



CORPORATE ALERT

COMPANY LAW SETTLEMENT SCHEME, 2014

In exercise of powers conferred under Section 403 & Section 460 of the Companies Act 2013, the Ministry of Corporate Affairs has introduced Company Law Settlement Scheme, 2014 ("CLSS 2014") condoning the delay in filing certain forms with the Registrar on company, granting immunity for prosecution and charging a reduced additional fee of **25% of the actual additional fee** payable as per Section 403 of the Act. In addition to this, Inactive companies can also apply for the status of Dormant Company by filing an application at reduced fees.

Following are the forms that can be filed under this scheme:

I) In case of Defaulting Companies

- Form 20B / 21A : Annual Return u/s 159 of the Companies Act, 1956.
- Form 23AC, 23 ACA : Board's Report and Financial Statements u/s 217 & 220 of the Companies Act, 1956 respectively.
- Form 66 : Compliance Certificate u/s 383A of Companies Act, 1956.
- Form 23B : Appointment/Re-appointment of Auditors u/s 224 of Companies Act, 1956.

II) In case of Defaulting Inactive Companies

- MSC-1 : Application for declaring as Dormant Company u/s 455 of the Companies Act, 2013.
- FTE : Strike-off the name of the Company from the ROC records u/s 560 of the Companies Act, 1956

The scheme shall come into force from 15th August 2014 to 15th October 2014. Forms in case of Defaulting Companies which were **due to be filed** till 30th June 2014 shall be permitted to be filed under this scheme. An application in Form CLSS-2014 needs to be made to the ROC for filing the forms

under this scheme. E-form CLSS 2014 will be available from 1st September, 2014 and this form has to be filed with the Registrar of Companies to availing Immunity Certificate.

At the conclusion of this Scheme, the Registrar shall take necessary action under the Companies Act 1956/2013 against such companies who have not availed this Scheme and are in default in filing these forms in a timely manner.

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