

Lex Favios

Advocates & Solicitors

Issues pertaining to:

- ◆ Directors Responsibilities and Liabilities
 - ◆ Corporate Governance
 - ◆ Disqualification of Directors



Types of Directors

1. Independent Director:-

As per section 149(6) an independent director in relation to a company, means a director other than a Managing Director, Whole Time Director Or Nominee Director.

Companies required to appoint atleast 2 independent directors:-

- A} Public Companies having **Paid up Share Capital (PSC) - Rs.10 Crores or More;**
- B} Public Companies having **Turnover (TO) - Rs.100 Crores or More;**
- C} Public Companies have total **outstanding loans, debenture and deposits of Rs. 50 Crore or More.**
- D} Every Listed Company - least one-third of the total number of directors as independent directors (**Section 149(4) of CA13**)

Exception: The following classes of unlisted public company shall not be covered under the definition:

- (a) a joint venture;
- (b) a wholly owned subsidiary; and
- (c) a dormant company as defined under section 455 of the Act.

2. Residential Director:- As per Section 149(3) of Companies Act, 2013 every company shall have at least one director who has stayed in India for a total Period of **not less than 182 days** in the previous calendar year – Amended to now read as, ‘the financial year’.

3. Small Shareholders Directors:- A listed Company may have one director elected by small shareholders. Appointed upon **notice of not less than 1000 Shareholders** or **1/10th** of the total shareholders, whichever is lower (Section 151 of CA13)

4. Women Director:- As per Section 149 (1) (a) second proviso requires to have **At Least One Woman** director on the Board. Of every listed company, and every public company having-

A} PSC - Rs. 100 crore or more, or

B} TO of Rs. 300 crore or more.

5. Additional Directors: Any individual can be appointed as Additional Directors by a company under **Section 161(1)** of the CA13 who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

6. Alternate Directors:- As per Section 161(2) of CA13, a company **may** appoint, **if the articles confer such power** on company or a resolution is passed in general meeting (if a Director is **absent from India for at least three months**).

7. Shadow Director:- A person, who is not appointed to the Board, but on whose directions the Board is accustomed to act, is liable as a Director of the company, unless he or she is giving advice in his or her professional capacity;

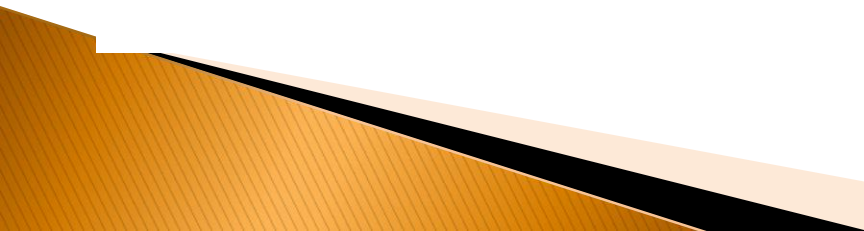
8. Nominee Directors:- They can be appointed by certain shareholders, third parties through contracts, lending public financial institutions or banks, or by the Central Government in case of oppression or mismanagement;

9. Executive & Non Executive Directors:

Executive Directors	Non-Executive Directors
can be either a Whole-time Director of the company (i.e., one who devotes his whole time of working hours to the company and has a significant personal interest in the company as his source of income), or a Managing Director (i.e., one who is employed by the company as such and has substantial powers of management over the affairs of the company)	is a Director who is neither a Whole-time Director nor a Managing Director.

Directors Duties & Responsibilities: An Overview

❖ Enshrined in **Section 166 of CA13:**

- i. S/he has to act in good faith in order to promote the objects of the company for the benefit of its members as a whole .
 - ii. S/he has to act in the best interest of the company, its employees, shareholders, community and for the protection of environment.
 - iii. S/he has to carry on his duties with due and reasonable care, skill and diligence and exercise independent judgment.
 - iv. S/he shall not involve in a situation in which he may have a direct or indirect interest that conflicts or likely to conflict with the interest of the company.
 - v. S/he shall not achieve or attempt to achieve any undue gain or advantage either to himself, his relatives, partners or associates.
 - vi. S/he shall not assign his office and any assignment so made to any other person.
- 

Directors Duties & Responsibilities: An Overview

❖Fiduciary Duties

- Good faith and bona fide acts;
- Proper use of powers
- Unfettered Discretion
- Lack of Conflicting Interests

