



Ministry of corporate affairs renders relief to listed companies on delivery of notice to shareholders for Right issue of shares u/s 62(2) of Companies Act, 2013.

In view of difficulties faced by companies sending notices through postal or courier services on account of the threat posed by covid-19, the MCA has issued a circular no. 21/2020 dated 11.05.2020 stating the clarification on dispatch of Notice under Section 62(2) of the Companies Act, 2013 by the listed companies for rights issue opening up to July 31, 2020. The Circular (Number SEBI/HO/CFD/DIL2/CIR/P/2020/78) issued by SEBI on 6th May, 2020 has also been considered.

In view of above and on account of the overall situation, MCA has clarified that for rights issues opening upto 31st July, 2020, in case of listed companies, which comply with the aforementioned SEBI Circular dated 6th May 2020, inability to dispatch the notice referred in para 1 of this Circular to their shareholders through registered post or speed post or courier would not be viewed as violation of section 62(2) of the Act.

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