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CS Update

March 22, 2011

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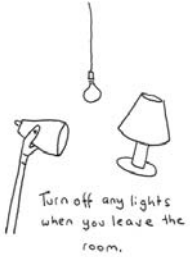
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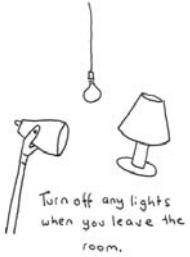
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<http://www.icsi.edu/Member/CSUpdate/tabid/1635/Default.aspx>



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EXPOSURE DRAFTS OF PROPOSED LIMITED REVISIONS TO 'SECRETARIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS (SS-1)', 'SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2)' AND 'SECRETARIAL STANDARD ON MINUTES (SS-5)'

(LAST DATE FOR COMMENTS: APRIL 30, 2011)

The following are the texts of the Exposure Drafts of the proposed limited revisions to '**Secretarial Standard on Meetings of the Board of Directors (SS-1)**', '**Secretarial Standard on General Meetings (SS-2)**' and '**Secretarial Standard on Minutes (SS-5)**', issued by the Secretarial Standards Board of the Institute of Company Secretaries of India, for comments. The comments and suggestions on the Exposure Drafts may be sent to **Mr. Gopal Chalam, Dean, ICSI-CCGRT at Plot No-101, Sector - 15, Institutional Area, CBD Belapur, Navi Mumbai-400 614** (E-mail: ccgrt@icsi.edu) with a copy to alka.kapoor@icsi.edu so as to reach by **April 30, 2011**.

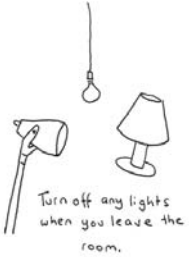
LIMITED REVISION of SECRETARIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS (SS-1)

The Secretarial Standard on Meetings of the Board of Directors (SS-1) shall be modified as under:

Existing Definitions in SS-1	Amended Definitions of the proposed SS-1	Rationale
"Interested Director" means a Director whose presence cannot count for constituting a quorum and who can neither participate in the discussion nor vote on an item of business since he is, directly or indirectly, concerned or interested in the contract or arrangement	"Interested Director" means a Director <u>who is in any way</u> , directly or indirectly, concerned or interested in a contract or arrangement <u>entered into or to be entered into, by or on behalf of the company</u> , forming part of the business under consideration by the Board and <u>hence his</u> presence <u>cannot be counted</u> for constituting a quorum and <u>he</u> can neither participate in the discussion nor vote on <u>that</u> item of business.	In line with the definition provided in Section 300 of the Companies Act, 1956

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forming part of the business under consideration by the Board.

"Unpublished price sensitive information" means any information which is material and is generally not known or is not published by the company for general information but which, if published or known, is likely to materially affect the price of the securities of the company. Such information includes financial results, intended declaration of dividend, announcement of bonus, rights shares and other corporate benefits, issue of securities, any major expansion plans or execution of new projects, amalgamation, merger and takeovers, de-mergers, compromise or arrangement with creditors and members, disposal of the whole or substantially the whole of the undertaking, any changes in policies, plans or operations of the company, and such other information as may affect the earnings of the company.

"Unpublished price sensitive information" means any information which is material and is generally not known or is not published by the company for general information but which, if published or known, is likely to materially affect the price of the securities of the company. Such information includes financial results, intended declaration of dividend, announcement of bonus, rights shares and other corporate benefits, issue of securities, buy back of securities, any major expansion plans or undertaking or proposal to undertake new projects, joint venture agreements, compromise or arrangement with creditors and members or restructuring, disposal of the whole or substantially the whole of the undertaking, any changes in policies, plans or operations of the company, and such other information as may affect the earnings of the company.

In line with the definition provided in the SEBI Insider Trading Regulations

Existing Para 1 of SS-1

Amended Para 1 of the proposed SS-1

Rationale

1. Convening a

1. Convening a Meeting of the Board

In line with other headings



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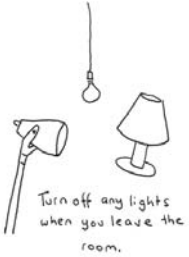
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Meeting		
Existing Para 1.2.4 of SS-1	Amended Para 1.2.4 of the proposed SS-1	Rationale
<p>Unless the Articles prescribe a longer notice period, Notice should be given at least fifteen days before the date of the Meeting.</p> <p>Notice need not be given of an adjourned Meeting other than a Meeting that has been adjourned "sine die". However, Notice of the reconvened adjourned Meeting should be given to those Directors who did not attend the Meeting which had been adjourned.</p>	<p>Unless the Articles prescribe a longer notice period, Notice should be given at least fifteen days before the date of the Meeting.</p> <p>Notice of the reconvened adjourned Meeting should be given to <u>all Directors including those who did not attend the Meeting</u> which had been adjourned.</p>	Modified to ensure notice to all directors
Existing Para 1.2.5 of SS-1	Amended Para 1.2.5 of the proposed SS-1	Rationale
<p>No business should be transacted at a Meeting if Notice in accordance with this Standard has not been given.</p>	<p>No business should be transacted at a Meeting if Notice in accordance with this Standard has not been given, <u>unless the majority of directors consent for shorter notice.</u></p>	In line with para 1.2.8
Existing Para 1.2.9 of SS-1	Amended Para 1.2.9 of the proposed SS-1	Rationale
<p>Any <u>supplementary</u> item not <u>originally</u> included in the Agenda may be taken up for consideration <u>with the permission of the Chairman and with the consent of the majority of the Directors</u></p>	<p>Any item not included in the Agenda may be taken up for consideration <u>with the permission of the Chairman.</u></p>	In line with the business practices in case of exigencies.

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present in the Meeting. However, no supplementary item which is of significance or is in the nature of Unpublished price sensitive information should be taken up by the Board without prior written Notice.

Existing Para 2.1 of SS-1

Amended Para 2.1 of the proposed SS-1

Rationale

The Board should meet at least once in every three months, with a maximum interval of 120 days between any two Meetings such that at least four Meetings are held in each year.

The Board should meet at least once in every three months, such that at least four Meetings are held in each year with a maximum interval of 120 days between any two consecutive Meetings.

Rearrangement

Existing Para 3.1.1 of SS-1

Amended Para 3.1.1 of the proposed SS-1

Rationale

Quorum should be present throughout the Meeting. No business should be transacted when the Quorum is not so present.

Quorum should be present throughout the Meeting. No business should be transacted when the Quorum is not so present.

Shifted from para 3.1.2. Rearrangement

The Quorum for a Meeting of the Board should be one-third of the total strength of the Board (any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher.

The Quorum for a Meeting of the Board should be one-third of the total strength of the Board (any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher.

Where the requirements for the Quorum, as provided in the

Where the requirements for the Quorum, as provided in the Articles, are stricter, the Quorum should conform to such stricter requirements.

If the number of Interested Directors exceeds or is equal to two-thirds of the total strength, the remaining Directors present at the Meeting, being not less than two, should be the quorum during such time.

If a Meeting of the Board could not be held for want of quorum, then, unless the Articles otherwise provide, the Meeting should automatically stand adjourned to the same day in the next week, at the same time and place or, if that day is a public holiday, to the next succeeding day which is not a public



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 stricter, the
 Quorum should
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 requirements.
 If the number of
 Interested
 Directors
 exceeds or is
 equal to two-
 thirds of the
 total strength,
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 Directors
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 Meeting, being
 not less than
 two, should be
 the quorum
 during such
 time.

Existing Para 3.1.2 of SS-1

Amended Para 3.1.2 of the proposed SS-1

Rationale

Where the number of Directors is reduced below the minimum fixed by the Articles, no business should be transacted unless the number is first made up by the remaining Director(s) or through a general meeting.

Where the number of Directors is reduced below the minimum fixed by the Articles, no business should be transacted unless the number is first made up by the remaining Director(s) or through a general meeting.

Shifted to para 3.1.1. Rearrangement

If a Meeting of the Board could not be held for want of quorum, then, unless the Articles otherwise provide, the Meeting should automatically stand adjourned to the same day in the next week, at the same time and place or, if that day is a public holiday, to the



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next succeeding day which is not a public holiday, at the same time and place.

Existing Para 8.4 of SS-1

The Chairman should initial each page of the Minutes, sign the last page of the Minutes and append to such signature the date on which he has signed the Minutes.

