

## **Corporate Update – December 2010\***

### **Content**

	Page No.
<b>COMPANY LAW</b>	
EASY EXIT SCHEME, 2011 for defunct companies for striking off their names	2
Additional fees payable to Registrar of Companies	3
<b>NON-BANKING FINANCIAL COMPANIES (NBFC)</b>	
Stipulation of Time-limit for finalisation of balance sheet and P&L account by Non-Banking Financial Companies (NBFC)	4
<b>VISA REGULATIONS</b>	
“Project Visa” for foreign nationals coming for execution of projects in Power and Steel Sector	4
<b>IMPORTANT DATES TO REMEMBER</b>	5

---

## **COMPANY LAW**

### **EASY EXIT SCHEME, 2011 for defunct companies for striking off their names**

The Ministry of Corporate Affairs (MCA) had earlier announced the Easy Exit Scheme-2010 (EES-2010) for defunct companies for getting their names struck off of the Registrar of Companies. This scheme was valid for the period from May 31, 2010 to 31st August, 2010. Salient features of EES-2010 were published in Corporate Update for May 2010. While a large number of defunct companies availed of this scheme, many more could not do so. The MCA has now re-launched the easy exit scheme titled "Easy Exit Scheme, 2011", under Section 560 of the Companies Act, 1956, vide General Circular 6 /2010 in order to provide another opportunity to defunct companies for getting their names struck off from the Register of Companies. The Scheme shall come into force on the 01st January, 2011 and shall remain in force up to 31st January, 2011. A fee of Rs 3,000/- is payable while filing Form EES online. The present scheme covers both private as well as unlisted public companies. The scheme is not applicable to specified class of companies.

The salient features of the scheme are the same as were applicable under the EES-2010. However, for ready reference, a summary of the same is given below:-

Documentation:-

Any defunct company desirous of availing this scheme has to make an application electronically in the Form EES, 2011 along with a fee of Rs 3000/-.

Following documents are required to be filed along with the said Form:

- (a) An affidavit by each of the existing director(s) of the company 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 and has not carried on any business after 1st April, 2008, as the case may be.
- (b) An Indemnity Bond, duly notarized, to be given by every director individually or collectively, to the effect that any losses, claim and liabilities of 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.
- (c) Statement of Account, prepared as on date not prior to more than one month preceding the date of filing of application in Form EES, 2011, duly certified by a statutory auditor or Chartered Accountant in whole time practice, as the case may be.

The detailed scheme is attached herewith.



CircularEES\_3dec201  
0.pdf

## Additional fees payable to Registrar of Companies

The additional fees payable as per Section 611(2) of the Companies Act, 1956 with respect to filing of various forms for Indian companies (except Form 5) has been increased with effect from 5th December 2010 as per the table depicted below:

Period of Delay	Revised structure of additional fee
Upto 30 days	Two times of normal filing fee
More than 30 days and upto 60 days	Four times of normal filing fee
More than 60 days and upto 90 days	Six times of normal filing fee
More than 90 days	Nine times of normal filing fee

The erstwhile structure of additional fees table is given hereunder for information.

Period of Delay	Erstwhile structure of additional fee
Upto 1 month	One time of normal filing fee
More than 1 month up to 3 months	Two times of normal filing fee
More than 3 months up to 6 months	Four times of normal filing fee
More than 6 months up to one year	Six times of normal filing fee
More than 1 year upto 2 years	Eight times of normal filing fee
More than 2 years	Nine times of normal filing fee

The increased additional fees may be noted for compliance. However, as advised by the Ministry of Corporate Affairs, additional fees should be avoided by filing the returns with Registrar of Companies in time.

---

## **NBFC**

### **Stipulation of Time-limit for finalisation of balance sheet and P&L account by Non-Banking Financial Companies (NBFC)**

According to Non-Banking Financial (Deposit Accepting) Companies Prudential Norms Directions 2007, and Non-Banking Financial (Non-Deposit Accepting) companies Prudential Norms Directions 2007, every NBFC is required to finalise its balance sheet and P&L account as on March, 31 every year and to submit a certificate to RBI from Statutory Auditor within one month from the date of finalisation of the balance sheet and P&L account.

The present directions, however, do not stipulate any time-limit for such NBFCs for finalization of accounts, every year.

RBI has now notified time-limits for finalisation of accounts every year, according to which, the accounts are required to be finalised within three months from the date to which it pertains.

A copy of Circular No. RBI/2010-11/295 dated 1st December, 2010 is attached.



RBI Circular.doc

## **VISA REGULATIONS**

### **“Project Visa” for foreign nationals coming for execution of projects in Power and Steel Sector**

The Government of India, Ministry of Home Affairs, recently issued guidelines for grant of a new category of Visa known as “Project Visa”, for foreign nationals coming to India for execution of projects in Power and Steel Sector.

As per the guidelines, the visa will be issued taking into account the actual duration of project/contract.

The period of visa would be initially for a period of one year or for the actual duration of the project/contract, whichever is less, with multi-entry facility. The same can be extended with the approval of the Ministry of Home Affairs, Government of India.

The clarifications as issued in this regard are enclosed.



Visa1.pdf

### Important Dates To Remember

	Due Date
Deposit of TDS for the month of December, 2010	7 <sup>th</sup> January. 2011
Deposit of Service Tax for Companies for the month of December, 2010 -by e-payment	5 <sup>th</sup> January. 2011 6 <sup>th</sup> January. 2011
Submission of quarterly TDS return for the quarter ending December 2010	15 <sup>th</sup> January, 2011

**Author****World Tax Service India Private Limited**

1A-1D, Vandhna  
11, Tolstoy Marg  
New Delhi - 110 001.  
India

[www.worldtaxservice.in](http://www.worldtaxservice.in)

**Contact Person****Mr. C.S. Mathur**

Telephone: +91 11 47 10 22 00  
Email: [csm@mpco.in](mailto:csm@mpco.in)

\* This Newsletter is for client circulation only. The contents of this document are for informational purposes only and do not constitute 'professional advice'. The contents are intended but not guaranteed to be correct and World Tax Service India P Ltd. disclaims all liability to any person for any loss or damage caused by errors/omissions whether arising from negligence, accident or any other cause.