

Covid19 Alert : Keep Social distance and utilize your time by joining CA CS CMA online classes at 30% disc Coupon: SAFE30 Call : 1800-3000-0505

Home / Forum / Corporate Law

Enroll. Refer. Earn With ICICI Bank Home Loans ENROLL NOW T&C apply

Fast track exit scheme

Follow 9 Replies Start a discussion Unanswered

Shridhi Jain (Company Secretary) 25 May 2012

Dear members,

Pls tell me about the fast track exit scheme of company closure.

Pls tell me in detail about the procedure, papers to be submitted, stamp papers etc.

Thanks in adv.

CS MOHIT SALUJA (PRACTICING CS Jalandhar 9914558709) 25 May 2012

THE FAST TRACK EXIT SCHEME IS AVAILABLE IN FOLLOWING CASES:

Search Forum Search

Popular Discussion

- 1 Live Updates and discussion on Union Budget 2020
- 2 Share your CA Nov 19 result
- 3 Regarding MFI
- 4 Right Issue
- 5 164(2) disqualification of directors
- 6 Will CS executive exams of June 2020 will get postponed??
- 7 Membership without shareholding

[view more »](#)

1. EITHER THE COMPANY HAS NOT CARRIED ON ITS OPERATIONS SINCE THE INCORPORATION OF THE COMPANY

2. ONE YEAR HAS BEEN PASSED SINCE THE COMPANY HAS NOT CARRIED ON ITS BUSINESS

Following Condition must be fulfilled:

1. The company must have NIL assets and Liabilities.
2. No case must be pending over the company
3. No dues towards any tax/ duties must be pending
4. No unsecured loans and nil Fixed assets should be there

Documents required to be attached are:

1. Statement of Accounts by CA that company has nil assets and liabilities
2. Board resolution for striking the name of the company
3. Affidavit by all the Directors.
4. Indemnity Bond from all the directors.

 1 Like



Stay updated with latest Discussion!

Enter Email

Subscribe

CCI Online Courses



[GST certification](#)

Professional Course




[Online Excel Course](#)

Professional Course



[GST Annual Return](#)

Professional Course

••• [CS MOHIT SALUJA](#) (PRACTICING CS Jalandhar 9914558709)  25 May 2012

THE FAST TRACK EXIT SCHEME IS AVAILABLE IN FOLLOWING CASES:

1. EITHER THE COMPANY HAS NOT CARRIED ON ITS OPERATIONS SINCE THE INCORPORATION OF THE COMPANY

2. ONE YEAR HAS BEEN PASSED SINCE THE COMPANY HAS NOT CARRIED ON ITS BUSINESS

Following Condition must be fulfilled:

1. The company must have NIL assets and Liabilities.
2. No case must be pending over the company
3. No dues towards any tax/ duties must be pending
4. No unsecured loans and nil Fixed assets should be there

Documents required to be attached are:

1. Statement of Accounts by CA that company has nil assets and liabilities
2. Board resolution for striking the name of the company
3. Affidavit by all the Directors.
4. Indemnity Bond from all the directors.



••• [Shridhi Jain](#) (Company Secretary) [🕒 28 May 2012](#)

Pls tell me the amount of stamp papers required for affidavit and indemnity bond.

Directors belong to ghaziabad and company is registered in delhi.

1 Like



••• [CS Ankur Srivastava](#) (Company Secretary & Compliance Officer) [🕒 28 May 2012](#)

Fast Track Exit Mode for Defunct Companies

Initially Ministry had issued Easy Exit Schemes to give an opportunity to the defunct Companies to get their name strike off from the records of ROC. And it was founded that there are numerous Companies which are yet desirous of getting their names strike off from the Register of Companies maintained by Registrar of Companies. Presently the procedure for striking the name of the Company is very detailed and



Browse by Category

Income Tax

Audit

Students

Accounts

Custom

VAT

Career

Service Tax

Corporate Law

Info Technology

Excise

Shares & Stock

Exams

LAW

Professional Resource

Others

Taxpayers

GST

time consuming, the Company has to file all its pending statutory returns and apply under form 61.

FTE Guidelines in Brief:

The FTE Guidelines is an improvement over the previous Easy Exit Scheme (EES) and will provide an opportunity to the defunct companies to Fast Track Exit with minimal compliance.

The Defunct Company desirous of getting its name strike off from the Register of Companies has to apply online in form FTE along with a fee of Rs. 5000/- and file Affidavit, Indemnity Bond by every directors and Statement of Accounts as on date not prior to more than one month preceding the date of filing of application.