While the law requires that Minutes of the proceedings should be entered in the Minutes Book within thirty days of the Meeting, there is no prescribed time limit within which such Minutes have to be signed. They could be signed beyond a period of thirty days if the succeeding Meeting is held after a period of thirty days from the date of the earlier Meeting. However, it is also not obligatory to wait for the next Meeting in order to have the Minutes of the previous Meeting signed. Such Minutes may be signed by the Chairman of the Meeting at any time before the next Meeting is held.

The Minutes of Meetings of the Board can be

Amended Para 8.4 of the proposed SS-1

The Chairman should initial each page of the Minutes, sign the last page of the Minutes and append to such signature the date on which he has signed the Minutes.

While the law requires that Minutes of the proceedings should be entered in the Minutes Book within thirty days of the Meeting, there is no prescribed time limit within which such Minutes have to be signed. They could be signed beyond a period of thirty days if the succeeding Meeting is held after a period of thirty days from the date of the earlier Meeting. However, it is also not obligatory to wait for the next Meeting in order to have the Minutes of the previous Meeting signed. Such Minutes may be signed by the Chairman of the Meeting at any time before the next Meeting is held.

The Minutes of Meetings of the Board and any committee thereof can be inspected only by the Directors. A director who has participated in a meeting of the Board or any committee thereof is entitled to offer his comments on the draft minutes of that meeting and also entitled to inspection of the minutes of the meetings during the period of his directorship even if he ceases to be a director subsequently. While the Auditor or Cost Auditor of the company or Secretary in whole-time practice appointed by the company can also inspect the Minute Books in the course of audit or certification, a member of the company has no right to inspect the Minutes of Meetings of the Board or any Committee thereof. Officers of the Registrar of Companies, or other Government or regulatory bodies duly authorised in this behalf under law, during the course of an inspection, can also inspect the Minutes.

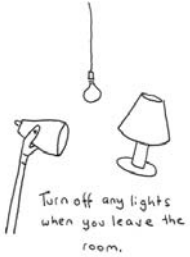
Rationale

- To ensure consistency, reference to minutes of meetings of Committee is included
- Clarification regarding the entitlement of a director to the minutes even if he ceases to be a director subsequently.



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<p>inspected only by the Directors. While the Auditor or Cost Auditor of the company or Secretary in whole-time practice appointed by the company can also inspect the Minute Books in the course of audit or certification, a member of the company has no right to inspect the Minutes of Meetings of the Board or any Committee thereof. Officers of the Registrar of Companies, or other Government or regulatory bodies duly authorised in this behalf under law, during the course of an inspection, can also inspect the Minutes.</p>		
<p>Existing Pt. 11 in Annexure 'A' of SS-1</p>	<p>Amended Pt. 11 in Annexure 'A' of SS-1</p>	<p>Rationale</p>
<p>Receiving notice of disclosure of Directors' interest</p>	<p>Notice of disclosure of Directors' interest in a particular transaction.</p>	<p>Clarification</p>
<p>Existing Pt. 37 in Annexure 'A' of SS-1</p>	<p>Amended Pt. 37 in Annexure 'A' of SS-1</p>	<p>Rationale</p>
<p>Events which are significant or have material commercial / financial implications, such as:</p>	<p>Events which are significant or have material commercial / financial implications, such as: (r) <u>performance review of the subsidiary companies.</u></p>	<p>Addition</p>





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**LIMITED REVISION
of
SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2)**

The Secretarial Standard on General Meetings (SS-2) shall be modified as under:

Existing Definition in SS-2	Amended Definition of the proposed SS-2	Rationale
<p><i>"Member"</i> means any person who agrees, either by subscribing to the Memorandum of Association of the company or by applying in writing, to become a Member of the company and whose name is entered <u>either</u> in the Register of Members of the company or in the records of the depository as a beneficial owner in respect of the equity shares of the company held by him.</p>	<p><i>"Member"</i> means any person who agrees, either by subscribing to the Memorandum of Association of the company or by applying in writing, to become a Member of the company and whose name is entered in the Register of Members of the company or in the records of the depository as a beneficial owner in respect of the equity shares of the company held by him.</p>	<p>Clarification</p>
Existing Para 1.2.6 of SS-2	Amended Para 1.2.6 of the proposed SS-2	Rationale
<p><u>In the case of listed companies with more than 5,000 Members, an abridged version of the Notice, listing the items of business and the day, date, time and venue of the Meeting, should be published in a newspaper having a wide circulation within such</u></p>	<p><u>In the case of listed companies, the Notice, listing the items of business and the day, date, time and venue of the Meeting, should be hosted on the website of the company.</u></p>	<p>In case of large companies there could be several States where more than 1000 members reside and such companies may end up publishing their general meeting notices in newspapers of numerous States. Hence, modified</p>

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Existing Para 1.2.10 of SS-2	Amended Para 1.2.10 of the proposed SS-2	Rationale
<p><u>States of India where more than 1,000 Members reside.</u></p> <p>A Meeting convened upon due Notice should not be postponed or cancelled.</p> <p>If, for reasons beyond the control of the Board, a Meeting cannot be held on the date originally fixed, the Board may defer the Meeting. The Meeting should be reconvened after giving not less than seven days fresh Notice published in a newspaper having a wide circulation within such States of India where more than 1,000 Members reside.</p>	<p>A Meeting convened upon due Notice should not be postponed or cancelled.</p> <p>If, for reasons beyond the control of the Board, a Meeting cannot be held on the date originally fixed, <u>the Board may reconvene the Meeting after giving not less than seven days intimation published in a newspaper having a nation-wide circulation and also hosted on the website of the company.</u></p>	<p>In line with amendment in Para 1.2.6</p>
Existing Para 2.1 of SS-2	Amended Para 2.1 of the proposed SS-2	Rationale
<p>Every <u>public company having a share capital</u> and every public company limited by guarantee and having a share capital should, after one month but not later than six months from the date on which it is entitled to commence business, hold a Meeting</p>	<p>Every <u>public company limited by shares</u> and every public company limited by guarantee and having a share capital should, after one month but not later than six months from the date on which it is entitled to commence business, hold a Meeting called the Statutory Meeting.</p>	<p>In line with Section 165 of the Companies Act</p>



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called the Statutory Meeting.		
Existing Para 7.4.1 of SS-2	Amended Para 7.4.1 of the proposed SS-2	Rationale
In addition to the Member appointing a Proxy, the <u>Proxy-holder also should sign the instrument of Proxy.</u>	<u>The proxy holder should prove his identity at the time of attending the meeting.</u>	All Proxy holders signing the instrument of proxy may not be practical. Hence, modified.
Existing Para 7.5.2 of SS-2	Amended Para 7.5.2 of the proposed SS-2	Rationale
If an undated Proxy, which is otherwise complete in all respects, is lodged within the prescribed time limit, it should be considered valid. If a company receives multiple Proxies for the same holdings of a Member, which are either not dated or bear the same date without specific mention of time, all such multiple Proxies should be treated as invalid.	If an undated Proxy, which is otherwise complete in all respects, is lodged within the prescribed time limit, it should be considered valid.	Rearrangement
Existing Para 7.5.3 of SS-2	New Para 7.5.3 of the proposed SS-2	Rationale
-----	<u>If a company receives multiple Proxies for the same holdings of a Member, the proxy which is dated last is considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple Proxies should be treated as invalid.</u>	Rearrangement
Existing Para 12.1 of SS-2	Amended Para 12.1 of the proposed SS-2	Rationale
The entire Auditor's Report including the Statement pursuant to	The entire Auditor's Report including the Statement pursuant to the <u>Companies (Auditor's Report) Order, 2003 (CARO)</u> should be read at the Annual General Meeting.	MAOCARO repealed and replaced by CARO

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the <u>Manufacturing and Other Companies Auditor's Report Order</u> should be read at the Annual General Meeting.		
Existing Para 16.2 of SS-2	Amended Para 16.2 of the proposed SS-2	Rationale
<u>The number of Members required to form the Quorum and the fact that the required Quorum was present</u> should be recorded.	<u>The fact that the required Quorum was present should be recorded.</u>	There should not be any need for the minutes to state the number of members required to form the quorum since the same is a fixed number and is prescribed under the Companies Act and/or the Articles of Association of the company.