❖Common Law Duties

- Duty to exercise reasonable skill and care
- Duty to act within the powers of the company
- Duty to exercise independent Judgment
- Duty of Supervision
- Duty of Confidentiality

❖Specific Duties under the CA13

- Administration and Compliance
- Restriction on Activities and Disclosure of Information
- Duties during Voluntary Winding Up of a Company
- Duties During Involuntary Winding Up of a Company

Directors Duties & Responsibilities: An Overview

❖ Additional Duties in case of a Listed Company

- Declaration of Pecuniary Relationships
- Declaration of Material Contracts

❖ Other Important Duties

- Duties under Foreign Exchange Management Act
- Duties under the Negotiable Instruments Act
- Duties under the Competition Act
- Duties under Labour Laws
- Any additional duties under the AoA of the Company

Observation:

Under the 1956 Act, a director's primary duties were to the company and its shareholders. Although employees and creditors interests were recognized in matters pertaining to insolvency, but the law was settled that a director should primarily act in the best interests of all shareholders. With the CA 13, there is an attempt to shift the focus for directors from looking solely at shareholders' interests to taking account interests of other stakeholders as well.

Specific Liability of Directors: An Overview

I. Executive/Whole Time Directors – A few key specific liabilities of Executive/ Whole Time Directors is as enlisted below:

Act/ Omission	Liability under CA13	Whether Amended
Violation of the terms of a license issued to a company incorporated under Section 8 (Company with a charitable object)	Imprisonment for a term which may extend to 3 years, OR Fine not less than Rs. 25,000 which may extend to Rs. 25 Lakh Or Both	X
Commencement of business without filling a declaration regarding the paid up share capital and without verification about the registered office of the company with the Registrar	Fine which may extend to Rs. 1,000 for every day of the default	X

Specific Liability of Directors: An Overview

Act/ Omission	Liability under CA13	Whether Amended
Failure regarding provisions pertaining to the registered office of the Company under S. 12 of the CA13 or to file notice of change	Fine of one thousand rupees for every day the default continues, but not exceeding one lakh rupees	X
Any alteration in the MoA or AoA not reflected in every copy of the same	Fine of one thousand rupees for every copy that does not reflect the change	X
Failure to comply with directions given by the Central Government regarding a change in the name of the Company	Fine not less than five thousand rupees, but which may extend to one lakh rupees	X

Specific Liability of Directors: An Overview

Act/ Omission	Liability under CA13	Whether Amended
<p>•Under Prospectus:</p> <p>i. Any information mandated is missing, or, or non deliverance of Prospectus to Registrar within the time limit, and non-issuance within 90 days;</p> <p>ii. misstatements in the Prospectus;</p> <p>iii. Prospectus issued with the intent to defraud</p>	<p>i. Imprisonment for a term which may extend to 3 years OR Fine not less than fifty thousand, but which may extend to three lakh rupees, OR Both</p> <p>i. Civil & Criminal Liability both may arise;</p> <p>i. Liable, without any limitation, for any loss or damage that may have been incurred by any person who bought securities on the basis of such Prospectus</p>	✓

Specific Liability of Directors: An Overview

Act/ Omission	Liability	Whether Amended
<ul style="list-style-type: none"> • Under Public Issue i. Fraudulently inducing people to enter into an agreement to buy securities, or to obtain credit facilities from any financial institution ii. Failure to file securities allotted with the Registrar, or return application money in case minimum amount is not subscribed iii. Failure to make an application to the Stock Exchange before making a public offer of securities iv. Money received from securities not kept in a separate bank account or used for purposes other than adjustment or repayment 	<ul style="list-style-type: none"> i. Imprisonment for a term of 6 months 10 years, provided not less than 3 years if public interest involved AND Fine not less than the amount involved in the fraud, may extend 3 times the amount involved ii. Company and Directors, should he be the officer in default, liable to a penalty, for each default, of one thousand rupees for each day during which such default continues or one lakh rupees, whichever is less iii. & iv. Imprisonment for a term which may extend to one year OR Fine not less than Rs. 50,000 but may extend to Rs. 3 Lakh OR Both 	X

Specific Liability of Directors: An Overview

Act/ Omission	Liability under CA13	Whether Amended
<ul style="list-style-type: none">• Under Private Placement<ul style="list-style-type: none">i. Offer made to more than 50 people;ii. Fresh offer is made before allotment in respect of previous offer has not been completediii. Money is accepted in cash, and not the mandated demand draft or chequeiv. Complete information about the offer mandated under S. 42 (7) not filed with the Registrar within 30 days of circulation of offer letterv. Releases public advertisementvi. Return of allotment with details mandated under S. 42 (9) not filed with the Registrar	Penalty will extend upto amount involved in the offer, or two crore rupees, whichever higher	X

Specific Liability of Directors: An Overview

- ❖ Non-Executive (not a promoter or key managerial personnel) and Independent Director
 - Shall be liable for the above listed acts/omissions only to the extent that:
 - They are done with his knowledge or
 - They are attributable through the Board process or
 - Done with his consent or connivance or
 - Where he has not acted diligently

The 2013 Act also mandates the compulsory presence of Independent directors in the Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Audit Committee of companies. The 2013 Act stipulates that, and any act done in contravention to duties of directors enshrined thereunder is punishable with a fine of not less than Rs. 1 Lakh, which may extend up to Rs.5 Lakhs

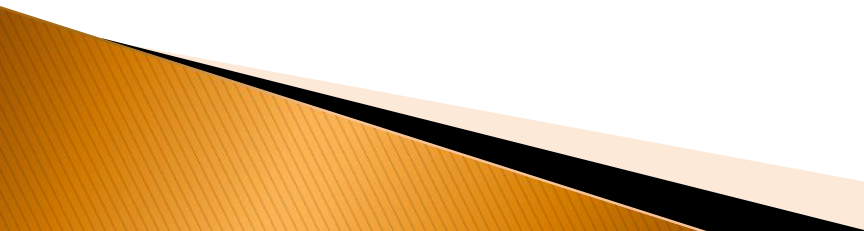
Code for Independent Directors

- ❖ The key functions under the code include:
 - (i) helping to bring independent judgment to the board;
 - (ii) scrutinising the performance of management in meeting agreed goals;
 - (iii) safeguarding the interests of all stakeholders, particularly minority shareholders;
 - (iv) balancing the conflicting interest of stakeholders;
 - (v) striving to attend all board and committee meetings and to participate actively and constructively;
 - (vi) where they have concerns about the running of the company or a proposed action, ensuring that those issues are addressed by the board and, to the extent the same are unresolved, insisting that such concerns are recorded in the minutes of board meetings; and
 - (vii) report concerns about unethical behaviour, fraud or violations of the code of conduct or ethics policy of the company.

Opinion of Courts

- ❖ The Supreme Court in the matter of ***Pooja Ravinder Devedasani vs. the State of Maharashtra***, where it has been held that, “although a non-executive director is no doubt a custodian of the governance of the company and does not usually involve in the day-to-day affairs of the running of its business, if it is proved that at the time the specific decision was taken, the director has been at the helm of affairs of the company, he may be made liable, but simply because a person is a director of a company, does not make him liable for all the actions involved with the company”.
- ❖ Relying on the above, the District Court at Delhi has in ***Deepinder Singh Bedi vs. M/s L & T Finance Ltd***, observed that, “time and again, it has been asserted by this Court that only those persons who were in charge of and responsible for the conduct of the business of the company at the time would be held liable”.

Other Key Considerations

- ❖ Directors will be liable in the manner described above even after their resignation for offences which occur during their tenure as per Section 168 (2).
 - ❖ A winding up order will not absolve any Director from any liability as a result of the findings by the Inspector as per Section 226.
 - ❖ The liability of any Director of a Company dissolved under Section 248 (5) shall continue.
- 

Corporate Governance in India

❖ The Need & Importance of Corporate Governance

○ Arises because of the increasing concern about the non-compliance of standards of financial reporting and accountability by boards of directors and management of corporate;

○ **Interests of Investors** - Corporate governance is considered as an important means for paying heed to investors' grievances, role of SEBI comes in to play;

○ **Holistic Growth of Economy** - An important advantage of strong corporate governance is that it is indispensable for a vibrant stock market. A healthy stock market is an important instrument for investors protection.

Corporate Governance in India

❖ Essential Elements

- Composition of boards, especially their independence in law and in spirit from the company's management
- The composition and independence of key board committees such as the audit committee and the nomination and remuneration committee;
- Independence of the companies' auditors and the quality of audit of its financial statements
- The quality of disclosures by the company
- Careful balancing of the interests of controlling shareholders vis-à-vis minority shareholders

Evolution of the Corporate Governance Framework in India

❖ Under the Companies Act, 1956

- Loan to directors or relatives or associated entities (need CG permission) (Sec 295)
- Shareholders holding 10% can appeal to Court in case of oppression or mismanagement
- Appointment of director or relatives for office or place of profit needs approval by shareholders. If the remuneration exceeds prescribed limit , CG approval required (Sec 314)
- Every listed company needed to only comply with the provisions of the listing agreement as per Section 21 of Contract Regulations Act, 1956. Non-compliance with the same, would have lead to delisting under Section 22A or monetary penalties under Section 23 E of the said Act

Evolution of the Corporate Governance Framework in India

❖ Clause 49 of the Listing Agreements

- Composition of Board and its procedure - frequency of meeting, number of independent directors, code of conduct for Board of directors and senior management;
- Audit Committee, its composition, and role
- Provision relating to Subsidiary Companies
- Quarterly report on corporate governance
- Disclosure to Audit committee, Board and the Shareholders
- CEO/CFO certification
- Annual compliance certificate

Evolution of the Corporate Governance Framework in India

❖ Under the Companies Act, 2013

- introduced some progressive and transparent processes which benefit stakeholders, directors as well as the management of companies
- Introduction of the concept of Independent Directors
- Audit Committee - Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 deals with the Audit Committee
- Serious Fraud Investigation Offence – establishment of SFIO to investigate fraud relating to Company. The powers are given to SFIO under the act: can investigate into the affairs of the company or on receipt of report of Registrar or inspector or in the public interest or request from any Department of Central Government or State Government
- Corporate Social Responsibility – Applicable to only a certain class of companies, requiring them to spend at least 2% of its average net profit for the immediately preceding 3 financial years on CSR activities
- Threshold on the Membership of Committees

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Management and Administration (Continued)	<p>Annual return: The Amendment Act, 2017 clarifies that a company is not required to state its indebtedness in the annual return. Every company should place a copy of the annual return on its website with web link to be disclosed in the board's report.</p> <p>Additionally, the CG may prescribe an abridged form of annual return for one person company, small company and other class of classes of companies as may be prescribed. (Section 92 of CA13)</p>	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Accounts of Companies (Continued)	Constitution of NFRA: According to the Amendment Act, 2017, a person aggrieved by the orders of National Financial Reporting Authority (NFRA) can refer an appeal before the Appellate Tribunal (earlier Appellate Authority) in the manner as may be prescribed. (Section 132 of CA13)	✓
	Financial statement, board's report, etc.: The Amendment Act, 2017 clarifies that the disclosures made in the financial statements are to be referred in the board's report in order to avoid duplications. (Section 134 of CA13)	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Audit and Auditors	<p>Appointment and resignation of an auditor: The requirement relating to ratification of auditors by the members of the company at every AGM has been removed by the Amendment Act, 2017. (Section 139 of CA13)</p>	✗
	<p>Should an Auditor not file within a period of 30 days from the date of resignation a statement, indicating the reasons and other facts as may be relevant, a minimum fine of INR 50,000 or his/her remuneration, whichever is lower (earlier minimum fine was only INR 50,000). (Section 140 of CA13)</p>	✓
	<p>Disqualification of an auditor: Any person who provides directly or indirectly any service as given in Section 144 of the 2013 Act to the company, its holding company or to its subsidiary is ineligible to be appointed as an auditor of the company. (Section 141 of CA13)</p>	✓

