Following is the compilation of various amendments made by Ministry of Corporate Affair's in the month of April, 2020 under the Companies Act, 2013.

General Circular No. 19/2020 dated 30.04.2020

EXTENSION OF LAST DATE OF FILING OF FORM NFRA-2

- MCA vide the above circular extended the last date to file Form NFRA-2 for the reporting financial year 2018-19 will be ***210 days from the date of deployment of this form*** on the website of National Financial Reporting Authority (NFRA)

	Link of Circular: http://www.mca.gov.in/Ministry/pdf/Circular19_30042020.pdf

Notification dated 29.04.2020

AMENDMENT IN COMPANIES (APPOINTMENT & QUALIFICATION OF DIRECTORS) RULES, 2014

- MCA has issued notification on **29.04.2020** issued the **COMPANIES (APPOINTMENT & QUALIFICATION OF DIRECTORS) SECOND AMENDMENT RULES, 2020** *(shall came into force on the date of their publication in the official gazette)*
- Rule 6(1)(a) is further amended and the period of "**five months**" is now extended to "**seven months**".
- By this amendment, individuals who has been appointed as independent director or who intends to get appointed as an independent director can apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or life time

	Link of Circular: http://www.mca.gov.in/Ministry/pdf/Rules_29042020.pdf

General Circular No. 18/2020 dated 21.04.2020

HOLDING OF ANNUAL GENERAL MEETINGS BY COMPANIES WHOSE FINANCIAL YEAR HAS ENDED ON 31ST DECEMBER, 2019

- ❖ Representations has been received by MCA for difficulty in holding AGM for those companies whose financial year ended on 31st December, 2019, since as per Companies Act, 2013 AGM is to be held within a period of 6 months (9 months in case of 1st AGM) from the closure of financial year & not later than 15 months from last AGM.

- ❖ Through this circular MCA has allowed the companies whose financial year (other than first financial year) ended on 31st December, 2019 to hold AGM within a period of 9 months from the closure of the financial year (i.e. by 30th September, 2020).

🔗	Link of Circular: http://www.mca.gov.in/Ministry/pdf/Circular18_21042020.pdf

General Circular No. 17/2020 dated 13.04.2020

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

❖ **After receiving representations from stakeholders for clarification on some of the elements in the framework laid down therein. The major issue highlighted by stakeholders was difficulty in serving notices/responses by post in the current circumstances. In this regard Ministry has given further clarification on below issues**;

- **Manner and Mode of issue of notices to the members before convening the general meeting:**

  - ➢ To issue the notice of meeting on registered emails of members.
  - ➢ Certain disclosures/statements to be given in Notice.
  - ➢ The manner in which shareholders can register their register.
  - ➢ To display notice on website of company.
  - ➢ To contact the members over telephone or other means if their email address is not registered.
  - ➢ Where a company is not required to provide e voting facility shall cause a public notice in newspaper at least 3 days prior to sending the notice.

- **Requirement for voting by show of hands:**

  - Sub-clause A- IX of para 3 of General Circular 14/2020 dated 08.04.2020 is substituted with new paragraph by removing the voting by show of hands and ensuring only e-voting facility.

- **Passing of certain items only through postal ballot without convening a general meeting:**

  - In General Circular 14/2020 dated 08.04.2020 it was stated that companies may pass resolutions through postal ballot/e voting. It is clarified by MCA that companies required to provide the facility of e voting or the company opted for such facility, while they are transacting any business only by postal ballot upto 30.06.2020 or till further orders, whichever is earlier ***the requirements provided under Rule 20 of Companies (Management & Administration) Rules, 2014 read with Rule 22(15) regarding voting by electronic means shall apply.***

- **Sending of e-mails by members, where a poll on any item is required for companies not required to provide the facility of e-voting:**

  It is clarified by MCA that sub paragraph B-XII of para 3 of General Circular 14/2020 dated 08.04.2020 ***does not provide for polling by members at any time before the general meeting. Members may convey their assent or dissent at such stage by sending emails to the company***.

Link of Circular: http://www.mca.gov.in/Ministry/pdf/Circular17_13042020.pdf

General Circular No. 16/2020 dated 13.04.2020

FILING UNDER SECTION 124 & SECTION 125 OF THE COMPANIES ACT, 2013, IEPFA (ACCOUNTING, AUDIT, TRANSFER & REFUND) RULES, 2016 IN VIEW OF EMERGING SITUATION DUE TO OUTBREAK OF COVID-19

- The stakeholders have pointed about various difficulties and sought relaxations for compliances to be made under section 124(5) and 124(6) of the Companies Act, 2013 read with IEPFA (Accounting, Audit, Transfer & Refund) Rules, 2016.

