

**MCA  
UPDATES**

**1. EXTENSION OF TIME FOR DISPATCH OF NOTICE UNDER SECTION 62(2) OF COMPANIES ACT, 2013 FOR RIGHT ISSUES OPENING BY THE LISTED COMPANIES UPTO 31<sup>ST</sup> DECEMBER, 2020**

As per Section 62(2) of the Companies Act, 2013, notice for right issues of shares shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.

On August 03, 2020 Ministry of Corporate Affairs (MCA) vide **General Circular No. 27/2020** has clarified that, in case of listed companies, for rights issues opening **upto 31<sup>st</sup> December, 2020** inability to dispatch the notice to its shareholders through registered post or speed post or courier would not be viewed as violation of section 62(2) of the Companies Act, 2013.

The link for the aforesaid Circular is mentioned below:

[http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.25\\_03082020.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.25_03082020.pdf)

**2. CLARIFICATION ON EXTENSION OF ANNUAL GENERAL MEETING (AGM) FOR THE FINANCIAL YEAR ENDED AS AT 31.03.2020- COMPANIES ACT, 2013-REG.**

On August 17, 2020 , MCA vide **General Circular No. 28/2020** issued a clarification on extension of Annual General Meeting (AGM) for the Financial Year ended as at March 31, 2020, stating that the Companies which are despite availing the relaxations provided by the MCA vide General Circular No. 20/2020, dated May 05, 2020 to convene GM through VC /OAVM, are unable to hold their AGM for the F.Y. ended on 31 March, 2020, such Companies are advised to **file their applications in Form No. GNL-1 for seeking extension of time in holding of AGM for 2020, with the concerned Registrar of Companies (RoC) on or before September 29, 2020 and the RoC are advised to consider all such applications liberally** in view of the hardships faced by the stakeholders and to grant extension for the period as applied for (upto three months) in such applications.

General Circular No. 20/2020 dated May 05, 2020 was regarding holding of AGM through video conferencing (VC) or other audio visual means (OAVM) for the calendar year 2020.

The link for the aforesaid Circular is mentioned below:

[http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28\\_17082020.pdf](http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28_17082020.pdf)

## **Amita Desai & Co. Company Secretaries, Mumbai**

### **3. AMENDMENT IN ITEM NO. (IX) IN SCHEDULE VII OF THE COMPANIES ACT, 2013**

On August 24, 2020, **MCA Notified** amendment under Schedule VII to the Companies Act, 2013 which specifies CSR Activities, by substituting item (ix) and the entries thereto as follows:

*“(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)”.*

Post this change, MCA has allowed certain expenditure made by the Company as CSR Expenditure, if the Contribution is given :

- (a) for research and development projects in the field of science, technology, engineering and medicine under item no. (ix) (a) and
- (b) to *Department of Biotechnology (DBT); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)* in (ix) (b) is inserted.

The link for the aforesaid Notification is mentioned below:

[http://www.mca.gov.in/Ministry/pdf/NotificationCompAct\\_26082020.pdf](http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_26082020.pdf)

### **4. THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) AMENDMENT RULES, 2020**

On August 24, 2020, **MCA Notified** the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020 and made the amendment in the Companies (Corporate Social Responsibility Policy), Rules, 2014 as mentioned below:

Off : 1005, Hubtown Solaris, Prof N. S. Phadke Marg, Andheri East, Mumbai – 400 069

Tel: 91 22 26845919/20/21 Cell: 09820177691

Website: [www.amitadesai.com](http://www.amitadesai.com) Email: [info@amitadesai.com](mailto:info@amitadesai.com)

## **Amita Desai & Co. Company Secretaries, Mumbai**

1. Rule (2) of the said Rule defines **“CSR Policy”** which is amended by inserting proviso as mentioned below:

“CSR Policy” relates to the activities to be undertaken by the company in areas or subjects specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company;

***Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23 subject to the conditions that-***

***(i) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act.***

***(ii) details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board’s Report.***

2. In Rule (4) (1) of the said Rule, under **“CSR Activities”**, the word **“excluding activities undertaken in pursuance of its normal course of business”** is omitted.
3. In Rule (6) (1) of the said Rule, under **“CSR Policy”**
  - (i) First proviso shall be omitted
  - (ii) In the second proviso, the word “further” shall be omitted.

The link for the aforesaid Notification is mentioned below:

[http://www.mca.gov.in/Ministry/pdf/NotificationCompAct\\_26082020.pdf](http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_26082020.pdf)

### **5. NOTIFICATION OF PROVISION OF CLAUSE (II) OF SECTION 23 OF THE COMPANIES (AMENDMENT) ACT, 2017:**

On August 28, 2020 **MCA Notified** the provision of clause (ii) of section 23 of the Companies (Amendment) Act, 2017, and accordingly amendment is made in existing provisions u/s 92(3) of the Companies Act, 2013.

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After notification of clause (ii) of section 23 of the Companies (Amendment) Act, 2017, **Section 92 (3) is amended as follow:**

**Existing sub-section (3) reads as-----**

*(3) An extract of the annual return in such form as may be prescribed shall form part of the Board's Report"*

**Now after August 28, 2020 it has been substituted as follow:**

**(3) Every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report.**

The link for the aforesaid Notification is mentioned below:

[http://www.mca.gov.in/Ministry/pdf/NotificationCompAct\\_29082020.pdf](http://www.mca.gov.in/Ministry/pdf/NotificationCompAct_29082020.pdf)

The link for the Companies (Amendment) Act, 2017 is mentioned below:

[http://www.mca.gov.in/Ministry/pdf/CAAct2017\\_05012018.pdf](http://www.mca.gov.in/Ministry/pdf/CAAct2017_05012018.pdf)

### **6. THE COMPANIES (MANAGEMENT AND ADMINISTRATION) AMENDMENT RULES, 2020.**

On August 28, 2020 **MCA Notified** the Companies (Management and Administration) Amendment Rules, 2020 and made the amendment in the Companies (Management and Administration) Rules, 2014 **by adding proviso to Rule 12 (1)** of the said rules as mentioned below:

**Existing Rule 12 (1) reads as --**

The extracts of the annual return to be attached with the Board's Report shall be in Form No. MGT 9.

**Now after 28 August 2020 following proviso is added as below:**

*"Provided that a company shall not be required to attach the extract of the annual return with the Board's Report in Form 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."*

The link for the aforesaid Notification is mentioned below:

[http://www.mca.gov.in/Ministry/pdf/Rule\\_29082020.pdf](http://www.mca.gov.in/Ministry/pdf/Rule_29082020.pdf)

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