



'ICSI House', 22 Institutional Area, Lodi Road, New Delhi-110003, India.
Phone-(011) 41504444, 45341000, Fax-(011)24626727, Email - info@icsi.edu



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well
maintained.
Under-inflated
tires and dirty
air-intake
filters can
significantly
reduce gas
mileage.**



CS Update

May 10, 2011

CONTENTS

FROM ICSI

- 12th NATIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES
- EXCLUSIVE OFFER FOR ICSI MEMBERS FROM EJURIX & ICSI-KP
- FREQUENTLY ASKED QUESTIONS ON ICSI-USE MOU
- COMPULSORY ATTENDANCE OF PROFESSIONAL DEVELOPMENT PROGRAMMES BY MEMBERS.
- PMQ COURSE IN CORPORATE GOVERNANCE-ENHANCEMENT OF FEES
- INSTITUTE'S RECENT PUBLICATIONS

MCA UPDATE

- COMPANIES (AMENDMENT) REGULATIONS, 2011
- CLARIFICATION REGARDING EFFECTIVE DATE OF COMPANIES(PARTICULARS OF EMPLOYEES) AMENDMENT RULES, 2011
- CLARIFICATION IN RESPECT OF GENERAL CIRCULAR NO: 2 /2011 DATED 8TH FEBRUARY, 2011
- GREEN INITIATIVE IN THE CORPORATE GOVERNANCE- APPROVAL OF MINISTRY OF CORPORATE AFFAIRS FOR APPOINTMENT OF AGENCY FOR PROVIDING ELECTRONIC PLATFORM FOR ELECTRONIC VOTING UNDER THE COMPANIES ACT,1956.
- E-FORM NO.32- INTIMATION TO ROC REGARDING PARTICULARS OF APPOINTMENT OF DIRECTORS ETC AND CHANGES THEREIN IN THE COMPANY PURSUANT TO SECTION 303(2) OF THE COMPANIES ACT,1956- FILING OF CONFLICTING RETURN BY CONTESTING PARTIES.
- MARKING A COMPANY AS HAVING MANAGEMENT DISPUTE BY REGISTRAR OF COMPANIES UNDER MCA-21 SYSTEM.
- CHANGE IN EFORMS 2, 3, 18, 23C, 24A AND 32
- GREEN INITIATIVE IN THE CORPORATE GOVERNANCE- CLARIFICATION REGARDING SENDING COPIES OF BALANCE SHEETS AND AUDITORS REPORT ETC., TO THE MEMBERS OF THE COMPANY AS REQUIRED UNDER SECTION 219 OF THE COMPANIES ACT, 1956 THROUGH ELECTRONIC MODE.
- FILING OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT IN EXTENSIBLE BUSINESS REPORTING LANGUAGE (XBRL) MODE.



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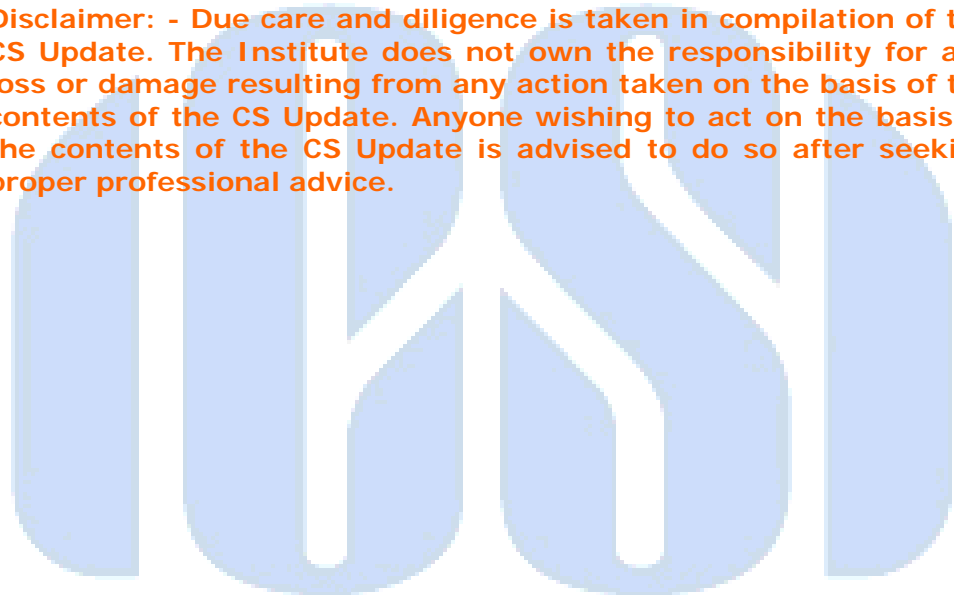
RBI UPDATE

- MARGINAL STANDING FACILITY – SCHEME
- HOUSING LOAN LIMIT UNDER PRIORITY SECTOR
- IMPORT OF ROUGH, CUT AND POLISHED DIAMONDS

PREVIOUS ISSUES ARE AVAILABLE AT THE FOLLOWING LINK:

<http://www.icsi.edu/Member/CSUpdate/tabid/1635/Default.aspx>

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CS Update

May 10, 2011



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FROM BEST





12th NATIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES

The 12th National Conference of Practising Company Secretaries is scheduled to be hold on July 14- 15- 16, 2011 at Ooty, Tamil Nadu.

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The Council of the Institute has decided to hold the 12th National Conference of Practising Company Secretaries at Ooty, Tamil Nadu. Located in the midst of four high hills; Doddabetta, Snowdon, Elk hill and Club Hill in the Nilgiris, Ooty is a picturesque hill station that is pleasant all through the year. The time of the National Conference has very aptly been kept in July so as to enable members to escape into the verdant hills, the lush green valleys and to admire the pristine natural beauty of the hill resort of Ooty which offers the tired souls of all ages a chance to resume their affair with Nature, to whom they truly belong. The National Conference would surely be a rejuvenating experience for one and all. So come and embrace the tranquility and solace that Ooty has to offer.



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CLICK HERE TO VIEW BROCHURE: [12th National Conference of Practising Company Secretary_](#)





CS Update

May 10, 2011



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 * Only Corporate Law module is available for non ICSI members at Rs 10,000/- P A
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 * Subscription amounts are for 1 yr

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FREQUENTLY ASKED QUESTIONS ON ICSI-USE MOU

1. What is United Stock Exchange of India?

United Stock Exchange of India Limited (USE) is India's newest stock exchange and has been promoted by 21 Indian public sector banks, private banks and corporate houses. USE is the trading platform for Currency Futures now.

