Extension of Annual General Meeting (AGM)

What if a Company is unable to hold its Annual General Meeting with in Due Date ?

Section-96 (1)

Section 96 of the **Companies Act, 2013** provides that every company other than a one person company shall in each year hold an Annual General Meeting of its shareholders and *not more than fifteen months shall elapse between* the date of one annual general meeting of the company and that of the next.

Proviso to Section 96

Provided that first annual general meeting of the Company shall be held ***within nine months of the closing of the financial year*** and subsequent annual general meetings shall be held ***within six months of the closing of the financial year.***

BY: CS Vikram Sirohi

Time Limit for AGM to be held

For Newly Incorporated Company and the First Annual General Meeting-

9 months from the date of end of financial year. After that “No Extension”

For Other Companies and subsequent Annual General Meeting-

6 months from the date of end of financial year

Maximum Gap between two annual General Meeting shall not be more than 15 Months

If Company unable to hold AGM within due date of period of 6 Months from the Closing of the F.Y?

The company may apply for extension of date of AGM and the Registrar may, for any special reason, extend the time within which any annual general meeting, other than the first annual general meeting, shall be held, for a period not exceeding three months.

BY: CS Vikram Sirohi

Third Proviso to Section 96

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

Application must be filed well In advance before the due dates

BY: CS Vikram Sirohi

Reason for extension of AGM

- Non-readiness of the financial statements due to natural calamity, due to loss of financial data, non-presence of members due to valid grounds.
- Non-availability of directors on the valid grounds
- The sudden death of Directors and consequence of this the limit of directors goes below the minimum requirements of directors i.e. 2 in case of Private limited and 3 in case of Public Limited.
- Due to non-signing of financial statements due to non-availability of Auditors due to resignation, death, incapacity to sign or such other valid reason.
- Merger or amalgamation.
- Such other special reasons if such reasons are valid and justified.

Procedure for seeking Extension of Time to hold AGM

- Chairman/ Director of the company shall call for a meeting of Board of Director for which a notice must be sent at least 7 days before holding of Meeting of Board.
- To Convene a Board Meeting on the specified date;
- To Pass a resolution for extension of time limit for holding annual general meeting specifying the due reason for extension of AGM;
- The file an application to the Registrar of Companies in **Form No – GNL1.**
- In GNL-1, Proper grounds to be mentioned
- To attach the Certified true copy of the Board Resolution in E Form GNL-1
- Follow up with the office of the Registrar of Company
- The registrar shall examine the application on the specific grounds and may grant an extension, if it thinks it necessary to grant the same.

BY: CS Vikram Sirohi

Format of Application for seeking Extension of Time to hold AGM

To,

Registrar of Companies,

__________(Region/State)

Subject: Application for the extension of Annual General

Meeting. Sir,

The_th Annual General Meeting of the members of the company in respect of the year ended on 31st March, 20XX is required to be held on or before_______________, 20XX. The company is not in a position to hold its Annual General Meeting within the stipulated time period. The main reason for this is that despite all efforts made in this direction, ____ ____

The company is making its best efforts to_________________________(resolve the reason for not conducting the AGM) at the earliest. This is going to take some more time this year and by no means the accounts duly audited can be made ready to place before the Annual General Meeting on or before______, 20XX (due date of AGM) . Due to this unavoidable position, the Board of Directors of the company passed the following resolution in its meeting held on ________________________, 20XX:.

"RESOLVED THAT pursuant to the provisions of Section 96 and other applicable provisions, if any, of the Companies act 2013, the company do hereby make an application with the Registrar of Companies,_________for extension of time for holding the Annual General Meeting for the FY 20XX-XX for a period of________months (maximum 3 months) from the last date on which the Annual General Meeting of the Company should have been held".

"RESOLVED FURTHER THAT any Director of the Company and Company Secretary of the Company be and are hereby SEVERALLY authorized on behalf of the Company to sign and file application with the Registrar of Companies,____________and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

In view of the unexpected, unusual and extraordinary circumstances, It is humbly submitted to seek an extension of time of_____ months beyond__________, 20XX for convening the ___th Annual General Meeting of the company up to_____________, 20XX by which time we hope to finalize the accounts for the year 20XX-XX duly audited and place the same before the Annual General Meeting.

It may be mentioned that the_th Annual General Meeting in respect of the accounting year ended on 31st March, 20XX was convened and concluded on_________,20XX (Details of previous year AGM).

A list of the Board of Directors is also enclosed for ready reference. The Registrar of Companies is humbly requested to kindly consider the aforesaid request and accord approval extending the period of Annual General Meeting in respect of the accounting year 20XX-XX by a period of_______________________months beyond__, 20XX and oblige. However, we assure you that in future all care shall be taken to finalize the annual accounts and convene the Annual General Meeting within prescribed period.

(Signature of Authorized
Signatory) Designation
DIN/ Membership No.:

LIST OF THE BOARD OF DIRECTORS OF THE COMPANY

(AS ON (Date of application))

S.No.	Name	Designation	DIN	Address