

NDA Update on Companies Fresh Start Scheme (CFSS) 2020

In order to provide opportunities to defaulting Companies to file belated Annual Return, Financial & other Statements, Documents and Returns (hereinafter referred as documents) without charging additional fees, MCA has introduced a scheme named as **“Companies Fresh Start Scheme 2020”** vide Circular 12/2020 dt 30.3.2020 which applies both to public and private companies incorporated under the Companies Act. The salient features of the Scheme are:

1. It provides for condoning of the delay in filing the documents and granting immunity from prosecution for delayed filing subject to certain exceptions.
2. It shall come into force on 01.04.2020 and shall remain effective up to 30.09.2020.
3. It permits filing of documents for any number of years.
4. Only nominal fees as prevailing on the date of filing under the scheme shall be payable.
5. Immunity from prosecution shall be provided to the extent it relates to delayed filing of documents. Any other consequential proceeding shall not be covered under immunity. For example, for delayed filing of return of allotment immunity is available but no immunity shall be available against any other violation like utilization of money prior to filing of return of allotment.
6. After filing of documents with normal fees and documents are taken on record, an application shall be filed electronically by the defaulting company (without any fees) for obtaining Immunity Certificate within six month from the date of expiry of scheme.
7. The applicant shall, before filing the application for immunity certificate, withdraw appeal, if any pending before any court and adjudicating authority and furnish proof of such withdrawal along with the application.
8. Immunity shall not be available in the matter of any appeal pending before any court or in case of any management dispute or in case any order has been passed by any court / adjudicating authority against which no appeal has been preferred.
9. CFSS not available to:
 - (a) Company against which final notice for striking off has been given
 - (b) Company which has applied for striking off
 - (c) Company which has applied for declaration as dormant company
 - (d) Vanishing company
 - (e) Cases where filing of document relating to increase in authorized capital is involved (Form –SH7)
 - (f) Cases where filing of document relating to charges (Forms CHG- 1, CHG-4, CHG-8 and CHG-9)

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10. Inactive Companies can avail this scheme for the purpose of (i) getting themselves declared as dormant company under Section 455 and also (ii) getting their name struck off.

This scheme provides golden opportunity to file all belated documents pending for any number of years.

Link- http://www.mca.gov.in/Ministry/pdf/Circular12_30032020.pdf