

The Ministry of Corporate Affairs (“MCA”) has issued **Companies Fresh Start Scheme, 2020 (CFSS-2020)** vide its circular dated **30th March,2020** to facilitate defaulting companies to make a fresh start on a clean slate by not only waiving of the payment of additional fees for Filing of E-forms with ROC but also by granting them the Immunity from launching of prosecution or proceedings for imposing penalties on account of delay associated with certain filings.

Important Characteristics of the “Companies Fresh Start Scheme, 2020(CFSS-2020)”

- The Scheme shall come in to force on **01.04.2020** and shall remain in force till **30.09.2020**.
- Any defaulting company will be permitted to file belated documents which were due for filing on any given date by paying normal fees as prescribed under the law.
- The companies will be granted immunity from the prosecution or proceeding for imposing penalty only to the extent of any delay associated with the filings of belated documents. The Scheme grants immunity against filing of forms returns and documents but not against any punitive action being done by the company for which suitable action can be taken by ROC.
For example: Immunity in delaying in filing return of allotment but not against any illegalities committed in allotment of shares.
- After payment of normal fees, documents, statement or return is taken on record, an application shall be filed electronically (without any fees) for obtaining Immunity Certificate but it shall not be filed beyond **six months** from the date of expiry of this Scheme.

Applicability of the “Companies Fresh Start Scheme, 2020 (CFSS-2020)”

The **Companies Fresh Start Scheme, 2020** shall apply to the following forms:

- Form MGT 7– Annual returns
- Form AOC 4– Financial Statements
- Other forms to be filed with ROC like – Form MGT-14, PAS-3, ADT-1,DIR-3 KYC/ DIR-3 KYC Web Series, INC-22A (Active), INC-20A etc.

Non- Applicability of the “Companies Fresh Start Scheme, 2020 (CFSS-2020)”

The “**Companies Fresh Start Scheme,2020**” shall not apply to the following:

- Companies under the process of Strike off.
- Amalgamated Companies.
- Applications filed for obtaining Status of Dormant Companies.
- Vanishing Companies.
- Increase in Authorized Share Capital (E-Form SH-7).
- Regarding Charge (Form CHG-1, CHG-4, CHG-8, CHG-9)

Relief for Inactive Companies under “Companies Fresh Start Scheme, 2020 (CFSS-2020)”

The defaulting Inactive Companies while Filing due documents under “**CFSS-2020**” can simultaneously either apply to get themselves declared as “**Dormant Company**” OR apply for “**Striking off**” the name of the Company by paying the normal fees on the said form.

Special Measures for Cases where the order of the Adjudicating Authority was passed but appeal could not be filed under “Companies Fresh Start Scheme, 2020 (CFSS-2020)”

Where the last date for filing the appeal against the order of the adjudicating authority falls between 1st March,2020 to 31st May,2020, a period of 120 additional days shall be allowed with effect from such last date to all the companies and their officers for filing appeal before the concerned Regional Directors.

***Important Note:** After the conclusion of the scheme, the Designated Authority shall take necessary action under the Act against the companies who have not availed this scheme and are in default in filing these documents in a timely manner

For further clarification, Kindly refer to the link

https://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf