

General Circular No. 12/2011

F.No.2/7/2010-CL-V
Government of India
Ministry of Corporate Affairs
CL V Section

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi
Dated the 7th April, 2011

All Regional Directors,
All Registrar of Companies.

Sub: Clarification regarding Easy Exit Scheme (EES)

Sir,

Ministry has received certain proposals for simplification in the procedures of Easy Exit Scheme (EES), 2011. The proposals have been examined in the Ministry and the revised simplified procedures for dealing with applications under Easy Exit Scheme (EES), 2011 are enclosed herewith.

Encl : As above.

Yours faithfully,

(J.N. Tikku)
Joint Director

**REVISED PROCEDURE FOR EASY EXIT SCHEME/STRIKE OFF U/S.560 OF
THE COMPANIES ACT, 1956**

F.No. 217/2010-CL.V

| Sr. No. | Issues raised in Existing Procedure | Revised procedures to be followed by ROCs |
|----------------|---|---|
| 1. | Prosecution if pending has to be compounded or disposed by Court. | If the pending prosecutions are only for non-filing of Annual Returns U/s 159 and Balance Sheets U/s 220 of the Companies Act, 1956 and the company is actually a defunct one as reflected in the Statement of Accounts submitted along with their application under EES Scheme, such application may be accepted, provided the applicants have already filed compounding application or has furnished an undertaking that the compounding application will be filed before closing of EES Scheme. Steps for final strike of the name of the company should be taken only after disposal of compounding application by the competent authority. |
| 2. | How to deal with Companies having assets and liabilities is not specifically discussed in the scheme. | Ministry cannot advise directors and shareholders for waiver of their liabilities and distribution of assets, to the shareholder other than the process provided in the Act. It is for the management of the company to take action, as permissible under law of the land. |
| 3. | Directors should be as per database. | Application with certificates from practicing Chartered Accountants, Cost Accountants and Company Secretaries giving their membership number and certifying that the applicants are present Directors of company can be considered. In such cases, the applicants shall not be asked to file Form 32. |
| 4. | As per the procedure signatories details are checked from the database and sometimes it does not match and needs clarification / documentary evidence in this regard. | Application with certificates from practicing Chartered Accountants, Cost Accountants and Company Secretaries giving their membership number and certifying that the applicants are present Directors of company can be considered. |
| 5. | Indemnity Bond and affidavit needs to be furnished by the directors | Foreign nationals and NRIs have to get their Indemnity Bond and Affidavit notarized as per their respective country's law. |


K.J.N. TIKKAT
 Joint Director