

**General Circular No:13 /2007**

No.8/2/2007 CL-V  
Government of India  
Ministry of Corporate Affairs

5<sup>th</sup> Floor, A –Wing,Shasstri Bhavan,  
Dr. R.P.Road, New Delhi  
Dated:27<sup>th</sup> September 2007

To

All Regional Directors,  
All Registrars of Companies.

Subject:- Order of the Company Law Board under Section 141 of the Companies Act, 1956 regarding extension of time for filing documents by companies and levy of additional fee.

Sir,

Section 125 of the Companies Act, 1956 provides for registration of a charge within a period of 30 days after the date of its creation. The Registrar has been authorised to permit the filing of such documents within 30 days next immediately following the expiry of the initial period of 30 days on payment of additional fee in terms of Section 611(2). The same provisions are applicable to the modification of charges under Section 135. However, the facility of extension of period of 30 days is not available to the Registrar for the registration of satisfaction of charges under Section 138 of the Act. The powers to condone the delay and grant extension for filing these documents beyond a period of 60 days or 30 days, as the case may be, vest in the Company Law Board (CLB) in terms of provisions contained in Section 141 of the Act.

2. It was observed with the implementation of e-filing under MCA-21 e-governance programme that a large number of applications are required to be filed with the CLB for condonation of delay beyond the period of 60 days. In consideration of the time and costs involved in pursuing these applications with the CLB, the Ministry of Corporate Affairs filed a petition before the CLB seeking appropriate directions to allow the Central Government to extend the time, in cases where filing of the particulars or the registration/modification of the charge or the intimation of payment or satisfaction thereof does not take place within a period of 60 days and 30 days respectively, up to a period not exceeding 300 days from the date of event, on levy of additional fee prescribed under section 611(2). The Hon'ble Company Law Board has allowed the petition and passed an order dated 1.8.2007 which is re-produced as follow:

*“The Central Government, through the Secretary, Ministry of Corporate Affairs, has filed this instant application under Section 141 of the Companies Act, 1956 seeking for directions of this Board to permit Registrars of Companies to condone the delay beyond the prescribed period of 60 days and 30 days from the date of registration/modification and satisfaction of charges respectively. I heard*

*the representatives of the Central Government. Presently, the power to condone delay rests with this Board in terms of Section 141 of the Act. Even though, this power has been sought to be conferred on the Central Government by the Companies (Second Amendment) Act, 2002, the same has not been notified due to pendency of proceedings before the Supreme Court. The power exercised by this Board under Section 141 is purely procedural and very rarely any adjudicatory issue arises. In other words, there has been hardly any legal issue requiring application of mind is involved in disposal of the applications under Section 141. Taking this aspect into consideration and also the fact that a lot of time, efforts and money are involved in prosecuting an application under Section 141, I find justification in the application of the Central Government. Accordingly it is directed as follows:*

- (1) In cases where there are no disputes, the Central Government is authorised to accept registration/modification/satisfaction of charge up to a period of 300 days from the dates of events.*
- (2) Additional fees as prescribed in terms of Section 611(2) of the Act shall be levied for the delay beyond 30 days. The Central Government shall notify a slab system of levying additional fee up to 300 days.*
- (3) Since the very purpose of the application is to avoid time and efforts, the Central Government may ensure that MCA-21 system accepts the documents on payment of additional fees so that physical approach to ROC for registration can be avoided.*
- (4) These directions will be effective from a date to be notified by the Central Government.*
- (5) All the applications pending with the Company Law Board as on the date of Notification by the Central Government shall be disposed of by the respective Regional Benches as hereto before.*
- (6) However the present system of filing applications before the Company Law Board in terms of Section 141 will continue in respect of:  
a. where the delay is beyond 300 days from the dates of events;  
b. Rectification of register of charges; and  
c. when documents are sought to be filed by the lenders.*
- (7) The Central Government shall send a copy of this order to all Regional Directors/Registrars of Companies and Regional Benches of the Company Law Board.”*

3. Pursuant to the order dated 01.08.2007 passed by the Company Law Board as reproduced above, following decisions have been taken for implementation of the said order:-

- (i) The aforesaid order shall take effect from the 27th October, 2007.
- (ii) Documents under the defined categories for registration/modification/ satisfaction of charge, excepting those mentioned under Para 6 of the order, shall be accepted for filing under MCA 21

system up to 300 days from the event date with effect from 27<sup>th</sup> October,2007.

