

**“What’s
New?”**



April 10, 2020

“Companies Fresh Start Scheme, 2020 and LLP Settlement Scheme, 2020”

The Ministry of Corporate Affairs (“MCA”) has provided a one time opportunity to companies and Limited Liability Partnerships (LLP) registered in India to make a fresh start by introducing the Companies Fresh Start Scheme, 2020 (“CFSS-2020”) for companies and LLP Settlement Scheme, 2020 (“LLPSS-2020”) for LLPs to enable companies and LLPs which have defaulted in filing any forms, documents, etc. with MCA-21 registry (“defaulting companies”), to file belated documents without any additional fees.

Source: MCA General Circular No. 12/2020, Order F.No. 02/01/2020-CL-V dated March 30, 2020 and MCA General Circular No. 13/2020, Order F.No. 17/61/2016-CL-V Part-I dated March 30, 2020

 www.gsapadvisors.com  info@gsapadvisors.com

Details of the schemes CFSS 2020 and LLPSS 2020

- **Time period** – April 1, 2020 to September 30, 2020
- **Applicability** – Companies (including foreign companies) and LLPs which failed to file any MCA related documents, statements, forms, returns in the past on their due dates can take benefit of these schemes

Under these schemes, companies and LLPs are permitted to file belated documents, which were due for filing till August 31, 2020

- **Schemes not applicable** –

For LLP - LLPs under Strike off

For companies – Companies under Strike off, amalgamated companies, dormant companies, vanishing companies, filing of Form SH-7 (increase in authorized share capital), Form CHG-1, CHG-4, CHG-8, CHG-9 (related to Charge), any form for name availability or incorporation related documents

- **Fee** - Normal filing fees
- **Benefits to companies and LLPs** - Full waiver for payment of additional fees, immunity from launch of prosecution, immunity from penalty proceedings
- **Opportunity for inactive companies** – They can change the status to the dormant company by filing Form “MSC-1” or may file Form STK-2 for strike off
- **Filing of e-form CFSS 2020** – Companies need to file e-Form CFSS 2020 after filling all belated documents mentioning SRN of the e-forms within 6 Months after the end of the Scheme. A **Certificate of Immunity** will be issued by ROC
Immunity certificate is not issued in case if appeal is pending before the Court and if management dispute pending before the Court or Tribunal

Contact us

GSAP



H-59AB, Lower Ground Floor
Kalkaji, New Delhi 110019
India



info@gsapadvisors.com



+91 (11) 4056 0819
+91 (11) 4154 4443

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