



26.08.2020

Smt. Nirmala Sitharaman,
Hon'ble Minister of Finance & Minister of Corporate Affairs,
New Delhi – 110001

Madam,

Subject: Request for extension of due date for holding Annual General Meeting (AGM) under the Companies Act, 2013 for companies whose financial year has ended on 31.03.2020

1. We draw your kind attention to General Circular (GC) No. 28/2020 dated 17th August, 2020 whereby the Ministry of Corporate Affairs has, after considering the representations for extension of AGM for the financial year ended 31.03.2020, has asked the Companies to seek extension of time in holding AGM with the concerned Registrar of Companies on or before 29.09.2020. The aforesaid GC also mentions procedural relaxations granted vide GC 20/2020 dated 21.04.2020 to conduct the AGM through video conferencing (VC) or other audio-visual means (OAVM).
2. Whereas the procedural relaxations granted vide aforesaid GC 20/2020 dated 21.04.2020 would go a long way in mitigating hardships for conducting AGM, however, presently, the companies are struggling even to finalize their financial statements for the financial year 31.03.2020. These financial statements would then be required to be audited by the statutory auditors of the company for laying before the AGM.

3. Your goodself is aware that due to nation-wide lockdown in the months of March, April and May, 2020 and the staggered process of unlocking from June, 2020 on account of Covid-19, the offices of the companies as well as that of their Chartered Accountant auditors have largely remained closed. Presently, since the Covid-19 infections are increasing unabated, the level of activity in the offices of the Companies is limited to achieving day-to-day functioning for running the business. Consequently, finalization of financial statements for the financial year 2019-20 has taken a backseat and priority is being given to run the business.
4. It would be relevant to mention here that though large companies and their auditors with their elaborate ERP systems has been able to finalize their audited financial statements through Work from Home infrastructures, the mid-segment and small segment companies due to severe infrastructural handicap have been struggling to finalize their financial statements for the financial year ended 31.03.2020. Needless to mention that most of these companies are audited by small and medium sized Chartered Accountant auditors by making physical visits to the company's offices which is not becoming possible due to the pandemic. In a nutshell, the difficulties faced by small and medium sized companies whether for running the business or for making necessary compliances under various laws cannot be overemphasized.
5. The aforesaid GC 28/2020 dated 17.08.2020 has caused a lot of consternation on the management of such small and medium sized companies as it would now require them to seek extension of time for holding AGM by making necessary compliances in these already trying times.
6. **In view of genuine hardships arisen due to Covid-19 pandemic, we request you to kindly consider our request for blanket extension of due date for holding AGM under section 96 of the Companies Act, 2013 of those companies whose financial year has ended on 31.03.2020 (other than first financial year) by at**

least three months from 30th September, 2020 to 31st December, 2020 instead of requiring the companies to seek extensions separately.

Respectfully Submitted,

Thanking you
Yours sincerely,



Suhas Paranjpe
President,
Bombay Chartered Accountants' Society



Anshul Agarwal
President,
Lucknow Chartered Accountants Society



Chandrashekara Shetty
President,
Karnataka State Chartered Accountants' Association



Ketan Mistry
President,
Chartered Accountants Association, Ahmedabad



Rasesh Shah
President,
Chartered Accountants Association, Surat

Cc to: The Secretary, Ministry of Corporate Affairs, Government of India, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi – 110001