

New Scheme For Striking Off Defunct Companies

Aicte Tightens Its Control Over Aicte Approved PGDM Institutions

LexCounsel, Law Offices

C-10, Gulmohar Park
New Delhi 110 049, INDIA.

Tel.: +91.11.4166.2861
Fax: +91.11.4166.2862

Recommended by:



New Scheme For Striking Off Defunct Companies

The Ministry of Corporate Affairs (“MCA”) has launched the “Easy Exit Scheme, 2011” (“Scheme”) making it easier for the defunct (non-operational) companies to get their names struck off from the register of companies.

The Scheme can be availed of by the companies, incorporated under the Companies Act, 1956 (“Act”), that have not carried on any business activity or operation on or after April 1, 2008.

The Scheme, however, does not cover companies which are listed, or registered under section 25 of the Act, or have a secured loan, or have a management dispute, or against which prosecution for a non-compoundable offence is pending in court, etc.

Any eligible defunct company desirous of getting its name struck off from the Register of Companies under the Scheme needs to make an application in “Form EES, 2011” available on the MCA website namely “www.mca.gov.in” along with the requisite filing fee and other documents.

MCA came out with a similar scheme during May to August 2010 namely “Easy Exit Scheme, 2010” which was availed of by a large number of companies. The Scheme is expected to be beneficial to companies which would have become non-operational due to various operational and business reasons.

The Scheme became effective on January 1, 2011 and will be valid till January 31, 2011.

AICTE Tightens Its Control Over AICTE Approved PGDM Institutions

On December 28, 2010, the All India Council of Technical Education (“AICTE”) issued a notification for further regulating the Post Graduate Diploma in Management (“PGDM”) programs being offered by AICTE approved institutions in India. In terms of the notification, AICTE has issued the following provisions for regulating the PGDM programs:

1. All PGDM courses shall be of a minimum duration of 24 (twenty four) months;
2. Admission to all PGDM programs shall be undertaken through a common entrance test such as CAT/MAT or examinations conducted by the respective State Governments for all institutions other than the minority institutions;
3. Admission to PGDM, PGDM (Executive) and PGCM (Post Graduate Certificate in Management) programs shall not start before March 31st of an academic year;
4. Model curriculum/syllabus for PGDM, PGDM (Executive) and PGCM programs shall be issued by AICTE;

5. Admission to PGDM programs shall be conducted by the respective State Governments through their competent authority designated for such purpose;
6. The fee to be charged for PGDM, PGDM (Executive) and PGCM programs shall be approved by the fee fixation committee of the respective State Governments;
7. Conduct of examination/arbitration on matters of examination shall be decided by the All India Board of Management, AICTE; and
8. The academic session for the programs shall normally be from June 1st to May 31st of the succeeding year.

Additionally, to ensure transparency and swiftness in the approval process, AICTE has made it mandatory for all existing AICTE approved institutions to upload all relevant information on the web portal of AICTE for the purpose of processing applications for the academic year 2011-12.

The notification has received negative response from the industry and is being viewed as a direct interference and attack on the independence of the educational institutions offering PGDM, PGDM (Executive) and PGCM programs. It is being agreed that the intervention of the State Governments/AICTE in critical areas such as admissions to the PGDM programs, fee fixation for such programs, curriculum selection etc., would reduce the operational freedom of the educational institutions offering such management programs and impact the long term quality of the educational programs being offered by these institutions.