



CORPORATE LAWS & CORPORATE GOVERNANCE COMMITTEE  
The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)



# **RELAXATIONS FROM REGULATORY COMPLIANCES DUE TO OUTBREAK OF COVID- 19 PANDEMIC**



## Composition of the Corporate Laws & Corporate Governance Committee

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- CA. Durgesh Kumar Kabra, Vice-Chairman
- CA. Atul Kumar Gupta, President ICAI
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### Special Invitee

- Deepa Agarwal





## Message

As we all know that COVID 19 is an unprecedented crisis and challenge which is currently being faced by the whole World. Amidst the spread of the pandemic and the imposition of lockdowns, there are various challenges before all the stakeholders in the corporate world.

Regulators in many countries are revising the filing deadlines, changing or providing commentary on requirements for disclosures and reporting, modifying the timing and/or form of Annual General Meetings, changing other governance rules or regulatory processes (such as audit inspections). ICAI also has provided relaxations to students/ members due to COVID-19. Various Advisories have been issued with regard to Accounting/ Auditing/ Peer Review etc.

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 Ministry of Corporate Affairs and SEBI has given several relaxations and Special measures have been provided to reduce their compliance burden and other risks.

I congratulate CA. Chandrashekhar V. Chitale, Chairman and CA. Durgesh Kabra, Vice Chairman of the Corporate Laws & Corporate Governance Committee for taking this initiative to collate and put in one place the relaxations provided by the Regulators so as to comprehend the members and corporates. The Committee has also issued FAQs and Announcement on various relaxations in an easy to understand manner.

**CA. Atul Kumar Gupta**  
President, ICAI





## Preface

The COVID-19 pandemic has caused a global unprecedented human and health crisis. These crises have also escalated to economic slowdown, as worldwide lockdown affected economic activity for about one hundred days. There is great uncertainty about its severity and length. The global as well as Indian Economy has already felt an adverse impact, and a further intensification of the crisis could worsen the financial stability.

In continuation of the Government's initiative of 'ease of doing business' and the practical difficulties in complying with the requirements of law and consequential prospects of delay in complying, the Government took various measures for the benefit of corporate sector and the stakeholders. The Committee recognises quick response in providing respite by the Ministry of Corporate Affairs, SEBI for bringing relaxations during the tough time of COVID-19 pandemic. Array of measures that have been taken are compiled in this publication. This will facilitate quick and unified reference to all the measures to provide ease of compliance.

Corporate Laws & Corporate Governance Committee desires to acknowledge CA. Atul Kumar Gupta, President, ICAI and CA. Nihar Nirajan Jambusaria, Vice-President, ICAI for providing encouragement and support in this mission.

### **CA. Chandrashekhar V. Chitale**

Chairman  
Corporate Laws & Corporate  
Governance Committee

### **CA. Durgesh Kabra**

Vice-Chairman  
Corporate Laws & Corporate  
Governance Committee





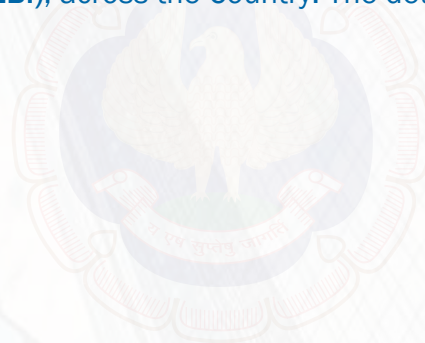


## Background

The COVID-19 pandemic an unimaginable hit has led to a near total slowdown of social and economic activity in all the nook and corners of the world. Restarting the economies and life in social functioning has emerged as a daunting challenge of our time and with no precedent to guide. The Government is creating platform that will guide their actions during the critical pandemic times.

The Government of India is taking necessary initiatives to ensure that corporates are prepared well to face the challenge thus emerged and threat posed by the growing pandemic of COVID-19 the Corona Virus.

In response to the developing pandemic situation the Government the Ministry of Corporate Affairs (**MCA**) and other regulatory authorities have granted several relaxations from regulatory compliances for the corporate sector. We have summarised some of the key relaxations and measures which have been introduced by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (**SEBI**), across the Country. The details are listed below.