2. Who can trade on currency futures?

Any Resident Indian or Company can become a member of USE and trade in the currency futures market. At present, Non Resident Indians (NRIs) and Foreign Institutional Investors (FIIs) are not permitted to trade in the futures market in India.

3. Why has ICSI partnered with USE?

ICSI-USE understand and realize the high growth potential of the Indian financial markets and has agreed to collaborate in variety of educative initiatives such as:

1. Holding and organizing seminars on financial markets and corporate governance to empower the users.
2. Creating infrastructure of knowledge based technical studies on financial markets.
3. Creating awareness about the complex financial instruments and using derivatives for effective hedging keeping accounting standards in perspective.
4. Conduct various kinds of certification programmes and literature on financial markets and corporate governance.
5. Hosting events such as simulation exercises (mock trading on exchanges), seminars, and training in financial markets to empower ICSI members and general investing public in rightfully analyzing the financial markets.
6. Conducting research and other related activities in financial markets and impact of corporate laws and Secretarial standards on financial markets.
7. Imparting and conducting special training and education programmes in financial markets.
8. Organizing short term courses on various asset classes, currency, interest rates, commodity, debt, mutual funds, and derivatives.
9. Organizing panel discussions, webcasting and presentation of experts on various aspects of financial markets and using electronic media for imparting knowledge.
10. Collaborating for joint certification of ICSI professionals on topics of professional interest.

4. What is the distinctive benefit offered by USE to ICSI Members?

Membership of United Stock Exchange of India is available free of cost to all ICSI Members for the first three months from the signing of this MOU. The MOU was signed on March 07, 2011 at New Delhi.



CS Update

May 10, 2011



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5. What are the different types of membership available?

There are 2 types of memberships available with USE:

TRADING MEMBERSHIP: Trading Members have the privilege of trading on one's own account as well as on the accounts of their clients but do not have the facility to clear and settle debts.

CLEARING MEMBERSHIP: Clearing Members are entitled to clear and settle trades for all trading members through the clearing corporation of USE – ICCL (a wholly owned subsidiary of Bombay Stock exchange with fully automated post trade services).

6. Who can take membership of the exchange?

Any Proprietor, Partnership or Corporate Firm fulfilling the eligibility requirements laid down by SEBI can take membership of the exchange. Following are the requirements as per SEBI guidelines.

- For Trading Membership, the member should possess a liquid net worth of 1 Crore Rupees, while for a Clearing Membership the member requires liquid net worth of 5 Crore Rupees.
- The Designated Directors should have an experience of minimum 2 years in the capital market.
- Minimum 2 NISM (series – 1) certificates

7. How can I attain NISM Certification?

There is NISM online exam for the currency segment. The member can login and register online on the website of Bombay Stock Exchange and take a slot as per his/her convenience. The link for the same is <http://www.bseindia.com/training/nismregistration.asp>

8. How do ICSI members register themselves as trading members of USE? (Procedural Requirements)

The procedure for becoming a Trading Member with the exchange basically involves 2 steps i.e. filling the Application form and the Commencement of Business (COB) Form.

As a first step the applicant would be required to fill in and submit the Application Forms to the Exchange. These forms can be downloaded from USE website, the link for which is <http://www.useindia.com/downloads.php>.

These forms would be submitted to SEBI, who would scrutinise the forms and then issue its SEBI Certificate. After this the applicant would be required to submit the Commencement of Business Forms (COB) available on USE website.

Upon Completion of this formality the applicant becomes a full fledged member.

9. What activities can I undertake on the platform?

The member can use this platform for meeting his need for all three functions i.e. for hedging, speculating and arbitraging. Spread contracts are also available on the USE platform.

10. Would I have to undertake any hidden costs?



CS Update

May 10, 2011



At the time of inception to trade, Trading member is required to pay a security deposit of 1 Lakh Rupees to the exchange which is fully refundable upon surrender of the membership.

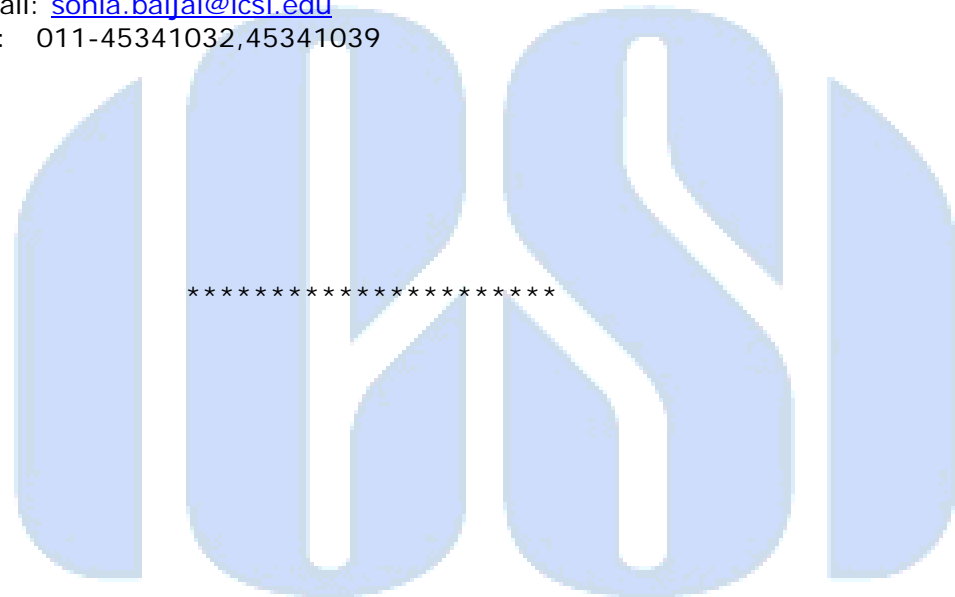
Similarly a Clearing member would have to pay security deposit of 50 Lakh Rupees which constitutes of 25 Lakhs as cash and other 25 Lakhs as non cash component. This is a non interest bearing deposit.

The software and connectivity would be provided by the exchange free of cost. Members having BSE connectivity would also be able to use it for USE software for free. As of now, there are no transaction charges on the exchange.

