



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

CS Update

March 01, 2011

CONTENTS

FROM ICSI

- The ICSI welcomes sustainable growth oriented Union Budget 2011-12
- RELAXATION OF TIME TO COMPLETE REQUIRED PROGRAMME CREDIT HOURS FOR THE BLOCK OF THREE YEARS ENDING 31.12.2010
- PMQ COURSE IN CORP GOV-ENHANCEMENT OF FEES
- INSTITUTE'S NEW PUBLICATIONS
- MEMORANDUM OF UNDERSTANDING BETWEEN ICSI AND CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT (CISI)

MCA UPDATE

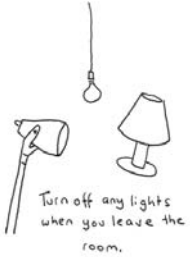
- SCHEDULE VI OF THE COMPANIES ACT, 1956(REVISED)[MCA/01/03. 2011]
- INDIAN ACCOUNTING STANDARDS CONVERGED WITH IFRS[MCA/25.02.2011]
- MCA GENERAL CIRCULAR No: 3/2011 DATED: 21ST FEBRUARY ON CLARIFICATION IN RESPECT OF CIRCULAR NO. 2/2011 DATED 8th FEBRUARY, 2011 REGARDING DIRECTION UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956
- NEW FEATURE INCLUDED IN E-FORMS ON THE LLP PORTAL [WWW.LLP.GOV.IN/22/02/2011].
- 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[WWW.LLP.GOV.IN/22/02/2011].
- MCA NOTIFICATIONS ON GENERAL EXEMPTIONS U/S 211 AND APPLICABILITY OF SCH. XIII IN CASE OF UNLISTED COMPANIES
- EXEMPTION UNDER SECTION 211 OF COMPANIES ACT 1956[MCA NOTIFICATION/DATE: 08/02, 2011]
- EASY EXIT SCHEME, 2011[M C A/ DATE: FEBRUARY 03, 2011]



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SEBI UPDATE

- SECURITIES AND EXCHANGE BOARD OF INDIA (CREDIT RATING AGENCIES) REGULATIONS, 1999, AS AMENDED UPTO MARCH 19, 2010[SEBI/22/02/2011]
- SEBI HOSTS 2ND XBRL ASIAN WORKSHOP AND NATIONAL CONFERENCE ON XBRL[SEBI/18.02.2011]
- VIEW SOLICITED ON SEBI PAPER ON DRAFT EXTENSIBLE BUSINESS REPORTING LANGUAGE TAXONOMY FOR MUTUAL FUNDS

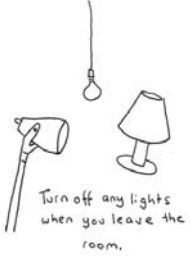
MINISTRY OF FINANCE UPDATE

- UNION BUDGET 2011- 12[PIB/28. 02. 2011]
- SUMMARY OF ECONOMIC SURVEY 2010-11[PIB/25.02.2011]
- HIGHLIGHTS OF ECONOMIC SURVEY 2010 – 11[PIB/25.02.2011]

PREVIOUS ISSUES ARE AVAILABLE AT THE FOLLOWING LINK:

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

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FROM ICS!





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February 28, 2011

THE ICSI WELCOMES SUSTAINABLE GROWTH ORIENTED UNION BUDGET 2011-12

'Budget to help broad based rebound in agriculture and continued momentum in Manufacturing Sector' – CS Anil Murarka, President, ICSI



CS Anil Murarka

President - ICSI

'Budget reflects financial translation of the policy initiatives of the government towards inclusive growth' – CS N K Jain, Secretary & CEO, ICSI



CS N K JAIN

Secretary & CEO, ICSI

The Institute of Company Secretaries of India welcomes sustainable growth oriented Union Budget 2011-12

"Budget reflects financial translation of the policy initiatives of the government towards inclusive growth."



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The Institute of Company Secretaries of India welcomes the Budget for the year 2011-12 placed before the Parliament by Shri Pranab Mukherjee, Hon'ble Finance Minister of India. The budget is inclusive growth oriented and broad based and focuses on priority social sector, agriculture, infrastructure, education and financial sector. Institutional initiatives to deal with corruption and black money proposed in the budget would go a long way in providing clean administration and effective governance.

The announcement by Hon'ble Finance Minister that the Companies Bill will be placed in the current session of the Parliament is a long awaited development which the professionals have been looking forward to. It will go a long way in providing new growth oriented company legislation in the country.

Providing desired impetus to the infrastructure sector by taking a number of measures towards its growth and development will help achieve the target growth rate of 9% in the next fiscal. The proposed comprehensive policy would further help in developing public private partnerships for sustainable growth of infrastructure sector.