## Circulars & Notifications

### Relief Measures by Ministry of Corporate Affairs (MCA)

1. Companies Affirmation of Readiness towards COVID-19 Form
2. Special Measures under the Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak
3. Applicability of CARO 2020 extended by 1 year, CARO, 2020 will be now applicable to accounting periods commencing on or after 01.04.2020
4. Clarification on spending of CSR funds for COVID-19
5. COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR)
6. Company Fresh Settlement Scheme, 2020 (CFSS-2020)
7. Frequently Asked Questions on Company Fresh Settlement Scheme, 2020 (CFSS-2020)
8. Modification to LLP Scheme 2020
9. Frequently Asked Questions on LLP Scheme 2020
10. Relaxation for DIN holders marked as Deactivated
11. Filings under section 124 and section 125 of the Companies Act 2013 r/w IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of emerging situation due to outbreak of COVID- 19
12. 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
13. Holding of AGMs by companies whose financial year ended on 31st December, 2019



14.

Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)

15.

Companies (Meetings of board and its powers) 2nd Amendment Rules 2020

16.

Clarification on dispatch of notice under section 62(2) of Companies Act, 2013 by listed companies for rights issue opening upto 31st July, 2020

17.

Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013

18.

Companies (Appointment and Qualification of Directors) 3rd Amendment Rules 2020

19.

Clarification with regard to creation of deposit repayment reserve of 20% u/s. 73 (2) (C) of the companies Act 2013 and to invest or deposit 15% of amount of debentures u/r.18 of Companies (Share capital and Debentures) Rules 2014 - COVID-19 - Extension of time

20.

Period/Days Of Extension For Names Reserved And Re-submission Of Forms

21.

Extension of the last date of filing of Form NFRA-2

## Relief Measures by Securities and Exchange Board of India (SEBI)

1

Relaxation provided by Securities and Exchange Board of India

2

Further extension of time for submission of Annual Secretarial Compliance Report by listed entities due to the continuing impact of the CoVID-19 pandemic by SEBI

3

SEBI Settlement Scheme, 2020 – One Time Settlement Scheme

4

Frequently Asked Questions on the SEBI Settlement Scheme, 2020 – One Time Settlement Scheme

5

Extension of time for submission of financial results for the quarter/half year/ financial year ended 30th June, 2020, by SEBI.

6

Relaxation in timelines for compliance with regulatory requirements by Securities and Exchange Board of India







Initiatives and Measures, the Government of India has taken in order to mitigate the hit on the economy and provide some relief to the Companies and Limited Liability Partnership firms, in these times of the pandemic. The details/actions have been enumerated below:-

## Ministry of Corporate Affairs (MCA)

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

The Ministry of Corporate Affairs (MCA) has deployed the Companies Affirmation of Readiness towards COVID-19 Form on 23rd March 2020, for companies/LLPs to confirm their readiness to deal with COVID-19 threat, which should be filed by the authorized signatory of Companies.

It is a simple web form with minimum fields which can be filed from anywhere. There is no requirement of Digital Signature Certificate (DSC) and does not involve payment of any fee. The Companies/LLPs are advised to use the service with effect from March 23, 2020 onwards at the earliest convenience.

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.

Details are available at : [http://www.mca.gov.in/Ministry/pdf/Car\\_22032020.pdf](http://www.mca.gov.in/Ministry/pdf/Car_22032020.pdf)

### **2. Special Measures under the 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 (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 01<sup>st</sup> April to 30<sup>th</sup> 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 30<sup>th</sup> 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-13 shall not be treated as a non-compliance for the financial year 2019-20.

Details are available at: [https://www.mca.gov.in/Ministry/pdf/Circular\\_25032020.pdf](https://www.mca.gov.in/Ministry/pdf/Circular_25032020.pdf)

### **3. Applicability of CARO 2020 extended by 1 year, CARO, 2020 will be now applicable to accounting periods commencing on or after 01.04.2020**

The Ministry of Corporate Affairs vide its notification dated the 25th February, 2020 has extended the applicability of the Companies (Auditor's Report) Order, 2020.

