

(i) The Companies Act, 2013 has been further amended through Companies (Amendment) Act, 2020 (CAA-2020) after getting the assent of Hon'ble President on 28<sup>th</sup> September, 2020. The major thrust of the CAA-2020 is to decriminalize the offences under the Companies Act, 2013 and to facilitate ease of doing business and ease of living. After enactment of the CAA-2020, 44 provisions relating to decriminalization and 12 provisions relating to ease of doing business in the CAA-2020 have been commenced on 21<sup>st</sup> December, 2020 and 22<sup>nd</sup> January, 2021 respectively. The amendment proposed through the CAA-2020 are expected to significantly enhance the confidence of Indian Corporates on the Government's resolve to provide greater ease and accord highest respect to honest wealth creators in the country and reduce the burden on the justice system.

(ii) The Companies Fresh Start Scheme, 2020 was launched to make a fresh start for companies to be a fully compliant company by allowing them to file belated documents in MCA 21 registry without any additional fees from 1<sup>st</sup> April to 31<sup>st</sup> December, 2020. The said scheme has also given immunity from prosecutions and proceedings for imposition of penalty which might arise on account of such delayed filing of documents.

(iii) The MCA introduced an LLP Settlement Scheme, 2020 to provide one-time relaxation in additional fees to the defaulting Limited Liability Partnerships ('LLPs') to make good their defaults by filing pending documents with the Registrar of Companies ('ROC' or 'Registrar') to ease the hassle of business enterprises. The said scheme was initially rolled out from 16.03.2020 to 31.03.2020 for certain filings by LLPs. However, due to the COVID 19 pandemic the modified further expanded scheme to cover all eforms was rolled out from 01.04.2020 to 31.12.2020. Under the said scheme, the defaulting LLPs were permitted to file belated documents and the LLPs shall not be subjected to prosecution for such defaults.

(iv) In the wake of COVID 19 and to provide relief to law abiding companies a scheme was launched for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 during the period from 01st March to 31<sup>st</sup> December, 2020.

(v) MCA has announced a Condonation of Delay Scheme for Companies restored by NCLT between 1<sup>st</sup> December, 2020 to 31<sup>st</sup> December, 2020 under section 252 of the Companies Act, 2013. The Scheme provides to condone delay in filing forms with the Registrar, and spares payment of additional fees. This Scheme will be in operation from 01st February, 2021 and will be available for filing of any overdue e-forms by such companies till 31st March, 2021.

(vi) In order to provide relief to the companies in view of COVID-19 pandemic, the companies have been allowed to conduct Board Meetings through Video Conference (VC) or other audio-visual means for passing resolutions in respect of matters which were earlier required to be passed in meetings which required physical presence of directors by amending the Companies (Meetings of Board and its Powers) Rules, 2014 from time to time during COVID-19 pandemic. Such facility to the companies has been allowed till 30<sup>th</sup> June, 2021. (initially it was till 30.06.2020, then extended to 30.09.2020 and 31.12.2020).

(vii) The companies have been allowed to hold Extraordinary General Meetings (EGMs) through Video Conferencing (VC) or other audio-visual means (OAVM) complemented with e-Voting facility/simplified voting through registered emails till 30<sup>th</sup> June, 2021.

(viii) The companies have been allowed to conduct their Annual General Meetings (AGMs) by Video Conferencing (VC) or other audio-visual means (OAVM) whose AGMs were due to be held in the year 2020 or become due in the year 2021 to conduct their AGMs on or before 31.12.2021. Owing to the difficulties in sending physical copies of the financial statements, the companies are also allowed to send the financial statements, along with Board's reports, Auditor's reports and other documents required to be attached therewith, only through email.

- (ix) The Registrar of Companies on the advice of Ministry had given extension of time in holding of Annual General Meeting for the financial year ended on 31 March, 2020 till 31<sup>st</sup> December, 2020 (The maximum period which can be extended by the Registrar of Companies under section 96 of the Act).
- (x) The Companies (Auditor's Report) Order, 2020 has now been made applicable from the audit of financial statements for the financial year 2021-22 to ease the auditors and the companies.
- (xi) 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) were extended by a period of 60 days till next two quarters i.e., till 30<sup>th</sup> September, 2020. Accordingly, as a one-time relaxation, the gap between two consecutive meetings of the Board were extended to 180 days till the next two quarters, instead of 120 days as required in the CA-13.
- (xii) Independent Directors (IDs) of a company have been given relaxation from holding atleast one mandatory meeting and accordingly for the financial year 2019-20, if the IDs of a company have not been able to hold such a meeting, the same has not been viewed as a violation.
- (xiii) The Ministry enhanced the period to thirteen months from 1<sup>st</sup> December, 2019 within which existing Independent directors may apply online for inclusion of their names in the databank for Independent Directors vide amendments in the Companies (Appointment & Qualification of Directors) Rules, 2014 from time to time.
- (xiv) Timeline for creation of deposit repayment reserve of 20% under section 73(2)(c) of CA-13 and to invest or deposit 15% of amount of debentures under rule 18 of Companies (Share Capital and Debentures) Rules, 2014 was extended till 31<sup>st</sup> December, 2020.
- (xv) An additional period of 180 more days has been allowed to comply with the requirement of filing a declaration for Commencement of Business by newly incorporated companies.
- (xvi) 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 and 2020-21.
- (xvii) Till 31<sup>st</sup> December, 2020, the inability to dispatch the notice for Rights Issues by listed companies to their shareholders through registered post or speed post or courier would not be viewed as violation of section 62(2) of the Act provided these companies comply with the SEBI Circulars dated 6<sup>th</sup> May, 2020 and 24<sup>th</sup> July, 2020 which inter-alia provide the mode/manner of issuance of notice by electronic transmission by listed companies.
- (xviii) Requirement for investing 15% of amount of debentures maturing in a particular year in specified instruments has been done away with for Listed companies & NBFCs when such debentures are issued on a private placement basis.
- (xix) Time allowed to Auditors and Audit Firms for filing NFRA-2 form with the NFRA has been extended till a total period of 270 days in view of the difficulties faced during COVID-19 related disruption.
- (xx) The expenditure incurred by companies on activities relating to Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) Veterans, and their dependents including widows has been considered as CSR expenditure.
- (xxi) Last date of submission of Cost Audit Report by the Cost Auditor to the management of the company has been extended till 31<sup>st</sup> December, 2020 and additional fee has been relaxed for filing of CRA-4 (form for filing of cost audit report) for financial year 2019-2020.

\*\*\*\*\*