

Ministry of Corporate Affairs announces Company Law Settlement Scheme, 2010



The Ministry of Corporate Affairs, in exercise of the powers under Section 611(2) and 637B (b) of the Companies Act, 1956 has introduced the “Company Law Settlement Scheme, 2010,” vide its General Circular No. 1 /2010 dated May 26, 2010.

Highlights of the scheme:

THE INTENT

- ◆ To get companies to do their statutory filings, in case they have not done so in the prescribed period
- ◆ To encourage companies to increase their authorized capital to the minimum capital required as per Section 3 of the Companies Act 1956.

PERIOD OF SCHEME

- ◆ The scheme opens on 30-05-2010 and closes on 31-08-2010.

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THE BENEFITS

- ◆ **To Companies**
 - ◆ Any delayed filing of document by a company can be done at a cost reduced by 75% on the additional fee payment
i.e. Fee in case of e filing of document = Normal filing fee + 25% of Additional filing fee
 - ◆ Condoning the delay in filing documents with the Registrar
 - ◆ Granting immunity from prosecution
- ◆ **To Stakeholders**
 - ◆ The requisite documents would be available for inspection at public portals on timely basis

Basic Parameters for Grant of Immunity against Prosecution

Application for Issuance of “Immunity Certificate”

- ◆ To be filed by defaulting company with the RoC with reference to the default in filing documents for which benefits under this scheme is to be availed
- ◆ The applicant should refer to the default for which immunity is to be claimed
- ◆ The default should be wherein prosecution is pending by the RoC or the Company has filed an appeal or complaint against notice issued before the competent court
- ◆ Such appeal/complaint should be withdrawn by the Company from the competent authority

- ◆ Proof of such complaint being withdrawn has to be submitted with RoC

Time of making such application to the RoC

- ◆ After the closure of the scheme and after the documents(s) are taken on file/ on record or approved by the RoC
- ◆ Such time not to extend 6 months from the date of closure of the scheme

RoC on being satisfied may grant immunity in such cases

- ◆ Withdrawal of prosecution(s) pending if any before the concerned Court(s) by the RoC to follow

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