

MCA UPDATES AUGUST, 2020

SR NO	DATE	UPDATE	PARTICULARS
1	03.08.2020	<u>Clarification on dispatch of notice under section 62(2) Companies Act, 2013 by listed companies for rights issues opening upto 31st December, 2020</u>	In view of this it has been decided that clarification was given under para 2 of General Circular 21/2020 dated 11th May 2020, would continue to be applicable for rights issues, in case of listed companies, opening up to 31 December 2020,” the circular said while considering the circular issued by SEBI on July 23, 2020 “Accordingly, in case of listed companies, which comply with relevant circulars issued by SEBI, inability to dispatch the relevant notice to shareholders through registered post or speed post or courier would not be viewed as a violation of section 62(2) of the Act for rights issue opening up to 31 December 2020. Other requirements provided in the said General Circular remain unchanged,” the Ministry said. Detailed update: http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.25_03082020.pdf
2	17.08.2020	<u>Clarification on Extension of Annual General Meeting (AGM) for the financial year ended 31.03.2020, Companies Act, 2013</u>	The matter was examined and MCA clarified vide General Circular No. 20/2020, dated 05.05.2020 regarding holding of AGM through video conferencing (VC) or other audiovisual means (OAVM), the companies which were unable to hold their AGM were advised to prefer applications for extension of AGM at a suitable point of time before the concerned Registrar of Companies under Section 96 of the Act. Again MCA vide General Circular no. 28/2020 dated 17th August,2020 has issued clarification on extension of Annual General Meeting for the financial year ended as at 31.03.2020.

			Provisions of holding Annual General Meeting (AGM) as per Companies Act, 2013. According to section 96 of the Companies Act, 2013, companies are to hold their Annual General Meeting (AGM) within a period of 6 months from the date of closing of the financial year and companies which are to hold their first AGM shall be held within a period of 9 months from the date of closing of the financial year of that company. The Ministry once again reiterated that the companies which are unable to hold their AGM for the financial year ended on March 31, 2020, despite availing the relaxations provided in MCA General Circular No. 20/2020 ought to file their applications in E-Form GNL-1 for seeking an extension of time in holding of AGM for the financial year ended on March 31, 2020, with the concerned Registrar of Companies on or before 29th September, 2020. Also the Ministry has directed Registrars of Companies to consider all such applications (Filed in E-Form GNL-1) liberally in view of the hardships faced by the stakeholders and to grant an extension for the period as applied for (up to three months i.e. 31st December) in such applications. Detailed update: http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28_17082020.pdf
3	24.08.2020	<u>Amendment of the Companies (CSR Policy) Rules, 2014 of the Companies Act, 2013.</u>	In the said Schedule, for item (ix) and the entries thereto, the following item and entries shall be substituted, namely:- “(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and

			autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)”. Detailed update: http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_26082020.pdf
4	28.08.2020	<u>Companies</u> <u>(Management and administration)</u> <u>Amdt Rules 2020</u> <u>Companies Act, 2013</u>	1. Short title and commencement.— (1) These rules may be called the Companies (Management and Administration) Amendment Rules, 2020. (2) They shall come into force on the date of their publication in the Official Gazette. 2. In the Companies (Management and Administration) Rules, 2014, in rule 12, in sub-rule (1), the following proviso shall be inserted, namely:- “Provided that a company shall not be required to attach the extract of the annual return with the Board’s report in Form No. MGT.9, in case the web link of such annual return has been disclosed in the Board’s report in accordance with sub-section (3) of section 92 of the Companies Act, 2013.” Detailed update: http://www.mca.gov.in/Ministry/pdf/csr_26082020.pdf