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Appointment and Qualifications of Directors (Continued)	<p>Independent director: Following changes have been introduced:</p> <p>i. Pecuniary relationship will not include the remuneration received by an ID and any amount from a transaction which does not exceed 10 per cent of his/her total income (or such amount as may be prescribed).</p> <p>ii. Section 149(6)(d) has been amended with respect to the scope of restriction on a 'pecuniary relationship or transaction' entered by a relative and has been made more specific by clearly categorising the types of transactions. For example, holding of any security of/interest in the company, indebted to the company, etc.</p>	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Appointment and Qualifications of Directors (Continued)	iii. Currently, an individual is restricted from being appointed as an independent director in case he/she or his/her relative is a KMP or an employee of the company or its holding, subsidiary or associate company during any of the preceding three FYs. As per the Amendment Act, 2017, this restriction would not apply if a relative of an independent director is employed during the preceding three FYs. (Section 149 of CA13)	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Appointment and Qualifications of Directors (Continued)	<p>Appointment of an additional director, alternate director and nominee director: Currently under the 2013 Act, a person holding alternate directorship for any other director in the company is prohibited from appointment as an alternate director in the absence of another director.</p> <p>The Amendment Act, 2017 clarifies that in addition to the above mentioned person, a person holding directorship in the same company is also prohibited to be appointed as an alternate director during the absence of another director. (Section 161 of CA13)</p>	✓

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Appointment and Qualifications of Directors (Continued)	<p>Disqualifications for appointment of a director: The Amendment Act, 2017 has provided that in case a person has been appointed as a director of the company which has defaulted on the below grounds, then such a director should not incur the disqualification for a period of six months from the date of his/her appointment:</p> <ul style="list-style-type: none"> i.Non filling of Annual Compliances for 3 FYs; ii.Failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared for a continuous period of one year <p>A Director would also be disqualified if convicted by a court for any offence, on the order of the Tribunal and convicted in the matter of RPT, even if an appeal or petition has been filed. (Section 164 of CA13)</p>	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Appointment and Qualifications of Directors (Continued)	Number of directorships: The Amendment Act, 2017 clarifies that the directorship in a dormant company should be excluded while determining the threshold of 20 companies prescribed in CA13 (with maximum number of directorship in public companies being 10) (Section 165 of CA13)	✓

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Appointment and Qualifications of Directors (Continued)	<p>Vacation of office: Amendment Act, 2017 clarifies that if a director is disqualified as per Section 164(2) of the 2013 Act (i.e. non-filing of financial statements or failure to repay dues), then the office of the director would become vacant in all the companies other than the company which is in default.</p> <p>Additionally, a relaxation provides that a director would not be required to vacate office in respect of disqualification by an order of a court or the Tribunal or conviction for any offence in the following events:</p> <p>i. For 30 days from the date of conviction or order of disqualification;</p>	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Appointment and Qualifications of Directors (Continued)	<p>ii. Where an appeal or petition is preferred within 30 days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of or;</p> <p>iii. Where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of.</p> <p>Earlier the 2013 Act was stringent and required that the office should be vacated by the director even if he/she has filed an appeal against the order of such court. (Section 167 of CA13)</p>	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Meetings of Board and its Powers	<p>Meetings of board: Currently, the CG has been empowered to specify matters which should not be dealt in a meeting through video conferencing or other audio visual means.</p> <p>The Amendment Act, 2017 clarifies that in case the quorum for a meeting is met through physical presence of directors, then any other director may participate through video conferencing or other audio visual means and discuss the matters specified by the CG. (Section 173 of CA13)</p>	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Meetings of Board and its Powers (Continued)	<p>Audit Committee: According to the Amendment Act, 2017, the BoD of every listed public company (earlier the 2013 Act referred to every listed company) and such other class or classes of companies, as may be prescribed should constitute an audit committee.</p> <p>Further, the Amendment Act, 2017 clarifies that the existing requirement for the audit committee to pre-approve all RPTs subject to the approval of the BoD or shareholders as required by Section 188 would continue. For transactions that are not covered under Section 188, the audit committee could give recommendations to the BoD, in case it does not approve the transaction.</p> <p>Additionally, a transaction (involving an amount up to INR 1 crore) is voidable at the option of the audit committee if it has been entered without its approval and has not been ratified subsequently by it.</p> <p>RPTs between a holding company and its wholly-owned subsidiary that do not require board's approval under Section 188, would not require approval of the audit committee. (Section 177 of CA13)</p>	×


Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Meetings of Board and its Powers (Continued)	<p>NRC: Following changes have been made to the provisions relating to NRC:</p> <p>Every listed public company (earlier the 2013 Act referred to every listed company) and a company covered under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 is required to constitute a NRC.</p> <p>NRC is required to specify the methodology for the effective evaluation of the performance of the individual directors, committees of the board and the board as a whole which should be carried out by the board, by the NRC or by an independent external agency and should review its implementation and compliance.</p> <p>Additionally, companies could place their remuneration policy on their website, if any, and should disclose only the salient features of the policy, the changes, if any along with the web address of the policy in the board's report.</p> <p>(Section 178 of CA13)</p>	×