CARO 2020 has now been deferred to the financial year 2020-2021 instead of from 2019-2020 as notified earlier.

This step has been taken to ease the burden on companies & their auditors for the year 2019-20 amid COVID-19

Details are available at : [https://www.mca.gov.in/Ministry/pdf/Notification\\_25032020.pdf](https://www.mca.gov.in/Ministry/pdf/Notification_25032020.pdf)

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

The Ministry of Corporate affairs has issued a clarification mentioning that spending of Corporate Social Responsibility (CSR) funds for COVID-19 is eligible CSR activity. The funds may spent for various activities related to COVID-19 under Schedule VII(i) and (xii) relating to promotion of health care, including preventive health care and sanitation, and disaster management. The statutory provision and provisions of CSR Rules, 2014, is to ensure that while activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013.

Details are available at : [https://www.mca.gov.in/Ministry/pdf/Covid\\_23032020.pdf](https://www.mca.gov.in/Ministry/pdf/Covid_23032020.pdf)





## 5. COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR)

A set of FAQs along with clarifications have been provided by MCA for better understanding of the stakeholders since the Ministry has been receiving several references/ representations from various stakeholders seeking clarifications on eligibility of CSR expenditure related to COVID-19 activities.

The Frequently Asked Questions are listed below:

S.No.	Frequently Asked Questions (FAQ)	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.





S.No.	Frequently Asked Questions (FAQ)	Reply
5.	Whether payment of salary/wages to employees and workers, including contract labour, during the lockdown period can be adjusted against the CSR expenditure of the companies?	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 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.

## 6. Company Fresh Settlement Scheme, 2020 (CFSS-2020)

As part of the government's efforts to provide relief to companies in the wake of Covid-19, the Ministry of Corporate Affairs, has introduced the "Companies Fresh Start Scheme, 2020" The Fresh start scheme will be condoning the delay in filing the specified documents with the Registrar, insofar as it relates to charging of additional fees, and granting of immunity from launching of prosecution or proceedings for imposing penalty on account of delay associated with certain filings.

Further, the scheme gives an opportunity to inactive companies to get their companies declared as 'dormant company' under section 455 of the Act by filing a simple application at a normal fee. The said provision enables inactive companies to remain on the register of the companies with minimal compliance requirements.

However, the immunity is only against delayed filings and not against any substantive violation of law.

Details are available at: [http://www.mca.gov.in/Ministry/pdf/Circular12\\_30032020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf)





## 7. Frequently Asked Questions on Company Fresh Settlement Scheme, 2020 (CFSS-2020)

ICAI has also prepared and issued FAQs on the Companies Fresh Start Scheme for the benefit of its members and other stakeholder that are uploaded on ICAI website.

FAQs on the Companies Fresh Start Scheme are available at the link

<https://resource.cdn.icai.org/58908clcg48020.pdf>

## 8. Modification to LLP Scheme 2020

The Ministry of Corporate Affairs vide its notification dated 30th March, 2020 has revised the LLP Settlement Scheme, 2020.

The modified LLP Settlement Scheme incentivise compliance and reduce compliance burden during the unprecedented public health situation caused by Covid-19.

The scheme is a one time waiver of additional filing fees for delayed filings by the LLPs with the Registrar of Companies during the period starting from April 1, 2020 and ending on September 30, 2020.

Details are available at [http://www.mca.gov.in/Ministry/pdf/Circular13\\_30032020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular13_30032020.pdf)

## 9. Frequently Asked Questions on LLP Scheme 2020

ICAI has prepared and issued FAQs on the LLP Settlement Scheme, 2020 (Original and Modified) for the benefit of its members and other stakeholder that are uploaded on ICAI website.

FAQs on the LLP Settlement Scheme, 2020 (Original and Modified) are available at the link

<https://resource.cdn.icai.org/58902clcg48009llpfaq.pdf>

## 10. Relaxation for DIN holders marked as Deactivated

MCA has given relaxation that the DIN holders marked as “Deactivated” and companies marked as “ACTIVE non-compliant” can become compliant once again.

