



The Ministry of Corporate Affairs has introduced the “Companies Fresh Start Scheme, 2020”, Companies can now file pending forms, returns without late fee.

In order to consider the request and representation of various stake holder and to enable companies make good of any filing-related defaults, irrespective of duration of default, and make a fresh start as a fully compliant entity, the Government has come up with a new scheme called as **COMPANIES FRESH START SCHEME, 2020 (CFSS-2020)** for initial period of 6 months i.e. 01.04.2020 till 30.09.2020 vide its **General Circular No.12/2020 on the 30th day of March, 2020**.

This is opportunity to all defaulted companies to file all belated documents as fresh started documents without any additional fees.

The detailed procedure of **COMPANIES FRESH START SCHEME, 2020 (CFSS-2020)** is mentioned below:

Applicability: This Scheme shall be applicable on any “Defaulting Company” and shall be commenced from **01st of April, 2020 till 30th September, 2020** . Out of which, some permitted documents are as follows:

- **Annual based Forms:**
 - (i) Annual Return- MGT-7
 - (ii) Financial Statements (AOC-4)

- **Event based Forms**
 - (i) INC-22A (Active Company Tagging Identities and Verification (ACTIVE))
 - (ii) INC-20A (Declaration commencement of business).
 - (iii) PAS-3 (return of Allotment).
 - (iv) ADT-1 (Appointment of Auditor).
 - (v) MGT-14 (Filing of Resolutions and agreements to the Registrar)
 - (vi) DIR-12 (Particulars of appointment of Directors and the key managerial personnel and the changes among them)

The scheme is not applicable on the below forms:

- (i) Increase in Authorised Share Capital (SH-7).
- (ii) Charge related documents (CHG-1, CHG-4, CHG-8 and CHG-9).

Non Applicability of CFSS Scheme: The scheme shall not be applicable in case of following companies:

- (i) Vanishing Companies.
- (ii) Companies against which action for final notice for striking off the name u/s 248 of the act have already been initiated by the Designated Authority.
- (iii) Companies which have already filed STK-2 for strike off of Company with ROC
- (iv) Companies which have amalgamated.
- (v) Companies which has already filed application for obtaining Dormant Status.
- (vi) Company having any appeal which is pending before the Court of law.
- (vii) Company having management disputes and pending before any Court of law or Tribunal.
- (viii) Companies which are convicted by any Court in any matter and no appeal has been preferred against such orders of the Court before this Scheme has come into force
- (ix) Companies upon which an order passed for imposing penalty by an adjudicating authority under the Act,

and no appeal has been preferred against such orders of the Adjudicating Authority before this Scheme has come into force.

Procedure :

- (i) The defaulting company shall file their overdue documents/returns/other statements as well as statutory Annual Filing documents without any additional fee within due immunity period.
- (ii) The Defaulting Companies shall file the **Form CFSB-2020** after making all default good. There is **no filing fees** of Form CFSB-2020.
- (iii) The Form CFSB-2020 is entirely self-declaration-based form. After submission of Form CFSB-2020 and on the basis of self-declaration made by Director, the ROC will issue Immunity Certificate.

With this scheme there is a chance for inactive companies can either get themselves declare as Dormant company by filing the form MSC-1 or file application for the striking off the name of the company in e-form STK-2.

Note: *Immunity from Prosecution and Proceeding shall be provided only to the extent such prosecution or the proceedings for imposing penalty under the Companies Act pertain to any delay associated with the filings of belated documents. Any other consequential proceedings, including any*

proceedings involving interests of any shareholder or any other person qua the company or its directors or key managerial personnel would not be covered by such Immunity.

[Detailed circular of MCA can be found at the following link.](#)

Sources: MCA circular dated 30.03.2020

The Ministry of Corporate Affairs made modifications in earlier introduced LLP Settlement Scheme, 2020

In pursuance of the Government of India’s efforts to provide relief to law abiding companies and in the wake of COVID 19, the Ministry of Corporate Affairs, has introduced the ‘Revised LLP Settlement Scheme, 2020’ which is already in vogue a first of its kind opportunity to LLPs to make good any filing related defaults, irrespective of duration of default, and make a fresh start as a fully compliant entity.

The comparative analysis of the modification made in LLP Settlement Scheme, 2020 by MCA with **General Circular No. 13/2020 dated 30/03/2020** is as follows:

Particulars	Revised LLP Settlement Scheme, 2020	Original LLP Settlement Scheme, 2020
Period for which the scheme open.	01/04/2020 to 30/09/2020	16/03/2020 to 13/06/2020

Applicability	A defaulting LLP for filing belated documents due till 31st August 2020	A defaulting LLP for filing belated documents due till 31 st October, 2019
Benefits	Pay only Normal fees, no additional fee payable	Pay only Normal fees, and additional fee payable Rs. 10 per day of default subject to maximum of Rs. 5000 per document.
Forms for which this scheme is applicable	all documents and forms which required to be filed with MCA 21 registry under LLP Act and Rules made there under	No other documents and forms except followings: 1. Form-3 2. Form-4 3. Form-8 4. Form-11

[Detailed circular of MCA can be found at the following link.](#)

Sources: MCA circular dated 30.03.2020

Directors can active their “Deactivated DIN” without any late fee till 30.9.2020.

Amongst the many compliance relief given to companies in the view of the COVID-19 outbreak, the MCA (Ministry of Corporate Affairs) released a notice stating that directors

who's DIN numbers has been marked as inactive due to non filing of DIR-3KYC/DIR-3KYC-Web and companies who has been marked as "Active non Compliant" due to non filing of Active form INC-22A can now file the same between 1st April, 2020 to 30th September, 2020 without any late filing fee of INR 5000/INR 10000 respectively.

Sources: MCA homepage notice dated 31.03.2020

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