The black money has remained a critical issue in the development agenda of the country. The institutionalization of anti black money systems by adopting five fold strategy such as joining the global crusade against black money; creating appropriate legal framework; setting up of institutions for dealing with illicit funds; developing systems for implementation by announcing comprehensive national policy in this regard and the capacity building of manpower for effective action will enable the government to bring illicit funds into the mainstream of development and constructive use.

Similarly, the setting up of Group of Ministers to deal with the ever increasing menace of corruption would lead to better administration and governance.

The budget not only spared the common man from extra tax burden but enabled individuals and senior citizen tax payers to benefit from the increased exemption limit and by lowering of age limit from 65 years to 60 years for availing of tax benefits available to senior citizens. Further, 15% tax on dividend received from foreign subsidiaries will encourage the Indian companies to repatriate dividend instead of investing it outside. However, imposition of Alternate Minimum Tax on Limited Liability Partnerships at such a nascent stage of their growth may discourage the new entrepreneurs from adopting this form of organization. Self assessment provisions in the Customs Act is a significant step towards simplification.

The measures taken to attract foreign investment by allowing mutual funds to accept subscriptions from foreign investors who meet KYC requirements for equity schemes, enhancing FII limit for investment in corporate bonds of companies in infrastructure sector and unlisted bonds with a minimum lock in period of three years would widen the class of foreign investors in Indian market. Similarly, the budgeted target of raising of Rs. 40,000 crore by way of divestment in the Central Public Sector Enterprises would bring further vibrancy in the capital market.

Initiating legislative reforms in the financial sector would help in providing adequate regulatory framework.

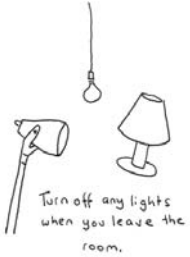
Government needs to reconcile ecological concerns with developmental agenda. The Group of Ministers set up to consider the environmental concerns, should also involve stakeholders either by having stakeholder representation on the group or

CS Update

March 01, 2011

through stakeholder engagement. Further, the budget allocation for ten year Green India Mission, launching of environmental remediation programmes etc. is a step in the right direction and it is expected that these initiatives will be encouraged further.

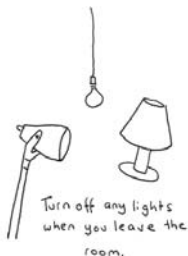
Pursuant to the recommendations of Second Administrative Reforms Commission, the Government has set up a Performance Monitoring and Evaluation System (PMES) to assess the effectiveness of Government departments in their mandated functions. While this is a welcome move, financial allocation for each of the objectives and its utilization at the end of the financial year also needs to be reflected in the evaluation.



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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.

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:



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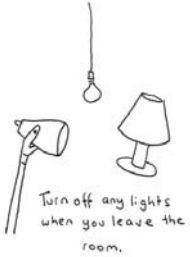
Computation of PCH Required in block (January 2008 – March 31, 2011 {As extended by the Council from December 31, 2008}) for Renewal of Certificate of Practice*

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

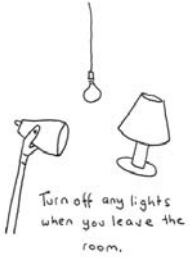
INSTITUTE'S NEW PUBLICATIONS

- 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

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or

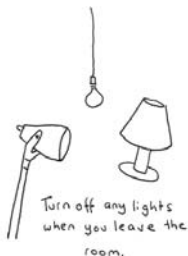
Contact : Shri Harish Chander Joshi,
Admn. Officer(store),
The Institute of Company Secretaries of India,
C-37, Sector 62,
Institutional Area,
NOIDA (U.P.)



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MEMORANDUM OF UNDERSTANDING BETWEEN ICSI AND CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT (CISI)

February 22, 2011

Dear Member

Sub : Memorandum of Understanding between ICSI and Chartered Institute for Securities & Investment (CISI)

The Council of the Institute has a policy to build partnerships with such professional bodies, within and outside India, which re-inforce professional capacities and capabilities of Company Secretaries.

In pursuance of this policy, ICSI has executed MOU, the Institute entered into an MOU with Securities Investment Institute (SII) London on September 10, 2008 to provide opportunity to Company Secretaries to enhance their career progression in various specialized areas like capital market, commodity market, investment banking, wealth & fund management, etc..

Subsequently, the Securities & Investment Institute received Royal Charter and became the Chartered Institute for Securities & Investment (CISI) w.e.f November 01, 2009. Royal Charters are granted to bodies that work in public interest and demonstrate pre-eminence, stability and permanence in their particular field. The MOU has been renewed with CISI in January 2011.

About CISI (erstwhile SII)

Formed by the London Stock Exchange, the CISI is the leading professional body, offering progressive qualifications, training and membership for individuals in the securities and investment industry across international markets.

As the principal provider of qualifications in financial markets, CISI offers individuals the opportunity to achieve core competence and foster strong careers.

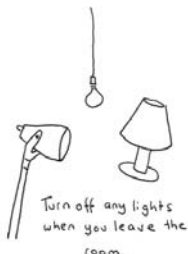
With over 48,000 examinations taken in 49 countries, CISI has established offices in China, India, Singapore and UAE.