Effective date:- The Fast Track Exit Guidelines for fast exit of Defunct Companies is effective since **3rd July, 2011.**

Salient Features of FTE Guidelines:

FTE Guidelines are applicable to a defunct company. For the purposes of the FTE Guidelines, any company will be called as "defunct company", which has nil asset and liability and

1. has not commenced any business activity or operation since incorporation; or

2. is not carrying over any business activity or operation for last 1 year before making application under FTE.

Any defunct company which has active status or identified as dormant by the MCA may apply for getting its name struck off from the ROC.

The FTE Guidelines are not applicable to the following Companies:-

- i. Listed companies;
- ii. Companies that have been de-listed due to non-compliance of Listing Agreement or any other statutory Laws;
- iii. Companies registered under section 25 of the Act;
- iv. Vanishing companies i.e. a company, registered under the Act and listed with Stock Exchange which, has failed to file its returns with the ROC and Stock Exchange for a consecutive period of 2 years, and is not maintaining its registered office at the address notified with the ROC or Stock Exchange and none of its Directors are traceable;
- v. Companies where inspection or investigation is ordered and being carried out or yet to be taken up or where completed prosecutions arising out of such

- inspection or investigation are pending in the court;
- vi. Companies where order under section 234 of the Act has been issued by the Registrar and reply thereto is pending or where prosecution if any, is pending in the court;

 - vii. Companies against which prosecution for a non-compoundable offence is pending in court;

 - viii. Companies accepted public deposits which are either outstanding or the company is in default in repayment of the same;

 - ix. Company having secured loan;

 - x. Company having management dispute;

 - xi. Company in respect of which filing of documents have been stayed by court or Company Law Board (CLB) or Central Government or any other competent authority;

 - xii. Company having dues towards income tax or sales tax or central excise or banks and financial institutions or any other Central Government or State Government Departments or authorities or any local authorities.

Procedure of Fast Track Exit under the Guidelines:-

1. Any defunct company desirous of getting its name strike off the Register under Section 560 of the Companies Act, 1956 shall make an application in the Form FTE, annexed electronically on the Ministry of Corporate Affairs portal namely www.mca.gov.in accompanied by filing fee of Rs. 5,000/-;
2. In case, the application in Form FTE, is not being digitally signed by any of the director or Manager or Secretary, a physical copy of the Form duly filled in, shall be signed manually by a director authorised by the Board of Directors of the company and shall be attached with the application Form at the time of its filing electronically;
3. In all cases, the Form FTE, shall be certified by a Chartered Accountant in whole time practice or Company Secretary in whole time practice or Cost Accountant in whole time practice;
4. In case, the applicant name is not available in the database of directors maintained by the Ministry, the application shall be accompanied by certificate from a Chartered Accountant in whole time practice or Company Secretary in whole time practice or Cost Accountant in whole time practice alongwith their membership number, certifying that the applicants are present directors of

the company. In such cases, the applicants shall not be asked to file Form 32 and Form DIN 3.

5. The company shall disclose pending litigations if any, involving the company while applying under FTE;
6. If the pending prosecutions are only for non-filing of Annual Returns under section 159 and Balance Sheet under section 220 of the Companies Act, 1956, such application may be accepted provided the applicants have already filed the compounding application. However, steps for final strike of the name of the company will be taken only after disposal of compounding application by the competent authority.
7. The Form FTE shall be accompanied by an affidavit annexed at Annexure- A, which should be sworn by each of the existing director(s) of the company before a First Class Judicial Magistrate or Executive Magistrate or Oath Commissioner or Notary, to the effect that the company has not carried on any business since incorporation or that the company did some business for a period up to a date (which should be specified) and then discontinued its operations, as the case may be;
8. Form FTE shall further be accompanied by an Indemnity Bond, duly notarized, as annexed at Annexure B, to be given by every director individually or collectively, to the effect that any losses, claim and liabilities on the company, will be met in full by every director individually or collectively, even after the name of the company is struck off the register of Companies;

9. In case of foreign nationals and NRIs, Indemnity Bond and Affidavit may be notarized as per their respective country's law.

10. The Company shall also file a Statement of Account annexed at Annexure C, prepared as on date not prior to more than one month preceding the date of filing of application in Form FTE, duly certified by a statutory auditor or Chartered Accountant in whole time practice, as the case may be.