- (iii) The Registrar of Companies shall register the documents so filed in cases where: (a) there are no disputes and (b) there is an omission in filing of the particulars or the registration/ modification of the charge or in giving of intimation of payment or satisfaction thereof within a period of 60 days and 30 days respectively, up to a period not exceeding 300 days from the date of event by levying additional fee prescribed in section 611(2) i.e. not exceeding ten times the amount of fee specified in Schedule X.
- (iv) All applications pending with the Company Law Board, prior to the effective date i.e. **the 27<sup>th</sup> of October, 2007** for extension of time in omission of filing of the particulars or the registration/ modification of the charge or for the giving of intimation of payment or satisfaction thereof within a period of 60 days and 30 days respectively, shall be disposed of by the respective Regional Benches as hereto before.
- (v) Documents filed on the portal (www.mca.gov.in), prior to the effective date i.e. **the 27<sup>th</sup> of October, 2007** for registration /modification of the charge or for the giving of intimation of payment or satisfaction thereof after a period of 60 days and 30 days respectively, shall not be registered by the concerned Registrar until the delay is condoned by the respective Regional Benches as hereto before.
- (vi) The present system of filing applications before the Company Law Board in terms of Section 141 shall continue in respect of all other matters except for extension of time in omission of filing of the particulars of the registration/ modification of the charge or for the giving of intimation of payment or satisfaction thereof up to a period not exceeding 300 days from the date of event.
- (vii) The slab system for levy of additional fees, pursuant to para (2) of the order of the CLB referred to above, in terms of section 611(2) shall be as per Ministry's Press note No.2 dated 21-3-1995 as may be amended from time to time.

4. All Registrars of Companies will ensure strict compliance of instructions contained in this Circular.

Yours faithfully,

Sd/-

(Diwan Chand)

Director Inspection & Investigation

Copy of the circular forwarded for information to:

1. PS to Minister for Corporate Affairs,
2. PS to Secretary (Min. of Corporate Affairs)
3. PS to JS (K)
4. PS to JS (M)
5. All other Officers and Sections in the Ministry
6. MCA News Letter ( Dir. SC )
7. All Official Liquidators
8. The Secretary, CLB – for kind information of the Chairman, Company Law Board New Delhi.
9. Director (SC), Web-Master MCA-21 Cell with the request to place the Notification/General Circular on Ministry’s Website.
10. The Secretary, MRTP Commission, New Delhi
11. The DGIR, New Delhi .
12. Department of Economic Affairs North Block, New Delhi
13. Department of Economic Affairs (Banking Division), “Jeevan Deep” Parliament Street . New Delhi .
14. RBI, Central Office, Mumbai.
15. Department of Industrial Policy & Promotion (IP Section) Udyog Bhavan, New Delhi .
16. SEBI, Plot No.C4-A, G-Block, Bandra Kurla Complex, Bandra(East), Mumbai-400051
17. Director, Commercial Office of CAG of India , 10-B S Zafar Marg, New Delhi .
18. Standing Conference of Public Enterprises, Scope Complex, 7 - Lodhi Road Complex, New Delhi .
19. Director, Indian Investment Centre, Deptt .of Economic Affairs, Jeevan Vihar, Sansad Marg, New Delhi.
20. All Chambers of Commerce & Industry.
21. Editors, Journals of ICAI, ICWAI, ICSI.
22. Editor,Upabhokta Jagaran, Department of Consumer Affairs and Consumer Distribution System, Krishi Bhavan, New Delhi-110001.
23. Editor, Corporate Counter, C-163, Shastri Nagar, Jodhpur-342003.
24. Editor, Bombay Chartered Accountants Society, Church Gate Mansion, A-Road, Church Gate, Mumbai-400020.
25. Institute of Corporate Director of India, 38-Ist Floor, Jaora Compound, Jethwa Chambers, Indore - 452001 (M.P.)
26. Guard File.
27. Spare Copies-10
28. Facilitation Counter-5
29. Library, MCA (5 copies for record)
30. All Members Regional Benches of Company Law Board.
31. Shri K.V.Narayanan, Principal Consultant, TCS Ltd for publication for the above circular on the portal for general information of all the stakeholders

Sd/-

(Diwan Chand)

Director Inspection & Investigation