11. For further Information and queries please contact:

Directorate of Academics & Professional Development
Institute of Company Secretaries of India
Email: sonia.baijal@icsi.edu
Tel: 011-45341032,45341039

Membership Department
United Stock Exchange of India Ltd.
Email: membership@useindia.com
Tel: 022- 42444902



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May 10, 2011



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COMPULSORY ATTENDANCE OF PROFESSIONAL DEVELOPMENT PROGRAMMES BY THE MEMBERS

The Council of the Institute at its 200th Meeting held on March 18, 2011 at New Delhi amended the Guidelines for Compulsory Attendance of Professional Development Programmes by the Members to provide as under:

1.	Next block of three years	April 01, 2011 to March 31, 2014
2.	Min. number of Programme Credit Hours (PCH) to be acquired by Members in Practice	15 PCH in each year or 50 PCH in a block of three years w.e.f April 01, 2011
3.	Min. number of PCH to be acquired by Members in Employment (i.e. members in whose name Form 32 has been filed to work as Company Secretary under the provisions of Sec. 383A of the Companies Act, 1956)	10 PCH in each year or 35 PCH in a block of three years w.e.f April 01, 2011
4.	Min. number of PCH to be acquired by Members above the age of 60 years	Presently the members of the age of 65 years are not required to obtain PCH. This age limit stands reduced to 60 years and the members above the age of 60 years shall be required to obtain 50% of the PCH required to be obtained by the members below 60 years w.e.f April 01, 2011.
5.	Members failing to obtain the mandatory PCH upto March 31, 2011	Provided with a shortfall upto 10 PCH and required to compensate by obtaining atleast 5 additional PCH on pro rata basis in the first year of the next block of three years commencing from April 01, 2011.
6.	Members who have not obtained any PCH during the block ending on March 31, 2011	Members seeking renewal of CoP to provide an explanation for non compliance with the Guidelines – to be decided on case to case basis.



CS Update

May 10, 2011



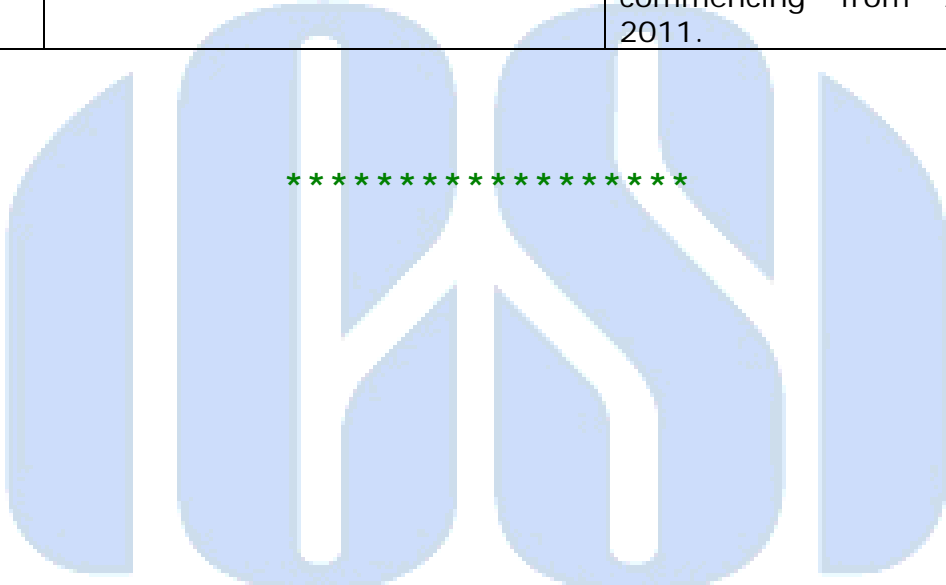
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7.	Carry forward of the excess PCH if the member has already completed the mandatory PCH upto December 31, 2010 and continued to attend Professional Development Programmes during January – March, 2011	The Guidelines for Compulsory Attendance of Professional Development Programmes by the Members do not provide for carry forward of PCH from one block of three years to the other. If any member had obtained the mandatory PCH upto December 31, 2010 and continued to attend Professional Development Programmes during January – March, 2011, then in such case the PCH obtained by such member during January – March, 2011 would be treated as having been obtained in the first year of the next block commencing from April 01, 2011.
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PMQ COURSE IN CORPORATE GOVERNANCE

ENHANCEMENT OF FEES

The Council at its 197th Meeting held on December 15, 2010 felt that honorarium be paid to the Guides for dissertation and project report under PMQ Course in Corporate Governance. With a view to meet the expense on honorarium to be paid to the Guide and to meet the increased costs, the Council has decided to enhance the **fee for PMQ Course in Corporate Governance with effect from January 1, 2011 to Rs.25,000/-** for the entire course payable as under :

Rs.12500/- payable at the time of registration for the course.

Rs.12,500/- payable after completion of Part I and before commencement of Part II





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INSTITUTE'S RECENT PUBLICATIONS

- Business @ Governance & Sustainability
- Guidance Note on Board Processes
- Independent Directors-A research Study on Corporate Practice in India
- Corporate Social Responsibility –Research Study of Corporate Practice in India
- DNA of Integrity
- Role of Company Secretaries-A New Perspective
- A Guide to Company Secretary in Practice
- Guidance Note on Related Party Transactions
- Guidance Note on Listing of Corporate Debt
- Guidance Note on Corporate Governance Certificate
- Referencer on Secretarial Audit
- Referencer on Filling and Filing of E-Forms 23AC and 23ACA
- Establishment of Branch, Liaison & Project Offices in India
- Handbook on Mergers, Amalgamation and Takeover

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or

Contact : Shri Harish Chander Joshi,
Admn. Officer(store),
The Institute of Company Secretaries of India,
C-37, Sector 62,
Institutional Area,
NOIDA (U.P.)





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May 10, 2011



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MCA UPDATE





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COMPANIES (AMENDMENT) REGULATIONS, 2011

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA ,
EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
Notification**

New Delhi, the 9th May, 2011

G.S.R.- (E): - In exercise of the powers conferred by sub-sections (1),(2),(5) and (8) of section 25 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following regulations further to amend the Companies Regulations, 1956, namely:-

1. (1) These regulations may be called the Companies (Amendment) Regulations, 2011.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies Regulations, 1956 (herein after referred to as the said regulations), in Part B, in regulation 3, 5, 7, 9 and 14, for the word "Regional Director", the word "Registrar of Companies" shall be substituted.

3. In the said regulations, after Part F, in Annexure-III and Annexure-IV, for the word "Regional Director", the word "Registrar of Companies" shall be substituted.

