



news flash

April 2020



NEWSFLASH

Extension for holding of an Annual General Meetings

In view of the pandemic COVID-19, the Ministry of Corporate Affairs (“MCA”) has issued circular no. 18/2020 (“**Circular**”) giving relaxation to certain companies for holding of Annual General Meeting (“AGM”).

The Companies Act, 2013 provides that every company is required to convene the AGM within:

- nine months of the end of the financial year, in case it is the first AGM; and
- six months of the end of the financial year, in all other cases.

Further, the AGM should not be held later than fifteen months from the date of last AGM.

The companies whose financial year ending is 31st December, 2019 had expressed difficulty in convening of the AGM due to COVID-19 related social distancing norms and consequential restrictions linked thereto.

In view of the representations, the MCA has granted an extension to companies with financial year ending on 31st December 2019 (other than first financial year), to hold the AGM within nine months of closure of financial year (i.e. by 30 September 2020). Hence, such a delay in holding the AGM shall not be viewed as violation.

The MCA has been very proactive and vigilant about addressing the concerns and practical difficulties that are faced by the companies owing to COVID-19. The MCA intends to protect the interest of shareholders whilst ensuring compliance of law by providing relaxations and extensions, when possible, which is commendable.

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