Introduction of Easy Exit Scheme, 2011

-Roopande Mehta

Company Secretary
What is Easy Exit Scheme?

- Easy Exit Scheme is introduced by Ministry of Corporate Affairs to give opportunity to non operating companies to get their name struck off from Register of Companies.
- Easy Exit Scheme was earlier introduced by MCA in 2010 under Section 560 of the Companies Act, 1956 during the period May-August 2010.
Easy Exit Scheme, 2011

• Introduced under **General Circular No.6/2010** of Ministry of Corporate Affairs.

• Effective from **1st January, 2011** and shall remain in force up to **31st January, 2011**.
Applicability

• Defunct Companies
  − Defunct Companies means a company registered under the Companies Act, 1956 which is **not carrying any business activity or operation** on or after 1st April 2008 and
  − having an active status on MCA portal.
  − Companies which have not raised Paid up Capital to minimum Rs. 1 Lac in case of Private Limited and Rs. 5 Lacs in Public Company.

• Government companies which are Defunct Companies
Companies to which Scheme is Non-Applicable

- Listed Companies
- Companies that have been De-listed
- Section 25 Companies
- Vanishing company
Companies to which Scheme is Non-Applicable

• Vanishing Company
  – Vanishing Company is the company registered under the Companies Act, 1956 and Listed with Stock Exchange
  – which, has failed to file its return with ROC and Stock Exchange for consecutive period of 2 year.
  – Not maintaining its registered office at the address notified with the ROC or Stock Exchange.
  – None of its directors are traceable
Companies to which Scheme is Non-Applicable

- Management Dispute
- Filing of Documents have been stayed by court or Company law board or Central Government or any other Competent Authority
- Dues are pending of Income Tax / Sales tax /Central excise/banks/financial institutions/other authorities
- Do not have active status on MCA portal.
Pre-requisites to go for EES, 2011

• CIN
• Date of Incorporation
• Status of the company i.e listed/delisted / Regd with SEBI/NBFC/Venture Capital Company and should be active on MCA portal.
• Email ID of the company
• Copy of approval of DIN or DIN else PAN copy or Passport copy of every Director.

[Information about Director/ MD/ Manager/ Secretary]
Pre-requisites to go for EES, 2011 (contd.)

- Proof of present residential Address and permanent residence address of every Director
- Affidavit – **Individually** by every Director on RS. 100/- stamp Paper duly notarized.
- Indemnity Bond – Either **Individually or collectively** by the Board (on stamp paper of Rs. 200/-) duly notarized
- Copy of Memorandum of Association for Main object of the Company
- A Statement of Account giving details of Assets and Liabilities prepared upto 1 month before the date of filing the EES Form 2011
Pre-requisites to go for EES, 2011 (contd.)

- Certified true copy of the Board resolution giving authority to file EES Form Name of the Company.
- Digital Signature of Director to be used (if any)
- Details of Bank Account (if any)
- Address of Registered Office
- Brief Description of main business last carried out by the Company
- Any litigations pending against or involving company (Brief details)
- Check if any secured loans are shown in the Balance Sheet, also check if any charges are shown on the site.
Company Master Data and Charge Documents

The Company Master Data and Charge data has been migrated from the legacy system. There are possibilities that the Company Master Data and Charge Data are incorrect. The facility of correction of Master Data has been made available without any charge. However, this facility, without any charges, would be available only for a limited period of time (up to 31 March 2009). Accordingly, all the companies are requested to view their Company Master Data and take appropriate steps. A Similar facility has also been made available in respect of the ‘Register of Charges’ for the companies by clicking on to the 'View Index of Charges'.

Step by step Process

i. To access Master Company Data click "View Company Master Data" link on the left hand side of this page.
ii. Enter the Company Name or CIN of the Company.
iii. Click the Submit button in case CIN is entered.
iv. Press the "Search" button in case CIN is not available after entering the first few characters in Company Name field.
v. List of companies would appear. Select your company by clicking the 'Select' button.
vi. CIN of the Company with Company Name shall be displayed on the screen.
vi. Click the Submit button once CIN is displayed.
vii. System shall display the Company master data.
viii. Verify the Master data of the company. If any correction is required in the master details, click the 'Print' button.
ix. Master data shall be displayed in a tabular form. Take the print out of the same.
x. Enter the correct data against the appropriate field in the verification Column.
xii. Enclose a copy of the evidence supporting such correction and send the same by post to the concerned Registrar of Companies (Registrar Address is also displayed on the printed page) in an envelope with a stamped 'Master Company Data Correction'.
xiii. Upon receipt of your request, the RDC would arrange to get the requisite corrections made after verification of the supporting evidence.
Verification of Pending Charges (contd.)

