

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

LOK SABHA

UN-STARRED QUESTION NO. 994

ANSWERED ON MONDAY, FEBRUARY 8, 2021/ MAGHA 19, 1942 (SAKA)

**SCHEMES LAUNCHED DURING COVID-19 PANDEMIC
QUESTION**

994. SHRI BHOLANATH (B.P. SAROJ):

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कॉरपोरेट कार्य मंत्री

- (a) the details of the schemes launched by the Ministry during the Covid-19 pandemic and till date along with the targets set and the achievements made under each of the said schemes;
- (b) the details of the proposals received from various State along with the proposals approved by the Union Government under these schemes of the Ministry, State/ UT-wise;
- (c) the details of the funds allocated and utilised for implementation of various schemes of the Ministry during each of the last four years and the current year, scheme/ state-wise; and
- (d) whether the Government has set any time-limit for completing the pending schemes and if so, the details thereof?

ANSWER

**THE MINISTER OF STATE FOR
FINANCE AND CORPORATE AFFAIRS**

वित्त एवं कॉरपोरेट कार्य मंत्रालय में राज्य मंत्री

(SHRI ANURAG SINGH THAKUR)

(श्री अनुराग सिंह ठाकुर)

(a) to (d): The Government in the Ministry of Corporate Affairs (MCA) administers the provisions of the Companies Act, 2013 (herein after called as the Act) and the Limited Liability Partnerships ('LLPs') Act, 2008 and the Insolvency and Bankruptcy Code (IBC), 2016. Information pertaining to MCA is as under:

1. Schemes launched by the MCA during Covid-19 pandemic:-

(i) **Companies Fresh Start Scheme (CFSS) 2020:-** Through the General Circular no. 12/2020 dated 30.03.2020, the Ministry launched the "Companies Fresh Start Scheme, 2020 which inter- alia provides opportunities to Companies to make good any filing related defaults, regardless of duration of defaults, and make a fresh start as a fully compliant entity. The Scheme condoned the delay in filing the belated documents and gives immunity from prosecutions 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, 473131 number of Indian Companies and 1065 number of Foreign Companies have been benefited by availing the CFSS, 2020 scheme for filing their pending documents.

(ii) **LLP Settlement Scheme, 2020:-** This Ministry vide notification dated 04.03.2020 introduced LLP Settlement Scheme, 2020 to provide one-time relaxation in additional fees to the defaulting Limited Liability Partnerships ('LLPs') to make good their defaults by filing pending documents with the Registrar of Companies ('ROC' or 'Registrar') to ease the hassle of business enterprises. The LLP settlement scheme was initially rolled out from 16.03.2020 to 31.03.2020 for certain filings by LLPs.

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Further, due to the COVID-19 pandemic the said scheme was further modified and expanded from 01.04.2020 to 31.12.2020 to cover all e-forms. As per records 105643 number of LLPs have been benefited by availing the LLP settlement scheme 2020 for filing their pending documents.

(iii) Scheme for relaxation of time for filing forms related to creation or modification of charges under the Act:- In pursuance of the Government of India's efforts to provide relief to law abiding companies and in the wake of COVID 19 pandemic, the MCA has introduced the Scheme for relaxation of time for filing forms related to creation or modification of charges under the Act, vide General Circular no. 23/2020 dated 17th June, 2020. As per the scheme:-

(a) where the date of creation / modification of charge is before 01.03.2020, but the timeline for filing such form had not expired under section 77 of the Act as on 01.03.2020 and if the form is filed on or before 31.12.2020, the fees payable as on 29.02.2020 under the Fees Rules for the said form shall be charged. If the form is filed thereafter, the applicable fees shall be charged under the Fees Rules after adding the number of days beginning from 01.01.2021 and, ending on the date of filing plus the time period lapsed from the date of the creation of charge till 29.02.2020.

(b) where the date of creation / modification of charge is falls on any date between 01.03.2020 to 31.12.2020 and If the form is filed before 31.12.2020, normal fees shall be payable under the Fees Rules. If the form is filed thereafter, the First day after the date of creation/ modification of charge shall be reckoned as 01.01.2021 and the number of days till the date of filing of the form shall be counted accordingly for the purposes of payment of fees under the Fees Rules.

(iv) Scheme for Condonation of delay for Restored Companies by NCLT between 01st December, 2020 to 31st December, 2020:- In order to provide benefit of filing overdue forms and to provide waiver of additional fees for restored companies by National Company Law Tribunal (NCLT), the Ministry vide Circular No. 3/2021 dated 15.01.2021 announced a Condonation of Delay Scheme for Companies restored by NCLT between 1st December, 2020 to 31st December, 2020 under section 252 of the Act. The Scheme provides to condone delay in filing forms with the Registrar, and spares payment of additional fees. Certain other terms are stipulated and are available in the Scheme document. This Scheme is in operation from 01st February 2021 and will be available for filing of any overdue e-forms by such companies till 31st March 2021.

Further, MCA has raised the threshold of default under section 4 of Insolvency and Bankruptcy Code (IBC) to Rs. One crore from the existing threshold of Rs. One Lakh vide notification dated 24.03.2020. IBC (Second Amendment) Act, 2020 was notified on 23.09.2020 giving effect from 05.06.2020 for inserting Section 10 A to IBC which has provided for temporary suspension of initiation of Corporate Insolvency Resolution Process (CIRP) u/s 7,9 and 10 of the Code for a period of six months or such further period not exceeding one year from 25th March, 2020. The benefit of the suspension is applicable to all those defaults of the corporate debtors that occur from 25th March, 2020 and till the end of period of suspension. The said suspension has been extended vide notification dated 22.12.2020 for further period of three months from 25.12.2020. Such defaults arising between 25th March, 2020 and till completion of suspension period will remain as non-est for the purpose of initiation of CIRP under the Code as Permanent carve out. Section 66 of IBC has also been amended to provide protection to directors from personal liability for Covid period defaults.