

# *Extension of CFSS, LLP Settlement and various other schemes by Ministry of Corporate Affairs*

September 29, 2020

## *In brief*

The Ministry of Corporate Affairs introduced several schemes namely Companies Fresh Start Scheme, 2020 (CFSS), LLP settlement Scheme 2020, Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013 and Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) valid from 01.04.2020 to 30.09.2020 to enable companies to complete their pending compliances.

## **The aforementioned schemes have now been extended till 31<sup>st</sup> December 2020.**

## *In detail*

- In an effort to provide greater ease of doing business, the Ministry of Corporate Affairs has extended the duration of several schemes till the end of the year 2020 in the wake of continued disruption caused by the coronavirus pandemic in certain parts of the country.
- Nirmala Sitharaman's Office said that the Companies Fresh Start Scheme 2020, which was introduced by the MCA and was valid from 1 April 2020 to 30 September 2020, has now been extended vide General Circular No. 30/2020, 31/2020, 32/2020 and 33/2020. The scheme aimed to enable companies to clear their previous defaults.
- In addition, the scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013, and the time for conducting EGMs through video conference or other audio-visual means has also been extended till December-end. The LLP Settlement Scheme 2020, has also been extended till the end of 2020, which was aimed at enabling the LLPs to settle their previous defaults.
- Meanwhile, all companies are required to follow statutory compliances such as annual returns, financial statements, and all the other necessary forms, documents, and statements annually.
- Non-compliance of the same results in the imposition of penalties and fines and if the company fails to adhere to the compliances, it is labelled as a defaulting company.
- However, considering the underlying conditions that arose due to the pandemic, the MCA had introduced the Companies Fresh Start Scheme (CFSS) to provide some cushion to the companies' operations.
- New due date without any additional fees covered under CFSS:

Form No.	Due date
DPT-3	31.12.2020
MSME-1	31.12.2020
DIR-3KYC	31.12.2020
PAS-6	31.12.2020
LLP-11	31.12.2020

- This is a golden opportunity for companies to complete their pending compliance before 31<sup>st</sup> December, 2020 and avoid the hefty penalties for non-compliance.



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