

Extending deadline of Companies Fresh Start Scheme and LLP Settlement Scheme

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The Ministry of Corporate Affairs (MCA) through the General Circular no. 12/2020 dated 30.3.2020, launched the "Companies Fresh Start Scheme, 2020 which inter- alia provided opportunity to companies to make good any filing related defaults, regardless of duration of defaults, and make a fresh start as a fully compliant company.

This was stated by Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs, in a written reply to a question in Rajya Sabha today.

The Minister further stated that the Scheme condoned the delay in filing belated documents and gave immunity from prosecution and proceedings for imposition of penalty which might arise on account of such delayed filing of documents. No additional fees was charged for late filing during a moratorium period from 1st April to 31st December, 2020 in respect of documents, returns etc. required to be filed in MCA-21 Registry. As per records, 4,73,131 Indian Companies and 1,065 number of Foreign Companies have benefited by availing the CFSS, 2020 scheme for filing their pending documents.

Similarly, the Minister stated, for Limited Liability Partnerships ('LLPs'), the MCA through General Circular No.6/2020 dated 04.03.2020 introduced LLP Settlement Scheme, 2020 to provide one-time relaxation in additional fees to the defaulting Limited Liability Partnerships to make good their defaults by filing pending documents with the Registrar of Companies ('ROC' or 'Registrar'). The LLP settlement scheme was initially rolled out from 16.03.2020 to 13.06.2020 for certain filings by LLPs. Further, due to the COVID-19 pandemic the said scheme was modified to cover all e-forms and extended from 01.04.2020 to 31.12.2020. As per records, 1,05,643 LLPs have benefited by availing the LLP settlement scheme 2020 for filing their pending documents.

The Minister stated that both the schemes i.e., Companies Fresh Start Scheme (CFSS) and the LLP Settlement Scheme (LSS) have ended on 31.12.2020. A sufficient period of time of 09 months was accorded in the schemes to companies and LLPs to make good their defaults and accordingly, further extension of the scheme was not found necessary. Therefore, no such proposal is under consideration of the Ministry in this regard.

RM/KMN

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