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MCA UPDATES FOR THE MONTH OF AUGUST 2020**RULES****1. Companies (Corporate Social Responsibility Policy) Amendment Rules 2020****(August 24, 2020)**

In the Companies (Corporate Social Responsibility Policy) Rules, 2014, in rule 2, in sub-rule (1), in clause (e), new activity has been added for inclusion in CSR Policy:

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".

For more information: https://www.mca.gov.in/Ministry/pdf/csr_26082020.pdf

2. Companies (Management and Administration) Amendment Rules 2020**(August 28 2020)**

MCA has notified vide Companies (Management and Administration) Rules, 2014, that companies are no longer required to attach MGT-9.

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."

For more Information: https://www.mca.gov.in/Ministry/pdf/Rule_29082020.pdf

CIRCULARS

1. General Circular 27/2020

(August 03, 2020)

MCA has given Clarification on dispatch of notice under section 62(2) Companies Act, 2013(The Act) by listed companies for rights issues opening up to 31st December, 2020:

Reference is drawn to **General Circular No.21/2020**

https://www.mca.gov.in/Ministry/pdf/Circular21_11052020.pdf dated 11th May 2020.

The circular (Number SEBI/HO/CFD/DIL1/CIR/P/2020/136)

https://www.sebi.gov.in/legal/circulars/jul-2020/relaxations-relating-to-procedural-matters-issues-and-listing_47135.html issued by SEBI on 24th July 2020 has also been considered.

Clarification given under para 2 of General Circular No.21/2020, would continue to be applicable for right issues, in case of Listed Companies, which comply with the relevant circulars issued by SEBI, inability to dispatch the relevant notice to shareholders through registered post or courier would not be viewed as violation of section 62(2) of the Act for right issues opening up to **31st December 2020**.

For More Information: https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.25_03082020.pdf

2. General Circular 28/2020

(August 17, 2020)

MCA has provided clarification on extension of last date of holding of Annual General Meeting (AGM) for the financial year ended as at 31.03.2020:

The companies which are unable to hold their AGM for the financial year ended on **31.03.2020**, despite availing the relaxations filed through their applications in form no. **GNL-1** for seeking extension of time in holding of AGM for the financial year ended on 31.03.2020 on or before 29th September, 2020 may apply to the concerned Registrar of Companies for extension up to further three months.

For more information: https://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.28_17082020.pdf

NOTIFICATIONS

1. Amendment of item no. (ix) in the Schedule VII of the Companies Act, 2013.

(August 24, 2020)

MCA has substituted entries of item no.9 in the Schedule VII of the Act.

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)".

For more information: https://www.mca.gov.in/Ministry/pdf/NotificationCompAct_26082020.pdf

3. Companies (Amendment) Act 2017

(August 28, 2020)

The Central Government appoints the 28 August, 2020 as the date on which the provision of clause (ii) of section 23 of the said Act shall come into force.

For more information: https://www.mca.gov.in/Ministry/pdf/NotificationCompAct_29082020.pdf

Hope the information will assist you in your Professional endeavours. In case of any query / information, please do not hesitate to write back to us at E: pcschinki@gmail.com and M: +91 9050320565.

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Best Regards '



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