## 11. Filings under section 124 and section 125 of the Companies Act 2013 r/w IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 in view of emerging situation due to outbreak of COVID- 19.

In view of the situation emerging due to the outbreak of COVID 19, stakeholders had pointed about difficulties and relaxation especially in procedures 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 and transfer of shares under 124(6) of the Companies Act, 2013 read with IEPFA Rules.

It may be noted that MCA has already allowed filing without additional fees till 30th September, 2020. Therefore, stakeholders may plan their concomitant actions accordingly.

Details are available at [http://www.mca.gov.in/Ministry/pdf/Circular16\\_13042020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular16_13042020.pdf)







## 12. 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

MCA vide its circular dated 8th April, 2020 brought greater clarity on the modalities to be followed by companies for conduct of EGMs during the COVID-19 related social distancing norms and lockdown for the period. Clarifications were given regarding manner and mode of issue of notices to the members before convening the general meeting.

The modalities have been given for 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 companies which are not required to provide the facility of e-voting under the Act.

- Relevant companies were allowed to pass resolutions in certain cases through show of hands.
- Passing of certain items only, through postal ballot without convening a general meeting
- Sending of e-mails by members where a poll on any item is required for companies covered in para 3-B of the Circular No. 14/2020.

Due to the increasing pandemic COVID-19, MCA has further issued a Circular on 15th June, 2020, where the companies were allowed to hold relevant EGMs or transact relevant business through postal ballot as per procedure specified therein, upto 30th June, 2020 has been further extended to 30th September, 2020.

Details are available at [http://www.mca.gov.in/Ministry/pdf/Circular22\\_15062020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular22_15062020.pdf)

## 13. Holding of AGMs by companies whose financial year ended on 31st December, 2019

MCA vide its circular dated 21st April, 2020, clarified that if the Companies whose financial year (other than first financial year) has ended on 31st December, 2019, hold their AGM for such financial year within a period of nine months from the closure of the financial year (i.e. by 30th September, 2020), the same shall not be viewed as a violation. The references to due date of AGM or the date by which the AGM should have been held under the Act or the rules made thereunder shall be construed accordingly.

Details are available at [http://www.mca.gov.in/Ministry/pdf/Circular18\\_21042020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular18_21042020.pdf)

## 14. Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)

As per Section 96 (2) of the Companies Act, 2013, every annual general meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated subject to the conditions.

In this regard, the Ministry of Corporate Affairs issued a Circular No. 20/2020 dated 5th May, 2020 to allow companies to hold annual general meeting (AGM) in a manner similar to the one provided in General Circular No. 14/2020, dated 08.04.2020 (EGM Circular - I) and General Circular No. 17/2020 dated 13.04.2020 (EGM Circular - II), which deal with conduct





of extraordinary general meeting (EGM) and by virtue of the same the companies have been allowed the holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM).

Further, companies whose financial year ended on 31st December, 2019, have already been allowed to hold their AGM by 30th September, 2020 as per General Circular No. 18/2020, dated 21.04.2020.

In view of the continuing restrictions on the movement of persons at several places in the country, it has been decided that the companies be allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM), during the calendar year 2020, subject to the fulfilment of the following requirements:

#### **A. Companies where e-voting is required**

- i. The framework provided in para 3 -A of EGM circular - I and the manner and mode of issuing notices provided in sub-para (i)-A of EGM Circular – II shall be applicable for conducting the AGM.
- ii. In such meetings, only unavoidable special business shall be transacted.
- iii. Financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), shall be sent by email to all the persons so entitled.
- iv. Before sending the notices and copies of the financial statements, etc., a public notice by way of advertisement be published at least once in a vernacular newspaper mentioning the following facts:
  - Statement that the AGM will be convened through VC / OAVM as per applicable legal prescriptions.
  - The date and time of the AGM through VC / OAVM
  - Availability of notice of the meeting on the website of the company (on stock exchange by listed entities)
  - For members who are holding shares in physical form or who have not registered their email addresses with the company – stating they can cast vote through e-voting/remote e-voting.
  - Manner for registration of unregistered members for registration
  - Manner to mandate receiving dividends directly in member's bank account.
- v. In case a company is unable to pay dividends to shareholders, the company shall upon normalization of the postal services, dispatch the dividend warrant/cheque to such shareholder by post.
- vi. In case, where Company has received permission to conduct AGM physically, then the persons attending such meetings physically as well as persons attending the meeting





through VC/OAVM shall be reckoned for the purpose of quorum. All resolutions shall continue to be passed through the facility of e-voting system.

