



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



CS Update

May 31, 2011

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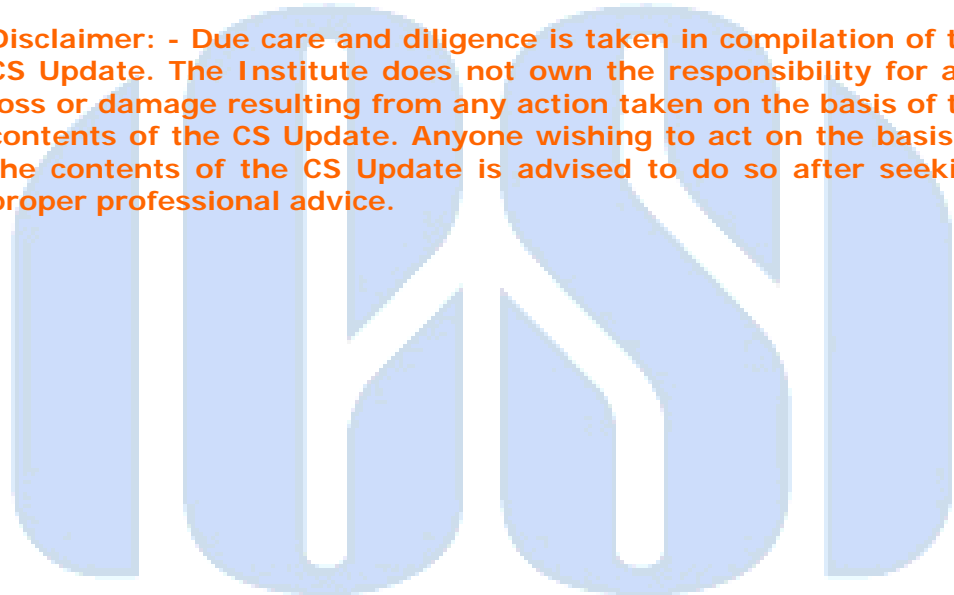
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PREVIOUS ISSUES of CS UPDATE ARE AVAILABLE AT THE FOLLOWING LINK:

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

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FROM BEST





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ICSI National Programme on XBRL- 21.5.2011

Video recording of the ICSI National Programme is now available at the following link:

<http://icsi.wstream.net/110521/>

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12th NATIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES

The 12th National Conference of Practising Company Secretaries is scheduled to be held 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.

A detailed brochure is available at the link:
<http://www.icsi.edu/WebModules/LinksOfWeeks/Brochure%20-%2012th%20PCS%20Conference.pdf>





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**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE



Ministry of Corporate Affairs
Government of India



INVESTOR AWARENESS PROGRAMMES ALL OVER INDIA

under the aegis of

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

HIGHLIGHTS

- * Free entry to the Programme
- * Know your rights and responsibilities
- * Free Literature on capital market
- * Know your risk and return
- * Free interaction with Experts
- * Know about help lines www.investorhelpline.in & www.watchoutinvestors.com

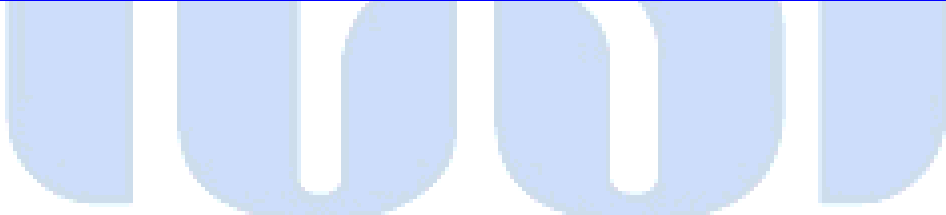
All are cordially invited to support, participate and make it a grand success

Partner in investor education



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

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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.



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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.



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10. Would I have to undertake any hidden costs?

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.

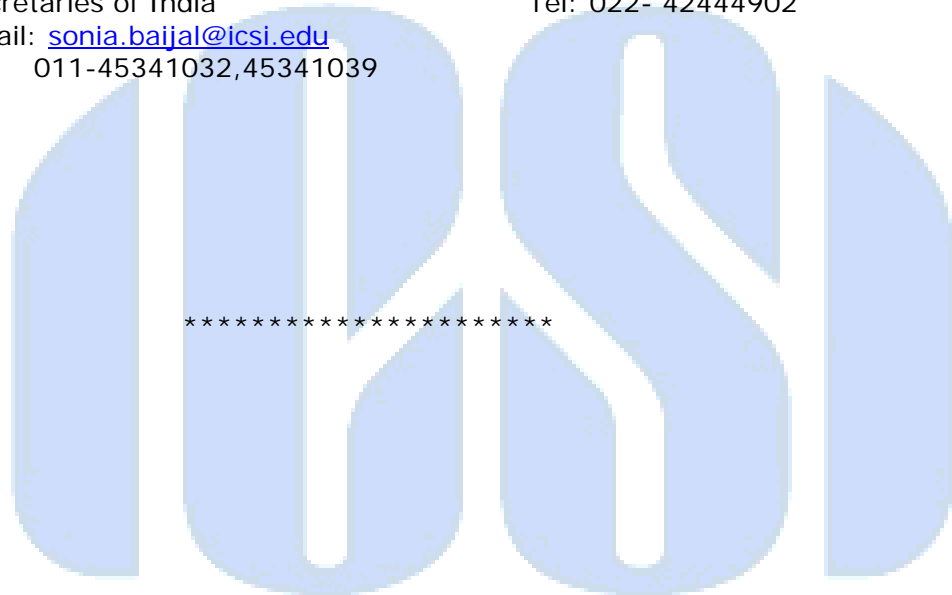
Similarly a Clearing member would have to pay security deposit of 50 Lakh Rupees which constitutes of 25 Lakhs as cash and other 25 Lakhs as non cash component. This is a non interest bearing deposit.

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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EXCLUSIVE OFFER FOR ICSI MEMBERS FROM EJURIX & ICSI-KP



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Since the ICSI has a formal tie-up with eJurix, you can now connect to either ICSI-KP or eJurix and seamlessly access contents on both! eJurix coverage of Corporate Law is the most respected today, with a large number of major Corporates as subscribers. eJurix is available on web & thru Smart Phone, so you can access what you want - even when you're on the move!

