

F. No. 2/1/2020-CL-V  
Government of India  
Ministry of Corporate Affairs

5<sup>th</sup> Floor, 'A' Wing, Shastri Bhawan,  
Dr. R. P. Road, New Delhi-110001  
**Dated: 24<sup>th</sup> March, 2020**

To

All Regional Directors,  
All Registrar of Companies,  
All Stakeholders

**Subject: Special Measures under Companies Act, 2013 (CA-2013) and Limited Liability Partnership Act, 2008 in view of COVID-19 outbreak**


Sir,

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 non-compliant 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 30<sup>th</sup> 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 30<sup>th</sup> April 2020 shall be allowed to be complied with till 30<sup>th</sup> 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 30<sup>th</sup> 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.
2. This issues with the approval of the competent authority.

Yours faithfully,

  
(K.M.S. Narayanan)  
Assistant Director

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