Corporate Governance: A Comparative Breakdown of the Amendments

Particulars	Overview of the Amendment	Notified
Meetings of Board and its Powers (Continued)	<p>RPTs: Currently, no member of the company (except private company) is allowed to vote on a resolution to approve any contract or arrangement which could be entered into by the company, if such member is a related party.</p> <p>The Amendment Act, 2017 clarifies that this restriction will not be applicable to a company in which 90 per cent or more members are relatives of promoters or are related parties. (Section 188 of CA13)</p>	✓
	<p>Prohibition on forward dealing and insider trading: The provisions relating to forward dealing and its powers and insider trading have been omitted from the 2013 Act. (Section 194, 195 of CA13)</p>	✓

Condonation of Delay Scheme, 2018

- ▶ As per MCA September 2017, around 3,09,614 Directors were disqualified u/s 164(2) by the Ministry of Corporate Affairs for continuing default in filing company annual return.
 - ▶ Subsequently, the Ministry of Corporate Affairs recently issued a notification with a view to give an opportunity for the non-complaint, defaulting companies to rectify the default with a view to provide a final opportunity for defaulting companies and Directors to regularize compliance before 31st March, 2018.
 - ▶ This scheme is now applicable to all Companies registered in India including private limited company, one person company, limited company, section 8 company and others are required to file annual return with the Ministry of Corporate Affairs each year.
 - ▶ Therefore, this Scheme applies to every Company (herein referred as 'Defaulting Company'), which has not filed its financial statements or annual returns as required under the CA 56 / CA 13, for a period of 3 years.
- 

Procedure to be followed under the Scheme -

- ▶ In case of defaulting companies whose names have not been removed from register of companies:
 - The DINs of the concerned disqualified directors which were de-activated, are as of date temporarily activated during the validity of the scheme to enable them to file the overdue documents.
 - The defaulting party shall file the overdue documents in respective e-forms paying statutory and additional fee for filing these overdue documents.
 - The fee for application is Rs. 30,000/-.
 - If the DINs of the Directors associated with the defaulting companies that have not filed their overdue documents and are not taken on record for registry and are still found to be disqualified, shall be liable to be deactivated on expiry of the scheme period.
 - In case the defaulting company has filed an application for revival up to the date of this scheme, the Directors DIN shall be re-activated.
- ▶ The Scheme also provides that the Registrar shall take all necessary actions against companies who have not availed themselves of this Scheme and continue to be in default in filing the overdue documents.

Company Fresh Start Scheme 2020

Key highlights of the Scheme are here as under: -

- The Scheme shall remain in force from 1st April 2020 to 30th September 2020.
- Scheme will be applicable on any “defaulting company”, to file belated documents which were due for filing on any given date in accordance with the provisions of this scheme.
- Here, “Defaulting Company means a company defined under the Companies Act 2013 and which has made a default in filing any of the documents, statements, returns, etc. including annual statutory documents on the MCA 21 Registry.”
- This Scheme permits all the companies incorporated under Companies Act 2013/1956 file their belated documents including annual filings by paying normal fees (without any additional fees) as per the provisions of section 403 read with Companies (Registration Offices and Fee) Rules, 2014.
- Application for seeking immunity in respect of belated documents filed under the scheme may be made electronically in Form CFSS-2020 but shall not be filed beyond Six months from the date of expiry of the scheme.

Scheme shall not be applicable in following cases:

- Companies against which final notice for Striking off the name initiated under section 248 of the Companies Act 2013;
- Companies which have voluntary filed application for Striking off the name;
- Companies which have been amalgamated under the scheme of arrangement or compromise under the act;
- Companies applied for Dormant Status under section 455 of the Act before this scheme;
- To vanishing companies;
- Where any increase in authorized capital is involved (Form SH-7) and also charge related documents (CHG-1, CHG-4, CHG-8&and CHG-9);
- There shall be no fees payable for CFSS-2020.

Thank You

LEX FAVIOS
Advocates & Solicitors

Contact us at:

E-277 Greater Kailash (Level -3)

New Delhi – 110048

Tel: 91-11-32084941

91-11-43851366

Email: admin@lexfavios.com

Website: www.lexfavios.com