ICSI-KP website: <http://knowledge.icsi.edu>
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ICSI and eJurix have come together to provide you a Professional Law Library composed of two services seamlessly available from any door you choose ... And, all this at a truly special price! Most importantly, you not only benefit yourself, you can even offer an incomparable deal to your colleagues in Taxation/ HR /Legal as well!

We also have our regular offer for PCS and ICSI Members on full version of eJurix (All Modules) at special discounts

32,500*	eJurix Total (1 user) + ICSI-KP (1 user)	ICSI Members
30,250**	eJurix Total (1 user) + ICSI-KP (1 user)	PCS and Sr. Members

* eJurix is available for non ICSI members at Rs. 40,000 p.a

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

* Taxes Extra on all prices mentioned

* Subscription amounts are for 1 yr

{*} 25% discount for CS Professionals = 30,000 (eJurix) + 2,500 (ICSI-KP)

{**} 30% discount for PCS & Sr. Members = 28,000 (eJurix) + 2,250 (ICSI-KP)

eJurix Coverage 4,50,000 Judgments

Arbitration & Conciliation , Banking & Insurance, Corporate, Securities & Other Commercial Laws, Consumer Protection, Civil Procedure Code , Customs, Excise & Service Taxes, Criminal law ,Debt Recovery & Dis-honour of Cheques, Direct Taxes - Income-tax, Gift & Wealth Tax , Education, Academic Institutions & Universities, Election & Representation of People. Environment Protection ,Food Adulteration & Safety Standards, Intellectual Property Rights - Copyright, ,Trade Marks, Patents, etc, Labour, Employment & Service Laws , Land & Property & Other Areas of Law

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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.
7.	Carry forward of the excess PCH if the member has already completed	The Guidelines for Compulsory Attendance of Professional



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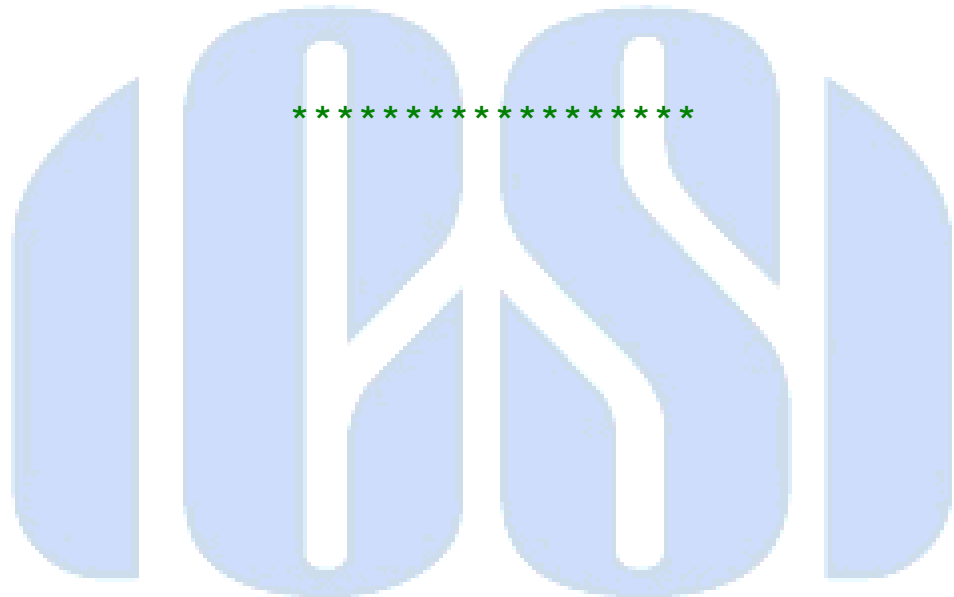
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	<p>the mandatory PCH upto December 31, 2010 and continued to attend Professional Development Programmes during January – March, 2011</p>	<p>Development Programmes by the Members do not provide for carry forward of PCH from one block of three years 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.</p>
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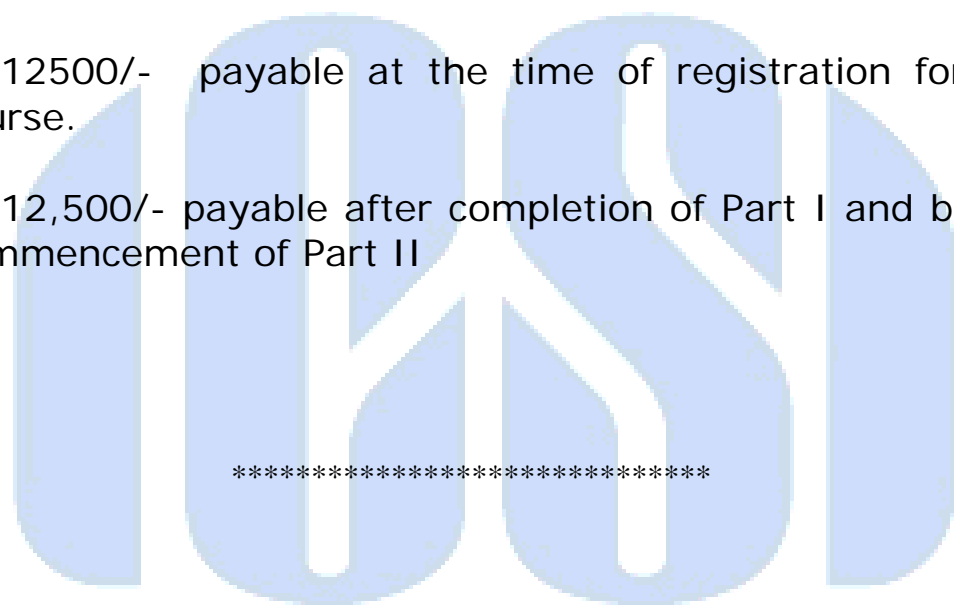
PMQ COURSE IN CORPORATE GOVERNANCE

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 Filing and Filing of E-Forms 23AC and 23ACA
- Establishment of Branch, Liaison & Project Offices in India
- Handbook on Mergers, Amalgamation and Takeover
- Guidance Note on Non-Financial Disclosure

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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.)





