard to the manner in which framework provided herein shall be available for use by the members</p> <p>2. Notice shall contain clear instructions on how to access and participate in the meeting.</p> <p>3. A helpline number shall be provided through the Register and Transfer Agent (“RTA”), Technology Provider, or otherwise, for those shareholders who need assistance with using the technology before or during the Meeting</p> <p>4. In case of a Listed Company- A copy of the notice of the Meeting shall be prominently displayed on the website of the company and due intimation may be made to the exchanges.</p>	<p style="text-align: center;">Same</p> <p><i>Note- Point No. 3 &4 are not applicable in this case. However, a copy of the notice of the Meeting shall be prominently displayed on the website of the company(if any).</i></p>
2	In case a notice for meeting has been served prior to 8th April, 2020	<p>The framework proposed herein may be adopted for the meeting provided that:</p> <p>1. Consent from members has been obtained in accordance with section 101(1) of Companies Act.</p> <p>2. A fresh notice of shorter duration with due disclosures in consonance with this Circular is issued consequently.</p>	<p style="text-align: center;">Same</p>

3	Ease of Participation	<p>1. Convenience of people positioned in different time zones shall be kept in mind before scheduling the Meeting.</p> <p>2. The facility for joining the meeting shall be kept open for 30 Minutes (at least 15 minutes before the scheduled time and 15 minutes after such scheduled time.)</p> <p>3. VC or OAVM facility shall allow two way teleconferencing or webex for the ease of participation of the members</p> <p>4. The participants shall be allowed to pose questions concurrently or given time to submit questions in advance on the e-mail address of the company.</p>	Same
4	Capacity of Participants	<p>At least 1000 members to participate on a first-come-first-served basis.</p> <p><i>Note: The large Shareholders (i.e. Shareholders holding 2% or more Shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. may be allowed to attend the Meeting without restriction on account of first-come-first-served principle.</i></p>	<p>At least 500 members or members equal to the total number of members of the company (whichever is lower) to participate on a first-come-first-served basis.</p>
5	Quorum	Quorum shall be reckoned through attendance of members participating in VC or OAVM.	Same
6	Appointment of Chairman	<p>a. Specified in the articles of the Company- such person shall be appointed.</p> <p>b. If nothing is specified in articles and less than 50 members are present-As per section 104 of Companies Act;</p> <p>c. In all other cases- by conducting poll through the e-voting system during the meeting</p>	<p>a. Specified in the articles of the Company- such person shall be appointed.</p> <p>b. If nothing is specified in articles and less than 50 members are present-As per section 104 of Companies Act;</p> <p>c. In all other cases- by conducting poll (as described in below points)</p>

7	Appointment of Proxy	Since General Meetings will be held through VC or OAVM, where physical attendance of members has been dispensed with, there is no requirement of appointment of proxies However, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the meeting in accordance with section 112 and section 113 of the Act.	Same
8	Attendance of Independent Director and Statutory Auditors	Atleast 1 Independent Director (wherever required to appoint one), and the Auditor or his authorized representative, who is qualified to be the Auditor shall attend such meeting.	Same
9	Institutional investor	Where Institutional Investors are members of a Company, they must be encouraged to attend and vote in the said meeting.	Same
10	Voting on Resolutions	<p>1. The Chairman shall ensure that the facility of e-voting system is available for the purpose of conducting a poll during the Meeting.</p> <p>2. Facility of remote e-voting shall be provided before the actual date of the Meeting, in accordance with Companies Act.</p> <p>3. Members present in the meeting who have not cast their vote on resolutions through remote e-voting and are not barred from doing so shall be allowed to vote through e-voting system or by a show of hands in the Meeting.</p> <p>4. Depending on the number of members present in meeting, the voting shall be conducted in the following manner:</p> <p style="padding-left: 20px;">a. where less than 50 members present at the meeting- voting may be conducted either through the e-voting system or by a show of hands, If a demand for poll is made in accordance with section 109 of Companies Act, in which case, the voting shall be conducted through the e-voting system;</p>	<p>1. A designated email address shall be provided to all members along with sending of notice of meeting so that the members can convey their vote, when a poll is required to be taken during the Meeting on any resolution.</p> <p>2. The confidentiality of the password and other privacy issues associated with the designated email address shall be strictly maintained by the Company at all times.</p> <p>3. Due safeguards with regard to authenticity of email address(es) and other details of the members shall also be taken by the Company.</p> <p>4. Where less than 50 members are present in a meeting- Chairman shall conduct a vote by show of hands In case a demand for poll is made by any member in accordance with section 109 of Companies Act, voting shall be done through designated email address</p>

