

**CLARIFICATION ON EXTENSION OF ANNUAL GENERAL MEETING (AGM) FOR THE FINANCIAL YEAR ENDED AS AT 31.03.2020**

✚ **SECTION 96(1) OF THE COMPANIES ACT, 2013**

Every Company other than a One Person Company shall in each year hold in addition to any other meetings, a general meeting as its Annual General Meeting (“AGM”) and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one Annual General Meeting of a company and that of the next:

Provided that in case of the first AGM , it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year:

Provided further that if a company holds its first AGM as aforesaid, it shall not be necessary for the company to hold any AGM in the year of its incorporation:

Provided also that the Registrar may, for any special reason, extend the time within which any AGM, other than the first AGM, shall be held, by a period not exceeding three months.

✚ **MINISTRY OF CORPORATE AFFAIRS (MCA) RELAXATIONS FOR HOLDING OF ANNUAL GENERAL MEETING**

The COVID-19 pandemic has hit the world so hard, that India and its Corporate world are also not untouched from that. In view of the extraordinary circumstances due to pandemic caused by Covid-19 prevailing in the country, requiring social distancing, the Ministry of Corporate Affairs (MCA) had time to time come out with various relaxations with respect to provisions of The Companies Act, 2013 (the Act).

In continuation to its various relaxations, the MCA vide **General Circular No. 18/2020**, dated 21.04.2020 allowed the companies whose financial year ended on 31.12.2019, to hold their AGM by 30.09.2020.

In view of the continuing restrictions on the movement of persons at several places in the Country, the MCA vide **General Circular No. 20/2020**, dated 05.05.2020 decided that the companies, be allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM), during the calendar year 2020, subject to the fulfillment of all the requirements mentioned in the said circular read with **General Circular No. 14/2020 and 17/2020** dated 08.04.2020 and 13.04.2020, respectively.

MCA further clarified that the Companies which are not covered by the General Circular no. 18/2020 dated 21.04.2020 and are unable to conduct their AGM in accordance with this framework provided in the circulars are 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.

✚ **CLARIFICATION ON EXTENSION OF AGM FOR THE FINANCIAL YEAR ENDED 31.03.2020**

Several representations have been received by the Ministry for providing relaxations in the provisions of the Act, or rules made thereunder to allow the Companies to hold their AGM for the financial year ended on 31<sup>st</sup> March, 2020 beyond the statutory period as provided in Section 96 of the Act.

In view of the above, the MCA vide **General Circular No. 28/2020** dated 17.08.2020 came out with a clarification on extension of time limits for holding of AGM’s. MCA clarified that the companies which are unable to hold their AGM for the financial year ended on 31.03.2020 despite availing the relaxations provided in the General Circular 20/2020 ought to file 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 with the concerned Registrar of Companies **on or before 29.09.2020**.

MCA in its clarification also advised the Registrar of Companies to consider all such applications (filed in Form No. GNL 1) liberally in view of the hardships faced by the stakeholders and to grant extension for the period as applied for (up to three months) in such applications.

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**Suggestions may be sent to [rupesh@cacsindia.com](mailto:rupesh@cacsindia.com)**

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