CISI enjoys industry-wide acceptance world-over, with almost all of the top leading global banks and corporates signing up to CISI qualifications and has secured regulatory recognition for its qualification in countries like Singapore, Hong Kong, UAE and other parts of the Middle East.

As a not-for-profit membership body, CISI maintain and develop professional competence and promote the highest levels of professional behaviour and integrity.

Arrangement between the Institutes

- CISI has also recognised membership of ICSI for automatic membership of CISI at the associate level (ASI).
- Senior practitioners of ICSI in Securities and Investment industry would be entitled to apply for direct Membership of CISI (MSI)).



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- Discounts/ rebates upto 30 to 50 % of International fee is offered to ICSI students and members for pursuing Certificate Programmes, International Operations Certificate
- CISI has offered certain recognitions to ICSI students who have passed the 'Executive Programme, which will facilitate their obtaining the 'International Investment Administration Qualification (IAQ)'.
 - ICSI Centre for Corporate Governance Research & Training (CCGRT) at Navi-Mumbai has been offered accreditation as a training provider (ATP) to conduct direct training for CISI exams to those wishing to obtain CISI international qualifications.
- CISI also provide its Members an opportunity to develop their competencies through :
 - Free use of the CISI CPD scheme
 - Access to free CPD seminars (local and outside India)
 - Online access to webcasts and podcasts of previous CPD events
 - Online archive of slides and transcripts of previous CPD events
 - Free use of CISI Professional Refresher
 - Free online version of the members' magazine, Securities & Investment Review
 - Free access to Infolink, the CISI's online information resource library
 - Online members' directory
 - Access to Integrity Matters, the CISI's e- learning product, focusing on ethical dilemmas facing financial services practitioners
 - A PDF of an CISI workbook of your choice on registering for membership

We are sure that MOU will provide a unique opportunity to Company Secretaries to have better access to the International Financial Markets, enhance their career progression within the industry and enhanced credibility and reputation to the profession of the Company Secretaries.

Members are advised to go through the Memorandum of Understanding and take benefit of the collaboration entered between the ICSI and CISI.

A copy of the MOU between the two Institutes is enclosed as a ready reference.

Regards

N K Jain
Secretary & CEO



CISI
CHARTERED INSTITUTE FOR
SECURITIES & INVESTMENT



**THE INSTITUTE OF
Company Secretaries of India**
AN INDIAN INSTITUTION OF PROFESSIONAL PERSONNEL
Recognized under section 10 of Companies Act, 1956

Memorandum of Understanding

between

*The Chartered Institute for
Securities & Investment (CISI)*

and

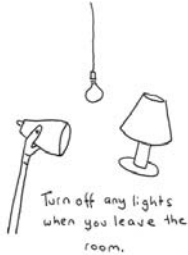
*The Institute of Company Secretaries
of India (ICSI)*



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The Chartered Institute for Securities & Investment (hereinafter also referred to as 'CISI'), having its main office at 8 Eastcheap, London EC3R 8AQ;

and

The Institute of Company Secretaries of India (hereinafter also referred to as "ICSI"), having its head office at ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003 , India

Hereinafter referred to as 'the parties'

1. *Hereby agree to extend their collaboration (an original MOU having been signed in September 2008) to promote the recognition and uptake of CISI qualifications and CISI Membership to ICSI students and members in India.*
2. *Qualifications collaboration*
 - 2.1 *The ICSI will offer units of CISI qualifications in capital markets, commodity markets, fund management, wealth management and investment banking as an elective both to their students studying for the ICSI qualification and to full ICSI members, as follows:*

CISI Certificates programme in:

*Securities
Derivatives
Financial Derivatives
Commodity Derivatives
International Wealth Management
International Investment Management
Risk in Financial Services
Principles of Financial Regulation*

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International Introduction to Investment Award – stand-alone award

*International Operations Certificate
(also known as IOC) global units*

(Modular exam of three units):

*International Introduction to Securities and Investment
Asset Servicing*

Exchange Traded Derivatives Administration

Global Securities Operations

Operational risk

Over-The-Counter (OTC) Derivatives administration

Risk in Financial Services

Principles of Financial Regulation

Advanced Certificates in:

Operational Risk

Global Securities Operations

CISI Diploma units:

Interpretation of Financial Statements

Fund Management

Financial Derivatives

- 2.2 The CISI can offer ICSI students and members wishing to register for any of the CISI qualification units set out above a rebate, on production of a promotional booking code (that will be issued to ICSI separately), when registering for the CISI examination as follows:

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CS Update

March 01, 2011



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<i>CISI Modules</i>	<i>Rebate offered to ICSI Students (on full International price)</i>	<i>Rebate offered to ICSI Members (on full International price)</i>	<i>Full International Prices (Subject to change every April)</i>
CISI Certificates programme:			
<i>Securities</i>	30%	£5	£190
<i>Derivatives</i>	30%	£5	£190
<i>Financial Derivatives</i>	50%	50%	£160
<i>Commodity Derivatives</i>	50%	50%	£190
<i>International Wealth Management</i>	50%	50%	£190
<i>International Investment Management</i>	30%	£5	£190
<i>Risk in Financial Services</i>	30%	£5	£190
<i>Principles of Financial Regulation</i>	30%	£5	£160
<i>International Introduction to Investment Award – stand-alone award</i>	50%	£5	£118

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March 01, 2011



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International Operations Certificate (also known as IOC) global units (Modular exam of three units):

<i>International Introduction to Securities and Investment</i>	50%	£5	£118
<i>Asset Servicing</i>	30%	£5	£118
<i>Exchange Traded Derivatives Administration</i>	30%	£5	£118
<i>Global Securities Operations</i>	30%	£5	£118
<i>Operational Risk</i>	30%	£5	£118
<i>Over-The-Counter (OTC) Derivatives administration</i>	30%	£5	£118
<i>Risk in Financial Services</i>	30%	£5	£190
<i>Principles of Financial Regulation</i>	30%	£5	£160

Advanced Certificates in:

<i>Operational Risk</i>	30%	£5	£235
<i>Global Securities Operations</i>	30%	£5	£235

CISI Diploma units:

<i>Interpretation of Financial Statements</i>	30%	£5	£290 + invigilation
<i>Fund Management</i>	30%	£5	£290 + invigilation
<i>Financial Derivatives</i>	30%	£5	£290 + invigilation

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2.3 Candidates enrolling for examinations for any CISI qualifications programme in India receive as part of their examination fee:

- an electronic Workbook sent to the candidate at point of payment for the examination.
- one year's free Student Membership of CISI

2.4 CISI will update the set of Frequently Asked Questions (FAQs) that has been developed for the qualifications set out above that are to be offered as an elective to student and full ICSI members and for CISI membership.

2.5 CISI examines all of its Certificates examinations by Computer-Based Testing (CBT) because of the many benefits this brings to candidates, to firms and to the Institute. Tests are delivered at regional test centres in selected locations around the world including seven centres in India (Mumbai, Bangalore, Hyderabad, Chennai, Gurgaon, Ahmedabad and Kolkata), in partnership with Prometric, one of the world's leading providers of professional testing. CBT also allows candidates to receive their results immediately. CISI's advanced and diploma modules are written examinations and these can be taken at the British Council Centres.

3. Recognition for ICSI Qualifications

3.1 CISI will offer recognition for ICSI student who have passed the Company Secretaries 'Executive Programme' against the Introduction to Investment unit of the CISI's International Operations Certificate (also known as the IOC). ICSI students who have passed the Executive Programme including Paper 1: General and Commercial Laws and Paper 4 : Company Law and passes in two technical units of the CISI will be eligible to receive the International Operations Certificate (IOC).

3.2 In line with the CISI's Exemption Policy, detailed on the CISI website at www.cisi.org/qualifications >Booking and results > Exemptions an exemption fee of £ 10 will be payable by ICSI students who have successfully passed ICSI Executive Programme and who request an exemption against the 'Introduction to Securities & Investment unit' of the IOC™.

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3.3 ICSI students applying for the exemption will need to complete an Exemption form available on the CISI website and submit that, along with the exemption fee when booking for the technical units of the IOC examination(s) in order to achieve their CISI certification.

4. Accreditation of ICSI to offer direct training for CISI qualifications

4.1 CISI has policy of accrediting training providers (ATPs) providing high quality direct training to candidates wishing to take CISI qualifications outside the UK. CISI is the first Awarding Body in the financial services sector to introduce this process, which monitors the quality of training and values strong working relationships with its training.

4.2 CISI will offer ICSI's Centre for Corporate Governance Research and Training, complementary accreditation to run direct training for CISI exam units for ICSI students and full members and external market participants wishing to obtain an CISI International qualification. The accreditation fee of GBP2000 normally charged to training providers applying for CISI accreditation will be waived.

4.3 ATP status will be granted for an initial period of three years to provide training in accordance with the terms set out in a separate Training Provider contract detailing the qualifications for which ICSI will be training provider and subject to the CVs of the ICSI tutors delivering training for CISI qualifications being reviewed by CISI.

5. Membership

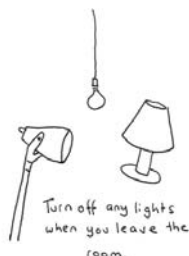
5.1 ICSI will encourage their students to apply for membership at Student level and its Associate and Fellow Members to apply for membership at Associate (ACSI) level- the first category of membership to award designatory letters and awarded to holders of CISI's benchmark qualifications such as the IOC award and Certificates programme.