CG & CSR : WATCH

The Institute has always been in the frontline to promote good corporate governance and it has been the constant endeavour of the Institute to raise awareness among the members and students in Corporate Governance arena. In this direction, the Institute has decided to carry one page in Chartered Secretary each month exclusively dedicated to Corporate Governance and Corporate Social Responsibility.

NEW DEVELOPMENTS

1. Corporate Integrity Pledge – Malaysia

In response to economic challenges, Government of Malaysia initiated the Economic Transformation Programme (ETP) - a comprehensive effort that will transform Malaysia into a high-income nation by 2020. Under ETP Malaysia will focus its economic growth efforts on 12 National Key Economic Areas (NKEAs) which will receive prioritised Government support including funding, top talent and Prime Ministerial attention.

As a part of ETP the **Corporation Integrity Pledge and Anti-Corruption Principles 2011** were launched in coalition with The Malaysian Institute of Integrity, Performance Management and Delivery Unit (PEMANDU), Bursa Malaysia, Companies Commission of Malaysia, Securities Commission Malaysia, Malaysian Anti-Corruption Commission, NKRA Corruption Monitoring and Coordinating Division and Transparency International Malaysia on 31 March 2011. The Pledge and Principles are meant to guide the corporations through areas that they can focus on to play in contributing toward anti-corruption efforts in Malaysia. This is in line with the objectives of the National Key Results Area of Fighting Corruption.

Corporate Integrity Pledge

The Corporate Integrity Pledge is a document that allows a company to make a commitment to uphold the Anti-Corruption Principles for Corporations in Malaysia. By signing the pledge, the company shall make unilateral declaration that it will not commit corrupt acts, will work toward creating a business environment that is free from corruption and will uphold the Anti-Corruption Principles for Corporations in Malaysia in the conduct of its business and in its interactions with its business partners and the Government.

The effect of pledging is twofold: first, a company will be making a clear stand of how it operates, and this will be locked down in writing – this will be guidance to the company in its business interactions, in the event if it faces the possibility of condoning any payments or other activities that would amount to corruption. Second, a company can use this Pledge to set itself apart from its peers by demonstrating to its stakeholders that its business operations do not include any hidden risks or costs that are associated with corrupt activities. By signing the pledge, the company can be listed in the register of signatories that is maintained on the website of the **Malaysian Integrity Institute**, and can be accessed through the website of Bursa Malaysia Berhad.



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The soft copy of the Pledge is available for download at the Malaysian Institute of Integrity website at: www.iim.com.my
Related link: www.bursamalaysia.com

2. European Commission publishes Green Paper on EU corporate governance framework.

On 5 April 2011, the EU Commission launched a public consultation on possible ways forward to improve existing corporate governance mechanisms. The objective of the Green Paper is to have a broad debate on the issues raised and to allow all interested parties to see which areas the Commission has identified as relevant in the field of corporate governance. The deadline for submitting contributions in response to the consultation is 22 July 2011.

The Green Paper aims to launch a general debate on a number of issues such as:

1. Effective functioning of **board of directors** and ensuring they are composed of a mixed group of people, e.g. by enhancing gender diversity, a variety of professional backgrounds and skills as well as nationalities. Functioning of boards, in terms of availability and time commitment of directors, questions on risk management and directors' pay are also under scrutiny.
2. How to enhance **shareholders' involvement** on corporate governance issues, how to encourage them to take an interest in sustainable returns and longer term performance and also how to enhance the protection of minority shareholders. It also seeks to understand whether there is a need for shareholder identification, i.e. for a mechanism to allow issuers to see who their shareholders are, and for an improved framework for shareholder cooperation.
3. How to improve **monitoring and enforcement of the existing national corporate governance codes** (in EU countries) in order to provide investors and the public with meaningful information. Companies which don't comply with national corporate governance recommendations have to explain why they deviate from them. Too often, this doesn't occur. The Green Paper asks whether there should be detailed rules on these explanations and whether national monitoring bodies should have more say on companies' corporate governance statements.

The Green paper can be accessed at:
<http://www.ecgi.org>



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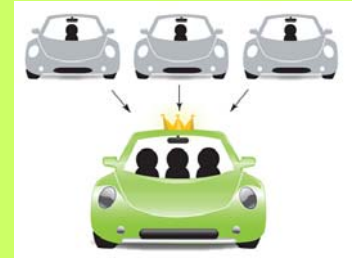


GREEN CORNER

GREEN IDEA

Say 'YES' to Car Pools

- Reduction in Traffic congestion,
- Save Fuel,
- Save money,
- Stepping ahead to protect environment.



Something Good: 'Soles with Souls'

JK Tyre has come up with a concept titled 'Soles with Souls', an innovative way to recycle old rubber in order to lower the amount of pollution and pressure on the environment. In order to showcase the potential of this recycling concept, JK Tyres worked alongwith students of the Footwear Design and Development Institute, created over 40 pairs of shoes as well as some handbags from the used tyres, which were exhibited through a ramp fashion show. This makes both business sense and works out to be rather environment friendly as well.

To Remember:

- May 1 -International Labour Day
- May 15 -International Day of the Family
- May 31 -Anti-tobacco Day

Quote of the Month

"Establishing a corruption-free India is a major challenge. I propose a youth brigade as the solution. 'I can do it. We can do it. India will do it', should be the spirit,"-----[Former President of India] Dr. APJ Abdul Kalam.

Feedback & Suggestions

Readers may give their feedback and suggestions on this page to Mrs. Alka Kapoor, Joint Director ICSI (alka.kapoor@icsi.edu)

Disclaimer:

The contents under **CG & CSR: Watch** have been collated from different sources. Readers are advised to cross check from original sources.