#### **B. For Companies where e-voting is not required:**

- i. AGM can be conducted through the facility of VC or OAVM by Companies which has in its records, the email addresses of at least half of its total number of members.
- ii. The company follows proper mechanism to register the e-mail id of the persons who have not yet registered the same with the Company.
- iii. The framework provided in para 3 -A of EGM circular - I and the manner and mode of issuing notices provided in sub-para (i)-A of EGM Circular – II shall be applicable for conducting the AGM.
- iv. In such meetings, only unavoidable special business shall be transacted.
- v. Financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), shall be sent by email to all the persons so entitled.
- vi. In case a company is unable to pay dividends to shareholders, the company shall upon normalization of the postal services, dispatch the dividend warrant/cheque to such shareholder by post.

The companies referred above shall ensure that all other compliances associated with the provisions relating to general meeting viz., making of disclosures, inspection of related documents/ register by members or authorisations for voting by bodies corporate etc as provided in the Act or Articles of Association of the company are made through electronic mode.

Further, the Companies which are not covered by the General Circular No. 18/2020, 21.04.2020 and are unable to conduct their AGM in accordance with the framework provided in this Circular are advised to prefer applications for extension of AGM at a suitable point of time before the concerned Registrar of Companies.

Details are available at <https://resource.cdn.icai.org/59541clcgc48464.pdf>

MCA Circular is available at

[http://www.mca.gov.in/Ministry/pdf/Circular20\\_05052020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf)

[http://www.mca.gov.in/Ministry/pdf/Circular14\\_08042020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular14_08042020.pdf)

[http://www.mca.gov.in/Ministry/pdf/Circular17\\_13042020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular17_13042020.pdf)

#### **15. Companies (Meetings of board and its powers) 2nd Amendment Rules 2020**

The Ministry of Corporate Affairs via notification dated 23rd June, 2020 notified that Central Government has amended the Companies (Meetings of Board and its Powers) Rules, 2014, wherein Rule 4 in sub-rule (2) meetings may be held through video conferencing or other audio visual means in accordance with rule 3 for the period ending on 30th September, 2020.

Details are available at [http://www.mca.gov.in/Ministry/pdf/Rule1\\_25062020.pdf](http://www.mca.gov.in/Ministry/pdf/Rule1_25062020.pdf)





## 16. Clarification on dispatch of notice under section 62(2) of Companies Act, 2013 by listed companies for rights issue opening upto 31st July, 2020

Section 62 of the Companies Act, 2013 (the Act) prescribes law for 'Further Issue of Share Capital'. Sub-section (2) of the said section provides that the notice referred to in Section 62(1)(a)(i) shall be despatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.

However, the Ministry of Corporate Affairs has clarified that inability of any Listed Company to dispatch the notice referred in section 62 of the Act to shareholders through registered post or speed post or courier for the rights issue opening upto 31st July, 2020, would not be viewed as violation of section 62(2) of the Act if the SEBI Circular No SEBI/ HO/CFD/DIL2/ CIR/P/2020/78 dated 6th May, 2020 is complied with

[https://www.sebi.gov.in/legal/circulars/may-2020/relaxations-relating-to-procedural-matters-issues-and-listing\\_46652.html](https://www.sebi.gov.in/legal/circulars/may-2020/relaxations-relating-to-procedural-matters-issues-and-listing_46652.html).

An announcement in this regard, has also been hosted on the ICAI website, Committee page. Link for the same has been given below.