LIMITED REVISION of SECRETARIAL STANDARD ON MINUTES (SS-5)

The Secretarial Standard on Minutes (SS-5) shall be modified as under:

Existing Para 5.1 of SS-5	Amended Para 5.1 of the proposed SS-5	Rationale
<p>Within fifteen days from the date of the conclusion of the Meeting of the Board or Committee the draft Minutes thereof should be circulated to all the members of the Board or the Committee, as the case may be, for their comments.</p> <p>The directors should forward</p>	<p>Within fifteen days from the date of the conclusion of the Meeting of the Board or Committee the draft Minutes thereof should be circulated to all the members of the Board or the Committee, as the case may be, for their comments.</p> <p>The directors should forward their comments on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalised and entered in the Minutes Book within the specified time limit of thirty days.</p> <p><u>A director who has participated in a meeting of the Board or any committee thereof is entitled to offer his comments on the draft minutes of that meeting even if he ceases to be a director subsequently.</u></p>	<p>Clarification regarding the entitlement of a director to the minutes even if he ceases to be a director subsequently.</p>

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their comments on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalised and entered in the Minutes Book within the specified time limit of thirty days.



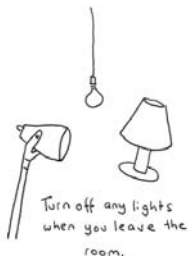
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Existing Para 7.1 of SS-5	Amended Para 7.1 of the proposed SS-5	Rationale
<p>Directors are entitled to inspect Minutes of all Meetings. Members are entitled to inspect the Minutes of all General Meetings.</p> <p>Unless the Articles otherwise provide, a member has no right to inspect the Minutes of Meetings of the Board or Committee.</p> <p>When a member requests in writing for a copy of any Minutes, which he is entitled to inspect, the company should furnish the same within seven days, subject to payment of such fee as may be prescribed.</p> <p>Extracts of the Minutes should be given only after the Minutes have been duly signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting.</p> <p>The Auditor or Cost Auditor or the Practising Company Secretary appointed by the company may inspect the Minutes in the course of audit or certification.</p> <p>Officers of the Registrar of Companies, or other Government or regulatory bodies duly authorised in this behalf under law, during the course of an inspection, can also inspect the Minutes.</p>	<p>Directors are entitled to inspect Minutes of all Meetings. Members are entitled to inspect the Minutes of all General Meetings.</p> <p>Unless the Articles otherwise provide, a member has no right to inspect the Minutes of Meetings of the Board or Committee.</p> <p>When a member requests in writing for a copy of any Minutes, which he is entitled to inspect, the company should furnish the same within seven days, subject to payment of such fee as may be prescribed.</p> <p><u>A director who has participated in a meeting of the Board or any committee thereof is entitled to inspection of the minutes of the meetings during the period of his directorship even if he ceases to be a director subsequently.</u></p> <p>Extracts of the Minutes should be given only after the Minutes have been duly signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting.</p> <p>The Auditor or Cost Auditor or the Practising Company Secretary appointed by the company may inspect the Minutes in the course of audit or certification.</p> <p>Officers of the Registrar of Companies, or other Government or regulatory bodies duly authorised in this behalf under law, during the course of an inspection, can also inspect the Minutes.</p>	<p>Clarification regarding the entitlement of a director to the minutes even if he ceases to be a director subsequently.</p>



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Fundamentals Analysis

25th & 26th March, 2011

at

Hollywood Conference Centre, New Delhi

9.30 AM to 5.30 PM (Both days)

Academic Partner



Concessional Participation
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Eight PCH for ICSI
Members

Dear Professional Colleagues

I am pleased to inform you that the Institute is associated as 'Academic Partner' in the two days Training Programme being organised by BSE Training Institute Ltd. with a view to provide skills and techniques to the members to assess the corporate performance, especially with reference to stock selection.

The broad contents of the program are as under :

- ❖ Economic Analysis & Industry Analysis
- ❖ Company Analysis
- ❖ Interpretation of Financial Statements
- ❖ Ratio Analysis
- ❖ Time Value of Money & Valuation of Equity
- ❖ Market Dynamics

The fee for the programme is Rs. 4,500 + 10.30% (Service tax – Education cess).

There is discount of 15% on the basic fee of Rs. 4,500/- for ICSI Members.

Registration Form is attached. Advance information may be conveyed through Fax or email at sonia.bajjal@icsi.edu with a copy to training@bseindia.com.

A Detailed Programme Schedule is enclosed for your ready reference.

Regards

N K Jain
Secretary & CEO



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Fundamentals Analysis

25th & 26th March, 2011
at
Hollywood Conference Centre, Delhi
9.30 AM to 5.30 PM (Both days)

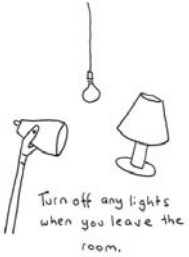
Programme Schedule

Day I

TIME	TOPIC
9.00 am – 9.30 am	Registration of participants
9.30 am – 11.00 am	Economy & Industry Analysis
11.00 am – 11.30 am	Tea Break
11.30 am – 1.00 pm	Economy & Industry Analysis
1.00 pm – 1.45 pm	Lunch
1.45 pm – 3.30 pm	Ratio Analysis
3.30 pm – 3.45pm	Tea Break
3.45 pm – 5.30 pm	Cash Flow Analysis

Day II

TIME	TOPIC
10.00 am – 11.00 am	Industry Analysis with Case study
11.15 am – 11.45 am	Tea Break
11.45 am – 1.15 pm	Industry Analysis with Case study
1.15 pm – 2.00 pm	Lunch
2.00 pm – 3.30 pm	Valuation of Equity
3.30 pm – 4.00 pm	Tea Break
4.00 pm – 5.30 pm	Valuation of Equity



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BSE Training Institute Limited

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Fundamentals Analysis

25th & 26th March, 2011

at

Hollywood Conference Centre, Delhi

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Eight PCH for ICSI Members

REGISTRATION FORM

Yes I would like to Participate

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S. No.	Name	Designation	Email

DELEGATE FEE PER PARTICIPANT

(inclusive of Course Material, Tuition Fees, Snacks & Lunch)

Members of ICSI Rs. 3,285 + 10.30% (Service tax + Education Cess)

Others Rs. 4,500 + 10.30% (Service tax + Education Cess)

Venue Hollywood Conference Centre, East Patel Nagar (Main Market) (Near Rajendra Place Metro Station) Delhi.

Kindly send the Registration Form duly filled to the following :



THE INSTITUTE OF Company Secretaries of India

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

ICSI House, 22, Institutional Area, Lodi Road, New Delhi – 110 003

Tel : 011-4534 1039, 4534 1032 Fax : + 91-11-24626727 Email : sonia.baijal@icsi.edu

or

training@bseindia.com / 9871118658

COMPANY SECRETARIES IN PRACTICE

RELAXATION OF TIME TO COMPLETE REQUIRED PROGRAMME CREDIT HOURS FOR THE BLOCK OF THREE YEARS ENDING 31.12.2010

The Guidelines for Compulsory Attendance of Professional Development Programmes by Members (ICSI Guideline No. 3 of November, 2007), which were notified and came into effect from January 1, 2008 require every PCS to secure 12 Programme Credit Hours in one year or 40 Programme Credit Hours in a block of three years by attending approved learning programmes.

As per the guidelines the current block of three years which commenced from January 1, 2008 will close on December 31, 2010.

The Council of the Institute in its 197th meeting held on December 15, 2010 considered the matter and granted an opportunity to those practicing members who have not completed the mandatory programme credit hours to complete the same by attending approved learning programmes upto March 31, 2011.

The Council further decided that if a member does not complete the mandatory Programme Credit Hours till March 31, 2011 the Certificate of Practice of such member shall not be renewed.



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Computation of PCH Required in block (Jan. 2008 – Dec. 2010) for Renewal of Certificate of Practice

In terms of the Guidelines for Compulsory Attendance of Professional Development Programmes for the Members each member in Practice is required to obtain certain number of Programme Credit Hours by attending approved learning programmes:

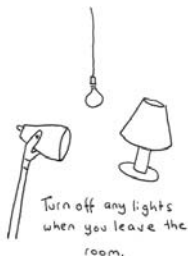
Computation of PCH Required in block (January 2008 – March 31, 2011 {As extended by the Council from December 31, 2008}) for Renewal of Certificate of Practice*

Date of issue of Certificate of Practice	PCH required in 2008	PCH required in 2009	PCH required in 2010	Total PCH required in the block
Before April 1, 2008	12	12	12	40**
Apr. 1, 2008 to Sep. 30, 2008	12	12	12	40**
Oct. 1, 2008 to 31 Mar., 2009	0	12	12	24
Apr. 1, 2009 to Sep. 30, 2009	0	12	12	24
Oct. 1, 2009 to 31 Mar., 2010	0	0	12	12
Apr. 1, 2010 to Sep. 30, 2010	0	0	12	12
On or After Oct. 1, 2010	0	0	0	0

* No carry forward of Programme Credit Hours shall be allowed from one block of three years to another block of three years.

