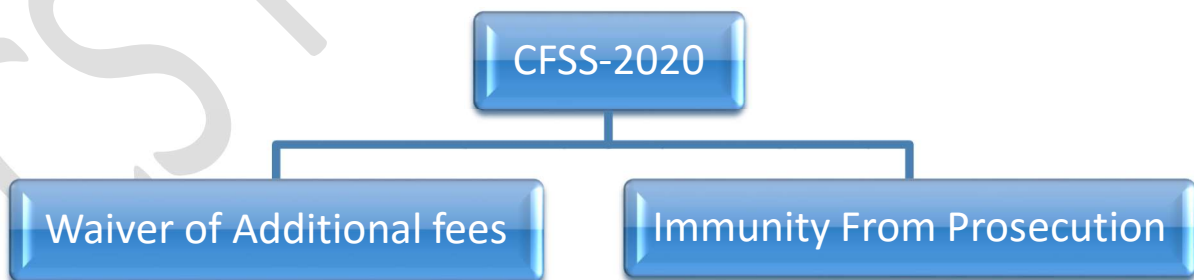


GENERAL
CIRCULAR NO.
12/2020 DATED
30.03.2020

Companies Fresh Start Scheme, 2020

(CFSS-2020)

- The Central Government in exercise of power's conferred under Section 460 read with Section 403 of the Companies Act, 2013 has decided to introduce a scheme namely Companies Fresh Start scheme, 2020 (CFSS-2020).
- CFSS-2020 is an excellent opportunity provided to all the defaulting companies to start afresh. It can be said that it's a golden opportunity to the companies who have pending ROC filings without any additional fees.
- The defaulting companies can not only file their belated returns but can also avail the immunity from launching prosecution or proceedings for imposing penalty on account of delay associated with certain filings.



Let's understand the scheme in nutshell

1	OVERVIEW OF THE SCHEME	Scheme Duration	From 01.04.2020 to 30.09.2020
		Applicability	Any defaulting Company <u>'Defaulting Company'</u> - means a company defined under the Companies Act, 2013, and which has made default in filing of any of the documents, statements, returns, etc. including annual statutory documents on the MCA- 21 registry
		Non Applicability	1. Strike Off notice already issued by designated authority 2. Company has already filed application for strike off 3. Amalgamated company 4. Dormant company u/s 455 5. Vanishing Companies
2	E-FORMS THAT CAN BE FILED UNDER THE SCHEME	E-forms which can be filed	All e-forms except form SH-7, CHG-1, CHG-4, CHG-8 & CHG-9 (List of forms that can be filed is available on MCA website)
		Normal Filing fees	Only Normal Fees is to be paid during the scheme duration
		Immunity	Immunity from the launch of prosecution & Proceedings for imposing penalty
			- Immunity only for delay associated with the filings of belated documents. - Any consequential proceedings, including any proceedings involving interest of any

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3	IMMUNITY	Conditions for taking immunity	shareholder or any other person including the Director or KMP would not be covered. • To withdraw any appeal if any filed before the competent authority before filing application for issue of immunity certificate. • No immunity shall be provided If the court has ordered conviction in any matter or an order imposing penalty has been passed by an adjudicating authority and no appeal is preferred against such orders before the scheme came into force. • No immunity shall be provided if any appeal is pending before the court of law and in case of management disputes of the company pending before any court of law or tribunal
		How to get Immunity	By filing Form CFSS-2020 after the closure of scheme
		Timeline for filing Form CFSS	Before the expiry of 6 months from the closure of scheme
		Fees for filing form CFSS	No filing fees
		Effect of Immunity	• The Designated authority shall withdraw the prosecution pending, if any before the concerned courts and the proceedings of adjudication of penalties u/s 454 of the Act.

4	SPECIAL MEASURES	Where order of adjudicating authority was passed but the appeal could not be filed	• Where last date to file appeal u/s 454(6) falls between 01.03.2020 to 31.05.2020, as period of 120 days additional to file appeal. • During the additional period the prosecution u/s 454(8) shall not be initiated against such companies or their officers.
5	Scheme for Inactive Companies	Defaulting inactive companies while filing documents under CFSS-2020 can simultaneously	• Apply u/s 455 to get themselves declared as Dormant company by filing Form MSC-1 • Apply u/s 248 for striking off the name of company by filing form STK-2

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