		<p>b. In all other cases- voting shall be conducted through e-voting system.</p> <p><i>Note: Please refer Point No. 2 of Annexure No. IV for recent amendment in the above clauses</i></p>	The meeting may be adjourned in case the counting of votes requires time and called later to declare the result.
11	Transcript of the meeting	The recorded transcript of the EGMs, held through VC or OAVM shall be maintained in safe custody by the Company. In case of a Public Company, the same shall be made available on the Website (if any) of the Company as soon as possible.	Same
12	Filing of Resolutions	All resolutions passed in accordance with this mechanism shall be filed with the ROC within 60 days of the Meeting indicating therein that the mechanism provided herein alongwith other provisions of the Act and rules were duly complied.	Same

Note: In case the General Meetings are conducted in the above mentioned manner, Companies shall ensure that all other compliances associated with the provisions relating to General meetings viz making of disclosures, inspection of related documents by members, or authorizations for voting by bodies corporate etc. as provided in the Companies Act and the Articles of Association of the company are made through electronic mode.

Annexure III

COVID-19 related Frequently Asked Questions (“FAQs”) on Corporate Social Responsibility (“CSR”)

MCA has issued a set of FAQs on eligibility of CSR expenditure related to COVID-19 activities along with clarifications for better understanding of the stakeholders:

S. No.	Frequently Asked Questions (FAQs)	Reply
1	Whether contribution made to ‘PM CARES Fund’ shall qualify as CSR expenditure?	Contribution made to ‘PM CARES Fund’ shall qualify as CSR expenditure under item no (viii) of Schedule VII of the Companies Act, 2013 and it has been further clarified vide Office memorandum F. No. CSR-05/1/2020-CSR-MCA dated 28th March, 2020.
2	Whether contribution made to ‘Chief Minister’s Relief Funds’ or ‘State Relief Fund for COVID-19’ shall qualify as CSR expenditure?	‘Chief Minister’s Relief Fund’ or ‘State Relief Fund for COVID-19’ is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure.
3	Whether contribution made to State Disaster Management Authority shall qualify as CSR expenditure?	Contribution made to State Disaster Management Authority to combat COVID-19 shall qualify as CSR expenditure under item no (xii) of Schedule VII of the 2013 and clarified vide general circular No. 10/2020 dated 23rd March, 2020.
4	Whether spending of CSR funds for COVID-19 related activities shall qualify as CSR expenditure?	Ministry vide general circular No. 10/2020 dated 23rd March, 2020 has clarified that spending CSR funds for COVID-19 related activities shall qualify as CSR expenditure. It is further clarified that funds may be spent for various activities related to COVID-19 under items nos. (i) and (xii) of Schedule VII relating to promotion of health care including preventive health care and sanitation, and disaster management. Further, as per general circular No. 21/2014 dated 18.06.2014, items in Schedule VII are broad based and may be interpreted liberally for this purpose.
5	Whether payment of salary/wages to employees and workers, including	Payment of salary/ wages in normal circumstances is a contractual and statutory obligation of the company. Similarly, payment of salary/ wages to employees and workers even during the lockdown period is a moral obligation of the employers, as they have no alternative source of employment or

	contract labour, during the lockdown period can be adjusted against the CSR expenditure of the companies?	livelihood during this period. Thus, payment of salary/ wages to employees and workers during the lockdown period (including imposition of other social distancing requirements) shall not qualify as admissible CSR expenditure.
6	Whether payment of wages made to casual/ daily wage workers during the lockdown period can be adjusted against the CSR expenditure of the companies?	Payment of wages to temporary or casual or daily wage workers during the lockdown period is part of the moral/ humanitarian/ contractual obligations of the company and is applicable to all companies irrespective of whether they have any legal obligation for CSR contribution under section 135 of the Companies Act 2013. Hence, payment of wages to temporary or casual or daily wage workers during the lockdown period shall not count towards CSR expenditure.
7	Whether payment of ex gratia to temporary /casual/ daily wage workers shall qualify as CSR expenditure?	If any ex-gratia payment is made to temporary / casual workers/ daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19, the same shall be admissible towards CSR expenditure as a onetime exception provided there is an explicit declaration to that effect by the Board of the company, which is duly certified by the statutory auditor.