4. In the said regulations, regulation 11, 12 & Annexure-II shall be omitted.

[F.No. 5/7/2011- CL.V]


J.N. Tikku,
Joint Director

Foot Note: The Principal regulations were published in the Gazette of India vide S.R.O. No. 432B dated 18.2.1956 and last amended vide GSR No. 304 (E) dated 06.04.2011.



CLARIFICATION REGARDING EFFECTIVE DATE OF COMPANIES (PARTICULARS OF EMPLOYEES) AMENDMENT RULES, 2011

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General Circular No. 23/2011

No 2/29/1998-CL.V
Government of India
Ministry of Corporate Affairs
5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Date: 03.05.2011

To

All Regional Directors
All Registrar of Companies

Sub: Clarification regarding effective date of Companies (Particulars of Employees) Amendment Rules, 2011 – reg

Sir,

The Ministry had notified Companies (Particulars of Employees) Amendment Rules, 2011 vide GSR 289 (E) dated 31.03.2011 raising the limit of employee's salary to be disclosed in Directors Report.

2. In this regard, it is clarified that the said notification shall be applicable to all Director's Reports under section 217 of the Companies Act, 1956 approved by the Board of Directors on or after 1.4.2011, irrespective of the accounting year of the annual account, being approved by the Board.

Yours faithfully,

(Monika Gupta)
Assistant Director

Copy to: All concerned



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CS Update

May 10, 2011



CLARIFICATION IN RESPECT OF GENERAL CIRCULAR NO: 2 /2011 DATED 8TH FEBRUARY, 2011

General Circular No: 22/2011

No: 5/12/2007-CL-III
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi-110 001.
Dated: 2nd May, 2011

To

All Regional Directors
All Registrars of Companies

Subject: Clarification in respect of General Circular No: 2 /2011 dated 8th February, 2011

Sir,

It has been observed that certain companies are seeking clarification in respect of circular No. 2/11 dated 8.2.2011 issued by the Ministry in respect of exemption u/s 212 (8) of the Companies Act, 1956. The point raised is in respect of applicability of condition No. (ii) of the circular, requesting the Ministry to delete the condition in respect of unlisted companies as this condition is applicable to listed companies as per SEBI guidelines.

- The Ministry is aware of the limited scope of the SEBI Rule. However, the decision has been taken to ensure transparency in those cases where balance sheets of subsidiaries are not attached.
- In this regard, it is clarified that companies which desire to take benefit of exemption allowed under this circular would have to fulfill the conditions stipulated therein even if they are unlisted.

Yours faithfully

(Rita Dogra)
Under Secretary to the Govt. of India.

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May 10, 2011



GREEN INITIATIVE IN THE CORPORATE GOVERNANCE- APPROVAL OF MINISTRY OF CORPORATE AFFAIRS FOR APPOINTMENT OF AGENCY FOR PROVIDING ELECTRONIC PLATFORM FOR ELECTRONIC VOTING UNDER THE COMPANIES ACT, 1956.

Circular No.21/2011

No 17/95/2011/CL.V
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated: 02.05.2011

All the Regional Directors,
All the Registrar of Companies

Subject: Green Initiative in the Corporate Governance -- Approval of Ministry of Corporate Affairs for appointment of agency for providing electronic platform for electronic voting under the Companies Act, 1956.

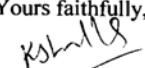
Sir,

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies after considering sections 2, 4, 5, and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through electronic mode.

Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 already recognizes voting by electronic mode for postal ballot. Some of the listed company have already started using electronic platform of certain agencies for providing and supervising the electronic platform for electronic voting.

In order to have secured electronic platform for capturing accurate electronic voting processes, It is hereby clarified that the agency appointed for providing and supervising electronic platform for electronic voting shall be an agency duly approved by the Ministry of Corporate Affairs.

It is further clarified that for the above purpose, National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) are being approved by the Ministry of Corporate Affairs subject to the condition that they obtain a certificate from Standardization Testing and Quality Certification (STQC) Directorate, Department of Information Technology, Ministry of Communications & IT, Govt. of India, Electronics Niketan, 6 CGO Complex, New Delhi - 110 003, INDIA. Once they obtain the same and inform the Ministry, they will be authorized to undertake these activities.

Yours faithfully,

(Kamna Sharma)
Assistant Director

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E-FORM NO.32- INTIMATION TO ROC REGARDING PARTICULARS OF APPOINTMENT OF DIRECTORS ETC AND CHANGES THEREIN IN THE COMPANY PURSUANT TO SECTION 303(2) OF THE COMPANIES ACT,1956- FILING OF CONFLICTING RETURN BY CONTESTING PARTIES.





CS Update

May 10, 2011



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General Circular No. 20/2011

No 17/135/2011-CL.V
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated: 02.05.2011

To

All Regional Directors
All Registrar of Companies

Sub : E-Form No. 32 – Intimation to Registrar of Companies regarding particulars of appointment of Directors etc and changes therein in the company pursuant to section 303 (2) of the Companies Act, 1956 – filing of conflicting return by contesting parties.

Sir,

The Ministry had earlier clarified vide Circular dated 04.05.1993 that it is neither desirable nor possible for the Registrar to sit in judgment to ascertain the rightful claims of the Directors in case of a dispute and it is for the parties concerned to settle their disputes by approaching the court. In case conflicting documents are filed by the contesting group of Directors, Registrar may take the document on record, if the same are otherwise in order by informing the parties concerned, (contesting group of Directors), in writing, that the documents have been taken on records without prejudice to the rights of the parties to settle the dispute in the court of competent authority.

2. In order to cut timelines and bring more transparency in the working of office of Registrar of Companies, the Form 32 will also be taken on records under Straight Through Process (STP) mode i.e., the information given in the e-form 32 is being taken on file maintained by the Registrar of Companies through electronic mode on the basis of statement of correctness given by the filing company and further verification by the practicing professional i.e., Chartered Accountants, Cost Accountants and Company Secretaries.

3. The above instructions are being hereby revised to the extent that all particulars filed by the companies in e-form 32 are being placed on records of the Registrar of Companies through the STP process as filed by the company and verified by the practicing professional, without prejudice to the rights of the parties to settle the dispute, if any, in a court of competent jurisdiction.

Yours faithfully,

(Monika Gupta)
Assistant Director

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CS Update

May 10, 2011



MARKING A COMPANY AS HAVING MANAGEMENT DISPUTE BY REGISTRAR OF COMPANIES UNDER MCA-21 SYSTEM.

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General Circular No. 19/2011

No 17/135/2011-CL.V
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated: 02.05.2011

To

All Regional Directors
All Registrar of Companies

Sub: Marking a company as having management dispute by Registrar of Companies under MCA-21 system.