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SEBI UPDATE





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CIR/IMD/DF/9/2011

May 19, 2011

All Mutual Funds/Asset Management Companies

Sir/Madam,

Sub: Option to hold units in demat form

1. In terms of SEBI Circular CIR/IMD/DF/10/2010, dated August 18, 2010, on transferability of Mutual Fund units, all AMCs were advised to clarify by way of an addendum that units of all Mutual Fund schemes held in demat form shall be fully transferable. It has been observed that in their close ended schemes, many mutual funds provide an option to hold units either in physical or in demat form, but offer no such option in case of open ended schemes. In order to facilitate investors, Mutual Funds should provide an option to the investors to receive allotment of Mutual Fund units in their demat account while subscribing to any scheme (open ended/close ended/Interval). Therefore Mutual Funds/AMCs are advised to invariably provide an option to the investors to mention demat account details in the subscription form, in case they desire to hold units in demat form.

2. Mutual Funds/AMCs shall ensure that above mentioned option is provided to the investors in all their schemes (existing and new) from October 01, 2011 onwards.

3. It has also been observed that often investors' request for dematerializing their units is rejected as Depository Participants are not having/ or having incorrect ISIN of each option of the scheme. In this regard, Mutual Funds/AMCs are advised to obtain ISIN for each option of the scheme and quote the respective ISIN along with the name of the scheme, in all Statement of Account/Common Account Statement (CAS) issued to the investors from October 01, 2011 onwards.

4. This circular is issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of regulation 77 of SEBI (Mutual Funds) Regulations, 1996 to protect the interests of Investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,

RAKESH BHANOT
Deputy General Manager
Tel no. 022-26449361
Email-rakeshb@sebi.gov.in



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MCA UPDATE





CS Update

May 31, 2011



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CLARIFICATION ON APPLICABILITY OF PROVISIONS OF SECTIONS 108A TO 108I OF THE COMPANIES ACT, 1956

Circular 30/2011

F. No 05/13/2006- IGC

Government of India

Ministry of Corporate Affairs

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

Dated: 23.05.2011

To

All the Regional Directors,

All the Registrar of Companies/ Official Liquidators

Subject: - Clarification on applicability of provisions of Section 108A to 108I of the Companies Act, 1956 - regarding.

Sections 108A to 108I of the Companies Act, 1956 were inserted in the Companies Act, 1956 through Monopolies and Restrictive Trade Practices (Amendment) Act, 1991. Section 108G (applicability of sections 108A to 108F) and Section 108H (construction of certain expressions used in sections 108A to 108G) of Companies Act, 1956 refer to applicability of provisions of sections 108A to 108F in reference to various requirements under the MRTP Act, 1969. As MRTP Act, 1969 stands repealed, the legal validity of these provisions i.e sections 108A to 108H of Companies Act, 1956 has been examined in this Ministry in consultation with Ministry of Law & Justice and it has been observed that after repeal of the MRTP Act, 1969, the provisions of Section 108A to 108I of the Companies Act, 1956 have become redundant and will have no legal force.

2. This issues with the approval of Competent Authority.

Seema Rath

Assistant Director

Tel. 011 23387263



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May 31, 2011



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CLARIFICATION REGARDING 'BODY CORPORATE' FOR THE PURPOSE OF SECTION 226(3)(a) OF THE COMPANIES ACT, 1956

General Circular No. 30/2011

No 02/02/2011-CL.V
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated: 26.05.2011

All the Regional Directors,
All the Registrar of Companies

Subject : Clarification regarding 'Body Corporate' for the purpose of section 226(3)(a) of the Companies Act, 1956.

Sir,

The Ministry of Corporate Affairs has received representation from the Institute of Chartered Accountants of India wherein they have stated that under section 226(3)(a) of the Companies Act, 1956 a body corporate is disqualified from appointment as auditor by a company. Since LLP is a body corporate as per section 3(1) of the Limited Liability Partnership Act, 2008, LLP among Chartered Accountants will not be qualified for appointment as auditor under section 226(3) (a) of the Companies Act, 1956.

2. It is hereby clarified that Limited Liability Partnership of chartered accountants will not be treated as body corporate for the limited purpose of Section 226(3)(a) of the Companies Act, 1956 and notification in this respect has been sent for publication in the Gazette of India (copy enclosed).

Yours faithfully,


(Kamna Sharma)
Assistant Director

Copy to: All concerned.



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[TO BE PUBLISHED IN THE GAZETTE OF INDIA PART II, SECTION 3, SUB SECTION (ii), EXTRAORDINARY]

GOVERNMENT OF INDIA
Ministry of Corporate Affairs

Notification

New Delhi the 23.05, 2011

S.O. (E). – In exercise of the powers conferred by clause (c) of sub-section (7) of section 2 of the Companies Act, 1956 (1 of 1956), the Central Government hereby specifies, for the purpose of the said clause, the Limited Liability Partnership, a body corporate, incorporated under clause (1) of section 3 of Limited Liability Partnership Act, 2008 (6 of 2009), for the limited purpose of clause (a) of sub-section (3) of section 226 of the Companies Act, 1956.

[F No 2/2/2011-CL.V]


J.N. Tikku,
Joint Director





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May 31, 2011



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

General Circular No. 25 /2011

Corrigendum to Circular no. 09/2011 dated 31.03.2011

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 12.05.2011

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.

The undersigned is to draw the attention on the Circular No. 9/2011 dated 31.3.2011 of this Ministry on the subject cited above. The following errata has been noticed which is rectified as under:-

2. In the said circular for clauses (i) and (ii) of paragraph 2 under the Heading Coverage in Phase I, the following shall be substituted and read as :-

“(i) All companies listed in India and their subsidiaries, having paid up capital of Rs. 5 Crore and above or a turnover of Rs. 100 crore or above, excluding banking companies, insurance companies, power companies, Non Banking Financial Companies (NBFCs) and overseas subsidiaries of these companies.”

(J.N. Tikku)
Joint Director
Tel. 011-23381295



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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.

(J.N. Tikku)

Joint Director
Tel: 011-23381295



CS Update

May 31, 2011

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 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?



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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
- 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.



