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# Extension of time limit for Holding the Annual General Meeting of Companies

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## Extension of Annual General Meeting under the Companies Act, 2013

Before Starting, It would be more beneficial for us to understand the “Substantial Part” of the Section 96(1) proviso 3, regarding the Power of Registrar of Companies whereof 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.

The substantial part in the extension Proviso is definitely the “**Special Reason**” on the basis of which the Registrar of Companies may extend the time for holding the Annual General Meeting.

The Plain Reading of Section 96(1) Proviso 3 Specify as under:

“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.”

Now the question arise before us that which and what kind of reasons are considered be the special Reasons by the regulator? While drafting of the Application for extension of the Annual general Meeting which needs to be filed before the Registrar of Companies, one must understand that the Reasons specified in the application should necessarily be the Factual one and not the bogus/self generated and specially made for the extension application. The Facts of the Case always considered to be the most important part of the application before the any Regulator or any authority. The Registrar of Companies may give the extension upto three months from the due date of AGM. It is further important to mention here that the registrar is even authorized to give the extension of less than three months even if the Company has made the application for the extension of three months.

The Registrar suo moto or on an application by the Company specifying the special reason may extend the due date of Annual general meeting.

According to our understanding, some of important points which are generally considered as the “special reasons” by the Registrar of Companies are specified as under:

1. Any unforeseen Nature calamity like earth quakes etc.
2. Restructuring of the company in any Arrangement/Scheme of Merger and Amalgamations
3. Shareholders and/or Directors unavailability due to any natural Reason like medical illness etc.
4. Delay in finalizing the Financials by the Company due to any unforeseen event in the Company.

Delay in completion of audit of the financial statements of the company does not ordinarily constitute a “special reason” justifying the extension of time for holding the Annual General Meeting.

## CONTACT

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