Details are available at <https://resource.cdn.icai.org/59543clcg48466.pdf>

MCA Circular is available at

[http://www.mca.gov.in/Ministry/pdf/Circular21\\_11052020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular21_11052020.pdf)

## 17. Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013

In order to help and support Companies and charge holders, the Ministry of Corporate Affairs has introduced a new scheme called "**Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013**". The Purpose of the scheme is to condone the delay in filing certain forms related to creation/ modification of charges particularly during the pandemic period.

The Scheme has come into effect from 17th June, 2020 and shall be applicable to the filing of form CHG-1 and form number CHG-9. The relaxation for such form has been provided till September 30, 2020.

Along with the extension, normal fees rules shall be applicable. No additional fees shall be charged. However, if there is further delay in the filing, additional charges shall be applicable. Any further issues shall be raised in front of the competent authority.

FAQs on this Scheme for the benefit of its members and other stakeholder, has also been prepared and hosted on the ICAI website.

Details are available at: [https://www.mca.gov.in/Ministry/pdf/Circular23\\_17062020.pdf](https://www.mca.gov.in/Ministry/pdf/Circular23_17062020.pdf)

FAQ as issued by ICAI are available at: [https://www.icai.org/new\\_post.html?post\\_id=16615](https://www.icai.org/new_post.html?post_id=16615)







## 18. Companies (Appointment and Qualification of Directors) 3rd Amendment Rules 2020

The Ministry of Corporate Affairs via notification dated 23rd June, 2020 notified that Central Government has amended the Companies (Appointment and Qualification of Directors) Rules, 2014, wherein Rule 6 in sub-rule (1), in clause (a), for the words “seven months” the words “ten months” shall be substituted. The last date for registration of details of Independent Directors in the ID Data Bank has been further extended by three months, i.e. upto 30th September, 2020.

Details are available at MCA [http://www.mca.gov.in/Ministry/pdf/Rule2\\_25062020.pdf](http://www.mca.gov.in/Ministry/pdf/Rule2_25062020.pdf)

## 19. Clarification with regard to creation of deposit repayment reserve of 20% u/s. 73 (2) (C) of the companies Act 2013 and to invest or deposit 15% of amount of debentures u/r.18 of Companies (Share capital and Debentures) Rules 2014 - COVID-19 - Extension of time

MCA has issued Clarification wherein time limit with regard to creation of deposit repayment reserve of 20% u/s. 73 (2) (c) of the companies Act 2013 and to invest or deposit 15% of amount of debentures u/r.18 of Companies (Share capital and Debentures) Rules 2014 - COVID-19 has been extended from 30th June 2020 to 30th September 2020.

Details are available at [http://www.mca.gov.in/Ministry/pdf/Circular24\\_20062020.pdf](http://www.mca.gov.in/Ministry/pdf/Circular24_20062020.pdf)

## 20. Period/Days Of Extension For Names Reserved And Re-submission Of Forms

S. No.	Issue description	Period/Days of Extension
1.	Names reserved for 20 days for new company incorporation. SPICE+ Part B needs to be filed within 20 days of name reservation.	Names expiring any day between 15th March, 2020 to 31st July,2020 would be extended by 20 days beyond 31st July 2020.
2.	Names reserved for 60 days for change of name of company. INC-24 needs to be filed within 60 days of name reservation.	Names expiring any day between 15th March, 2020 to 31st July,2020 would be extended by 20 days beyond 31st July 2020.
3.	Extension of RSUB validity for companies.	SRNs where last date of Resubmission (RSUB) falls between 15th March 2020 to 31st July 2020, additional 15 days beyond 31st July 2020 would be allowed. However, for SRNs already marked under NTBR, extension would be provided on case to case basis.  <b>Note:</b> Forms will not get marked to (Not to be taken on Record)'NTBR' due to non-resubmission during the extended period as detailed above





S. No.	Issue description	Period/Days of Extension
4.	Names reserved for 90 days for new LLP incorporation/change of name. LLP/Form 5 needs to be filed within 90 days of name reservation.	Names expiring any day between 15th March, 2020 to 31st July, 2020 would be extended by 20 days beyond 31st July 2020.
5.	RSUB validity extension for LLPs.	SRNs where last date of resubmission (RSUB) falls between 15th March 2020 to 31st July 2020, additional 15 days would be allowed from 31st July 2020 for resubmission. However, for SRNs already marked under NTBR, extension would be provided on case to case basis. Note: Forms will not get marked to (Not to be taken on Record)'NTBR' due to non-resubmission during this extended period as detailed above.