Sir,

In the present electronic MCA-21 system, there is a facility with the Registrar of Companies to mark a company "marked as having management dispute" on the basis of complaints received in his office. This marking creates an alert and the documents are not approved and remain in the registry as work in process till it is demarked by the Registrar. In order to bring uniformity of practices by all Registrar of Companies it is clarified that the Registrar of Companies shall use this facility as under: --

- (i) The Registrar of Companies shall mark a company as having management dispute in only those cases where the court or Company Law Board has directed to maintain the status-quo with reference to any e-forms including status of Directors in the company or
- (ii) The Court or Company Law Board has granted any injunction or stay in taking the document on record and Registrar of Companies is a party in such court cases and/or the directions have been issued to the Registrar of Companies.
- (iii) In other matter, where the Registrar of Companies is not a party and such orders have been passed and has not been served to the Registrar of Companies, it is for the parties to comply to such orders and in case of non-compliances, the law shall take its own course.

Yours faithfully,

(Monika Gupta)
Assistant Director

Copy to: All concerned



CS Update

May 10, 2011



CHANGE IN EFORMS 2, 3, 18, 23C, 24A AND 32

CLICK HERE TO VIEW: [G.S.R. \(E\)](#)

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GREEN INITIATIVE IN THE CORPORATE GOVERNANCE- CLARIFICATION REGARDING SENDING COPIES OF BALANCE SHEETS AND AUDITORS REPORT ETC., TO THE MEMBERS OF THE COMPANY AS REQUIRED UNDER SECTION 219 OF THE COMPANIES ACT, 1956 THROUGH ELECTRONIC MODE.

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CLICK HERE TO VIEW: [General Circular No:18/2011](#)





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FILING OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT IN EXTENSIBLE BUSINESS REPORTING LANGUAGE (XBRL) MODE.

General Circular No. 09/2011

17/70/2011 –CL.V
Government of India
Ministry of Corporate Affairs

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi
Dated the 31.03.2011

To

All Regional Directors
All Registrar of Companies

Subject: Filing of Balance Sheet and Profit and Loss Account in eXtensible Business Reporting Language(XBRL) mode.

It has been decided by the Ministry of Corporate Affairs to mandate certain class of companies to file balance sheets and profit and loss account for the year 2010-11 onwards by using XBRL taxonomy. The Financial Statements required to be filed in XBRL format would be based upon the Taxonomy on XBRL developed for the existing Schedule VI, as per the existing, (non converged) Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The said Taxonomy is being hosted on the website of the Ministry at www.mca.gov.in shortly. The **Frequently Asked Questions** (FAQs) about XBRL have been framed by the Ministry and they are being annexed as Annexure I with this circular for the information and easy understanding of the stakeholders.

Coverage in Phase I

2. The following class of companies have to file the Financial Statements in XBRL Form only from the year 2010-2011 :-

(i) All companies listed in India and their subsidiaries, including overseas subsidiaries;

(ii) All companies having a paid up capital of Rs. 5 Crore and above or a Turnover of Rs 100 crore or above .

Additional Fee Exemption

3. All companies falling in Phase -I are permitted to file upto 30-09-2011 without any additional filing fee.

Training Requirement

4. Stakeholders desirous to have training on the XBRL or on taxonomy related issues, may contact the persons as mentioned in Annexure II.



CS Update

May 10, 2011



(J.N. Tikku)

Joint Director
Tel: 011-23381295

Annexure I

Frequently Asked Questions

1. What is XBRL?

XBRL is a language for the electronic communication of business and financial data which is revolutionizing business reporting around the world. It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data. XBRL stands for eXtensible Business Reporting Language. It is already being put to practical use in a number of countries and implementations of XBRL are growing rapidly around the world.

2. Who developed XBRL?

XBRL is an open, royalty-free software specification developed through a process of collaboration between accountants and technologists from all over the world. Together, they formed XBRL International which is now made up of over 650 members, which includes global companies, accounting, technology, government and financial services bodies. XBRL is and will remain an open specification based on XML that is being incorporated into many accounting and analytical software tools and applications.

3. What are the advantages of XBRL?

XBRL offers major benefits at all stages of business reporting and analysis. The benefits are seen in automation, cost saving, faster, more reliable and more accurate handling of data, improved analysis and in better quality of information and decision making. XBRL enables producers and consumers of financial data to switch resources away from costly manual processes, typically involving time-consuming comparison, assembly and re-entry of data. They are able to concentrate effort on analysis, aided by software which can validate and process XBRL information. XBRL is a flexible language, which is intended to support all current aspects of reporting in different countries and industries. Its extensible nature means that it can be adjusted to meet particular business requirements, even at the individual organization level.

4. Who can benefit from using XBRL?

All types of organizations can use XBRL to save costs and improve efficiency in handling business and financial information. Because XBRL is extensible and flexible, it can be adapted to a wide variety of different requirements. All participants in the financial information supply chain can benefit, whether they are preparers, transmitters or users of business data.

5. What is the future of XBRL?

XBRL is set to become the standard way of recording, storing and transmitting business financial information. It is capable of use throughout the world, whatever the language of the country concerned, for a wide variety of business purposes. It

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May 10, 2011



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will deliver major cost savings and gains in efficiency, improving processes in companies, governments and other organisations.

6. Does XBRL benefit the comparability of financial statements?

XBRL benefits comparability by helping to identify data which is genuinely alike and distinguishing information which is not comparable. Computers can process this information and populate both pre defined and customised reports.

7. Does XBRL cause a change in accounting standards?

No. XBRL is simply a language for information. It must accurately reflect data reported under different standards – it does not change them.

8. What are the benefits to a company from putting its financial statements into XBRL?

XBRL increases the usability of financial statement information. The need to re-key financial data for analytical and other purposes can be eliminated. By presenting its statements in XBRL, a company can benefit investors and other stakeholders and enhance its profile. It will also meet the requirements of regulators, lenders and others consumers of financial information, who are increasingly demanding reporting in XBRL. This will improve business relations and lead to a range of benefits.

With full adoption of XBRL, companies can automate data collection. For example, data from different company divisions with different accounting systems can be assembled quickly, cheaply and efficiently. Once data is gathered in XBRL, different types of reports using varying subsets of the data can be produced with minimum effort. A company finance division, for example, could quickly and reliably generate internal management reports, financial statements for publication, tax and other regulatory filings, as well as credit reports for lenders. Not only can data handling be automated, removing time-consuming, error-prone processes, but the data can be checked by software for accuracy.

