

Annual General Meetings under Companies Act ::

1. Due Date of AGM:

a) As per the provisions of Section 96 of the Companies Act, 2013 ("Act"), every Company other than One Person Company shall in each calendar year, hold a General Meeting as its Annual General Meeting ("AGM").

b) Every Company shall hold its first AGM within nine months from the date of closing of the first financial year of the Company and thereafter in each year within six months from the closure of the financial year, such that the time gap shall not be more than fifteen months between two successive AGMs.

c) Section 96 requires that the subsequent AGM should be held on the earliest of the following dates:

- i) fifteen months from the date of the last AGM; or
- ii) six months from the closure of the financial year.

d) The Registrar of Companies ("ROC") may extend the time for holding the AGM, other than the first AGM, "for any special reason" by a period not exceeding three months, if it cannot be held within the prescribed time limit.

2. Effective Due Date of AGM for financial year ended on 31st March, 2021:

a) In exercise of powers prescribed under third proviso to Section 96 (1) of the Companies Act, 2013, ROCs have issued general orders granting their consent to extend the time to hold the AGM, other than first AGM for the financial year ended on 31st March, 2021 for companies, which are unable to hold their AGM on or before due date of AGM, as per section 96 of the Companies Act, 2013, by two months from the Due Date of AGM of particular Company.

b) As per Regulation 44(5) of SEBI (LODR) Regulation, 2015, the top 100 listed entities by market capitalization, determined as on March 31st of every financial year, shall hold their AGM within a period of five months from the date of closing of the financial year.

c) Therefore, in case of top 100 listed Companies, the Due Date of AGM shall be within 15 months from the date of last AGM or 5 months from the closure of the financial year, whichever is earlier.

3. Time and Place of AGM:

a) Every AGM shall be called during business hours on any day that is not a National Holiday.

b) The business hours are prescribed to mean the time period between 9 a.m. and 6 p.m.

c) The venue of the meeting shall be either the registered office of the company or some other place within the city, town or village in which the registered office of the company is situated.

d) It is to be noted that the meeting needs to be called during business hours. It may extend and conclude beyond business hours.

4. Exemption to One Person Company (OPC):

- a) One Person Company (OPC) is a type of Private Company but it has only one member. Since the OPC has only one member, it is not practical to hold any general meeting of members.
- b) Thus, sub-section (1) of section 96 exempts OPCs from requirement of holding AGM.
- c) The manner of passing resolutions required to be passed is contained in section 122 of the Act. Any business which is required to be transacted at an AGM of a OPC through an ordinary or special resolution shall be sufficient if the resolution is communicated by the member to the Company and entered in the minutes-book required to be maintained under section 118 and signed and dated by the member and such date shall be deemed to be the date of the meeting for all the purposes under Companies Act.

5. Consequences of holding AGM after due date:

- a) The Companies which are not holding their annual general meeting within stipulated period as laid down in the act are contravening the requirements of section 96 of the Act and liable to pay fine specified under section 99 of the Companies Act, 2013. The offence under this section is a continuing offence till the compliance is made.
- b) Further, It is well settled that the AGM must be called, whether or not the financial statements are ready for consideration at the meeting.
- c) There is a clear statutory duty on the directors to call the meeting whether or not the accounts the consideration of which is only one of the matters to be dealt with at an AGM are ready or not.

6. AGM through Video Conferencing (VC) /Other Audio Video Means (OAVM):

- a) Due to COVID-19 pandemic, MCA vide its Circular dated 5th May, 2020 allowed the Companies to conduct their AGM through video conferencing or other audio video means till 31st December, 2020.
- b) Further, MCA vide its Circular extended this date and allowed Companies to conduct their AGM till 31st December, 2021.
- c) This has to be noted that the extension has been granted to the Companies to conduct their AGM via video conferencing or other audio video means till 31st December, 2021 and this in return cannot be considered as the extended due date for convening of AGM. The Companies are still required to conduct their AGM according to the due dates as stipulated in the Companies Act, 2013

7. Matters to be considered while preparing Notice of Annual General Meeting:

- a) Ordinary Businesses, which can be carried in an AGM only:

I) Adoption of Audited Standalone/ Consolidated Financial Statements for the relevant Financial Year including the Reports of Board of Directors and Auditors thereon.

II) Declaration of Dividend

III) Appointment of Directors in place of the retiring Directors.

IV) Appointment and fixing of remuneration of the Statutory Auditors.

b) Special Businesses:

c) Regularisation of Additional Director appointed after the date of previous AGM

d) Ratification of Remuneration payable to Cost Auditor

e) Approval / Ratification of related party transactions.

f) Appointment / Re-appointment of Independent Directors (IDs)

g) Appointment / Re-appointment of Managing Director / Whole Time Director / Manager

h) Approval for appointment/Continuation of Non-Executive Director who has attained the age of Seventy Five Years

i) Any other matters requiring Shareholders' approval