



THE INSTITUTE OF Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

ICSI: MCA: 2023

July 07, 2023

Dr. Manoj Govil, IAS
Secretary
Ministry of Corporate Affairs
Government of India
Shastri Bhawan
Dr. Rajendra Prasad Road
New Delhi - 110001

Ministry of Corporate Affairs

Dy. No. 1455 /R & /MCA

Date 07/07/2023

Dear Sir,

Subject: Request to introduce Company Law Settlement Scheme and LLP Law Settlement Scheme, 2023

As you are kindly aware, the Institute of Company Secretaries of India has been placing its efforts in building a nexus between the Regulatory Authorities and the stakeholders concerned. It is for this responsibility that the Institute shares the concerns and issues of the stakeholders with the Authorities including the Ministry on a regular basis for their timely resolution.

In furtherance of our intent, we wish to draw your kind attention towards the difficulties being faced by the stakeholders in filing e-forms within the prescribed time as specified in the Companies Act, 2013 and LLP Act, 2008 and rules made thereunder. Some of these issues are placed herein below:

- Numerous CINs / PANs / DINs / LLPINs / DPINs not associated with the Companies / LLPs at the time of pre-filing of various forms are resulting in delay of filing e-forms within the due date. Due to technical glitches and speed issues with the MCA21 portal, stakeholders are not even able to move past login stage. Multiple errors like "Please try after sometime" or constant loading of screen are being encountered without any solution or respite.
- DSC of stakeholders is associating in some forms while in others the error "DSC Verification Failed" is occurring.
- Certain LLP issues are pending since launch of V3 portal. Master data of LLPs are not showing details correctly resulting in delay in filing of Annual Return in Form 11 LLP, the due date of which was May 30, 2023. Failing this filing attracts penalty under the LLP Act, 2008.

Given the nature of issues and their impact on large number of stakeholders, requests are being received pleading for extension of timelines for filing of e-forms on MCA-21 V3 portal.

The last year has been one of transition for the MCA21 from V2 to V3 portal. While the Ministry is working relentlessly to ease out the difficulties and the professionals as well as corporates are trying their level best to align themselves with the new system, a large

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"To develop high calibre professionals facilitating good corporate governance"

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percentage of Companies and LLPs have not been able to file their statutory documents on account of above issues and technical glitches. Since, these documents are considered extremely significant in the context of an up-to-date registry of MCA, non-compliance renders the corporates liable for penalties and prosecution.

Furthermore, the Companies Act, 2013 lays down a stricter regime for the defaulting Companies with higher additional fees with a specific provision put in place for enhanced fine in case of repeated default included in Section 451 of the Act.

In view of the above issues and the repercussions entailing, the ICSI has been receiving representations from various stakeholders requesting for grant of transitional period / one-time opportunity to enable them to file their pending documents / e-forms on MCA-21 V3 portal so as to avoid attraction of higher fees / fines and other penal action.

Understanding the concerns and taking a lenient approach under the overall umbrella of the goal of promoting ease of doing business, the Ministry has in the past also issued circulars in order to accord relief to the stakeholders at large and allow them to make a fresh start through the following schemes:

- **LLP Settlement Scheme, 2020** *vide* General Circular No. 13/2020 dated 30/03/2020.
- **Companies Fresh Start Scheme, 2020** *vide* General Circular No. 12/2020 dated 30/03/2020.
- **Company Law Settlement Scheme, 2014** *vide* General Circular No. 34/2014 dated 12/08/2014.

Taking into consideration past precedents and the above submissions favourably, you are requested to introduce a Scheme namely "Company Law and LLP Law Settlement Scheme, 2023 or CL& LLSS, 2023" so as to give an opportunity to the Companies and LLPs to make good their default by filing these belated documents and condoning the delay thus granting immunity for prosecution.

We look forward to your kind concurrence and would be pleased to provide any further information in this matter.

Thanking You

Yours Faithfully

CS Manish Gupta
President
The ICSI