** Members are required to obtain twelve programme credit hours in each year or a total of 40 PCH in the entire block

The requirement of obtaining the mandatory programme credit hours is not applicable to members who are above the age of 65 years.



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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 NEW 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

e Book Store - buy Online [Journals & Publications](#)

or

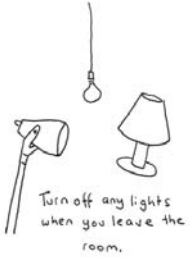
Contact : Shri Harish Chander Joshi,
Admn. Officer(store),
The Institute of Company Secretaries of India,
C-37, Sector 62,
Institutional Area,
NOIDA (U.P.)



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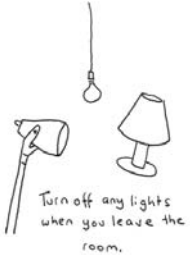


MCA UPDATE





"VIEW SOLICITED ON MCA DRAFT COMPANIES (NAME AVAILABILITY) RULES, 2011"



March 22, 2011

Dear Professional Colleagues,

The Ministry of Corporate Affairs has issued draft Companies (Name Availability) Rules, 2011.

We seek your Comments/Suggestions on draft Companies (Name Availability) Rules, 2011 and would appreciate to receive the same on alka.kapoor@icsi.edu by March 28th, 2011 for sending to MCA.

Thanking You,

Yours faithfully,

(CS N K Jain)
Secretary & CEO

Click here to view: [Companies \(Name Availability\) Rules, 2011](#)



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REVISED SCHEDULE VI WOULD BE APPLICABLE FOR FINANCIAL YEAR 2010-11

Revised Schedule VI NEW



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DELEGATION OF POWERS AND FUNCTIONS TO REGISTRARS OF COMPANIES ON SELECTIVE PROVISIONS

CLICK HERE TO VIEW: 17/03/2011 [G.S.R. - dated 17.03.2011 - Delegation of powers and functions to Registrars of Companies on selective provisions](#)



DELEGATION OF POWERS AND FUNCTIONS TO REGIONAL DIRECTORS ON SELECTIVE PROVISIONS

CLICK HERE TO VIEW : 17/03/2011 [G.S.R. - dated 17.03.2011 - Delegation of powers and functions to Regional Directors on selective provisions](#)

AMENDMENTS IN THE NOTIFICATION NUMBER, SRO DATED 7TH JANUARY, 1957

CLICK HERE TO VIEW : 17/03/2011 [S.O. - dated 17.03.2011 - Amendments in the notification number, SRO dated 7th January, 1957](#)



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COMPANIES (NAME AVAILABILITY) RULES, 2011

In exercise of the power conferred by clause (a) of sub-section (1) of section 642 read with sections 20 and 21 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules:

1(i) These Rules may be called "Companies (Name Availability) Rules, 2011";

(ii) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. As per provisions contained in Section 20 of the Companies Act, 1956, no company is to be registered with undesirable name. A proposed name is considered to be undesirable if it is identical with or too nearly resembling with:

(i) Name of a company in existence; or

(ii) A registered trade-mark or a trade mark which is subject of an application for registration, of any other person under the Trade Marks Act, 1999.

3. After notification of these Rules, while applying for a name in the prescribed e-form-1A, using Digital Signature Certificate (DSC), the applicant shall be required to furnish a declaration to the effect that:

(i) he has used the search facilities available on the portal of the Ministry of Corporate Affairs (MCA) i.e., www.mca.gov.in/MCA21 for checking the resemblance of the proposed name(s) with the companies and Limited Liability Partnerships (LLPs) already registered or the names already approved.

(ii) the proposed name(s) is/are not infringing the registered trademarks or a trademark which is subject of an application for registration, of any other person under the Trade Marks Act, 1999;

(iii) the proposed name(s) is/are not in violation of the provisions of Emblems and Names (Prevention of Improper Use) Act, 1950 as amended from time to time;

(iv) The proposed name is not offensive to any section of people, e.g., proposed name does not contain profanity or words or phrases that are generally considered a slur against an ethnic group, religion, gender or heredity;



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(v)he has gone through all the prescribed guidelines, given in these Rules, understood the meaning thereof and the proposed name(s) is/are in conformity thereof;

(vi)he undertakes to be fully responsible for the consequences, in case the name is subsequently found to be in contravention of the prescribed guidelines.

4. Where, the proposed name is containing more than one word, there will be an option in the e-form 1A for certification by the practicing Chartered Accountants, Company Secretaries and Cost Accountants, who will certify that he has used the search facilities available on the portal of the Ministry of Corporate Affairs (MCA) i.e., www.mca.gov.in/MCA21 for checking the resemblance of the proposed name(s) with the companies and Limited Liability Partnerships (LLPs) already registered or the names already approved and the search report is attached with the application form. The professional will also certify that the proposed name is not an undesirable name under the provisions of section 20 of the Companies Act, 1956 and also is in conformity with Companies (Name Availability) Rules, 2011 and Guidelines made therein.

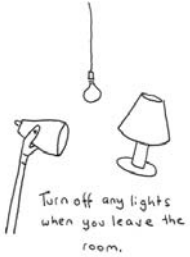
5(i). Where e-form 1A has been certified by the professional in the manner stated at '4' above, the name will be made available by the system online to the applicant without backend processing by the Registrar of Companies (ROC). This facility is not available for applications for change of name of existing companies.

(ii) Where a name has been made available online on the basis of certification of practicing professional in the manner stated above, if it is found later on that the name ought not to have been allowed under provisions of section 20 of the Companies Act read with these Rules, the professional shall also be liable for penal action under provisions of the Companies Act, 1956 in addition to the penal action under Regulations of respective professional Institutes.

(iii) Where e-form 1A has not been certified by the professional, the proposed name will be processed at the back end office of ROC and availability or non availability of name will be communicated to the applicant.

6. The name if made available, is liable to be withdrawn anytime before registration of the company, if it is found later on that the name ought not to have been allowed. However, ROC will pass an specific order giving reasons for withdrawal of name, with an opportunity to the applicant of being heard, before withdrawal of such name.

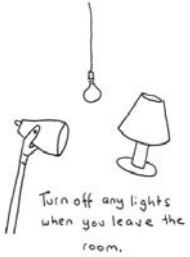
7. The name if made available to the applicant, shall be reserved for sixty days from the date of approval and further extension of thirty days with revalidation application and fees. If, the proposed company has not been incorporated within such period, the name shall be lapsed and will be available for other applicants.



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8. Even after incorporation of the company, the Central Government has the power to direct the company to change the name under section 22 of the Companies Act, 1956, if it comes to his notice or is brought to his notice through an application that the name too nearly resembles that of another existing company or a registered trademark.

9. In determining whether a proposed name is identical with another, the following shall be disregarded:

(i) The words Private, Pvt, Pvt., (P), Limited, Ltd, Ltd., LLP, Limited Liability Partnership;

(ii) The words appearing at the end of the names – company, and company, co., co, corporation, corp, corpn, corp.;

(iii) The plural version of any of the words appearing in the name;

(iv) The type and case of letters, spacing between letters and punctuation marks;

(v) Joining words together or separating the words does not make a name distinguishable from a name that uses the similar, separated or joined words;

(vi) The use of a different tense or number of the same word does not distinguish one name from another;

(vii) Using different phonetic spellings or spelling variations does not distinguish one name from another. For example, J.K. Industries limited is existing then J and K Industries or Jay Kay Industries or J n K Industries or J & K Industries will not be allowed. Similarly if a name contains numeric character like 3, resemblance shall be checked with 'Three' also;

(viii) Misspelled words, whether intentionally misspelled or not, do not conflict with the similar, properly spelled words;

(ix) The addition of an internet related designation, such as .COM, .NET, .EDU, .GOV, .ORG, .IN does not make a name distinguishable from another, even where (.) is written as 'dot';



