

## **COMPANIES FRESH START SCHEME, 2020**

### **INTRODUCTION**

In view of the Covid-19 pandemic and to provide a first of its kind opportunity to the Companies, the Indian Ministry of Corporate Affairs (MCA) has introduced a new scheme named **Companies Fresh Start Scheme, 2020** (CFSS-2020) on 30th March, 2020, with respect to delayed filing of forms and to make good any filing related defaults, irrespective of its duration and to make a "**fresh start**" as a fully compliant entity.

### **HIGHLIGHTS OF COMPANIES FRESH START SCHEME, 2020**

1. The Scheme will come into effect from April 1, 2020 and will remain in force till September 30, 2020.
2. The Fresh Start Scheme shall provide **immunity** to the Companies against the additional filing fees, prosecution or proceedings for any delay associated with the filings of belated documents and reducing compliance burden during the unprecedented public health situation caused by COVID-19.
3. The Companies can file all the pending returns, statements or documents with the registrar of companies **without any additional fees**, irrespective of the due date i.e. every defaulting company shall be required to pay prescribed normal fees on the date of filing of each belated Forms and no additional fee shall be payable.
4. This immunity will not be granted for subsequent violation of law. This means that the benefit under this scheme can be availed for defaults made by the Company till 31st March, 2020 and shall not provide immunity for the defaults made after the commencement of this scheme i.e. on or after April 1, 2020.

### **HOW TO AVAIL BENEFIT UNDER THIS SCHEME**

The Application for seeking immunity under the scheme may be made electronically by filing e-Form CFSS-2020. Accordingly, the Scheme requires the defaulting companies to clear all their pending filings until 30th September, 2020.

Thereafter, the companies shall file e-Form CFSS-2020 within 6 months from the closure of the Scheme (i.e. by 31st March, 2021), based on which an "**Immunity Certificate**" in respect of the documents filed, shall be issued by the designated authority.

The immunity under the scheme shall not be applicable under certain specified cases.

## **NON-APPLICABILITY OF THE SCHEME**

The Scheme is not applicable for the following:

1. For increase in authorised share capital and all charge related forms.
2. Companies who have filed applications for striking off their name from the register maintained by the Registrar of Companies.
3. Companies against which action for striking off has been initiated.
4. Companies which have filed applications for obtaining dormant status. This will enable any inactive company to continue to remain in the MCA Registry with minimal compliance requirements.
5. Companies which have amalgamated under a scheme of arrangement or compromise under the Act.
6. Vanishing Companies

**IMPORTANT NOTE:** *At the conclusion of the Scheme, the designated authorities shall take the necessary actions pursuant to the respective provisions of the Act in respect of all those companies which continue to be in default of filing the documents and have not availed CFSS-2020.*

## **HOW CAN OCTAGONA ASSIST?**

Octagona can assist in complying with any default or pending filings of the Company in accordance with the above mentioned scheme. For any doubts, please feel free to contact the following:

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