5.2 CISI offers membership at ACSI level to ICSI members for which no initial joining fee will be charged. Initial membership fees are charged on a pro-rata basis dependent on the month of joining and on renewal at the International rate listed on the CISI price list at: www.cisi.org/prices

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A handwritten signature in black ink.

The CISI logo, consisting of the letters "CISI" in a bold, sans-serif font.



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5.3 ICSI members applying for CISI Student (not through CISI exams) & Associate membership, application will need to complete application forms and attach a copy of their ICSI certificate to the form (or for those who are still ICSI students, confirmation of registration with ICSI for their course of study).

5.4 Benefits of CISI Membership include:

- Use of designatory letters (ACSI & MCSI) according to level of Membership
- Free attendance at Continuing Professional Development (CPD) events (local and outside India)
- S&I review
- E-CPD - Webcasts and pod casts of CPD events
- Online Professional Refresher
- Infolink
- International Regulatory Update
- Online member's directory
- Integrity at Work - e-learning tool

ICSI members will also be given a free CISI workbook in PDF form of their choice on registering for ACSI membership, which normally would cost £75 on purchase.

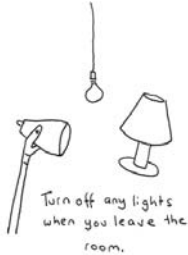
5.5 The process of application for membership is available on the Membership section of CISI's website at: www.cisi.org/membership

5.6 As an alternative to the traditional route to membership, senior practitioners in the securities and investment industry may also apply for status as Members of the institute. The criteria for this is made up of a combination of seniority, experience and relevant professional qualifications. Non-CISI members can also apply to be considered for MCSI status as long as they also meet the criteria. All applications are assessed on a points system

Application forms for MCSI showing the points system matrix used by CISI is attached at **Appendix A** to this agreement.

5.7 Each party will publicise the Membership collaboration in any publicity or membership materials produced by either party and on their respective websites. CISI will publicise the membership offering on the India page in the Global Presence section of its website.

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5.8 CISI will also offer automatic membership at ACSI level to ICSI members at the level for international membership fee renewals (currently discounted by 25% discount on the price of the UK fee and 50% on price of the annual renewal fee). There is, additionally, no initial joining fee for ICSI members.

6. Government Approval

The Ministry of Corporate Affairs, India has, in August 2010, conveyed the approval of Central Government to the Memorandum of Understanding already signed between SII (Now CISI), London and ICSI, India.

7. Intellectual Property

7.1 As part of this agreement and following the accreditation of ICSI's Centre of Corporate Governance Research and Training (CCGRT), CCGRT will be permitted to use the CISI's Accredited Training Provider logo, on any promotional materials produced to market CISI qualifications.

7.2 ICSI agrees to acknowledge the use of CISI's materials where such material is used.

8. Service of Notice

8.1 The addresses for service of Notice on either party are as detailed above.

9. Arbitration

9.1 In the event of any dispute, difference, claim or demand arising under or pursuant to or touching the MOU, the Parties shall submit to proceedings before a Conciliation Panel for amicable settlement in accordance with the 1976 - UNCITRAL (United Nations Commission on International Trade Law) Arbitration Rules and if not satisfactorily resolved in conciliation, then the matter shall be referred to an Arbitral Tribunal for settlement in accordance with the Rules of Arbitration of UNCITRAL. The Award made in pursuance thereof shall be final and binding on the parties. The seat of conciliation or arbitration shall be in India.

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10. Jurisdiction

All disputes arising out of this MOU are subject to the Jurisdiction of Court in New Delhi, India.

11. Review and Termination

11.1 *This agreement will be reviewed, as agreed by both parties, every two years.*

11.2 *Where either party wishes to terminate the agreement, at least three months notice is given by either party.*

Collaboration extension (executed January 2011, w.r.e.f. 10th day of September 2010):

*For and on behalf of
The Chartered Institute for
Securities & Investment*

*(Simon Culhane)
Chief Executive Officer*

*For and on behalf of
The Institute of
Company Secretaries of India*

*(N K Jain)
Secretary & Chief Executive Officer*

*Witness : J Taylor
EXECUTIVE CISI*

Witness Director, ICSEI

Date: 31 Jan 2011

Date:

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ICSEI



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Appendix A

MCSI by experience (International Applicants) - Points system

Eligibility criteria	Points Awarded	Actual Points
Job Role :		
Evidence of Senior Management Role, or	5	
Evidence of Middle Management Role	3	
Experience :		
15 years + relevant industry experience or	5	
10 years + relevant industry experience	3	
Relevant Qualification :		
Degree level Qualification, or	2	
Other relevant local qualification	2	
Actively demonstrated presently or in the past support of the SII (i.e. committee work, speaking at SII events, exam writer, etc.)	1	

Points system used by CISI :

11 points or above Normally acceptable - formal ratification through Membership Committee

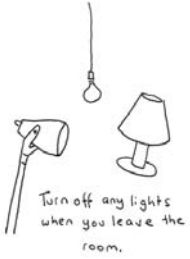
9 to 10 points Borderline case - referred to local advisory board for decision

8 points or below Not acceptable but offered ACSI if they meet requirements

There is an alternative route to MCSI for CISI Diploma achievers and members of other recognised professional bodies.