(x) The addition of words like New, Modern, Nav, Shri, Sri, Shree, Sree, Om, Jai, Sai, The, etc. does not make a name distinguishable from an existing name such as New Bata Shoe Company, Nav Bharat Electronic etc. Similarly, if it is different from the name of the existing company only to the extent of adding the name of the place, the same shall not be allowed. For example, 'Unique Marbles Delhi Limited' can not be allowed if 'Unique Marbles Limited' is already existing;

Such names may be allowed only if no objection from the existing company by way of Board resolution is produced/ submitted;

(xi) Different combination of the same words does not make a name distinguishable from an existing name, e.g., if there is a company in existence by the name of "Builders and Contractors Limited", the name "Contractors and Builders Limited" should not be allowed;

(xii) If the proposed name is an exact Hindi translation of the name of an existing company in English especially an existing company with a reputation, e.g., Hindustan Steel Industries Ltd. will not be allowed if there exists a company with name 'Hindustan Ispat Udyog Limited';

10. Guidelines for availability of name

In supercession of all the previous circulars and instructions regarding name availability, the applicants and Registrar of Companies are also advised to adhere following guidelines while applying or approving the proposed name:

(i) It is not necessary that the proposed name should be indicative of the main object. However, in case the proposed name is indicative of any activity, the same will be appropriately reflected in the main object clause of the Memorandum of Association;

(ii) If the Company's main business is finance, housing finance, chit fund, leasing, investments, securities or combination thereof, such name shall not be allowed unless the name is indicative of such related financial activities, viz., Chit Fund/ Investment/ Loan, etc.;

(iii) If it includes the words indicative of a separate type of business constitution or legal person or any connotation thereof, the same shall not be allowed. For eg: co-operative, sehkari, trust, LLP, partnership, society, proprietor, HUF, firm, Inc., PLC, GmbH, SA, PTE, Sdn, AG etc.;

(iv) Abbreviated name such as 'ABC limited' or '23K limited' cannot be given to a new company. However the companies well known in their respective field by abbreviated names are allowed to change their names to abbreviation of their existing name (for Delhi Cloth Mills limited to DCM Limited, Hindustan Machine Tools limited to HMT limited) after following the requirement of Section 21 of the Companies Act, 1956;



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(v) If the proposed name is identical to the name of a company dissolved as a result of liquidation proceeding should not be allowed for a period of 2 years from the date of such dissolution since the dissolution of the company could be declared void within the period aforesaid by an order of the Court under section 559 of the Act. Moreover, if the proposed name is identical with the name of a company which is struck off in pursuance of action under section 560 of the Act, then the same shall not be allowed before the expiry of 20 years from the publication in the Official Gazette being so struck off since the company can be restored anytime within such period by the competent authority;

(vi) If the proposed names include words such as 'Insurance', 'Bank', 'Stock Exchange', 'Venture Capital', 'Asset Management', 'Nidhi', 'Mutual fund' etc., the name may be allowed with a declaration by the applicant that the requirements mandated by the respective regulator, such as IRDA, RBI, SEBI, MCA etc. have been complied with by the applicant;

(vii) If the proposed name includes the word "State", the same shall be allowed only in case the company is a government company. Also, if the proposed name is containing only the name of a continent, country, state, city such as Asia limited, Germany Limited, Haryana Limited, Mysore Limited, the same shall not be allowed;

(viii) If a foreign company is incorporating its subsidiary company, then the original name of the holding company as it is may be allowed with the addition of word India or name of any Indian state or city, if otherwise available;

(ix) Change of name shall not be allowed to a company which is defaulting in filing its due Annual Returns or Balance Sheets or which has defaulted in repayment of matured deposits and debentures and/or interest thereon;

(x) With a view to maintain uniformity, the following guidelines may be followed in the use of keywords, as part of name, while making available the proposed names under section 20 and 21 of the Companies Act, 1956:

S.No	Key Words	Required authorized capital (in Rs.)
1	Corporation, corp, corpn, corp.	25 crore

CS Update

March 22, 2011

2 international, Globe, Global, World, 5 crore

Overseas, Universe,
Universal, Continent,
Continental,
InterContinental,
Asiatic, Asia, Asian
being the first word of
the name

3 If any of the words at (2) above is 2 crore
used within the name
(with or without
brackets)

4 Hindustan, India, Indo, Indian, Bharat, 2 crore
Bharatvarsh, Bhartiya
or any other country's
name being first word
of the name

5 If any of the words at (4) above is 25 lakh
used within the name
(with or without
brackets)

6 Industries/ Udyog 5 crore

7 Enterprises, Products, Business, 50 lakh
Manufacturing,
Venture.

* * * * *



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PROCESS OF INCORPORATION OF COMPANIES (FORM-1) AND ESTABLISHMENT OF PRINCIPAL PLACE OF BUSINESS IN INDIA BY FOREIGN COMPANIES (FORM-44) – PROCEDURE SIMPLIFIED [MCA/08.03.2011]

General Circular No. 6/2011

F.No. 17/56/2011-CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, A Wing, Shastri Bhavan
Dr. R.P. Road, New Delhi-110001

Dated 8th March, 2011

To
All Regional Directors
All Registrar of Companies
All Official Liquidators

Sub: Process of incorporation of Companies (Form-1) and establishment of principal place of business in India by Foreign Companies (Form-44) – Procedure simplified.

Sir,

I am directed to inform that Ministry has received various representations regarding time taken by the Registrar of Companies for registration of Form-1 and Form-44.

The Ministry has got the issue examined by Business Process Re-engineering Group under MCA-21 and in order to speed up and simplify the process of incorporation of Companies and establishment of principal place of business in India by Foreign Companies for reduction in time taken by Registrar of Companies, the below mentioned procedure have been recommended :

1. Only Form-1 shall be approved by the RoC Office. Form 18 and 32 shall be processed by the system online.
2. There shall be one more category, i.e., Incorporation Forms (Form 1A, Form 37, 39, 44 and 68) which will have the highest priority for approval.
3. Average time taken for incorporation of company should be reduced to one (1) day only.
4. A Notification to notify minor changes in e-forms 18 and 32 to enable them to be taken on record through STP mode for aforesaid procedure is being issued separately.

Yours faithfully,
(Seema Rath)

Assistant Director (Inspection)
Tele : 011-23387263



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PAYMENT OF MCA FEES THROUGH ELECTRONIC MODE

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

5th Floor, A Wing, Shastri Bhavan
Dr. R.P. Road, New Delhi-110001th

Dated 9 March, 2011

CIRCULAR

Sub: Payment of MCA fees –electronic mode-regarding

Ministry has reviewed the processes involved in delivery of important services to stakeholders, with a view to identify and improve the components causing delay in disposal of applications. Payment confirmation is found to be a major bottleneck in delivery of services in respect of offline payment made by physical challans .It was found that often there was a delay in confirmation of payments by physical challans, as banks have been given a reporting time of 'T'+3 days, as per payment procedure approved by C&AG,'T' being the transaction date. This leads to delay in creation of work item for disposal of an application/e-form, leading to inconvenience of stakeholders. On the other hand, it was found that wherever fees were paid online in the system, the work item was created faster and the approvals were speedier as banks are following 'T'+1 for reporting online payments.

2. In the interest of stakeholders, with a view to improving service delivery time, Ministry has decided to accept payments of value upto Rs.50,000, for MCA 21 services ,only in electronic mode w.e.f 27th March, 2011.

3. For the payments of value above Rs. 50,000, stakeholders would have the option to either make the payment in electronic mode, or paper challan. However such payments would also be made in electronic mode w.e.f .1st October'2011.

Yours faithfully,

(Nirupama Kotru)



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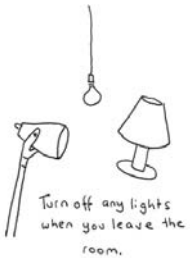


PAYMENT OF COMMISSION TO NON-WHOLE TIME DIRECTORS OF THE COMPANY UNDER SECTION 309(4)(b) OF THE COMPANIES ACT, 1956

MCA, vide General Circular No. 4/2011 dated 4th March, 2011, has decided that a Company shall not require approval of the central government for making payment of remuneration by way of commission to its non-whole time directors in addition to the sitting fee if the total commission to be paid to all these non-whole time directors does not exceed 1% of the net profit of the company if it has whole time director(s) or 3% of the net profit of the company if it does not have a managing director or whole time director(s).

