

Companies Fresh Start Scheme, 2020 (“Scheme” or “CFSS Scheme”)

ONE TIME OPPORTUNITY

In furtherance of the Ministry of Corporate Affairs (“MCA”) circular no. 11/2020 dated 24th March, 2020 and to facilitate the Companies to make a **fresh start**, MCA has come up with the Scheme.

Details of the Scheme

Headings	Particulars								
Salient Features	<ul style="list-style-type: none">➤ To provide Defaulting Companies a <i>one-time opportunity</i> to file all the <i>pending documents</i> including the annual filing of the company at ZERO ADDITIONAL FEES i.e. ROC Compliances can be ensured at just NORMAL ROC FEES;➤ An opportunity to the Inactive Company to <i>convert into a dormant company</i> with nominal fees & help the inactive companies to remain on ROCs register with minimum compliance requirement;➤ The Scheme provides Immunity to Companies in relation to prosecution or proceeding for imposing an additional penalty for not filing of belated documents <p><u>Illustration 1</u></p> <p>ABC Private Limited Company with Authorised Share Capital of Rs. 10,00,000/- has failed to complete its ROC annual filing and other forms for Financial Year 2018-2019.</p> <p>The Company will incur per day cost or additional ROC fees of Rs. 200/- for delayed filing of Annual Return and Balance Sheet from the due date which is typically 30th October and 30th November every year.</p> <p>How would this Scheme benefit?</p> <p style="text-align: center;"><u>Details of ROC Fees Before and After this Scheme</u></p> <table border="1"><thead><tr><th>Sr. No.</th><th>Particulars of Form</th><th>ROC Fees as on 3rd April, 2020 if CFSS Scheme wasn't Rolled Out by MCA (in Rs.)</th><th>ROC Fees under CFSS Scheme (in Rs.)</th></tr></thead><tbody><tr><td>1.</td><td>Annual Return for FY 2018-2019</td><td>13,000/- <i>(Rs. 400/- Normal ROC Fees + Rs. 12,600/- Additional ROC Fees)</i></td><td>400/- <i>(Saving of Rs. 12,600/-)</i></td></tr></tbody></table>	Sr. No.	Particulars of Form	ROC Fees as on 3 rd April, 2020 if CFSS Scheme wasn't Rolled Out by MCA (in Rs.)	ROC Fees under CFSS Scheme (in Rs.)	1.	Annual Return for FY 2018-2019	13,000/- <i>(Rs. 400/- Normal ROC Fees + Rs. 12,600/- Additional ROC Fees)</i>	400/- <i>(Saving of Rs. 12,600/-)</i>
Sr. No.	Particulars of Form	ROC Fees as on 3 rd April, 2020 if CFSS Scheme wasn't Rolled Out by MCA (in Rs.)	ROC Fees under CFSS Scheme (in Rs.)						
1.	Annual Return for FY 2018-2019	13,000/- <i>(Rs. 400/- Normal ROC Fees + Rs. 12,600/- Additional ROC Fees)</i>	400/- <i>(Saving of Rs. 12,600/-)</i>						

2.	Financial Statements or Balance Sheet for FY 2018-2019	16,100/- (Rs. 400/- Normal ROC Fees + Rs. 15,700/- Additional ROC Fees) <i>This will increase per day with Rs. 100/-</i>	400/- <i>(Saving of Rs. 15,700/-)</i>
3.	Auditor Appointment	4400/- (Rs. 400/- Normal ROC Fees + Rs. 4,000/- Additional ROC Fees)	400/- <i>(Saving of Rs. 4,000/-)</i>
4.	Return of Deposit- One time	4400/- (Rs. 400/- Normal ROC Fees + Rs. 4,000/- Additional ROC Fees)	400/- <i>(Saving of Rs. 4,000/-)</i>
5.	Return of Deposit- Annual	4400/- (Rs. 400/- Normal ROC Fees + Rs. 4,000/- Additional ROC Fees)	400/- <i>(Saving of Rs. 4,000/-)</i>
6.	Active Company Tagging	10,000/- (ROC Fees of Rs. 10,000/- for filing form after 25 th April, 2019)	NIL <i>(Saving of Rs. 10,000/-)</i>
TOTAL		52,300/-	2,000/-

Cumulative Saving of Rs. 50,300/-

It is clearly evident from above illustration that why it is termed as an “**Opportunity**” which is **One-Time**. You can simply save huge cost and get benefitted if you opt this Scheme.

Similarly, the Financial Savings could go higher in case ROC Filing in respect of previous Financial Years like FY 2017-18, FY 2016-17, FY 2015-16, etc. is pending. The savings could range somewhere between **Rs. 1 Lac to Rs. 5 Laacs** in such cases coz MCA/ROC started levying **per day** Additional ROC Fees of **Rs. 200/- w.e.f. 01st July 2018** for

	Annual Return and Balance Sheet.
If already made an Appeal	<p>If the Defaulting Company in respect of any statutory filing under the Act appeals or any officer in default, has made an appeal against any notice issued or complaint filed or order issued by court or competing authority, the applicant before filing an application for issue of Immunity Certificate (This is to be done after Filing all overdue Forms, Returns & Documents and also after the closure of Scheme):-</p> <ol style="list-style-type: none"> i. Withdraw the appeal; and ii. Furnish the proof of such withdrawal along with application
In case order of adjudicating authority passed but Appeal could not be filed	<p>In case where penalties were imposed by an adjudicating authority and no appeal was made before the appellate authority or Regional Director as on commencement of this Scheme then :-</p> <ol style="list-style-type: none"> i. If the last date of filing appeal falls between 1st March 2020 to 31st May 2020: period of additional <i>120 days is allowed to file an appeal</i> before the concerned Regional Director; ii. <i>During additional period of 120 days no prosecution</i> shall be initiated against the Company or its officers for non-compliance of adjudicating authority order.
How to avail Immunity after Closure of the Scheme	<ol style="list-style-type: none"> i. File electronically <i>E-form "CFSS-2020"</i> with ROCs through MCA portal to avail immunity; ii. This can be filed/availed only after the Approval by ROC of all the documents filed before the closure of the scheme.
Exception to avail Immunity	<p>Immunity not applicable to the following:</p> <ul style="list-style-type: none"> ➤ Matter of any appeal pending before the court of law; ➤ In case of management disputes of the company pending before court or tribunal; ➤ In any case of conviction ordered passed by a court ➤ Any order imposing penalty has been passed by an adjudicating authority and no appeal preferred by the company or officers before the scheme came in enforce [<i>Better way in such situation is to file an Appeal First and then proceed further to avail the immunization benefits under the Scheme</i>].
Non Applicability of Scheme	<ul style="list-style-type: none"> ➤ Action for Final notice for striking off the name of the company already initiated by the ROCs; ➤ The company made an application for striking off the name of the company from the register of companies; ➤ The Companies amalgamated under a scheme of compromise or arrangement under the Act;

	<ul style="list-style-type: none">➤ The company applied for dormant status before introduction of this scheme;➤ Vanishing Companies;➤ Where any increase in authorised share capital is filed for;➤ Documents relating to <i>Charges are involved</i>;
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Note:

1. **Act** shall mean the Companies Act, 1956 or the Companies Act, 2013;
2. **Defaulting Company** means a company which has made default in filing of any of the documents, statements, returns, etc. including annual statutory documents on the MCA21 registry;
3. **ROC** means the Registrar of Companies;
4. **MCA** means the Ministry of Corporate Affairs.