

## SPECIAL MEASURES UNDER COMPANIES ACT, 2013 AND LIMITED LIABILITY PARTNERSHIP ACT, 2008 PROPOSED BY **MINISTRY OF CORPORATE AFFAIRS (MCA)** FOR COVID-19

**Note to reader:** The MCA has provided special measures to support companies and limited liability partnership firms (“LLPs”) during the COVID-19 period. These measures as provided below are intended to reduce the compliance and financial burden on all companies and LLPs during this period.

The MCA’s stance on the measures to deal with COVID-19 are evolving as the situation develops. The details set out below are therefore subject to change. The link to the circulars can be viewed here:

1. For 1 below - [https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo8\\_03052021.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo8_03052021.pdf)
2. For 2 below - [https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo6\\_03052021.pdf](https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo6_03052021.pdf);
3. For 3 below - [http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo7\\_03052021.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo7_03052021.pdf); and
4. For 4 below - [http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo9\\_05052021.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo9_05052021.pdf)

Measure	Details
<b>Gap between two consecutive board meetings extended to 180 day</b>	a. Indian companies are required to convene at least 4 board meetings every year in such a manner that there should not be more than 120 days gap between two consecutive board meetings (as per Section 173 of the Companies Act, 2013). b. The gap between two consecutive board meetings convened during the next 2 quarters of Financial Year 2021-22, i.e. from April 1, 2021 upto September 30, 2021, has now been extended to 180 days instead of 120 days. For example if the first board meeting of the financial year 2021 was held on April 3, 2021, then the next board meeting can be held any time upto September 30, 2021. c. The MCA has not relaxed the number of board meetings to be convened in each calendar year.
<b>Relaxation on levy of additional fees in filing of certain forms (whose due date is between April 1, 2021 and May 31, 2021)</b>	a. A relaxation has been granted on levy of additional fees for filing of various forms (under the Companies Act, 2013 and the LLP Act, 2008) that are due for filing between April 1, 2021 – May 31, 2021. For completeness, additional fees are the fees levied by the MCA on filing of any form after the expiry of the prescribed timeline from the date of the underlying action (for instance, levy of additional fees will be applicable on filing of Form DIR-12 for intimation of appointment of new director filed after 30 days from the board resolution appointing such director (i.e. after expiry of prescribed timeline)). b. Additional time has also been granted upto July 31, 2021 for companies and/or LLPs to file such forms. Accordingly, no additional fees shall be levied upto July 31, 2021 for the delayed filing of forms whose due date is between April 1, 2021 and May 31, 2021. c. This relaxation does not include any charge related forms (i.e. Forms CHG-1, CHG-4 and CHG-9), please see Serial No. 3 below in relation to the separate relaxation granted by the MCA in this regard.
<b>Relaxation of time for filing forms related to creation or modification of charges</b>	a. In general, if any charge is created on any asset of a company or modified in respect thereto, then such company is required to file Forms CHG-1 or CHG-9 with the MCA, in the following manner: <ol style="list-style-type: none"> <li>i. within 30 days from the date of creation / modification of charge (“<b>First Deadline</b>”), or</li> <li>ii. between 30 days to 60 days from the date of creation / modification of charge, on payment of additional fees (“<b>Second Deadline</b>”).</li> </ol> b. The Central Government has allowed relaxation of deadlines and condonation of the delay in filing forms (Forms CHG-1 and CHG-9) related to creation/modification of charges.

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	<p>c. This relaxation is applicable in the following manner:</p> <table border="1" data-bbox="804 390 2012 789"> <thead> <tr> <th data-bbox="804 390 1299 447">Timeframe</th> <th data-bbox="1299 390 2012 447">Relaxation</th> </tr> </thead> <tbody> <tr> <td data-bbox="804 447 1299 615">The First Deadline is before April 1, 2021 and the Second Deadline has not expired as April 1, 2020.</td> <td data-bbox="1299 447 2012 615">The period from April 1, 2021 to May 31, 2021 shall not be reckoned for the purpose of calculating the Second Deadline. The counting of Second Deadline will be reckoned from June 1, 2021.</td> </tr> <tr> <td data-bbox="804 615 1299 789">The First Deadline is during April 1, 2021 – May 31, 2021 (both dates being inclusive).</td> <td data-bbox="1299 615 2012 789">The period up to May 31, 2021 shall not be reckoned for the purpose of calculating the First Deadline and Second Deadline. The counting of First Deadline will be reckoned from June 1, 2021.</td> </tr> </tbody> </table> <p>d. The above relaxation is not applicable in case:</p> <ol style="list-style-type: none"> <li>i. Forms CHG-1 and CHG-9 filed before May 3, 2021.</li> <li>ii. The timeline for filing Forms CHG-1 and CHG-9 described in (a) (i) and (ii) above had already expired prior to April 1, 2021.</li> <li>iii. The timeline for filing the form expires at a future date, despite exclusion of the time provided above.</li> <li>iv. Form CHG-4 to be filed with respect to satisfaction of charges.</li> </ol>	Timeframe	Relaxation	The First Deadline is before April 1, 2021 and the Second Deadline has not expired as April 1, 2020.	The period from April 1, 2021 to May 31, 2021 shall not be reckoned for the purpose of calculating the Second Deadline. The counting of Second Deadline will be reckoned from June 1, 2021.	The First Deadline is during April 1, 2021 – May 31, 2021 (both dates being inclusive).	The period up to May 31, 2021 shall not be reckoned for the purpose of calculating the First Deadline and Second Deadline. The counting of First Deadline will be reckoned from June 1, 2021.
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<p><b>Clarification on CSR spent</b></p>	<p>The MCA has now clarified that the funds, if any, spent by Indian companies for "setting up makeshift hospitals and temporary COVID Care Centres <b><u>with consultation with the State Government</u></b>" shall be considered as a permissible CSR expenditure under Schedule VII of the Companies Act, 2013.</p>						