A copy of the General Circular No. 4/2011 dated 4th March, 2011 is attached herewith or you may visit the following link to get the Circular:-
http://www.mca.gov.in/Ministry/pdf/Circular_4-2011_4mar2011.pdf





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MINISTRY OF CORPORATE AFFAIRS NOTIFIES SECTION 5,6,20,29, 30 & 31 OF COMPETITION ACT, 2002 WITH EFFECT FROM JUNE 01, 2011

March 08, 2011

Dear Professional Colleagues,

The Ministry of Corporate Affairs has notified long awaited Sections 5, 6, 20, 29, 30 & 31 of the Competition Act 2002 **with effect from June 01, 2011**

Section 5 deals with Combination (threshold limits).

Section 6 deals with Regulation of Combinations

Section 20 deals with Inquiry into Combination by Commission

Section 29 deals with procedure for investigation of combination

Section 30 deals with procedure in case of notice under Section 6(2)

Section 31 deals with orders of the commission on certain combinations

Highlights of the notifications

➤ The notification exempts an enterprise, whose control, shares, voting rights or assets are being acquired has assets of the value of not more than Rs. 250 crores or turnover of not more than Rs. 750 crores, from the provisions of section 5 of the Competition Act 2002 for a period of five years.

➤ The notification exempts the 'Group' exercising less than fifty per cent of voting rights in other enterprise, from the provisions of section 5 of the Competition Act 2002 for a period of five years.

➤ The notification enhances the value of assets and the value of turnover, by fifty per cent for the purposes of section 5 of the Competition Act 2002 on the basis of the wholesale price index.

The notifications are available at the link

http://www.mca.gov.in/Ministry/notification/pdf/Notification_4mar2011.pdf

The draft Regulations are available at the link

<http://www.cci.gov.in/images/media/Regulations/DraftCombinationRegulation.pdf>

The notification of these provisions will open opportunities for Company Secretaries in Practice. The Competition Act, 2002 authorises Company Secretaries in practice to appear before Competition Commission of India and Competition Appellate Tribunal. Besides, there are a number of concepts, terms such as value of assets, turnover, determination of market, relevant market, geographic market which will require active professional involvement and advice.

Regards,

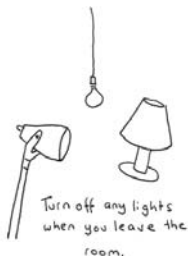
CS N K Jain
Secretary & CEO



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DIN PROCESS – SIMPLIFIED – REG.

General Circular No.5/2011
F.No.2/1/2011 CL.V
Government of India
Ministry of Corporate Affairs,

Shastri Bhawan,
5th Floor, 'A' Wing,
Dr.Rajendra Prasad Road
New Delhi.
Dated : 04.03.2011

To
All Regional Directors,
All Registrars of Companies,
All Official Liquidators.

SUBJECT; DIN PROCESS – SIMPLIFIED – REG.

Sir,

I am directed to inform that the Ministry's has re-examined the process of allotment of Directors Identification Number (DIN) to be obtained u/s 266B of the Companies Act, 1956. The present process is cumbersome and time consuming. Representations have been received in the Ministry that the documents required to be submitted should be simple to prove the existence/residence of a person, who intend to become a director of a company.

The Ministry has constituted a Group to examine the business process re-engineering under MCA-21. In order to speed up and simplify the process to obtain a DIN, the below mentioned procedure have been recommended.

- 1. Application for DIN will be made on eForm ; No physical submission of documents shall be accepted and for this purpose Scanned documents along with verification by the applicant will be attached with the eForm. Only online fee payment will be allowed i.e. No challan payment**
- 2. The application can also be submitted online by the applicant himself using his DSC.**
- 3. DIN 1 eForm can be digitally signed by the professional who shall also confirm that he has verified the particulars of the Applicant given in the application.**

CS Update

March 22, 2011



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4. Where the DIN 1 is verified by the professional, the DIN will be approved by the system immediately online.

5. In other cases the DIN cell will examine the application and same shall be disposed of within one or two days.

6. Companies (Directors Identification Number) Rules, 2006 are being amended on the above lines.

7. Penal action against the applicant and professional certifying the DIN application in case of false information / certification as per provisions of section 628 of the Act will be taken in addition to action for professional misconduct and revocation of DIN, allotted on false information

8. The above procedures is expected to enable allotment of DIN on the **same day**.

9. The above procedures applies to filing of DIN 4 intimating changes in particulars of Directors.

A notification to notify the aforesaid procedure is being issued. After issue of necessary notification, the applicant/professionals/DIN Cell are advised to follow the notified procedures for allotment of DIN.

Yours faithfully,
(Monika Gupta)
Assistant Director (Inspection)
Tele :23387263

Copy to: DIN Cell, MCA, PDIL Bhawan, Sector-1, Noida.

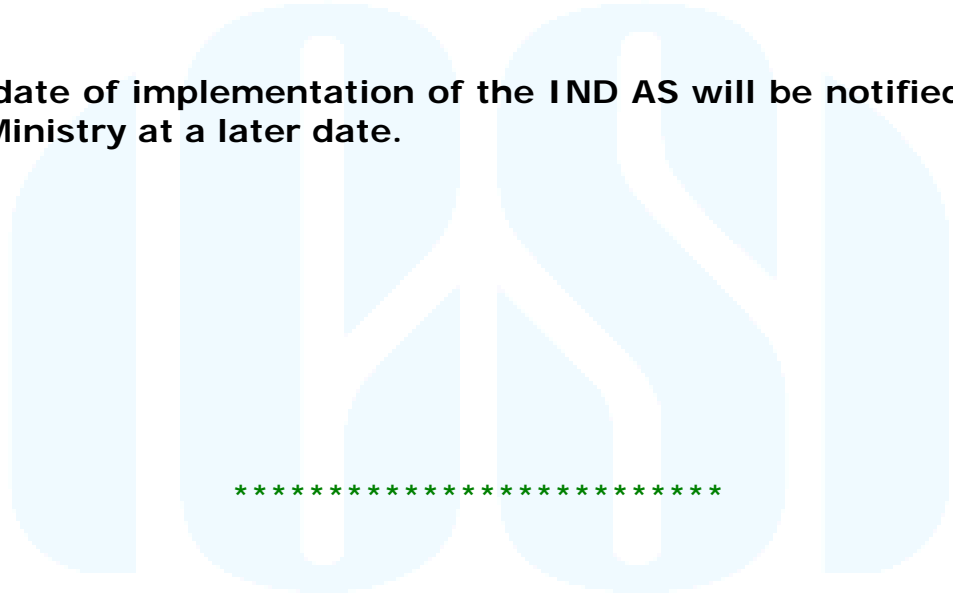


INDIAN ACCOUNTING STANDARDS CONVERGED WITH IFRS

The Ministry of Corporate Affairs has notified convergence of 35 Indian Accounting Standards with International Financial Reporting Standards (henceforth called IND AS) on February 25, 2011.

These are: IND ASs 1, 2, 7, 8, 10, 11, 12, 16, 17, 18, 19, 20, 21, 23, 24, 27, 28, 29, 31, 32, 33, 34, 36, 37, 38, 39, 40, 101, 102, 103, 104, 105, 106, 107 and 108. (available on the MCA website at the link http://www.mca.gov.in/Ministry/accounting_standards.htm)

The date of implementation of the IND AS will be notified by the Ministry at a later date.





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MCA GENERAL CIRCULAR No: 3/2011 DATED: 21ST FEBRUARY ON CLARIFICATION IN RESPECT OF CIRCULAR NO. 2/2011 DATED 8TH FEBRUARY, 2011 REGARDING DIRECTION UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956



General Circular No: 3/2011

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

th
5 floor, 'A' Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi - 110001

st
Dated: 21 February, 2011

To
All Regional Directors
All Registrar of Companies

th
Subject: Clarification in respect of Circular No. 2/2011 dated 8 February, 2011 regarding direction under Section 212(8) of the Companies Act, 1956.

Sir,

th
It is clarified that this Ministry Circular No. 2/2011 dated 8 February, 2011 shall be effective in respect of balance sheet and profit and loss accounts prepared regarding st the financial year ending on or after the 31 March, 2011.

Yours faithfully

(Jaikant Singh)
Director

General Circular No: 2 /2011

No: 51/12/2007-CL-III
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi-110 001.
Dated: 8th February, 2011

To



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All Regional Directors
All Registrar of Companies

Subject: Direction under Section 212(8) of the Companies Act, 1956.

Sir,

It has been noticed that a large number of companies are approaching the Ministry for exemption under Section 212(8) of the Companies Act, 1956. The matter was examined in the context of the globalizing Indian economy, the increased number of subsidiaries, and the introduction of accounting standards on consolidated financial statements. It has been decided to grant a general exemption provided certain conditions are fulfilled.

