



## Inability to meet minimum residency period of a director for 182 days not a violation even for FY 2020-21

INSIGHTS

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The Companies Act, 2013, requires that every company shall have at least one director who stays in India for a total period of not less than 182 days during the financial year. In case of a newly incorporated company, the requirement applies proportionately during the financial year in which it is incorporated.

Vide [General Circular No. 11/2020 dated March 24, 2020](#), this requirement was relaxed for financial year 2019-20. The relaxation has now been extended for the financial year 2020-21 as well vide [General Circular No. 36/2020 dated October 20, 2020](#).

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at [insights@elp-in.com](mailto:insights@elp-in.com)

**Disclaimer:** The information provided in this update is intended for informational purposes only and does not constitute legal opinion or advice. Readers are requested to seek formal legal advice prior to acting upon any of the information provided herein. This update is not intended to address the circumstances of any particular individual or corporate body. There can be no assurance that the judicial/quasi-judicial authorities may not take a position contrary to the views mentioned herein.



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