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- MCA has already allowed filing of forms with MCA-21 registry without additional fees till 30th September, 2020. Hence filing of forms IEPF- 1, IEPF- 1A, IEPF- 2, IEPF- 3, IEPF- 4, IEPF- 5 & IEPF- 7 also falls under such relaxation provided.

Link of Circular: http://www.mca.gov.in/Ministry/pdf/Circular16_13042020.pdf

General Circular No. 15/2020 dated 10.04.2020

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

MCA has issued a set of FAQs along with clarification on contribution to various funds to qualify as CSR expenditure.

Sr. No.	FAQ	Qualify Yes/ No	Reply/ clarification by MCA
1	Whether contribution made to 'PM CARES Fund' shall qualify as CSR expenditure?	Yes	CSR expenditure under item no (viii) of Schedule VII of the Companies Act, 2013
2	Whether contribution made to 'Chief Minister's Relief Funds' or 'State Relief Fund for COVID-19' shall qualify as CSR expenditure?	No	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?	Yes	CSR expenditure under item no (xii) of Schedule VII of the 2013
4	Whether spending of CSR funds for COVID-19 related activities shall qualify as CSR expenditure?	Yes	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
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?	No	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

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?	No	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
7	Whether payment of ex-gratia to temporary /casual /daily wage workers shall qualify as CSR expenditure?	Yes	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.

Link of Circular: http://www.mca.gov.in/Ministry/pdf/Notification_10042020.pdf

General Circular No. 14/2020 dated 08.04.2020

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

- **Looking to the difficulty faced by stakeholders on account of threat posed by COVID-19, MCA has given a clarification on how to conduct Extra Ordinary General Meetings to pass resolutions to take decisions of urgent nature other than items of ordinary business or business where any person has a right to be heard through Postal Ballot/ E-Voting in accordance with the provisions of the Act and rules made thereunder, *without holding general meeting, which required physical presence of members at a common venue*.**

The companies have been divided into two parts

Companies which are required to provide e-voting facility or any other company which has opted for such facility	Companies which are not required to provide e- voting facility

Following are some highlights;

- The means allowed to conduct such meetings is **Video Conferencing (VC)** and **Other Audio Visual Means (OAVM).**
- Companies opting such means must **maintain a recorded transcript** of the same & shall be maintained in safe custody by the company.
- In case of Public companies, the recorded transcript of the meeting be also **made available on the website of company (if any).**
- For Companies which are **required to provide e-voting facility or any other company which has opted for such facility,** the capacity **to allow at least 1000 members to participate** on a first-come-first-serve basis.
- Companies which are **not required to provide e- voting facility,** the capacity **to allow 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-serve basis.
- The **company shall provide a dedicated email address to all the members** at the time of sending the 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, at such designated email address.
- 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.** ***(altered by General Circular No. 17/2020 dated 13.04.2020)***

- All resolutions passed with this mechanism shall be **filed with the ROC within 60 days** of the meeting, clearly indicating therein that the mechanism provided herein alongwith other provisions of the Act and rules were duly complied with during such meeting.

- Both kind of companies shall ensure that **all other compliances associated with the provisions relating to general meetings** which is making of disclosures, inspection related documents by members, or authorizations for voting by bodies corporate etc as provided under the Act and the articles of association of the company **are made through electronic mode**.

Apart from the above there are few more requirements to conduct EGM through VC/ OAVM which can be read under the circular

	Link of Circular: http://www.mca.gov.in/Ministry/pdf/Circular14_08042020.pdf

Other Update

Period/days of Extension for names reserved and resubmission of forms

❖ **Extension in case of name reservation;**

- For **New Company/LLP** Incorporation- Name is reserved for 20 days in case of company and 90 days in case of LLP.

- For **Existing Company/ LLP**- Name is reserved for 60 days for change of name in case of company and 90 days in case of LLP.

Names expiring any day between 15th March, 2020 to 3rd May, 2020

Extension of 20 days beyond 3rd May, 2020

❖ Extension in case of Resubmission (RSUB) of Forms;

- For **Companies**- Any form
- For **LLP's**- Any Form
- 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.

SRN's Where Last day of 'RSUB' between 15th March, 2020 to 3rd May, 2020 ⇐ **Extension of 15 days beyond 3rd May, 2020**

	Link of Update: http://www.mca.gov.in/Ministry/pdf/Extension_22042020.pdf

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