

SBS AND COMPANY LLP
CHARTERED ACCOUNTANTS

**ARTICLE ON SPECIAL MEASURES BY THE MINISTRY OF
CORPORATE AFFAIRS, IN VIEW OF COVID-19 OUTBREAK**

In view of the outbreak of COVID-19, protection and safety of the lives, is the utmost priority, and compliance of the law is secondary, and in this regard, to support and enable Companies and LLPs in India, to address the threat and economic disruptions caused by COVID-19, the Ministry of Corporate Affairs, vide General Circular No.11/2020, Dated: 24.03.2020, has implemented the following measures to reduce the compliance burden and other risks.

Sl. No.	Particulars relating to	Measures implemented relating to
1.	Waiver of Additional Fees	<p>Ministry has a declared a moratorium period from 01.04.2020 to 30.09.2020.</p> <p>During the said moratorium period, no additional fees shall be charged for late filing in respect of any document, return, statement etc., required to be filed with the Ministry, irrespective of its due date.</p> <p>This measure will not only reduce the compliance burden, mainly the financial burden on the Companies/LLPs, but will also enable the Companies/LLPs to file their long standing non-compliant companies/LLPs, and make a “FRESH START”.</p> <p>To this effect, the Ministry has introduced the Companies Fresh Start Scheme, 2020 and also made some modifications, to the already introduced LLP Settlement Scheme, 2020.</p>
2.	Convening and holding of Board meetings	<p>As a One time relaxation, the gap between two consecutive meetings of the board shall extend to 180 days till the next 2 quarters, instead of 120 days, as required under section 173 of the Companies Act, 2013.</p>
3.	Deferment of CARO, 2020	<p>The applicability of the Companies (Auditor’s Report), Order, 2020 which was originally from the FY 2019 – 2020, stands deferred and to be applicable from the FY 2020 – 2021.</p>
4.	Meeting of Independent Directors	<p>This is with regard to the requirement of holding of a meeting by the Independent Directors, with out the presence of the Non-Independent Directors, pursuant to Section Schedule IV to the Companies Act, 2013.</p>

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5.	Creation of Deposit Repayment Reserve in respect of deposits maturing in FY 2020 – 2021.	The requirement under Section 73 (2) (c) of the Companies Act, 2013, to create the deposit repayment reserve of 20 % of deposit maturing during the Financial Year 2020 – 2021, before 30.04.2020, is allowed to be complied till 30.06.2020.
6.	Maturity of Debentures	The requirement under Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, to invest or deposit at least 15 % of the amount of debentures maturing in specified methods of investments or deposits before 30.04..2020, is allowed to be complied till 30.06.2020.
7.	Commencement of Business	The requirement of filing the Declaration of Commencement of Business by the new incorporated companies, within 180 days of incorporation, is extended by additional 180 days, for compliance.
8.	Resident Director	Non-compliance of minimum residency in India for a period of at least 182 days by at least 01 Director of every company, shall not be treated as a Non-compliance for the FY 2019 – 2020.

Filing of DIR-3 KYC/DIR-KYC (WEB) and Form INC-22A (ACTIVE), without any fees:

In addition the above initiatives, the Ministry has also provided an opportunity to the DIN holders of DINs marked as 'Deactivated' due to non-filing of DIR-3KYC/DIR-3 KYC-Web and those Companies whose compliance status has been marked as "ACTIVE non-compliant" due to non-filing of Active Company Tagging Identities and Verification(ACTIVE) e-form.

Accordingly, the DIN holders can file DIR-3KYC/DIR-3KYC-Web, and the Companies can file Form INC-22A (ACTIVE) as the case may be between 01.04.2020 to 30.09.2020, without any filing fees of Rs.5,000/-/Rs.10,000/- respectively.