



## Awareness Programme on “Easy Exit Scheme”, 2010 and “Company Law Settlement Scheme, 2010”

Bangalore Chamber of Industry and Commerce (BCIC) along with The Institute of Company Secretaries of India Bangalore Chapter organized an Awareness Programme on “Easy Exit Scheme, 2010” and “Company Law Settlement Scheme, 2010” on Monday 26<sup>th</sup> July, 2010.

Mr. CS SM Pramod, Chairman, ICSI, Bangalore Chapter welcomed Mr. B N Harish, Registrar, office of Registrar of Companies, Karnataka, Mr. M Sridharan, Mr. Sanath Ramakrishnan, Partner-Tax and Regulatory Services, Walker, Chandiook & Co. and the participants. Mr. Pramod then introduced Mr. B N Harish and Mr. Sanath Ramakrishna to the gathering.

Mr. H V Harish, Chairman- Economic & Corporate Affairs, BCIC gave a brief introductory remark about the Programme. Mr. Harish mentioned that the main objective of the programme is to learn about the “Company Law Settlement Scheme, 2010” and Easy Exit Scheme, 2010 which is been introduced by the Ministry of Corporate Affairs, Govt with effect from May 30, 2010 till August 31, 2010 which will provide benefit to the companies from prosecution and other legal action.

Mr. Sanath Ramakrishna gave a brief presentation on Industry Perspective. He raised certain issues in the presentation which he requested Mr. B N Harish to address. The issues raised by Mr. Sanath Ramakrishna are:

- Whether Companies incorporated under the Companies Act 1913 are covered under the Scheme?
- What happens to Companies not meeting with the criteria- can they apply for strike off under Section 560.
- Should the Assets and Liabilities be NIL?
- Is Affidavit and Indemnity given by Directors means unlimited liability for them?
- To whom no dues notice will be sent only to Income Tax or Sales Tax, Excise etc?
- Whether cases where only Show Cause Notice is received, but assessment not completed would be covered?
- As the power of granting immunity by ROC is discretionary, what will be the criteria that ROC will consider for granting immunity?
- What happens to Companies incorporated after April 1, 2008 but remain inoperative from its inception or discontinued operation after April 1, 2008?
- What happens if the Companies shifts its registered office during the process which ROC will issue immunity certificate?
- What about Inactive Companies?
- How do you define management disputes?
- What happens if some Directors do not exist?
- Does a Defunct Company also have to satisfy the criteria of not carrying out any operation after April 1, 2008?
- What is the time limit for issue of Immunity Certificate?

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### **Bangalore Chamber of Industry and Commerce**

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Mr. B N Harish, Registrar, Office of Registrar of Companies, Karnataka firstly thanked BCIC and ICSI for giving him an opportunity to address the gathering. He gave a brief about the Easy Exit Scheme and Company Law Settlement.

- **Company Law Settlement Scheme, 2010** - gives an opportunity to the defaulting Companies to enable them to make their default good by filing belated documents and to become a regular compliant in future with rebate of 75% on the additional fee.
- **Easy Exit Scheme, 2010** - gives an opportunity to the defunct companies to get their names struck off from the register under Section 560 of the Companies Act, 1956.

Mr. B N Harish in his speech mentioned that since large number of companies are not filing their due documents timely with the ROCs, there are also many companies who have not increased their paid up capital up to the threshold limit. Due to these reasons the Ministry of Corporate Affairs came up with the Company Law Settlement Scheme and the Easy Exit Scheme, 2010

Mr. B N Harish gave details about the Duration of the two Schemes and the quantum of additional fee, Who can avail the schemes, Immunity Certificate, Companies who cannot avail the scheme . He also took up the issues raised by Mr. Sanath Ramakrishna during his presentation.

Mr. Harish thanked all the participants for their patient hearing.

Mr. T S Sampath Kumar, Secretary General, BCIC proposed a hearty Vote of Thanks to all the participants and the speaker for their support and cooperation.

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