9. How does XBRL work?

XBRL makes the data readable, with the help of two documents – Taxonomy and instance document. Taxonomy defines the elements and their relationships based on the regulatory requirements. Using the taxonomy prescribed by the regulators, companies need to map their reports, and generate a valid XBRL instance document. The process of mapping means matching the concepts as reported by the company to the corresponding element in the taxonomy. In addition to assigning XBRL tag from taxonomy, information like unit of measurement, period of data, scale of reporting etc., needs to be included in the instance document.

10. How do companies create statements in XBRL?

There are a number of ways to create financial statements in XBRL:

XBRL-aware accounting software products are becoming available which will support the export of data in XBRL form. These tools allow users to map charts of accounts and other structures to XBRL tags.

Statements can be mapped into XBRL using XBRL software tools designed for this purpose



CS Update

May 10, 2011



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Data from accounting databases can be extracted in XBRL format. It is not strictly necessary for an accounting software vendor to use XBRL; third party products can achieve the transformation of the data to XBRL.

Applications can transform data in particular formats into XBRL. The route which an individual company may take will depend on its requirements and the accounting software and systems it currently uses, among other factors.

11. Is India a member of XBRL International?

India is now an established jurisdiction of XBRL International. A separate company, under section 25 has been created, to manage the operations of XBRL India. The main objectives of XBRL India are

- To create awareness about XBRL in India
- To develop and maintain Indian Taxonomies
- To help companies, adopt and implement XBRL.

For more information, visit www.xbrl.org/in

12. Which taxonomies developed for Indian reporting requirements? Where can I find the taxonomies?

Taxonomies for Indian companies are developed based on the requirements of

- Schedule VI of Companies Act,
- Accounting Standards, issued by ICAI
- SEBI Listing requirements.

Taxonomies for Manufacturing and service sector (referred as Commercial and Industrial, or C&I) and Banking sector, is acknowledged by XBRL International. These taxonomies are available at <http://www.xbrl.org/in/>

13. Where can I find more information about XBRL?

Please visit www.xbrl.org . Also Ministry of Corporate Affairs would be shortly developing its webpage on XBRL with list of contact persons for training purposes.

14. What are XBRL Documents?

An XBRL document comprises the taxonomy and the instance document. Taxonomy contains description and classification of business & financial terms, while the instance document is made up of the actual facts and figures. Taxonomy and Instance document together make up the XBRL documents.

15. What is Taxonomy?

Taxonomy can be referred as an electronic dictionary of the reporting concepts. Taxonomy consists of all the data definitions, the basic XBRL properties and the interrelationships amongst the concepts. It includes terms such as net income, EPS, cash, etc. Each term has specific attributes that help define it, including label and definition and potentially references. Taxonomies may represent hundreds or even thousands of individual business reporting concepts, mathematical and definitional relationships among them, along with text labels in multiple languages, references



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to authoritative literature, and information about how to display each concept to a user.

16. What is meant by extending taxonomy?

Taxonomy is extended to accommodate items/relationship specific to the owner of the information. Taxonomy extension therefore can be

- Modification in the existing relationships
- Addition of new elements in the taxonomy
- Combination both a & b

17. Are Taxonomies based on any standards?

Yes, taxonomies are based on the regulatory requirements and standards which are to be followed by the companies. Accordingly, depending on the requirements of every country, there can be country-specific taxonomies.

18. What is an Instance document?

An XBRL instance document is a business report in an electronic format created according to the rules of XBRL. It contains facts that are defined by the elements in the taxonomy it refers to, together with their values and an explanation of the context in which they are placed. XBRL Instances contain the reported data with their values and "contexts". Instance document must be linked to at least one taxonomy, which defines the contexts, labels or references.

Thus, in order to concluded the usage and explain the XBRL technology which leads to more information exchanges that can be effectively automated by use. This one standard approach leads to the best interest of the company or more so for the international business interests globally that warrant the accuracy of all the financial data for the end users and early collaborative decisions by the companies or those whose interest is involved for acquisition/ rights etc.

Annexure II

(i) Smt. Nirupama Kotru, Director
Ministry of Corporate affairs
5th Floor, 'A' Wing, Shastri Bhavan,
Dr.R.P. Road, New Delhi
Contact No. 011-23384470
Email: nirupama.kotru@mca.gov.in

(ii) Dr. Avinash Chandra, Technical Director
The Institute of Chartered Accountants of India,
'ICAI Bhawan', Post Box No. 7100,
Indraprastha Marg, New Delhi-110002.
Contact No. 011-3011456, 30110427
Email: avinash@icai.org

(iii) Shri Pankaj Srivastava, Joint Director
Ministry of Corporate affairs
5th Floor, 'A' Wing, Shastri Bhavan,
Dr.R.P. Road, New Delhi
Contact No. 011-23384657



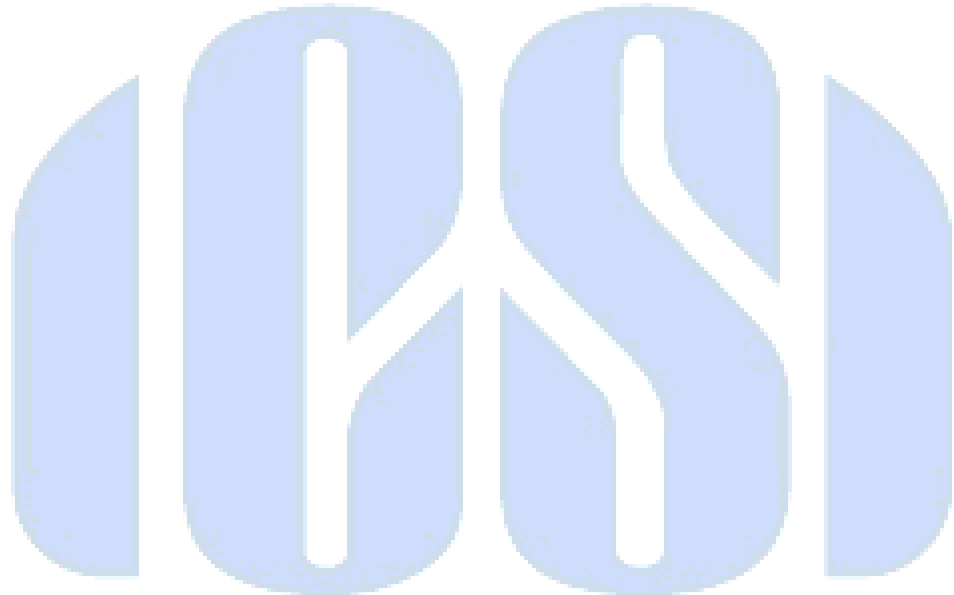
CS Update

May 10, 2011

Email : pankaj.srivastava@nic.in
iss.pankaj@gmail.com

(iv) Dr. Surinder Pal,
Secretary, Committee on Members in Industry (CMII),
The Institute of Chartered Accountants of India,
'ICAI Bhawan', Indraprastha Marg, New Delhi-110002.
Contact No. 011-30110450