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

16. What is meant by extending taxonomy?



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

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

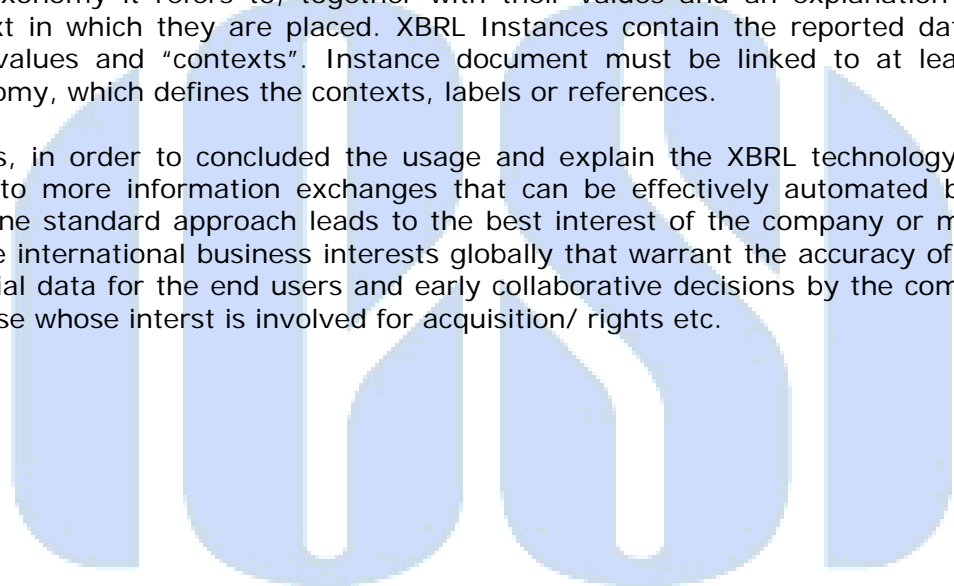
17. Are Taxonomies based on any standards?

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.





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Circular on Payment of MCA fees – electronic mode-reg

No. HQ/9/2002-Computerization
Government of India
Ministry of Corporate Affairs

5th floor, Shastri Bhawan,
Dr. Rajendra Prasad Road
New Delhi
Dated: 27.05.2011

CIRCULAR

Sub : Payment of MCA fees - electronic mode-regarding

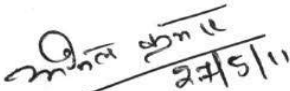
In partial modification of Circular even number dated 09.03.2011 regarding acceptance of payment of value above Rs. 50000/- for MCA services, only in electronic mode w.e.f 27th March, 2011.

With effect from 29.05.2011, in the following cases challan mode for payment is allowed for amount less than Rs. 50,000/-.

- Payment to 'Investor Education and protection Fund' through 'Pay Misc. Fee' functionality
- Any payment made by user having category as 'Official liquidator (OL) office'
- Any payment made by user having category as 'MCA employee'

This issue with the approval of competent authority.

Yours faithfully


(Anil Kumar Bhardwaj)
Director



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Notification Regarding General Rules and Form, 1956, Annexure A, for Form 23D

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

New Delhi, dated the 26th May 2011

Notification

G.S.R. (E). – In exercise of the powers conferred by sub-section (1) of section 642 read with section 610B of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules further to amend the Companies (Central Government's) General Rules and Forms, 1956, namely : –

- (1) These rules may be called the Companies (Central Government's) General Rules and Forms (Amendment) Rules 2011.

(2) They shall come into force with effect from 29th May, 2011.
- In the Companies (Central Government's) General Rules and Forms, 1956, in Annexure 'A' for Form 23D the following Form shall be substituted , namely :-

For further details please visit :

[http://www.mca.gov.in/Ministry/notification/pdf/GSR\(E\)_Form23D_26may2011.pdf](http://www.mca.gov.in/Ministry/notification/pdf/GSR(E)_Form23D_26may2011.pdf)

[F No 5/18/2005-CL.V]


J. N. Tilku
Joint Director



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Notification Regarding General Rules and Form, 1956, Annexure A, for Form 8 and 17

[PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY PART II, SECTOR 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

New Delhi, dated the 26th May 2011

Notification


G.S.R. (E). – In exercise of the powers conferred by sub-section (1) of section 642 read with section 610B of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules further to amend the Companies (Central Government's) General Rules and Forms, 1956, namely : –

- (1) These rules may be called the Companies (Central Government's) General Rules and Forms (Amendment) Rules 2011.
(2) They shall come into force with effect from 29th May, 2011.
- In the Companies (Central Government's) General Rules and Forms, 1956, in Annexure 'A' for Form 8 and Form 17 the following Forms shall be substituted , namely :-

For further details please visit :

[http://www.mca.gov.in/Ministry/notification/pdf/GSR\(E\)_Form8_17_26may2011.pdf](http://www.mca.gov.in/Ministry/notification/pdf/GSR(E)_Form8_17_26may2011.pdf)

[F No 5/18/2005-CL.V]


J. N. Tikku
Joint Director



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May 31, 2011



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RBI UPDATE





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FINANCE FOR AND LOANS/ADVANCES AGAINST IDRS

RBI/2010-11/ 543DBOD. Dir.BC. 96 /13.03.00/2010-11

May 25, 2011

All Scheduled Commercial banks(Excluding RRBs)

Dear Sir / Madam

Finance for and Loans/Advances against IDRs

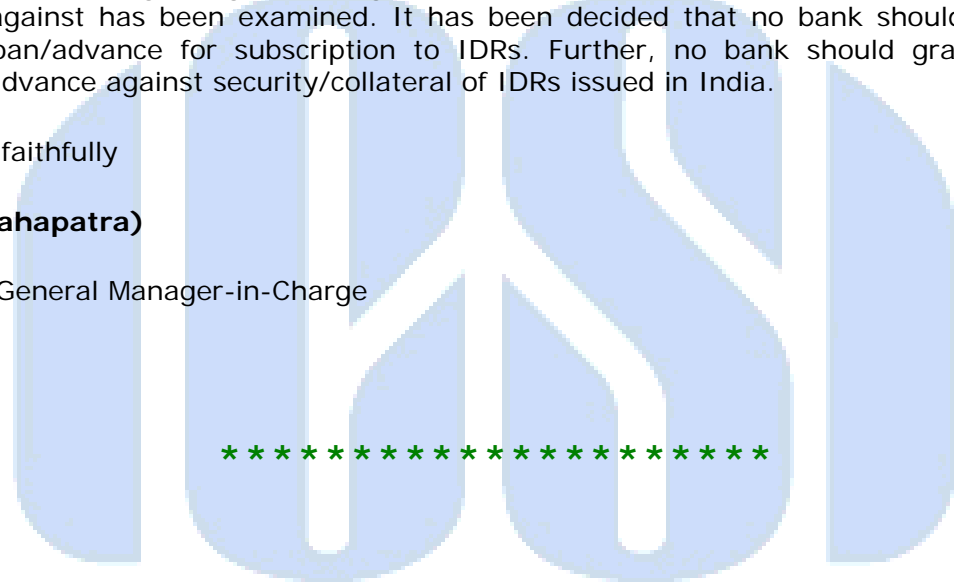
In terms of Foreign Exchange Department [circular A.P \(DIR Series\) Circular No.5 dated July 22, 2009](#), eligible companies resident outside India have been permitted to issue Indian Depository Receipts (IDRs) through a domestic depository, subject to terms and conditions indicated therein.