Annexure IV

Clarification on passing Ordinary and Special Resolutions by Companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19

S. No.	Particulars	A. For Companies which are required to provide the facility of e-voting under the Companies Act, or any other Company which has opted for such facility -	B. For Companies which are not required to provide the facility of e-voting under the Companies Act-
1	Manner and mode of issue of notices to the members before convening the general meeting	Notices to members may be given only through e-mails registered with the Company or with the Depository Participant/Depository in accordance with the provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014 (" the rules ")	Same
		<p>Matters to be considered while publishing the public notice as required under rule 20(4)(v) of the rules-</p> <ol style="list-style-type: none"> 1. a statement that the EGM has been convened through VC or OAVM in compliance with applicable provisions of the Act read with General Circular 14/2020, dated 8th April, 2020 and this Circular; 2. the date and time of the EGM through VC or OAVM; 3. availability of notice of the meeting on the website of the Company and the Stock Exchange; 4. the manner in which the members who are holding shares in physical form or who have not registered their email addresses with the Company can cast their vote through remote e-voting or through the e-voting system 	<ol style="list-style-type: none"> 1. A copy of the notice shall also be prominently displayed on the website, if any, of the company 2. In order to ensure that all members are aware that a general meeting is proposed to be conducted in compliance with applicable provisions of the Act read with General Circular No. 14/2020, dated 8" April, 2020, the company shall: <ol style="list-style-type: none"> (a) Members whose e-mail addresses are not registered with the company- Contact over telephone or any other mode of communication for registration of their e-mail addresses before sending the notice; or (b) Where the contact details of any of members are not available with the company or could not be obtained as per (a) above- It shall cause a

		<p>during the meeting;</p> <p>5. the manner in which the members who have not registered their email addresses with the Company can get the same registered with the Company;</p> <p>6. any other detail considered necessary by the company.</p>	<p>public notice by way of advertisement to be published immediately at least once in a vernacular newspaper in the principal vernacular language of the district in which the Registered Office of the Company is situated and having a wide circulation in that district and at least once in English language in an English newspaper having a wide circulation in that district, preferably both newspapers having electronic editions, and specifying following information -</p> <p>1. Company intends to convene a General Meeting in compliance with applicable provision is of the Act read with the <i>General Circular No. 14/2020, dated 8th April, 2020 and this Circular</i> and for the said purpose it proposes to send notices to all its members by e-mail after, at least, 3 days from the date of publication of the public notice,</p> <p>2. Contact Details (e-mail address and telephone number) on which the members may contact for getting their e-mail addresses registered for participation and voting in the General Meeting.</p>
		<p>The Chairman shall satisfy himself and record that all efforts have been made by the company to enable members to participate and vote on the items before considering the business in the meeting.</p>	<p>Same</p>

2	Requirement for voting by show of hands	<p>In sub-paragraph A — IX of Para 3 of the General Circular 14/2020 dated 8th April, 2020 relevant companies were allowed to pass resolutions in certain cases through show of hands.</p> <p>Considering the dissimilarities involved in e-voting and voting by show of hands, it has been clarified that the chairman present at the meeting shall ensure that the facility of e-voting system is available for the purpose of voting during the meeting held through VC or OAVM.</p>	NA
3	Passing of certain items only through postal Ballot without convening a general meeting	<p>Clarification on dispatch of notices by companies by post and communication by the members of their assent or dissent on relevant resolutions by post under the current circumstances.</p> <p>It has been clarified that the requirements provided in rule 20 of the rules and framework provided in the General Circular No. 14/2020 dated 8th April, 2020 and this Circular would be applicable <i>mutatis mutandis</i> while transacting any item only by postal ballot, upto 30th June, 2020 or till further orders, whichever is earlier.</p> <p>The company would send notice by email to all its shareholders who have registered their email addresses with the company or depository participant/depository.</p> <p>The company shall also provide a process of registration of e-mail addresses of members and state so in its public notice</p> <p>The communication of the assent or dissent of the members would only take place through the remote e-voting system only.</p>	NA

4	Sending of e-mails by members, where a poll on any item is required for companies covered in Para 3-B of the General Circular No. 14/2020 dated 8th April, 2020	NA	Clarification on whether the members are required to take part in the poll on items considered during the meeting by sending e-mails in advance to the company before the meeting is actually held through VC or OAVM facility. It has been clarified that the poll will take place during the meeting, and the members may convey their assent or dissent on items considered in the meeting by sending e-mails to the designated e-mail address sent to the members along with the notice and not before the meeting
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