



Ministry of Corporate Affairs relaxed the requirement of holding board meetings with physical presence of directors till 30th June 2020.

The Ministry of Corporate Affairs (MCA) on 18.03.2020 issued a notice stating that as a precautionary step to overcome the coronavirus outbreak, the Government has in-principle decided to relax the requirement of holding Board meetings with physical presence of Directors; Clarifies that Board meetings for approval of matters such as the annual financial statements, Board's report, etc. ('restricted matters') may, till June 30, 2020, be held through video conferencing or other audio visual means by duly ensuring compliance of Rules in this regard; States that necessary changes in the Rules are expected to be notified soon.

[Detailed Notice of MCA can be found at the following link.](#)

Sources: MCA notice dated 18.03.2020

The Companies (Amendment) Bill, 2020 has been introduced in Lok Sabha to further amend the Companies Act, 2013.

Government has introduced The Companies (Amendment) Bill, 2020 as Bill No. 88 of 2020 to further amend Companies Act, 2013 in Lok Sabha on 17th March 2020. CLC Committee submitted its report in November, 2019. There are amendments proposed in 66 Sections of **Companies Act, 2013**.

Followings are the proposed Key Amendments:

- In consultation with SEBI, the Central Government would be empowered to exclude a certain class of companies from the definition of 'listed company' mainly for a listing of debt securities.
- Separate Chapter on '**Producer Company**' proposed in the act.
- Setting up of Benches of the National Company Law Appellate Tribunal (NCLAT).
- Section 149 and section 197 of the Act is proposed to be amended for the inclusion of the provisions allowing

payment of adequate remuneration to non-executive directors (including the independent director) in case of inadequacy of profits, by aligning the same with the provisions for remuneration to executive directors in such cases.

- Relaxing the provisions relating to charging of higher additional fees for default on 2 or more occasions in submitting, filing, registering or recording any document, fact or information as provided in section 403 of the Act.
- Extending the applicability of section 446B of the Act (relating to 'Lesser penalties for small companies & OPCs'), to all provisions of the Act which attract monetary penalties and also extend the same benefit to Producer Companies and start-ups.
- Exempting any class of persons from complying with the requirements of section 89 of the Act (relating to 'Declaration of the beneficial interest in shares') and exempt any class of foreign companies or companies incorporated outside India from the provisions of Chapter XXII relating to companies incorporated outside India.
- Reducing the timelines for applying for rights issues so as to speed up such issues under section 62, i.e. the criteria that the rights issue should be open for minimum 15 days would be eliminated.
- Extending exemptions to certain classes of NBFCs and housing finance

companies from filing certain resolutions (in respect of resolution to grant loans, or give guarantee or provide security in respect of loans) with the Registrar of Companies.

- Providing for a window within which penalties shall not be levied for delay in filing annual returns and financial statements in certain cases.
- Providing for specified classes of unlisted companies to prepare and file their periodical financial results.
- Allow direct listing of securities by Indian companies in permissible foreign jurisdictions.

[Detailed bill can be found at the following link.](#)

Sources: Companies Amendment bill, 2020 notified on MCA dated 17.03.2020

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