



The Ministry has received various representations from stakeholders requesting for grant of one-time opportunity, so as to enable them to compete their pending compliances by filing necessary forms without higher/additional fees.

In view of the same, the Ministry of Corporate Affairs (MCA) has come up with a new scheme **COMPANIES FRESH START SCHEME, 2020 (CFSS-2020)** to enable companies make good of any default committed **irrespective of duration** of default and be a fresh compliant entity.

This scheme is for a period of 6 months i.e. 01.04.2020 till 30.09.2020 published vide its General Circular No.12/2020 dated March 30, 2020.

Through this scheme, the defaulting companies has an opportunity to file all the belated forms and documents without any additional fees and start afresh. This is the third time, when Government introduce such kind of scheme/opportunity on the request of various stakeholder, as in the year of 2014 and 2018, the Ministry had already introduced a such kind scheme with different names like Company Law Settlement Scheme, 2014 and CODS Scheme 2018.

#### **What do the schemes entail?**

1. The scheme provides a **one-time waiver of additional filing fees** for delayed filings by the companies with the Registrar of Companies during the time of the Schemes, i.e. during the period starting from 1<sup>st</sup> April, 2020 and ending on 30th September, 2020.
2. They also significantly reduce the related financial burden, especially for those with long standing defaults, thereby giving them an opportunity to make a "Fresh Start".

#### **Applicability of Scheme**

Every company is required to file annual return and Financial statements and other event based forms like PAS-3 (Return of allotment), DIR-12 (Particulars of appointment of Directors and the key managerial personnel and the changes among them), INC-22A (Active Company Tagging Identities and Verification (ACTIVE)), MGT-14 etc. can also be filed under this scheme.

#### **Fees payable for CFSS**

Nominal fees will be levied for filing the form under the Scheme. There will be no additional fees for any late filing or delay filing of any documents.

#### **Dormant company**

This scheme gives an opportunity to all inactive companies to get the company's status as DORMANT by filing form under nominal fees.

#### **Non applicability of scheme**

1. Increase in authorised share capital (SH-7) and charge related documents.
2. To companies against which action for final notice for striking off the name u/s 248 of the act has been initiated.
3. Where the application has been filed by the companies for action of striking off name of the company from ROC.
4. To companies which have amalgamated under the scheme of arrangement or compromise under the act.
5. Where application have already been filed for obtaining dormant status under section 455 of the Act.
6. To vanishing companies.

However, the immunity is only against delayed filings in MCA 21 and not against substantive violation of law.

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*This writeup is based on the understanding and interpretation of the author and it is not intended to be the professional advice.*