(v) Mr. N.K. Bansal, Secretary,
Continuing Professional Education (CPE),
The Institute of Chartered Accountants of India,
'ICAI Bhawan', Indraprastha Marg, New Delhi-110002.
Contact No. 0120-3045957



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May 10, 2011



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RBI UPDATE





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MARGINAL STANDING FACILITY – SCHEME

RBI/2010-11/515

FMD. No.59/01.18.001/2010-11

May 9, 2011

All Scheduled Commercial Banks

Dear Sir,

Marginal Standing Facility – Scheme

As announced in the [Monetary Policy for the year 2011-12](#), a new Marginal Standing Facility (MSF) is being introduced with effect from May 9, 2011.

The Scheme will be operationalized on the lines of the existing Liquidity Adjustment Facility – Repo Scheme (LAF – Repo). The salient features of the Scheme are as under:

1. Effective Date

This facility will be effective from May 9, 2011.

2. Eligibility

All Scheduled Commercial Banks having Current Account and SGL Account with Reserve Bank, Mumbai will be eligible to participate in the MSF Scheme.

3. Tenor and Amount

Under the facility, the eligible entities can avail overnight, up to one per cent of their respective Net Demand and Time Liabilities (NDTL) outstanding at the end of the second preceding fortnight. But for the intervening holidays, the MSF facility will be for one day except on Fridays when the facility will be for three days or more, maturing on the following working day. In the event, the banks' SLR holdings fall below the statutory requirement up to one per cent of their NDTL, banks will not have the obligation to seek a specific waiver for default in SLR compliance arising out of use of this facility in terms of notification issued under sub section (2A) of Section 24 of the Banking Regulation Act, 1949.

4. Timing

The Facility will be available on all working days in Mumbai, excluding Saturdays between 3.30 P.M. and 4.30 P.M.

5. Rate of Interest

The rate of interest on amount availed under this facility will be 100 basis points above the LAF repo rate, or as decided by the Reserve Bank from time to time.

6. Discretion to Reserve Bank

The Reserve Bank will reserve the right to accept or reject partially or fully, the request for funds under this facility.



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7. Mechanics of operations

- i) The requests will be submitted electronically in the Negotiated Dealing System (NDS). Eligible members facing genuine system problem on any specific day, may submit physical requests in sealed cover in the box provided in the Mumbai Office, Reserve Bank of India, to the Manager, Reserve Bank of India, Securities Section, Public Accounts Department (PAD), Mumbai Office by 4.30 P.M.
- ii) The NDS provides for submission of single or multiple applications by the member. However, as far as possible only one request should be submitted by an applicant.
- iii) The MSF will be conducted as "Hold-in-Custody" repo, similar to LAF - Repo.
- iv) On acceptance of MSF requests, the applicant's RC SGL Account will be debited by the required quantum of securities and credited to Bank's RC SGL Account. Accordingly, the applicant's current account will be credited with the MSF application amount. The transactions will be reversed in the second leg. In case the second leg falls on a holiday, the reversal date will be the next working day.
- v) The MSF transactions between Reserve Bank and counter parties which would involve operation of the RC SGL Account would not require separate SGL forms.
- vi) Pricing of all securities including Treasury Bills will be at face value for MSF operations by Reserve Bank. Accrued interest as on the date of transaction will be ignored for the purpose of pricing of securities.

7. Minimum request size

Requests will be received for a minimum amount of **Rs. One crore** and in multiples of Rs. One crore thereafter.

8. Eligible Securities

MSF will be undertaken in all SLR-eligible transferable Government of India (GoI) dated Securities/Treasury Bills and State Development Loans (SDL).

9. Margin Requirement

A margin of five per cent will be applied in respect of GoI dated securities and Treasury Bills. In respect of SDLs, a margin of 10 per cent will be applied. Thus, the amount of securities offered on acceptance of a request for Rs.100 will be Rs.105 (face value) of GoI dated securities and Treasury Bills or Rs.110 (face value) of SDLs.

10. Settlement of Transactions

The settlement of all applications received under the MSF Scheme will take place on the same day after the closure of the window for acceptance of applications.

11. SLR and Securities held in Repo SGL Account

The extant instructions issued by the Department of Banking Operations and Development (DBOD) of the Reserve Bank will apply on the securities offered by scheduled commercial banks for MSF operations.

12. Terms and Conditions



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Application forms for request for "MSF Facility" along with terms and conditions are enclosed at [ANNEX](#).

Yours sincerely,

(G Mahalingam)

Chief General Manager

Encl : As above

ANNEX

APPLICATION FORM FOR MSF FACILITY

The Regional Director

Public Accounts Department

Reserve Bank of India

Mumbai Offic

Mumbai

Applicant's RC S.G.L. A/c.No. with Securities Section, PAD. _____

Applicant's Current A/c. No. with DAD. _____

Dear Sir,

Application for Marginal Standing Facility (MSF)

I/We* the undersigned, hereby, submit the application as set out below for the sale of Government of India dated securities/eligible Treasury Bills/State Development Loan to you on _____ with the undertaking that the same securities will be purchased back from you on _____.

1. Name of the applicant &
2. Amount requested @ (in figures)(in words) Rs. _____ crore
Rupees _____ crore
3. MSF Rate (per cent per annum) fixed by RBI
4. Telephone No.
5. Fax No.

@Indicates the nominal amount requested, against offer of securities.



CS Update

May 10, 2011

Undertakings



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On your acceptance of my/our* application,

1. I/We* agree and undertake to avail the liquidity support in the form of MSF.
2. I/We* also authorize the Reserve Bank of India to be our custodian, to hold the securities in their Repo Constituents' (RC)SGL Account, and to credit/debit my/our* current account and RC SGL Account (on repurchase by us) based on our application form.
3. I/We* agree that the Reserve Bank of India shall not be held responsible for any loss, damage or liability on account of acting as the Custodian of our securities. I/We* also agree that I/We* shall indemnify and keep indemnified the Reserve Bank of India at all times against any loss, damage or liability whatsoever arising out of acting as Custodian of our securities as above.
4. I/We* have also submitted another request(s)/not submitted any other applications* for MSF.

