

The Ministry of Corporate Affairs vide dated 21st day of April, 2020 has issued Clarification on Holding of annual general meetings by companies whose financial year has ended on **31st December, 2019**.

Key Highlights:

- Several representations have been received from stakeholders with regard to difficulty in holding annual general meetings (AGMs) for companies whose financial year ended on 31st December, 2019 due to COVID-19
- These are related social distancing norms and consequential restrictions linked thereto.
- These representations have been examined and it is noted that the Companies Act, 2013 (Act) allows a company to hold its AGM within a period of six months (nine months in case of first AGM) from the closure of the financial year and not later than a period of 15 months from the date of last AGM.

Relaxation given:

If the companies whose financial year (other than first financial year) has ended on **31st December, 2019**, hold their AGM for such financial year within a period of 9 months from the closure of the financial year (i.e. by 30th September, 2020), the same shall not be viewed as a violation. The references to due date of AGM or the date by which the AGM should have been held under the Act or the rules made thereunder shall construed accordingly.

Conclusion:

- Companies whose Financial year has been changed can also convene AGM till **30.09.2020** instead of **30.06.2020**.
- Company whose financial year is from **January to December**, has to Convene AGM within a period of **six months**, from the date of **closing of the financial year** i.e. on or before **30.06.2020**.
- ***The revised due date is September 30, 2020, instead of June 30, 2020.***

Important Note: Kindly note that this relaxation is not applicable for Companies for first financial year.

Read full notification at: http://www.mca.gov.in/Ministry/pdf/Circular18_21042020.pdf