Ministry of Corporate Affairs
Government of India

Empowering Business, Protecting Investors
Regulator • Integrator • Facilitator • Educator

View Index Of Charges

Company Name:

*Company CIN/FCRN:
  *Mandatory Field.

Submit  Reset
### Verification of Pending Charges (contd.)

**Company Name:** GAYAM COMPUTER SERVICES LTD

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<th>S.No.</th>
<th>Charge ID</th>
<th>Date of Charge</th>
<th>Creation/Modification Date</th>
<th>Charge amount</th>
<th>Charge Holder</th>
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</table>
Affidavit/ Indemnity Bond

- Copy of Pan / Passport as stated above plus present and permanent residential address proof if passport is not available or update.

- How many years the Company is not operating with reasons

- Directors need to confirm that no dues are pending with Income Tax/ Sales Tax/ Central Excise/Bank /Financial Institution/ Govt or Local authority
Procedure for Filing Application Form

• Application Form EES, 2011 should be filed electronically on the MCA portal namely www.mca.gov.in
### Approval Services (Regional Director)

<table>
<thead>
<tr>
<th>Description</th>
<th>e-Form with Instruction kit</th>
<th>e-Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application for confirmation by Regional Director for change of registered office of the company within the state from the jurisdiction of one Registrar to the jurisdiction of another Registrar</td>
<td>Form 1AD</td>
<td>Form 1AD</td>
</tr>
<tr>
<td>Form for filing application to Regional Director</td>
<td>Form 24A</td>
<td>Form 24A</td>
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<tr>
<td>Form for filing application for opening branch(s) by a nidhi company</td>
<td>Form 64</td>
<td>Form 64</td>
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</table>

### Approval Services (Registrar of Companies)

<table>
<thead>
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<th>e-Form with Instruction kit</th>
<th>e-Form</th>
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<tbody>
<tr>
<td>Application for approval of the Central Government for change of name or conversion of a public company into a private company</td>
<td>Form 1B</td>
<td>Form 1B</td>
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<tr>
<td>Form for filing an application with Registrar of Companies</td>
<td>Form 61</td>
<td>Form 61</td>
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<tr>
<td>Application for striking off the name of company under the Easy Exit Scheme (EES), 2010</td>
<td><strong>Form EES, 2010</strong></td>
<td>Form EES, 2010</td>
</tr>
<tr>
<td>Application for grant of immunity certificate under CLSS 2010</td>
<td>FORM</td>
<td>FORM</td>
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</tbody>
</table>
Documents to be annexed with Form EES, 2011

- **Annexure A** – Affidavit duly sworn in by each director(s) individually before a first class Judicial Magistrate or Executive Magistrate or Oath Commissioner or Notary
- **Annexure B** – Indemnity Bond duly notarized and signed by all directors.
- **Annexure C** – Statement of Account as on date not prior to more than one month preceding the date of filling of application.
Documents to be annexed with Form EES, 2011

- Copy of Board Resolution authorizing the directors to file the application.
- Attested copy of PAN/Passport (in case DIN is not available)
- NOC from Government (if Applicable)
Steps taken by ROC after Form is filed

• ROC shall verify and examine the EES Form, 2011

• ROC shall put the Name of Applicants and date of making application under EES, 2011 on daily basis on the MCA portal, giving 30 days time for raising objection, if any by the stakeholders to the ROC

• Unless any contrary causes are found the ROC shall intimate the company through an E-mail that the Company is under the procedure for Strike off
Steps taken by ROC after Form is filed

• In case of NBFC, Collective Investment Management Companies which are regulated by RBI, SEBI. The ROC at the end of every week shall send intimation of such companies availing EES, 2011.

• The ROC shall also intimate The Income Tax Department giving 30 days time for objection.

• After the expiry of 30 days, on being satisfied that the case is in order the ROC shall strike off the name of Company from its records.
The Final Exit

The Notice of Strike off shall be published in Official Gazette and the company shall stand dissolved from the date of publication of Notice.
Thank You

Roopande Mehta - 9819845545