2. The matter regarding extending of finance for subscription to the IDRs and loans thereagainst has been examined. It has been decided that no bank should grant any loan/advance for subscription to IDRs. Further, no bank should grant any loan/advance against security/collateral of IDRs issued in India.

Yours faithfully

(B. Mahapatra)

Chief General Manager-in-Charge







CS Update

May 31, 2011



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SETTING UP OF CENTRAL ELECTRONIC REGISTRY UNDER THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT 2002

RBI/2010-2011/545

DNBS (PD) CC. No. 24/SCRC/26.03.001/2010-2011

May 25, 2011

All registered Securitisation Companies/Reconstruction Companies

Dear Sirs,

Setting up of Central Electronic Registry under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002

Pursuant to the announcement made by the Finance Minister in the budget speech for 2011-12, Government of India, Ministry of Finance notified the establishment of the Central Registry vide notification F. No. 56/05/2007-BO-II dated March 31, 2011. The objective of setting up of Central Registry is to prevent frauds in loan cases involving multiple lending from different banks on the same immovable property. The Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), a Government Company licensed under section 25 of the Companies Act 1956 has been incorporated for the purpose of operating and maintaining the Central Registry under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

2. It may be noted that initially transactions relating to securitization and reconstruction of financial assets and those relating to mortgage by deposit of title deeds to secure any loan or advances granted by banks and financial institutions, as defined under the SARFAESI Act, are to be registered in the Central Registry. The records maintained by the Central Registry will be available for search by any lender or any other person desirous of dealing with the property. Availability of such records would prevent frauds involving multiple lending against the security of same property as well as fraudulent sale of property without disclosing the security interest over such property

3. A copy of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) [Rules](#), 2011 along with a copy of [Notification](#) dated March 31, 2011 issued by the Government of India in this regard, is enclosed for perusal and necessary action at your end.

Yours faithfully,

(Uma Subramaniam)

Chief General Manager-in-Charge

Encl.: As above



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Circular on Overseas Direct Investment – Liberalisation / Rationalisation

RBI/2010-11/ 548
A.P. (DIR Series)

May 27, 2011

Circular No. 69

To

All Category - I Authorised Dealer Banks

Madam / Sir,

Overseas Direct Investment – Liberalisation / Rationalisation

Attention of the Authorised Dealer (AD - Category I) banks is invited to the Notification No. FEMA 120/RB-2004 dated July 7, 2004 [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time and A.P. (DIR Series) Circular No.29 dated March 27, 2006.

2. With a view to providing more operational flexibility to Indian corporates having investments abroad, it has been decided to further liberalise / rationalise the following regulations relating to overseas direct investment:

i) Performance Guarantees issued by the Indian Party

At present, 'financial commitment' of the Indian Party includes contribution to the capital of the overseas Joint Venture (JV) / Wholly Owned Subsidiary (WOS), loan granted to the JV / WOS and 100 per cent of guarantees issued to or on behalf of the JV/WOS. Keeping in mind the utility and usage of the instrument of performance guarantees in project executions abroad and also considering the risks associated with such guarantees vis-à-vis financial guarantees, it has been decided that only 50 per cent of the amount of the performance guarantees may be reckoned for the purpose of computing financial commitment to its JV/WOS overseas, within the 400 per cent of the net worth of the Indian Party as on the date of the last audited balance sheet. Further, the time specified for the completion of the contract may be considered as the validity period of the related performance guarantee. The Indian Party may report these guarantees in the similar way in which financial guarantees are being presently reported. In cases where invocation of the performance guarantees breach the ceiling for the financial exposure of 400 per cent of the net worth of the Indian Party, the Indian Party shall seek the prior approval of the Reserve Bank before remitting funds from India, on account of such invocation.

ii) Restructuring of the balance sheet of the overseas entity involving write-off of capital and receivables



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The extant FEMA Regulations do not provide for the restructuring of the balance sheet of the overseas JV/WOS not involving winding up of the entity or divestment of the stake by the Indian Party. In order to provide more operational flexibility to the Indian corporates, it has been decided that Indian promoters who have set up WOS abroad or have at least 51 per cent stake in an overseas JV, may write off capital (equity / preference shares) or other receivables, such as, loans, royalty, technical knowhow fees and management fees in respect of the JV /WOS, even while such JV /WOS continue to function as under:

(i) Listed Indian companies are permitted to write off capital and other receivables up to 25 per cent of the equity investment in the JV /WOS under the Automatic Route; and

(ii) Unlisted companies are permitted to write off capital and other receivables up to 25 per cent of the equity investment in the JV /WOS under the Approval Route. The write-off / restructuring have to be reported to the Reserve Bank through the designated AD bank within 30 days of write-off/ restructuring. The write-off / restructuring is subject to the condition that the Indian Party should submit the following documents for scrutiny along with the applications to the designated AD Category –I bank under the Automatic as well as the Approval Routes:

- a) A certified copy of the balance sheet showing the loss in the overseas WOS/JV set up by the Indian Party; and
- b) Projections for the next five years indicating benefit accruing to the Indian company consequent to such write off / restructuring.

iii) Disinvestment by the Indian Parties of their stake in an overseas JV/WOS involving write-off

(a) Currently, in terms of Regulation 16 of the Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time, all disinvestments involving 'write off', i.e., where the amount repatriated on disinvestment is less than the amount of original investment, need prior approval of the Reserve Bank. In terms of A.P. (DIR Series) Circular No. 29 dated March 27, 2006 it was decided to allow the undernoted categories of disinvestment under the Automatic Route without prior approval of the Reserve Bank, subject to the following conditions:

- i) In cases where the JV/WOS is listed in the overseas stock exchange;
- ii) In cases where the Indian promoter company is listed on a stock exchange in India and has a net worth of not less than Rs.100 crore; and
- iii) Where the Indian promoter company is an unlisted company and the investment in the overseas venture does not exceed USD 10 million.