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MCA UPDATE





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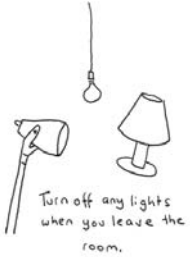


SCHEDULE VI OF THE COMPANIES ACT, 1956(REVISED)

The revised Schedule VI has been framed as per the Existing non-converged Indian Accounting Standards notified under the Companies (Accounting Standards), Rules, 2006. This will apply to all the companies uniformly for the financial statements to be prepared for the financial year 2010 – 11 and onwards. This revised Schedules VI is not relevant to the converged Indian Accounting Standards.

The revised Schedule VI is available on MCA Website at http://www.mca.gov.in/Ministry/pdf/Schedule_VI_28feb2011.pdf





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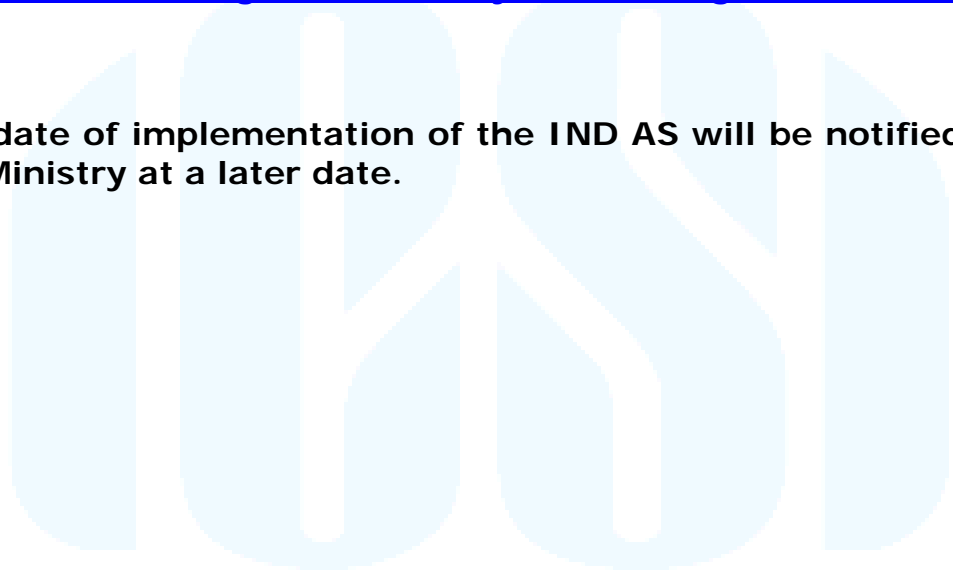


INDIAN ACCOUNTING STANDARDS CONVERGED WITH IFRS

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 the financial year ending on or after the 31st 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.

To

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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(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



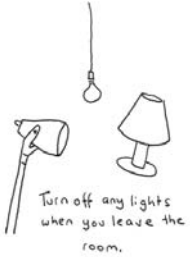
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NEW FEATURE INCLUDED IN E-FORMS ON THE LLP PORTAL.

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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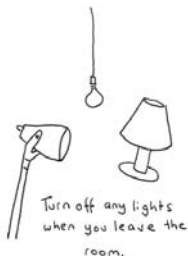


LLP SHALL MANDATORILY FILE FORM 3 AND FORM 4 WITHIN 30 DAYS OF INCORPORATION & FORM 7 SHALL BE DIGITALLY SIGNED BY APPLICANT'S OWN DSC.

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

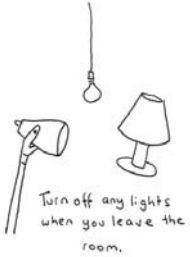
The Ministry of Corporate Affairs has issued notifications on. "General Exemptions under Section 211" and "Applicability of Schedule XIII in regard to Managerial Remuneration in case of unlisted companies". The Ministry has also given directions under Section 212 of the Companies Act, 1956 vide its general 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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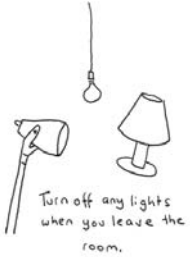
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intended to protect the interests of investors. The Ministry has vide its general circular no. 1/2011 decided that the permission may be granted on a general basis wherever the Board of Directors of the holding company gives its consent and the conditions 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.

CS Update

March 01, 2011

(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;

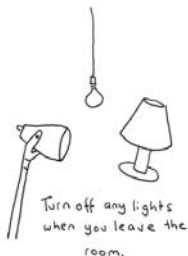
(v) all unquoted investments shall be separately shown;

(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.