## 21. Extension of the last date of filing of Form NFRA-2

The Ministry of Corporate Affairs vide its circular dated 6th July, 2020, in continuation with circular 19/20 dated 30th April, 2020, stated that NFRA has mentioned that the time limit for filing of Form NFRA-2, for the reporting period Financial Year 2018-19' will be 270 days from the date of deployment of this form on the website of National Financial Reporting Authority (NFRA), i.e, NFRA form 2 be further extended to 4th September, 2020

Details are available at [https://nfra.gov.in/sites/default/files/NFRA2\\_1.pdf](https://nfra.gov.in/sites/default/files/NFRA2_1.pdf)

## Securities and Exchange Board of India (SEBI)

### 22. Relaxation provided by Securities and Exchange Board of India

- Relaxation in timelines for compliance with regulatory requirements by trading members / clearing members dated 16th April, 2020. Also, further relaxation was provided in timelines for compliance with regulatory requirements by trading members / clearing members via circular dated 21st April, 2020.
- Relaxation in time period for certain activities carried out by depository participants, RTAs / issuers, KRAs, stock brokers dated 16th April, 2020.
- Additional relaxations / clarifications in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') due to the COVID – 19 pandemic dated 17th April, 2020. Further, relaxation is provided in conjunction with the MCA Circular, dated 5th May, 2020 in relation to AGM's of the Company so accordingly related provisions of LODR were relaxed by SEBI dated 12th May, 2020.
- One-time relaxation with respect to validity of SEBI Observations which would have expired/will expire between March 1, 2020 and September 30, 2020 has been extended by 6 months, from the date of expiry of such observation dated 21st April, 2020.





- Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Rights Issue dated 21st April, 2020.
- Relaxation in Regulation 24(i)(f) of the SEBI (Buy-back of Securities) Regulations, 2018 due to the COVID 19 pandemic dated 23rd April, 2020.
- Relaxation in relation to Regulation 44(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') on holding of Annual General Meeting (AGM) by top 100 listed entities by market capitalization, due to the COVID -19 pandemic dated 23rd April, 2020.

Details are available at <https://www.sebi.gov.in/legal/circulars/apr-2020/relaxation-in-relation-to-regulation-44-5-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-on-holding-of-annual-general-meeting-agm-by-top-100-listed-entitie-46552.html>

- Relaxation in timelines for compliance with regulatory requirements by Depository and depository participants dated 24rd April, 2020.
- Relaxation in compliance with requirements pertaining to Mutual Funds dated 30th April, 2020.
- Relaxations relating to procedural matters –Issues and Listing dated 6th May 2020.
- Relaxation from the applicability of SEBI Circular dated October 10, 2017 on non-compliance with the Minimum Public Shareholding (MPS) requirements dated 14th May, 2020.
- Advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 20th May, 2020.

Details are available at [https://www.sebi.gov.in/legal/circulars/may-2020/advisory-on-disclosure-of-material-impact-of-covid-19-pandemic-on-listed-entities-under-sebi-listing-obligations-and-disclosure-requirements-regulations-2015\\_46688.html](https://www.sebi.gov.in/legal/circulars/may-2020/advisory-on-disclosure-of-material-impact-of-covid-19-pandemic-on-listed-entities-under-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_46688.html)

- Relaxation in compliance with requirements pertaining to Alternate Investment Funds (AIFs) and Venture Capital funds (VCFs) dated 4th June,2020.
- Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 and certain SEBI Circulars due to the COVID -19 virus pandemic dated 8th June, 2020.
- Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Further Public Offer dated 9th June, 2020.
- Relaxation in timelines for compliance for Client Funding Reporting and Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications.