Terms and conditions

I/We* have read the terms and conditions for the Marginal Standing Facility and undertake to abide by them.

Yours faithfully,

Signature of official (s) authorised to operate on SGL/Current Account

Name _____

Designation _____

Office stamp of the applicant _____

* Strike out whichever is not applicable

TERMS AND CONDITIONS FOR MSF

1. Applications for liquidity support under the Marginal Standing Facility in the form of overnight fixed-rate Repo will be accepted by the Reserve Bank of India at Mumbai on all working days in Mumbai except Saturdays.
2. All transferable Government of India dated securities and Treasury Bills and State Development Loans that are eligible for SLR will be the eligible securities for MSF facility.
3. Requests will be submitted for a minimum amount of Rs. **One crore** and in multiples of Rs. One crore thereafter.
4. All Scheduled Commercial Banks (excluding Regional Rural Banks) having SGL and Current Accounts with RBI, Mumbai will be eligible to participate in the MSF facility.
5. The applications will be submitted electronically in the Negotiated Dealing System (NDS). Eligible banks facing genuine systems problem on any specific day may submit physical



CS Update

May 10, 2011



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application in sealed cover superscribed "Marginal Standing Facility" in the box provided in Mumbai Office, RBI, by 4.30 P.M.

6. NDS provides for submission of single or multiple applications. However, members are advised that as far as possible they should submit only one application. In case of physical submission of multiple applications, separate application forms should be submitted for each request.

7. The MSF rate will be fixed by Reserve Bank of India from time to time.

8. The MSF will be conducted on the lines of LAF Repo.

9. The applicant should hold sufficient quantum of securities for the purpose of collateral in his RC SGL account (inclusive of applicable margin), which will be automatically debited by RBI to the extent required.

10. For the purpose of Hold-in-Custody Repos, the applicants will have to authorise RBI to transfer securities from/to RC SGL accounts based on their applications.

11. The amount of securities to be transferred from the RC SGL a/c of applicants will be Rs.105 in respect of Government of India dated securities and Treasury Bills, and Rs.110 in respect of State Development Loans, in terms of face value, per Rs.100 of MSF amount.

12. The applicant's current account with RBI will be credited as per the current procedure under LAF Repo facility. Securities will be debited from the applicant's RC SGL account simultaneously. On the date of reversal, the applicant's RC SGL account will be credited and current account will be debited with the repo amount and interest payable. It may be noted that the second leg of MSF Scheme will be automatic and would take place at the 'begin of day'. Accordingly, participants must ensure sufficient balance in their current account for completion of settlement.

13. The settlement of the first leg of MSF will take place on the same day. But for the intervening holidays, the MSF amount will be for one day except on Fridays when the facility will be for three days or more, maturing on the following working day.

14. The acceptance of applications will be communicated to the individual banks through NDS. The applicant should check for the status of its application and must ensure sufficient balance of securities in the RC Account.

15. It will be binding on the applicants to accept the sanctioned amount in full. If the applicant does not accept the sanctioned amount, it will be subject to penal action, to the extent of being debarred from the facility.

16. The Reserve Bank will reserve the right to accept or reject partially or fully, the request for funds.

17. The Reserve Bank shall not be held responsible for any loss, damage or liability on account of acting as the Custodian on behalf of the applicant.

Related Notification

May 09, 2011

[Maintenance of Statutory Liquidity Ratio](#)



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IMPORT OF ROUGH, CUT AND POLISHED DIAMONDS

RBI/2010-11/514

A.P. (DIR Series) Circular No. 59

May 06, 2011

To

All Category - I Authorised Dealer Banks

Madam / Sir,

Foreign Exchange Management Act, 1999 – Import of rough, cut and polished diamonds

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the [A.P.\(DIR Series\) Circular No.12 dated August 28 ,2008](#), in terms of which AD Category – I banks were permitted to approve Suppliers' and Buyers' credit (trade credit), including the usance period of Letters of Credit for import of platinum, palladium, rhodium and silver for a period not exceeding 90 days from the date of shipment .

2. In the context of recent developments, it has been decided that Suppliers' and Buyers' credit (trade credit) including the usance period of Letters of Credit opened for import of rough, cut and polished diamonds should not exceed 90 days from the date of shipment. The revised directions will come into force with immediate effect.

3. AD Category – I banks should ensure that due diligence is undertaken and Know-Your-Customer (KYC) norms and Anti-Money Laundering (AML) standards, issued by the Reserve Bank are adhered to while undertaking the import transactions. Further, any large or abnormal increase in the volume of business should be closely examined to ensure that the transactions are bonafide and are not intended for interest/currency arbitrage. All other instructions relating to imports of rough, cut and polished diamonds shall continue.

4. The earlier instructions issued for direct import of gold vide [A.P.\(DIR Series\) Circular No.2 dated July 9,2004](#), import of platinum / palladium/ rhodium /silver vide A.P.(DIR Series) Circular No.12 dated August 28,2008 and advance remittance for import of rough diamonds, vide [A.P.\(DIR Series\) Circular No. 21 dated December 29,2009](#) shall remain unchanged.

5. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under Section 10 (4) and Section 11 (1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Meena Hemchandra)
Chief General Manager in-Charge



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HOUSING LOAN LIMIT UNDER PRIORITY SECTOR

RBI/2010-11/517
RPCD.CO.Plan.BC.69/04.09.01/2010-11

May 9, 2011

The Chairman/Managing Director/Chief Executive Officer

[All Scheduled Commercial Banks (excluding Regional Rural Banks)]

Dear Sir/ Madam,

Housing Loan limit under priority sector

Please refer to [paragraph 6.1](#) of our master circular RPCD.CO.Plan.BC.10/04.09.01/2010-11 dated July 1, 2010 on lending to priority sector, wherein loans up to Rs.20 lakh irrespective of location, to individuals for purchase / construction of dwelling unit per family, excluding loans granted by banks to their own employees are eligible for classification under priority sector.

2. Pursuant to the announcement made by Union Finance Minister in paragraph 44 of the budget for the year 2011-12, it has been decided to increase the above limit from Rs.20 lakh to Rs.25 lakh.

3. The above change will be applicable to housing loans sanctioned on or after April 1, 2011.

Yours faithfully,

(A.K.Misra)
General Manager