In partial modification of the above, it has now been decided to include listed Indian promoter companies with net worth of less than Rs.100 crore and investment in an overseas JV/WOS not exceeding USD 10 million, for disinvestment under the Automatic Route with the requirement that the Indian Party shall report the disinvestment through its designated AD Category I bank within 30 days from the date of disinvestment.

(b) It is also clarified that disinvestment cases falling under the Automatic Route would also include cases where the amount repatriated after disinvestment is less than the original amount invested, provided the corporate falls under the above mentioned categories.



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iv) Issue of guarantee by an Indian Party to step down subsidiary of JV /WOS under general permission

(a) Currently Indian Parties are permitted to issue corporate guarantees on behalf of their first level step down operating JV /WOS set up by their JV /WOS operating as a Special Purpose Vehicle (SPV) under the Automatic Route, subject to the condition that the financial commitment of the Indian Party is within the extant limit for overseas direct investment. As a measure of further liberalisation, it has been decided that irrespective of whether the direct subsidiary is an operating company or a SPV, the Indian promoter entity may extend corporate guarantee on behalf of the first generation step down operating company under the Automatic Route, within the prevailing limit for overseas direct investment. Such guarantees will have to be reported to the Reserve Bank in Form ODI, as hitherto, through the designated AD concerned.

(b) Further, it has also been decided that issue of corporate guarantee on behalf of second generation or subsequent level step down operating subsidiaries will be considered under the Approval Route, provided the Indian Party directly or indirectly holds 51 per cent or more stake in the overseas subsidiary for which such guarantee is intended to be issued.

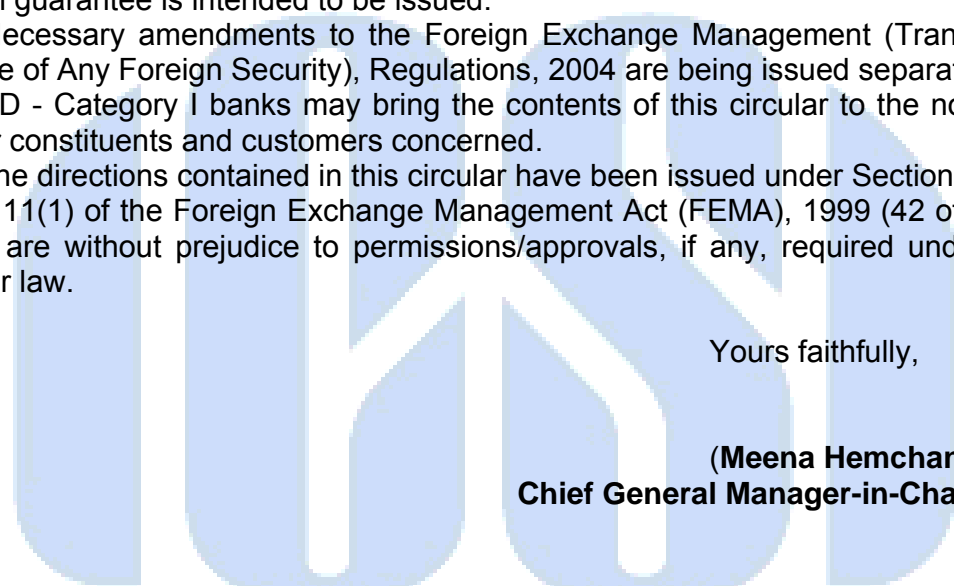
3. Necessary amendments to the Foreign Exchange Management (Transfer or Issue of Any Foreign Security), Regulations, 2004 are being issued separately.

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

5. The directions contained in this circular have been issued under Sections 10(4) and 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





CS Update

May 31, 2011



Walk, ride a bike, or use public transportation whenever possible.



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



TAX LAW UPDATE





CS Update

May 31, 2011



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PROCESSING FOR OR ON BEHALF OF CLIENT, IN RELATION TO AGRICULTURE – CAUSING SALE OR PURCHASE OF AGRICULTURAL PRODUCE

Circular No. 143/12/ 2011 – ST

F.No.332/37/2010-TRU
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs
Tax Research Unit

North Block, New Delhi
26th May, 2011

To

Chief Commissioners of Central Excise and Service Tax (All),
Director General (Service Tax),
Director General (Central Excise Intelligence),
Director General (Audit),
Commissioners of Service Tax (All),
Commissioners of Central Excise and Service Tax (All).

Madam/Sir,

Subject: - processing for or on behalf of client, in relation to agriculture – causing sale or purchase of agricultural produce -- reg.

Representations have been received that client processing of tobacco involving threshing and drying of tobacco leaves and client processing of raw cashew involving roasting/drying, shelling and peeling of raw cashew to recover kernel, are considered by the field formations as not falling within the meaning of the expression "in relation to agriculture" appearing in notification 14/2004-ST (as amended) dated 10th September, 2004, resulting in avoidable disputes and litigation.

