

Relaxation on Holding of **Annual General Meeting** for Financial Year 2019-20



Parikh & Associates
Chartered Accountants

1. Background

Due to the widespread of COVID-19 and consequential restrictions linked to the social distancing norms, Ministry of Corporate Affairs (MCA) has received several representations to allow companies to hold their Annual General Meeting for the financial year ended on 31st March, 2020 beyond the statutory period provided under the Companies Act, 2013. The provisions with respect to holding Annual General Meeting (AGM) are prescribed under section 96 of the Companies Act, 2013.



2. Statutory Timeline for holding AGM

Particulars	Timeline
First AGM of the Company	Within a period of nine months from the date of closing of the first financial year.
Subsequent AGM of the Company	Within a period of six months , from the date of closing of the financial year.

It should be noted that time limit between two AGMs shall not exceed **fifteen months**

3. Relaxations:

I. Holding of AGM through Audio Visual Modes:

A relaxation has been provided by MCA through circular no. 20/2020 dated May 5, 2020 by allowing companies to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM), during the calendar year 2020, subject to the fulfilment of certain conditions as mentioned in that circular.



Detailed Circular can be accessed at:

https://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf

II. Extension in timeline of holding AGM

MCA vide General Circular no. 28/2020 dated August 17, 2020 has issued Clarification on Extension of Annual General Meeting (AGM) for the financial year ended on March 31, 2020. Companies can voluntarily file an application for extension of AGM with the concerned Registrar of Companies following the procedure enumerated below:

Procedure

1. Call and Convene a **Board Meeting**
2. Pass a resolution for **extension of time limit** for holding AGM specifying the reason for extension of AGM.
3. File an application to Registrar of Companies (ROC) in **E - Form No. GNL-1**.
4. Attach **requisite documents** and pay **application fees**
5. Registrar will examine the reason and **grant an extension**.

Documents Required

1. An **application** seeking extension of time for holding AGM along with reasons and period for which extension is required.
2. Certified copy of **Board Resolution**.

Application Fees

(i) In case of Company having share capital

Nominal Share Capital	Application Fees (INR)
Less than 1,00,000	200
1,00,000 to 4,99,999	300
5,00,000 to 24,99,999	400
5,00,000 to 24,99,999	500
1,00,00,000 or more	600

(ii) In case of Company not having share capital

Rupees 200 per document.

Maximum duration of extension: 3 Months

Registrars of Companies are advised by MCA 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.

Application Form



E - Form GNL-1

Timeline of filing Application



September 29, 2020



Detailed Circular can be accessed at:

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

About Parikh & Associates

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