The Central Government hereby directs that provisions of Section 212 shall not apply in relation to subsidiaries of those companies which fulfil the following conditions:-

(i) The Board of Directors of the Company has by resolution given consent for not attaching the balance sheet of the subsidiary concerned;

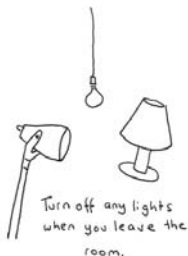
(ii) The company shall present in the annual report, the consolidated financial statements of holding company and all subsidiaries duly audited by its statutory auditors;

(iii) The consolidated financial statement shall be prepared in strict compliance with applicable Accounting Standards and, where applicable, Listing Agreement as prescribed by the Security and Exchange Board of India;

(iv) The company shall disclose in the consolidated balance sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries:-
(a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend;

(v) The holding company shall undertake in its annual report that annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned and a note to the above effect will be included in the annual report of the holding company. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand;

(vi) The holding as well as subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them;



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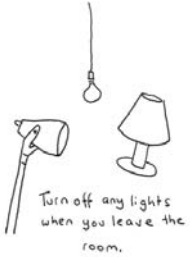
March 22, 2011

(vii) The company shall give Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiary companies along with exchange rate as on closing day of the financial year;

Yours faithfully

(Jaikant Singh)

Director



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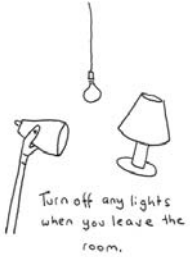


NEW FEATURE INCLUDED IN E-FORMS ON THE LLP PORTAL.

The new feature of downloadable e-forms has been made available on the LLP Portal. Users may now download the e-forms required to be filed and upload the same once filled at their end.

Users are requested to download [Acrobat PDF reader ver. 9.0](#) and above, so as to continue filing forms in the LLP System. Users are also advised to go through the instructions kit for each form before filing any e-form. Any user, who wishes to do any modifications in the e-form once signed before uploading the same in the LLP Portal, is requested to clear the signatures and then make the required modifications and later re-sign the e-form before upload. Users may save the uploaded e-form at their end for future needs like resubmission etc. The same e-form needs to be modified in case of resubmission requested by the LLP Office, for any missing information or change in any information in the uploaded e-form. For more information please contact LLP Helpdesk on 66336666 or mail us at llpsupport-mca@nic.in

SOURCE: www.llp.gov.in/22/02/2011



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CS Update

March 22, 2011

LLP SHALL MANDATORILY FILE FORM 3 AND FORM 4 WITHIN 30 DAYS OF INCORPORATION & FORM 7 SHALL BE DIGITALLY SIGNED BY APPLICANT'S OWN DSC.

1) Every LLP shall mandatorily file Form 3 and Form 4 within 30 days of incorporation failing which Rs.100/- per day will be charged as additional fees on each Form.

2) Form 7 shall be digitally signed by applicant's own DSC. The DSC of other partners and professionals should not be used while applying Form 7.

SOURCE: www.llp.gov.in /22/02/2011





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MCA NOTIFICATIONS ON GENERAL EXEMPTIONS U/S 211 AND APPLICABILITY OF SCH. XIII IN CASE OF UNLISTED COMPANIES

The Ministry of Corporate Affairs has issued notifications on. "General Exemptions under Section 211" and "Applicability of Schedule XIII in regard to Managerial Remuneration in case of unlisted companies". The Ministry has also given directions under Section 212 of the Companies Act, 1956 vide its general circular no. 1/2011. The gist of the same is produced below for your information and reference:

(i) General Exemption under Section 211 of the Companies Act, 1956

Section 211 of the Companies Act, 1956 requires that the balance sheet and profit and loss account of a company shall be in the form set out in Part I of Schedule VI or in such other form as may be approved by the Central Government either generally or in any particular case. So far, these exemptions were being given on a case-by-case basis with certain conditions. The MCA has decided to give general exemption specifying the categories of companies that will be exempted from certain disclosures. Details under PIB Report dated 8th February, 2011 available at the link <http://pib.nic.in/newsite/erelease.aspx?relid=69672>

(ii) Directions under Section 212 of the Companies Act, 1956

Section 212 of the Companies Act, 1956 requires holding companies to attach with their balance sheet a copy of the balance sheet, profit and loss account etc. of each of its subsidiaries. The Ministry has been granting permission not to attach the account of subsidiaries on case-by-case basis on the basis of certain conditions which are



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CS Update

March 22, 2011

intended to protect the interests of investors. The Ministry has vide its general circular no. 1/2011 decided that the permission may be granted on a general basis wherever the Board of Directors of the holding company gives its consent and the conditions prescribed by the Ministry are complied with.. Details are available at the link http://mca.gov.in/Ministry/pdf/Circular_08feb2011.pdf

(iii) Schedule XIII of the Companies Act, 1956 being amended – Unlisted companies shall not require Government approval for managerial remuneration where they have no profits

Schedule XIII of the Companies Act is being amended to provide that unlisted companies (which are not subsidiaries of listed companies) shall not require Government approval for managerial remuneration in cases where they have no profits/inadequate profits, provided they meet the other conditions stipulated in the Schedule. Details available at the link <http://pib.nic.in/newsite/erelease.aspx?relid=69674>



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EXEMPTION UNDER SECTION 211 OF COMPANIES ACT 1956 [MCA NOTIFICATION/DATE: 08/02, 2011]

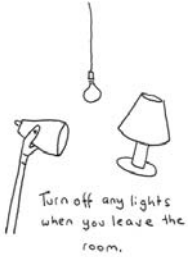
[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB SECTION (ii) of dated the 8th February, 2011]

Government of India
Ministry of Corporate Affairs
NOTIFICATION

New Delhi; the 8th February, 2011

S.O. 300 (E). – In exercise of the powers conferred by sub-section (3) of section 211 of the Companies Act, 1956 (1 of 1956), the Central Government, being of the opinion that it is necessary to grant exemption in the public interest, hereby exempts Public Financial Institutions as specified under section 4A of the Companies Act, 1956 from disclosing Investments as required under paragraph (1) of Note (1) of Part-I of Schedule VI in their balance sheet subject to fulfillment of the following conditions, namely:-

- (i) the Public Financial Institutions shall make the complete disclosures about investments in the balance sheet in respect of the following, namely: -
- (a) immovable property;
 - (b) capital of Partnership firms;
 - (c) all unquoted investments and;
 - (d) investments in subsidiary companies.
- (ii) the Public Financial Institutions shall disclose the total value of quoted investments in each of the following respective categories, namely:-
- (a) Government and trusts securities;
 - (b) shares;
 - (c) debentures;
 - (d) bonds; and
 - (e) other securities.



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March 22, 2011



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(iii) in each of the above categories referred to in sub-paragraphs (i) and (ii), investments where value exceeds two percent of total value in each category or one crore rupees, whichever is lower, shall be disclosed fully provided that where disclosures do not result in disclosure of at least fifty percent of total value of investment in a particular category, additional disclosure of investments in descending order of value shall be made so that specific disclosures account for at least fifty percent of the total value of investments in that category;

(iv) the Public Financial Institutions shall also give an undertaking to the effect that as and when any of the shareholders ask for specific particulars the same shall be provided;

(v) all unquoted investments shall be separately shown;

(vi) the company shall undertake to file with any other authorities, whenever necessary, all the relevant particulars as may be required by the Government or other regulatory bodies;

(vii) the Investments in subsidiary companies or in any company such that it becomes a subsidiary, shall be fully disclosed.

2. This notification shall be applicable in respect of balance sheet and profit and loss accounts prepared in respect of the financial year ending on or after the 31st March, 2011.