2. These representations have been examined. In the cases represented, the agricultural produce namely tobacco or raw cashew, which are subject to client processing retains their essential characteristics at the output stage and therefore the processes undertaken on or behalf of client should be considered as covered by the expression 'in relation to agriculture'. Client processing which falls under business auxiliary service undertaken on the primary agricultural produce namely tobacco or raw cashew, does not result in any change in their essential character of tobacco or cashew. In the light of the above principle (i) process of threshing and drying of tobacco leaves and thereafter packing the same and (ii) processing of raw cashew and



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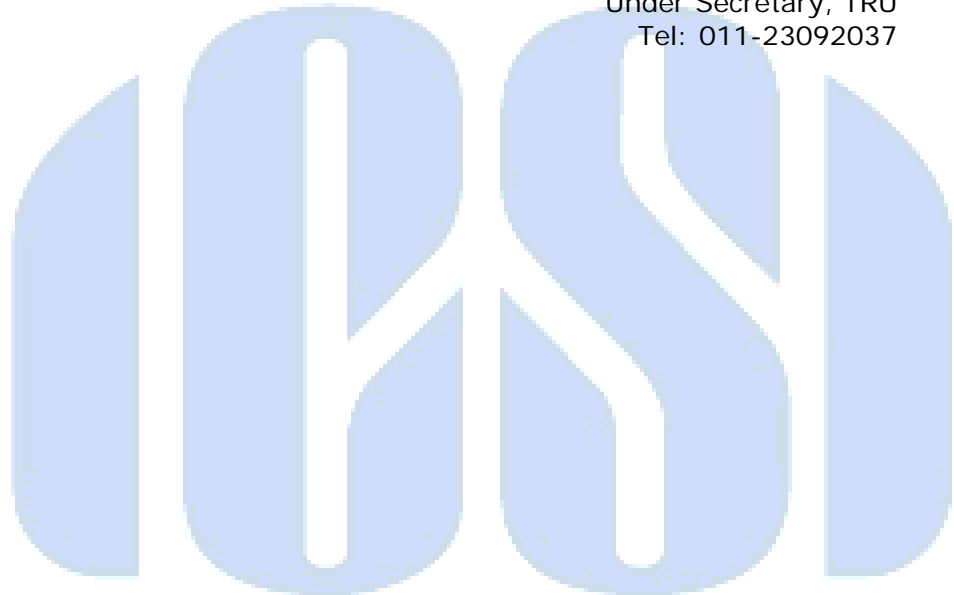
recovering kernel, undertaken for, or on behalf of, the clients by processing units are covered by the expression "... processing of goods for, or on behalf of, the client....and provided in relation to agriculture,..." appearing in the said notification.

3. Also where the commission agents stationed abroad provide business auxiliary service to promote the export of rice, said business auxiliary service is covered by notification 13/2003-ST(as amended) because, the word 'rice' is mentioned under the explanation to the term 'agricultural produce', in the inclusive portion along with other items like cereals, pulses, etc.

4. Trade Notice/Public Notice may be issued to the field formations accordingly.

5. Please acknowledge the receipt of this circular. Hindi version to follow.

Samar Nanda)
Under Secretary, TRU
Tel: 011-23092037





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Circular on Revision in the powers of adjudication of the Officers of Customs

Circular No.24/2011-Customs

F.No.450/117/2009-Cus.IV
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

227-B, North Block,
New Delhi-110001
31st May, 2011.

To

All Chief Commissioners of Customs / Customs (Prev.).
All Chief Commissioners of Customs & Central Excise.
All Commissioners of Customs / Customs (Prev.).
All Commissioners of Customs (Appeals).
All Commissioners of Customs & Central Excise.
All Commissioners of Customs & Central Excise (Appeals).
All Directors General under CBEC.

Subject: Revision in the powers of adjudication of the officers of Customs.

Sir / Madam,

Attention is invited to Board Circular No.23/2009-Customs dated 1.9.2009 which provides for monetary limits of adjudication of cases by officers of various grades where SCNs are issued under section 28 of the Customs Act, 1962.

- References have been received from the field formations for specifying the 'proper officer' for issuance of show cause Notice and adjudication of cases of export under the drawback and Export Promotion Schemes.
- Further, as per Board's Circular No.23/2009-Customs dated 1.09.2009, whereas the monetary limits of adjudication are prescribed in terms of duty involved, in respect of notices involving extended period of limitation, the monetary limit is specified based on the value of goods involved. This when worked out in accordance with the duty rates prescribed gives rise to an anomalous situation.
- The matter has been examined in the Board. In order to streamline guidelines on monetary limit for adjudication of cases by different grades of Customs Officers, it has been decided that henceforth, cases where SCNs are issued under section 28 of the Customs Act, 1962, these will be adjudicated as per following norms:

Level of Adjudication officer	Nature of cases	Amount of duty involved
Customs		
Commissioner	All cases	Without limit
ADC/JC	All Cases	Upto Rs.50 lakhs
AC/DC	All cases	Upto Rs. 5 lakhs



CS Update

May 31, 2011



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5. Further, it has been decided that the proper officer for the issuance of Show Cause Notice and adjudication of cases under the provisions of Rule 16 of the Customs, Central Excise and Service Tax Drawback Rules, 1995 shall, henceforth, be as under:

- (i) In case of simple demand of erroneously paid drawback, the present practice of issuing Show Cause Notice and adjudication of case without any limit by Assistant / Deputy Commissioner of Customs shall continue.
- (ii) In cases involving collusion, wilful misstatement or suppression of facts etc., the adjudication powers will be as under:

Level of Adjudication Officer	Amount of Drawback
Additional / Joint Commissioner of Customs	Without any limit
Deputy / Assistant Commissioner of Customs	Upto Rs.5 lakhs

6. In case of Export Promotion Schemes i.e. DEPB / Advance Authorization / DFIA / Reward Schemes etc. the adjudication powers shall be as under:-

Level of Adjudication officer	Duty Incentive amount
Commissioner of Customs.	Without any limit.
Additional / Joint Commissioner of Customs.	Upto Rs.50 lakhs.
Deputy / Assistant Commissioner of Customs.	Upto Rs.5 lakhs.

7. It is clarified that notwithstanding this revision, in all cases where personal hearing has been completed, orders will be passed by adjudicating authority before whom the personal hearing has been held. Such orders will normally be issued within a month of date of completion of the personal hearing. In all cases where personal hearing is yet to be commenced, the adjudications should be done by the appropriate level of officers as per the revised instructions. An immediate exercise should be undertaken to take stock of the present pendency and transfer of relevant files and records to respective adjudicating authorities and the exercise of transfer of case records should be completed by 15.06.2011 under proper receipt.

8. Board Circular No.23/2009 – Customs dated 1.9.2009 stands amended to the above extent.

9. Difficulty faced, if any, may be brought to the notice of the Board immediately.

Yours faithfully,

(R. P. Singh)
Director (Customs)