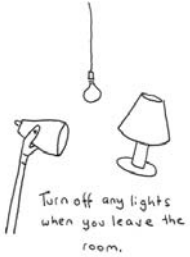
[F. No. 51/12/2007-CL.III]
(Dr. T.V. Somanathan)
Joint Secretary



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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



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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

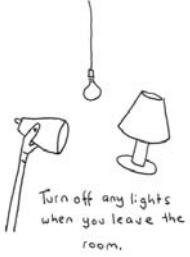
Sir,

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 extendth 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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SEBI UPDATE





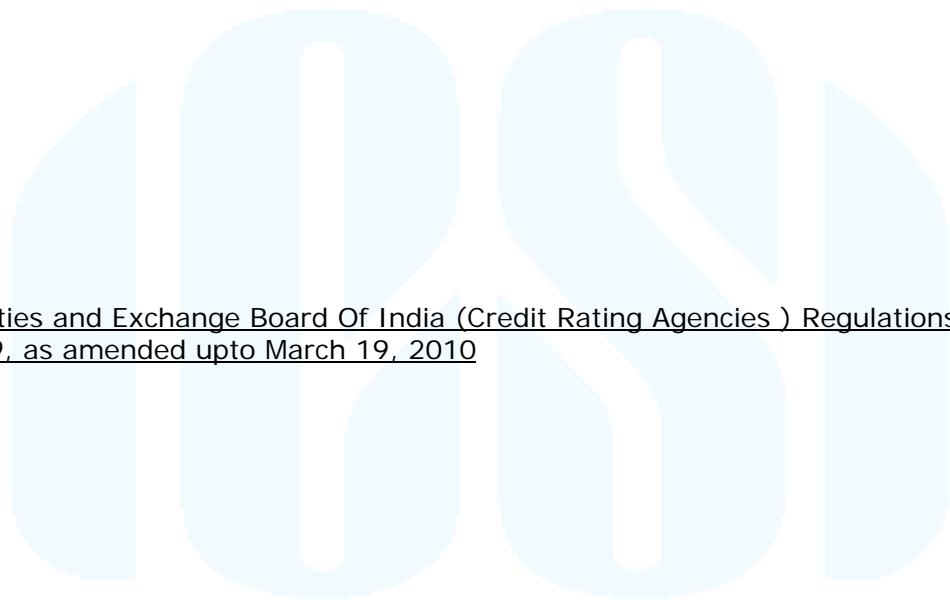
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SECURITIES AND EXCHANGE BOARD OF INDIA (CREDIT RATING AGENCIES) REGULATIONS, 1999, AS AMENDED UPTO MARCH 19, 2010

Securities and Exchange Board Of India (Credit Rating Agencies) Regulations, 1999, as amended upto March 19, 2010



SEBI HOSTS 2ND XBRL ASIAN WORKSHOP AND NATIONAL CONFERENCE ON XBRL

SEBI, jointly with XBRL India and Institute of Chartered Accountants of India, hosted the 2nd XBRL Asian workshop followed by a National Conference on XBRL on February 17th and 18th, 2011.

The closed door workshop with over 50 participants from Japan, Singapore, Poland, Iran, USA and Europe, also had representatives from the Ministry of Corporate Affairs, Reserve Bank of India, Insurance and Regulatory Authority of India. Mr. Tony Fragnito, CEO, XBRL International and Mr. Olivier Servais, Director, XBRL Activities, IFRS Foundation also participated.

The workshop served as a platform to share experiences of financial sector regulators. In the workshop the participants showcased how XBRL enhances 'Data Accuracy', 'Efficiency of Reporting Process' and 'Information Democracy'. The participants also stressed on the importance of participation and involvement of stakeholders in taxonomy building. The other uses of XBRL filings for banks, tax authorities and corporate action and the ability to translate and display data in various languages were also highlighted. At the end of the workshop, need for further cooperation amongst Asian jurisdictions in areas such as spreading awareness about XBRL and developing expertise in the subject through certification programmes was identified.

The National Conference on XBRL was well attended with over 300 participants. The welcome address by CA. Jaydeep Narendra Shah, Vice President, ICAI and Director XBRL India, was followed by a key note address by Shri Mohandas Pai, Director, Infosys Technologies Limited, and Member, SEBI Board and IASB Foundation.

The Conference had sessions on topics ranging from 'introduction to the concept of XBRL' to 'experiences of a filer and regulators', 'XBRL solutions' and 'plans of Indian regulators for XBRL implementation'. The Conference also recognised the potential of XBRL to achieve single point reporting across multiple government agencies which would greatly reduce the burden on corporate and resultant economic savings.

The Conference ended on a positive note that XBRL has arrived in India and is here to stay.

