**FAST TRACK EXIT(FTE) MODE**

**INTRODUCTION:**

"Fast Track Exit (FTE) Mode" to give opportunity to the defunct companies to get their names struck off from the register under the Companies Act, 2013 in time bound manner.

The scheme is applicable for a “defunct company”.

“Defunct company” shall mean a company which has-

1. Nil asset and nil liability
2. Not commenced any business activity or operation since incorporation
3. Not been carrying any business operation since last two year before making an application under Fast Track Exit Scheme.

**NOT APPLICABLE TO THE FOLLOWING OF COMPANIES;**

1. Listed Companies.
2. Companies registered under Section 25/8 of the Companies Act 1956/2013.
3. Vanishing companies.
4. Companies that have been de-listed due to non-compliance of Listing Agreement or any

other statutory Laws.

1. 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;
2. Companies where order under section 234 of the Companies Act, 1956 has been issued by the Registrar and reply thereto is pending or where prosecution if any, is pending in the court;
3. Companies against which prosecution for a noncompoundable offence is pending in court;
4. Companies accepted public deposits which are either outstanding or the company is in default in repayment of the same;
5. Company having secured loan ;
6. Company having management dispute;
7. 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;
8. 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.

Vanishing Companies:- means a company, registered under the Companies Act, 1956 / 2013 and listed with Stock Exchange which, has failed to file its returns with Registrar of Companies and Stock Exchange for a consecutive period of two years, and is not maintaining its registered office at the address notified with the Registrar of Companies or Stock Exchange and none of its Directors are traceable.

**STEPS FOR MAKING APPLICATION OF FAST TRACK SCHEME ;**

1. Make an application in the Form FTE available on MCA portal, along with a filing fees of Rs. 10,000/-
2. Form FTE to be accompanied by Affidavit – 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.
3. 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.
4. Company also needs to file a Statement of Accounts prepared as on date not prior to more than one month preceding the date of filing of application in Form FTE,
5. duly certified by a statutory auditor or Chartered Accountant in whole time practice, as the case may be.

NOTES :-

1. Form to be digitally signed by Manager or Secetary or manually by the director authorized by BOD. Form to be **Mandatorily Certified** by PCA, PCS, PCWA.
2. Incase the applicant ‘s form 32 / DIN 3 is not filed than the applicant to get a certificate from PCA, PCS, PCWA to the effect that the applicant(s) is/are the present directors of the Company. No need to file Form 32 or DIN 3.
3. Company to disclose pending litigations involving the company, if any .
4. Incase pending prosecution u/s 159, 220 then Company to go for compounding and get the same disposed off before processing of the Application.
5. Company is required to complete DIR-3KYC of all Directors