

Companies Fresh Start Scheme (CFSS)

February 9, 2021

In News: The Ministry of Corporate Affairs (MCA) launched the “Companies Fresh Start Scheme, 2020

About CFSS, 2020

- The Companies Fresh Start Scheme (CFSS) is applicable between the 1st of April, 2020 and the 30th of September, 2020.
- To facilitate Indian companies to make a fresh start, MCA has taken certain alleviative measures for the benefit of all companies by exercising its power under section 460 & 403 of the Companies Act, 2013 and introduces the scheme CFSS-2020
- It should be noted that Companies Act 2013 mandates all companies to make statutory compliance by filing Annual Return and Financial Statements along with various other documents on MCA21 electronic registry within the prescribed time limit.
- Under this scheme, stakeholders are granted with a one-time opportunity to complete their pending compliances including annual filings without any additional fees on account of any delay.
- It also grants immunity for any prosecution or proceeding against the company for imposing any penalty on account of delay in filing documents.
- The Scheme also provides an opportunity to the inactive company to convert into a dormant company under section 455 of companies act, 2013 by filing form MSC-1 with nominal fees.
- As per records, 4,73,131 number of Indian Companies and 1,065 number of Foreign Companies have been benefited by

availing the CFSS, 2020 scheme for filing their pending documents.

Non-Applicability of the CFSS 2020

- Where the action for final notice of striking off the name as per the Companies Act, 2013 has already been initiated by the Designated Authority.
- Vanishing companies.
- Where the company has already filed the Form STK – 2 along with the prescribed fees for the striking off of the name of the company from the Register of Companies.
- Where the application for Dormant Status has been filed by way of Form MSC – 1 along with the prescribed fees.
- Companies that are marked for the Corporate Insolvency Resolution Process or Liquidation.
- Where the companies have been amalgamated under the scheme of arrangement or compromise.
- Where the following are involved:-
 - Increase in the Authorised Capital (Form SH – 7)
 - Charge related documents(CHG –1,CHG –4,CHG –8, CHG–9)