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Annual Return under Companies Act, 2013

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Annual Return under Companies Act, 2013



Companies Act, 2013, a historic legislation it moves from the regime of control to that of self-regulation, more transparency and accountability. The Act has incorporated a framework which is based on self-regulation but with enhanced disclosures and accountability on the part of companies and their managements. An annual Return is one such comprehensive document which contains information of a company relating to its share capital, indebtedness, directors, shareholders, changes in directorships, corporate governance disclosures etc. Annual Return is a significant document for the stakeholders of a company as it provides in a nutshell, very comprehensive information about various aspects of a company. While the Financial Statement gives information about the financial performance of the Company, it is Annual Report which provides a closure and detailed insight about the non-financial aspects of the Company for the benefit of the stakeholders. Every Company is required to file its Annual Return with the Registrar of Companies (ROC) in order to provide annual information about the Company to the ROC. Filing of Annual Return yearly with the Registrar of Companies is the responsibility of the management of the Company. It helps stakeholders to ensure that the company is administered in a proper way in the interest of its members and creditors.

In this Article we will try to cover all the important aspects related Annual Return under Companies Act, 2013.

Governing Sections and Rules

As per Section 92 of the Companies Act, 2013 along with Companies (Management and Administration) Rules, 2014 every company is required to prepare the Annual Return in Form No. MGT-7 containing the particulars as specified under section 92 as they stood on the close of the financial year

and file with the Registrar within sixty days from the date on which Annual General Meeting (hereinafter AGM)is held or from the date on which AGM should have been held.

Particulars of Annual Return

- its registered office, principal business activities, particulars of its holding, subsidiary and associate companies;
- its shares, debentures and other securities and shareholding pattern;
- its indebtedness;
- its members and debenture-holders along with changes therein since the close of the previous financial year;
- its promoters, directors, key managerial personnel along with changes therein since the close of the previous financial year;
- meetings of members or a class thereof, Board and its various committees along with attendance details;
- remuneration of directors and key managerial personnel;
- penalty or punishment imposed on the company, its directors or officers and details of compounding of offences and appeals made against such penalty or punishment;
- matters relating to certification of compliances, disclosures as may be prescribed;
- details, as may be prescribed, in respect of shares held by or on behalf of the Foreign Institutional Investors;
- such other matters as may be prescribed,

Authentication of Annual Return

All Companies (except OPC and Small Companies)

Annual Return shall be signed by –

- a director and the company secretary, or where there is no company secretary, by a PCS

OPC and Small Companies

Annual Return shall be signed by –

- the company secretary, or where there is no company secretary, by Director of the Company

Certification of Annual Return by PCS

As per Section 92(2) Annual return filed by

- Every listed company

- Every company having paid-up share capital of ten crore rupees or more
- Every Company having turnover of fifty crore rupees or more,

Shall be certified by a Company Secretary in practice and the certificate shall be in **Form No. MGT.8**, stating that the annual return discloses the facts correctly and adequately and that the company has complied with all the provisions of this Act.

Extract of the Annual Return

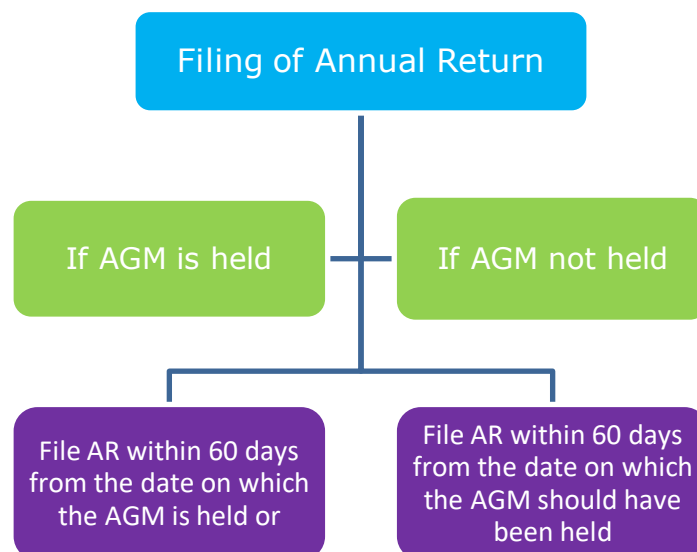
As per Rule 12 of Companies (Management and Administration) Rules, 2014 extract of the annual return to be attached with the Board's Report shall be in **Form No. MGT.9**.

Annual Return on website

Every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report.

Filing of Annual Return to ROC

Every company shall file a copy of the annual return with the Registrar



In case of delay in holding of AGM Company should file the Annual Return along with the statement specifying the reasons for not holding the annual general meeting with such fees or additional fees as may be prescribed, within the time as specified, under section 403.

Inspection of Annual Return

The Copy of Annual Return shall be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of such fee as may be specified in the articles of association of the company but not exceeding fifty rupees for each inspection.

Explanation: reasonable time of not less than two hours on every working day shall be considered by the company.

Preservation of Annual Return

Copies of all annual returns prepared under section 92 and copies of all certificates and documents required to be annexed thereto shall be preserved for a ***period of eight years*** from the date of filing with the Registrar.

Copy of Annual Return

Copies of Annual Return shall be furnished to any member, debenture-holder, other security holder or beneficial owner of the company or any other person on payment of such fee as may be specified in the Articles of Association of the company ***but not exceeding rupees ten for each page*** and such copy shall be ***supplied by the company within a period of seven days from the date of deposit of fee to the company.***

Penalty

Company and Officer in Default	Penalty of fifty thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of five lakh rupees.
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PCS

Punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.

Conclusion

Annual Return is a short and crisp document regarding the important aspects like share capital, indebtedness, directors, shareholders, changes in directorships etc that give a detailed insight to the stakeholders of the Company regarding non financial information of the Company during the year. As per Companies Act, 2013 it is the responsibility of the management of the Company to file it with the ROC and to preserve them and make it available to all the stakeholders or any other person for inspection. Detailed Annual Return is a tool in the hands of members to ensure that company is administered and working in their interest.

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DECLARATION

I, **Monica Dixit** D/o Mr. Gangaram Dixit R/O H. No. 43, Rajwara, Sihi gate, Ballabgarh, Faridabad 121004, hereby declare that the article, "Annual Return under Companies Act, 2013" has been written by me on the basis of legal facts and contents have not been copied from anywhere except legal provisions under various enactments.

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