

February 2026

## **Scheme for companies to rectify compliance defaults**

The Ministry of Corporate Affairs (“MCA”), *vide* general circular<sup>1</sup> dated February 24, 2026, and in exercise of the powers under Section 460 read with Section 403 of the Companies Act, 2013 (“CA 2013”), has introduced the Companies Compliance Facilitation Scheme, 2026 (“CCFS-2026” or “Scheme”), providing a one-time window for companies to regularise pending statutory filings at significantly reduced additional fees, along with limited immunity from penalty proceedings.

The Scheme will be in force from April 15, 2026, to July 15, 2026.

### **Background**

In recent years, the MCA has undertaken multiple initiatives aimed at enhancing ease of doing business, improving corporate compliance and governance standards, and cleansing the registry of non-compliant entities. Despite these measures, a considerable number of companies continue to have pending filings of annual returns and financial statements.

CCFS-2026 has been introduced as a one-time, time-bound compliance window which aims to:

1. facilitate clearance of long-pending statutory filings;
2. reduce the financial burden arising from levy of substantial additional filing fees;
3. encourage inactive companies to either regularise their operations, transition to dormant status or opt for expedited closure through the strike-off mechanism; and
4. strengthen the accuracy and reliability of the corporate registry.

### **Key features of the Scheme**

#### **Reduced additional fees for delayed filings**

1. Companies may file pending financial statements together with the boards report (AOC-4, AOC-4 CFS, AOC-4 NBFC (Ind AS), AOC-4 CFS NBFC (Ind AS), AOC-4 (XBRL)), annual returns (MGT-7/MGT-7A) and such other relevant e-forms<sup>2</sup> during the Scheme period.

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<sup>1</sup> General Circular No. 01/2026

<sup>2</sup> [CCFS-2026](#)

2. Only 10% of the additional fees otherwise payable for delayed filing will be required to be paid.
3. Normal statutory filing fees will continue to apply.

This offers substantial relief, given that additional fees ordinarily accrue on a per-day basis without any upper cap.

### **Dormant company applications**

Companies intending to obtain dormant status may file an application in eForm MSC-1 by paying 50% of the applicable filing fee during the scheme window.

This provides a cost-efficient route for inactive but compliant entities to preserve corporate existence without ongoing operational compliance burdens.

### **Voluntary strike-off**

Companies proposing to apply for voluntary strike-off may file eForm STK-2 upon payment of 25% of the prescribed filing fee.

This is particularly relevant for defunct or non-operational entities intending to pursue a voluntary closure.

### **Immunity from penalty proceedings**

1. Upon completion of eligible pending filings during the Scheme period, companies will be granted immunity from penalty proceedings prescribed under Section 92 and Section 137 of the CA 2013 arising from such delayed filings.
2. Immunity is generally unavailable where adjudication proceedings have already been concluded and adjudication order imposing the penalty for the defaults under Section 92 and Section 137 of the CA 2013 has already been passed or where prosecution was initiated prior to availing the Scheme.

## **Eligibility and exclusions**

### **Eligible companies**

1. Companies with pending filings of financial statements and/or annual returns.
2. Companies intending to regularise default before pursuing dormant or strike-off status.

### **Excluded companies**

1. Companies already struck off or dissolved.
2. Companies classified as vanishing companies.
3. Companies where final action for strike-off has been completed.

## **Conclusion**

The Scheme marks a significant regulatory intervention by the MCA to address persistent non-compliances in corporate filings under the CA 2013. By substantially reducing additional filing fees and offering conditional immunity from penalty proceedings, the Scheme strikes a pragmatic balance between enforcement and facilitation.

From a regulatory standpoint, the Scheme reinforces the MCA's broader objective of improving the accuracy and credibility of the corporate registry. An updated and compliant registry enhances transparency, strengthens stakeholder confidence, and supports informed decision-making by investors, lenders, and regulators.

For companies, CCFS-2026 provides an opportunity to regularise long-pending filings at a significantly reduced financial cost. Importantly, the Scheme enables boards and management to reassess the operational viability of dormant or inactive entities and take informed decisions- whether to revive, restructure, transition to dormant status, or pursue voluntary strike-off.

For corporate groups and investors, the Scheme offers an avenue to clean up legacy compliance gaps, particularly in portfolio companies that may be undergoing restructuring, consolidation, or due diligence. Rectification of historical defaults can materially reduce transaction risk and improve governance optics.

However, the benefits under CCFS-2026 are strictly time-bound. Companies that do not act within the prescribed window will revert to the regular fee regime, where additional fees continue to accrue without cap, and such companies will be exposed to stricter adjudication proceedings by the Registrar of Companies, MCA.

In essence, the Scheme reflects MCA's continued focus on strengthening registry accuracy while offering transitional relief to defaulting companies.

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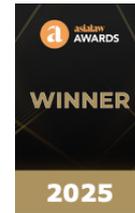
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