**Govt introduces ‘Companies Fresh Start’ scheme**

The Ministry of Corporate Affairs (MCA) has come up with the **‘Companies Fresh Start Scheme 2020’** for the benefit of all Companies who have defaulted in filing of Statutory forms on MCA and make a fresh start as a fully compliant entity.

MCA in furtherance to its Circular no. 11/2020 dated 24th March, 2020, vide its Circular no. 12/2020 dated 30th March, 2020 and its Press release dated 30th March, 2020, in the wake of COVID 19, has introduced the “Companies Fresh Start Scheme, 2020” to provide an opportunity to make good any filing related defaults, irrespective of duration of default, and make a **fresh start** as a fully compliant entity.

***The Fresh Start scheme may reduce compliance burden during the unprecedented public health situation caused by Covid-19.***

The Scheme, apart from giving longer timelines for corporates to comply with various filing requirements under the Companies Act 2013 significantly reduce the related financial burden on them, especially for those with long standing defaults, thereby giving them an opportunity to make a **“fresh start”**.

The Company Law Fresh Start Scheme, 2020 is a Scheme condoning the **delay in filing the form mentioned** below with the Registrar, in so far it is relate to

a) charging of **Additional Fees**and

b) granting of immunity from launching of **Prosecution**or

c) proceedings for imposing **Penalty**on account of delay associated with filings.

*As per Company Law Fresh Start Scheme, 2020 (CFSS, 2020) Companies have to pay* ***ONLY NORMAL FEES*** *of the forms* ***WITHOUT ANY ADDITIONAL FEES****.*

**Company Law Fresh Start Scheme, 2020 shall NOT apply on Following:**

a) To company against which action for final notice for striking off the name u/s 248 of the act has already been initiated by the Designated Authority;

b) Where any application is already filed by the Company for strike off of Company with ROC.

c) Companies which have amalgamated under a scheme

d) Whether application has already been filed for obtaining Dormant Status.

e) To Vanishing Companies.

f) Following Forms:

– SH-7 for increase in authorized capital

*– Charge related form (CHG-1, CHG-4, CHG-8 or CHG-9)*

A defaulting inactive Company while filing pending form under scheme simultaneously **can apply** for followings:

– Apply for Dormant u/s 455

– Apply for Strike off U/s 248

The Application for seeking immunity may be made in **Form CFSS-2020**, after closure of the scheme and after documents are taken on file or on record by the Designated Authority as the case may be but not after expiry of six months from the date of closure of scheme.

**This Scheme will come into operation from 01st April, 2020 and will end on 30th September, 2020.**

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

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