



Annual Return is a significant document for all the Stakeholders of the Company as it provides in a nutshell, very comprehensive information about various aspects of the Company. While the Financial Statement gives information about the financial performance of the Company it is the Annual Return which gives extensive disclosure of the Non-Financial matters of the Company.

Pursuant to Section 92 of the Companies Act the Annual Return shall be filed by every Company in **Form MGT.7** containing all the particulars as they stood at the closure of the financial year of the Company. An Extract of the Annual Returns in **Form MGT.9** shall form parts of the Board's Report as per section 92 of Companies Act, 2013.

The Annual Return and Extract of Annual Return are usually consider the same and used interchangeably however both are two different reporting documents. Diverse practices are being adopted due to lack of clarification regarding the preparation of Annual Return and applicability of Extract of Annual Returns.

With the notification of the Companies (Management and Administration) Rules, 2021 dated 5th March, 2021 Rule 12 has been amended to do away with the requirement of attaching the Extract of Annual Return with the Board's Report. With the above notification the prevailing misconceptions have been resolved completely.

Flow of Amendments concerning preparation of MGT- 7 and MGT-9

With effect from 01.04.2014

An Extract of Annual Return i.e. MGT- 9 shall be attached to the Board's Report.



With effect form 31.07.2018

An Extract of Annual Return i.e. MGT- 9 shall be attached to the Boards Report.

If the Company has a website then web address of the Annual Return Extract i.e. MGT- 9 shall be disclosed in the Board's Report.





With effect from 28.08.2020

Every Company shall place a copy of Annual Return i.e. MGT- 7 on the website of the Company.

Discloser of web address of the Annual Return has to be made in the Board's Report.

If the web link of the Annual Return is not disclosed in the Board's Report, Extract of Annual Return i.e. MGT-9 shall be attached to the Board's Report.



With effect from 05.03.2021

Every Company shall place a copy of Annual Return i.e. MGT- 7 or MGT 7A (for Small Companies and OPCs) on the website of the Company, if any.

The web link of such Annual Returns shall be disclosed in the Board's Report.

Timeline for preparation of Annual Report

Prior to the amendment Companies were required to file Annual Return within 60 days from the conclusion of Annual General Meeting and only web link of the Extract of Annual Returns was to be disclosed.

However pursuant to the amendment, Companies shall provide web link for Annual Returns in the Board's Report and requirement to prepare MGT 9 has been done away with. Hence the need to prepare Annual Return and to place Annual Returns approved by the Board on the website has to be completed before the notice of the Annual General Meeting is dispatched.

Alternatively, the Board's Report shall contain a statement that the Annual Return shall be uploaded on the website once it has been filed with the Registrar and thereafter the same can be viewed by the members and stakeholders on the website of the Company.



Conclusion:

- *From the Financial Year 21-22 onwards, Companies are not required to prepare Extract of Annual Return i.e. MGT 9 and it no longer require to annex the same to the Board's Report, irrespective of the fact that the Company has a website or not.*
- All the Companies other than OPC and Small Company are required to file Form MGT 7, whereas OPC and Small Companies are required to file Abridged Annual Return in Form MGT 7A.
- Companies which are having a website shall post a copy of Annual Returns and disclose the web address for the same in the Board's Report.

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