11. In the case of 100% Government companies, if no Board is in existence, an officer not below the rank of Deputy Secretary of the concerned administrative Ministry may be authorized to enter his name and other details in Form FTE and in Annexure A, B and C in place of name and other details of the directors and also to sign the said documents before filing.

The application received by the ROC pursuant to the FTE Guidelines will be processed by ROC and key steps of the process are as under:

1. ROC shall examine the application and if found in order, shall give a notice to the company under section 560(3) of the Act giving time of 30 days stating that unless cause is shown to the contrary, its name be struck off from the Register and the company will be dissolved;


2. The name of applicant and date of making the application under the FTE Guidelines shall be displayed on the MCA portal www.mca.gov.in giving time of 30 days for raising objection, if any, by the stakeholders to the concerned ROC;

3. In case of company like Non-Banking Financial Company, Collective Investment Management Company which are regulated by other Regulator namely RBI, SEBI, respectively, the ROC, at the end of every week, shall send intimation of such companies availing of the FTE Guidelines during that period to the concerned Regulator and also an intimation in respect of all companies availing of the FTE Guidelines that period to the office of the Income Tax Department giving time of 30 days for their objection, if any.

4. The Registrar of Companies immediately after passing of time as above and on being satisfied that the case is otherwise in order, shall strike its name off the Register and shall send notice under sub-section (5) of section 560 of the Companies Act, 1956 for publication in the Official Gazette and the applicant company shall stand dissolved from the date of publication of the notice in the Official Gazette.

 1 Like




••• [Vithal](#) (Practice)  [21 August 2012](#)

Can a Public Limited Company avail of this scheme?

Will it make a difference of the no. members reduce below 50?



••• [Sonam Malkotia](#) (Trainee)  [04 March 2014](#)

Query on FTE

If Pvt company imported a machinery and having IE license , will the RoC office write to IE licence authority for its NoC? Is there any other requirement to be fulfilled except mandatory attachments?



••• [Sonam Malkotia](#) (Trainee) [🕒 04 March 2014](#)

Query on FTE

If Pvt company imported a machinery and having IE license , will the RoC office write to IE licence authority for its NoC? Is there any other requirement to be fulfilled except mandatory attachments? PI tell



••• [Prachi Kolwankar](#) (trainee) [🕒 05 May 2014](#)

Can anyone post the board resolution carrying authority for fast track by Co-Opted Director.



••• [mohanraj](#) (student) [🕒 25 May 2015](#)

THE COMPANY HAVE TWO DIRECTORS. ONE DIRECTOR WAS DIED IN 2011 & NO OPERATION OF COMPANY TILL NOW. NOW THE COMPANY WANT TO CLOSE THE COMPANY WITH REMAINING ONE DIRECTOR UNDER FTE?



Leave a reply

You are not logged in . Please login to post replies

[Click here to Login / Register](#)

[← Previous Thread](#)

[Next Thread →](#)

Recent Topics

- ▶ Purchase-SSD SOLUTION MONEY CLEANING-EURO-DOLLAR-
- ▶ Accounting treatment
- ▶ Change in gst rate traetment
- ▶ Whether deduction under section 80G allowed if pai
- ▶ Study Partner/Group

Related Threads

- ▶ companies amendmend bill 2017 and cods scheme 2018
- ▶ Director exit dispute
- ▶ Fast track merger u/s 233
- ▶ Fast Track Merger u/s 233
- ▶ CODS SCHEME 2018
- ▶ Fast track exit - filing of accounts

- ▶ Director's Physical Presence
- ▶ 80C REBATE
- ▶ Missing sales fy 2018-19 gstr 9a
- ▶ House property related
- ▶ Cut off date for claiming donation for FY 19-20
- ▶ E-cods scheme fees
- ▶ FastTrack exit mode
- ▶ Fast track exit
- ▶ Modes for exit of a foreign holding company from its indian subsidiary company

[More](#) | [Post](#)

- | | | | |
|----------------------------|-----------------------------|-------------------------------------|-------------------------------------|
| Articles | News | GST | Trainee Corner |
| Forum | Experts | Scorecard | Notification |
| Career | Budget | CCI Online Learning | Featured |
| Jobs | Feed | Share Files | Poll |
| Video | Top Members | Bookmarks | Coaching Institutes |
| Income Tax | Rewards | Events | CA Online Classes |

Member Strength 30,82,043 and growing..

Get latest updates

Download CCI APP



Our Network Sites