### **23. Further extension of time for submission of Annual Secretarial Compliance Report by listed entities due to the continuing impact of the CoVID-19 pandemic**

SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 and Circular No. SEBI/HO/DDHS/ON/P/2020/41 dated March 23, 2020, had extended the timeline for submission of financial results under regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') to June 30, 2020 (extension of one month) due to the impact of the CoVID-19 pandemic.

SEBI, under Regulation 33 of the LODR Regulations, has further extended the last date for submission of financial results for the quarter and the year ending 31st March 2020, by a month, i.e. to July 31, 2020.

Similarly, under Regulation 52 of the LODR, last date for submission of half yearly and/or annual financial results for the period ending March 31, 2020 for entities that have listed NCDs, NCRPS', CPs, MDS' is also extended to July 31, 2020.

Details are available at : <https://www.icai.org/post/announcement-further-extension-sebi>

SEBI Circular is available at [https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-due-to-the-covid-19-virus-pandemic\\_46360.html](https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-due-to-the-covid-19-virus-pandemic_46360.html)

### **24. SEBI Settlement Scheme, 2020 – One Time Settlement Scheme**

The Securities Exchange Board of India has introduced a new scheme vide Public Notice dated 27th July, 2020 called Settlement Scheme ("the Scheme") in terms of Regulation 26 of SEBI (Settlement Proceedings) Regulations 2018.

The purpose of the Scheme is to provide a one-time settlement opportunity to the entities that have executed trade reversals in the stock options segment of BSE during the period from April 1, 2014 to September 30, 2015 against whom any proceedings are pending.

Details are available at <https://resource.cdn.icai.org/60455clcg49261.pdf>

SEBI Circular available at [https://www.sebi.gov.in/media/public-notice/jul-2020/public-notice-in-respect-of-sebisettlement-scheme-2020\\_47150.html](https://www.sebi.gov.in/media/public-notice/jul-2020/public-notice-in-respect-of-sebisettlement-scheme-2020_47150.html)

### **25. Frequently Asked Questions on the SEBI Settlement Scheme, 2020 – One Time Settlement Scheme.**

The ICAI has prepared and issued FAQs on SEBI Settlement Scheme, 2020 – One Time Settlement Scheme for the benefit of its members and other stakeholder.

The FAQs are uploaded on ICAI website and the link for the same is as below:

<https://resource.cdn.icai.org/60451clcg49259.pdf>







## **26. Extension of time for submission of financial results for the quarter/half year/ financial year ended 30th June, 2020.**

The Securities Exchange Board of India (SEBI), vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020, had extended the timeline for submission of financial results by listed entities for the quarter/half-year/financial year ended 31st March 2020 to July 31, 2020 due to the impact of the CoVID-19 pandemic.

In this relation, SEBI has received representations requesting extension of time for submission of financial results for the quarter/half year ended June 30, 2020. After consideration, it has been decided to extend the timeline for submission of financial results under Regulation 33 of the LODR Regulations, for the quarter/half year/financial year ended 30th June 2020, to 15th September, 2020.

Details are available at [https://www.sebi.gov.in/legal/circulars/jul-2020/extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ended-30th-june-2020\\_47183.html](https://www.sebi.gov.in/legal/circulars/jul-2020/extension-of-time-for-submission-of-financial-results-for-the-quarter-half-year-financial-year-ended-30th-june-2020_47183.html)

## **27. Relaxation in timelines for compliance with regulatory requirements**

The Securities Exchange Board of India (SEBI), vide circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/141 and SEBI/HO/MIRSD/DOP/CIR/P/2020/142 dated 29th July, 2020 had further extended timelines/period of exclusion for certain compliance requirements by the trading members/clearing members/ depository participants and by the depository participants (DPs) / Registrars to an Issue & Share Transfer Agents (RTAs) to further 30th September, 2020.

Details are available at [https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements\\_47185.html](https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47185.html)

[https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements\\_47186.html](https://www.sebi.gov.in/legal/circulars/jul-2020/relaxation-in-timelines-for-compliance-with-regulatory-requirements_47186.html)





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