[F. No. 51/12/2007-CL.III]
(Dr. T.V. Somanathan)
Joint Secretary



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EASY EXIT SCHEME, 2011

February 7, 2011

Dear Professional Colleagues,

The Ministry of Corporate Affairs had introduced the Easy Exit Scheme, 2011 under Section 560 of the Companies Act, 1956 to give an opportunity to defunct companies, for getting their names struck off the Register of Companies. The scheme was originally in operation from 1st January, 2011 to 31st January, 2011

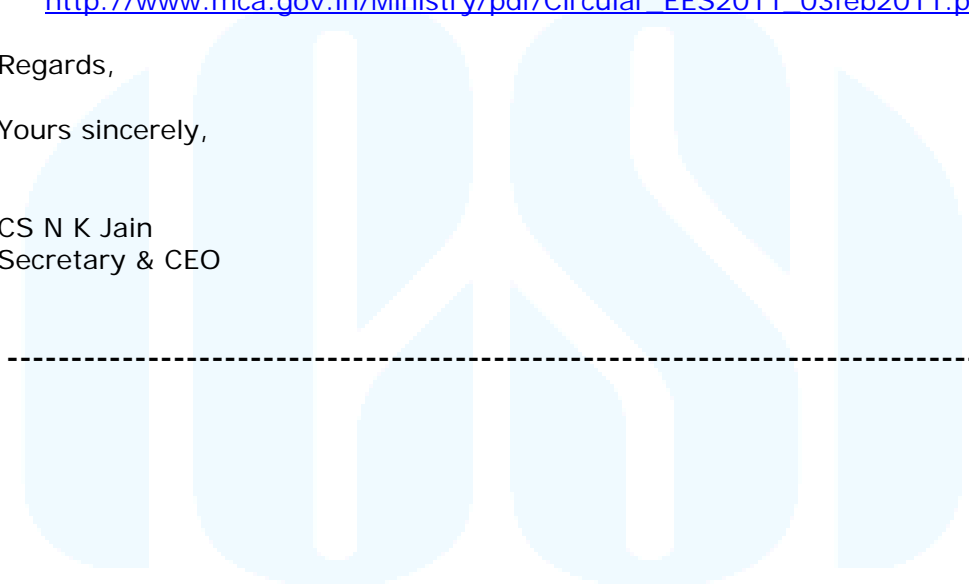
The MCA has vide its General Circular No. 1/2011 dated 3rd Feb, 2011 extended the Scheme for a further period of three months i.e. upto 30th April, 2011.

Copy of the General Circular No. 1/2011 dated 03.02.2011 is appended below for your ready reference. The same may be downloaded from the MCA website at the link http://www.mca.gov.in/Ministry/pdf/Circular_EES2011_03feb2011.pdf

Regards,

Yours sincerely,

CS N K Jain
Secretary & CEO



General Circular No. 1/2011

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

th
5 Floor, 'A' Wing, Shastri Bhavan,
Dr. R.P. Road , New Delhi
rd

Dated the 3 Feb, 2011

To
All Regional Director,
All Registrar of Companies.

Subject: Easy Exit Scheme , 2011

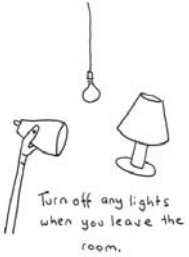
Sir,

In continuation to this Ministry's earlier circular no. 6/2010 dated 03.12.2010 on the subject cited above, it has been decided to extend th the Scheme for another three months i.e. upto 30 April, 2011.

2. All the terms of circular no. 6/2010 dated 03.12.2010 will remain the same.

Yours faithfully,

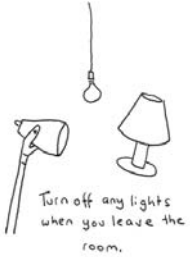
(Monika Gupta)
Assistant Director



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RBI UPDATE





FIMMDA ACCREDITED BROKERS FOR RATE TRANSACTIONS IN OTC INTEREST DERIVATIVES MARKET

RBI/2010-11/438
IDMD.PDRD.No. 3961/03.64.00/2010-11

March 18, 2011

All Standalone Primary Dealers

Dear Sir,

FIMMDA accredited brokers for transactions in OTC Interest Rate Derivatives Market

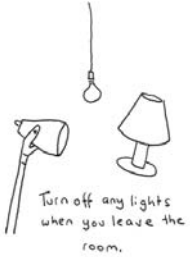
Please refer to [para 8.1 of the circular RBI/2010-11/81 IDMD.PDRD.01/03.64.00/2010-11 dated July 1, 2010](#) on Operational Guidelines to Primary Dealers, whereby the Primary Dealers (PDs) are allowed to undertake securities or derivatives transactions among themselves or with clients through the members of the BSE, NSE or OTCEI.

2. In partial modification of the above guidelines, it is advised that if the standalone PDs undertake OTC interest rate derivative transactions through brokers, they should ensure that these brokers are accredited by the FIMMDA.

Yours faithfully,

(K. K. Vohra)

Chief General Manager



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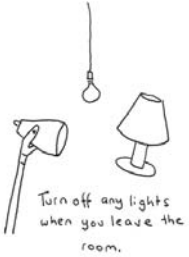
ENVIRONMENT LAW UPDATE





NOISE POLLUTION (REGULATION AND CONTROL) RULES, 2000 (AS AMENDED TO DATE). UPDATED: MARCH 17TH, 2011

Click [here](#) to view: [English](#)



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TAX LAW UPDATE



STREAMLINING PROCEDURE FOR SCRUTINY OF INCOME-TAX RETURNS

No.402/92/2006-MC (07 of 2011)
Government of India / Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi dated the 14th March 2011

PRESS RELEASE

Streamlining procedure for scrutiny of income-tax returns

Scrutiny of income tax returns is an important mechanism for ensuring taxpayer compliance and to counter tax-evasion. However, it has evoked some concern from small taxpayers and senior citizens about prolonged enquiries. Concerns have also been raised about selection of the same cases in scrutiny year after year.

Appreciating the concern of these taxpayers and with a view to mitigate their hardships, Central Board of Direct Taxes has reviewed its scrutiny selection procedure. In order to redress the grievance, it has been decided that during the financial year 2011-12, cases of senior citizens and small taxpayers, filing income-tax returns in ITR-1 and ITR-2 will be subjected to scrutiny only where the Income Tax department is in possession of credible information.

Senior citizens for this purpose would be individual taxpayers who are 60 years of age or more. Small taxpayers would be individual and HUF taxpayers whose gross total income, before availing deductions under Chapter VIA, does not exceed Rupees ten lakh.



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LIABILITY OF INTEREST WHERE CENVAT CREDIT WAS WRONGLY TAKEN BUT REVERSED BY ASSESSEE BEFORE UTILIZATION-REG.

Circular No. 942/03/2011-CX

F.No.267/83/2009-CX8 (Pt.I)

Government of India
Ministry of Finance
Department of Revenue
(Central Board of Excise & Customs)

New Delhi, dated

the 14th March, 2011.

To,
All Director Generals,
All Chief Commissioners of Central Excise (including LTU),
All Commissioners of Central Excise (including LTU).

Sir/ Madam,

Subject: Liability of interest where CENVAT credit was wrongly taken but reversed by assessee before utilization-reg.

Attention is invited to the Board's Circular No. 897/17/2009-CX dated 03.09.09, wherein it was clarified that in light of clear and unambiguous provisions of Rule 14 of the CENVAT Credit Rules, 2004, the interest shall be recoverable when credit has been wrongly "taken", even if it has not been utilized.

2. References have been received to re-examine the issue in light of judgement of P&H High Court in the case of Ind-Swift Labs. V/s UOI [2009(240)ELT328(P&H)]. The said judgement of P&H High Court held that under provisions of Rule 14 of CENVAT Credit Rules, 2004, interest cannot be claimed from the date of wrong availment of credit. It is required to be paid from the date it is wrongly utilized.

3. The matter has been examined. It is observed that the issue has now been conclusively settled by the Apex Court in the departmental appeal against the above mentioned judgement of P&H High Court. The Apex Court vide its judgement dated 21.02.11 in Civil Appeal No. 1976 of 2011 has set aside the aforesaid order of Hon'ble High Court. The Apex Court has ruled that "If the aforesaid provision is read as a whole we find no reason to read the word "OR" in between the expressions 'taken or utilized wrongly or has been erroneously refunded' as the word "AND". On the happening of any of the three circumstances such credit becomes recoverable along with interest." In effect, therefore, the view taken by the Board in circular dated 03.09.09 has now been endorsed by the Apex Court.

4. Immediate action may be taken to safeguard revenue in light of the judgement of Apex Court.



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CS Update

March 22, 2011

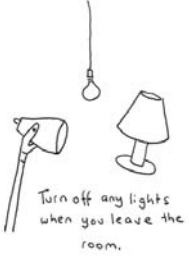
5. Trade & Industry as well as field formations may be suitably informed.
6. Receipt of this circular may kindly be acknowledged.
7. Hindi version will follow.

Yours faithfully,

(Amish Kumar Gupta)

OSD (CX-8)

OSD



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