Mumbai

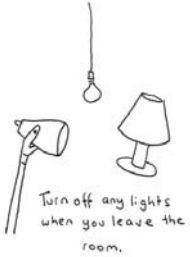
February 18, 2011



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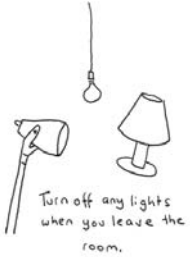
VIEW SOLICITED ON SEBI PAPER "DRAFT EXTENSIBLE BUSINESS REPORTING LANGUAGE TAXONOMY FOR MUTUAL FUNDS"

In a move to adopt emerging global standards in the area of financial reporting, SEBI is in the process of adopting eXtensible Business Reporting Language (XBRL) for financial reporting.

As a pilot project, SEBI has issued a draft paper on XBRL Taxonomy for various data reporting by mutual funds for public comments, the copy of which is attached as ready reference.

We seek your Comments / suggestions on eXtensible Business Reporting Language Taxonomy for Mutual Funds and would appreciate to receive the same on sonia.baijal@icsi.edu by March 05th, 2011.

ATTACHED: The draft [XBRL Taxonomy](#)



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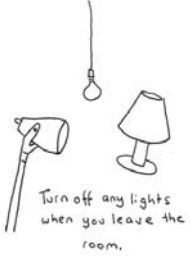
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MINISTRY OF FINANCE

UPDATE





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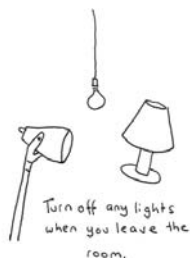
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UNION BUDGET 2011- 12

- [Budget Highlights](#)
- [Budget Summary](#)
- [Budget Document](#)
- [Budget Speech](#)
- [Key Features of Budget 2011-2012](#)





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SUMMARY OF ECONOMIC SURVEY 2010-11

Robust growth and steady fiscal consolidation have been the hallmark of the Indian economy in the year 2010-11 so far. The growth rate has been 8.6 percent in 2010-11 and is expected to be around 9 percent in the next fiscal year. The growth has been broad based with a rebound in the Agriculture sector which is expected to grow around 5.4 per cent. Manufacturing and Services sector have registered impressive gains. Savings and investment are looking up while exports are rising. However food inflation, higher commodity prices and volatility in global commodity markets have been a cause of concern underscoring the need of fiscal consolidation and stronger reserves. These are some of the high points of the Economic Survey 2010-11, presented by the Finance Minister Shri Pranab Mukherjee in Lok Sabha today.

Recognizing the fact that inflation continues to be high even though it has come down markedly from where it was at the start of the fiscal year, the Survey underlined the need to monitor emerging trends in inflation on a sequential monthly basis. In order to check food inflation, it has suggested, the Government should improve the delivery mechanisms by strengthening the institutions and addressing corruption. The survey has pointed out that the inflation is expected to be 1.5 percent higher than what would be if the country was not on the growth curve.

The Survey has observed that a rise in savings and investments and pick up in private consumption has resulted in 9.7 per cent growth of GDP at market prices (constant) in 2010-11. Savings rate has gone up to 33.7 percent while the investment rate is up to 36.5 percent of GDP in 2009-10.

The Survey points out that the agriculture sector growth in the first four years of the 11th Plan (2007-12) is estimated at 2.87 per cent. The foodgrain production went up to 232.1 billion tonnes from 218.1 billion tonnes in 2009-10. With a relatively good monsoon the agriculture-sector is expected to grow at 5.4 per cent during 2010-11. The rising food inflation and the critical role of agriculture underline the need for a larger investment in agriculture enroute to the second green revolution.

The Survey reports that the industrial output growth rate was 8.6 per cent while the manufacturing sector registered a growth rate of 9.1 per cent in 2010-11. During April-November 2010 telecom, crude oil production, civil aviation sectors performed well while the power generation, cement and fertilizer production, railway freight traffic and cargo handling at major ports have grown at comparatively lower rates. Six core industries registered a growth of 5.3 per cent (provisional) in April-December, 2010 as against 4.7 per cent during the same period in 2009-10.

Economic Survey 2010-11 has highlighted the increasing role of infrastructure services which have been deepening rapidly with rising investments. However unmet gaps still remains large and accelerated investments will be needed in the next Plan period for addressing delays, cost overruns and regulatory and pricing impediments. The telecommunications sector has done exceedingly well as the tele density has

increased from 20.74 per cent in 2004 to 143.95 per cent in 2010 in urban areas. While in the rural areas it has gone up from 1.57 per cent in 2004 to 30.18 per cent in 2010.

Lauding the role of services sector as the potential growth engine, the Survey has called for the policies to promote further opportunities in new areas in global demand such as accounting, legal, tourism, education, financial and other services beyond the IT and business process sectors.

The Survey points out that the exports in April-December 2010 went up by 29.5 per cent while the imports during the same period registered a growth rate of 19 per cent. The trade gap narrowed down to US \$ 82.01 bn in the same period. Balance of payment situation has improved due to surge in capital flows and rise in foreign exchange reserves which have been accompanied by rupee appreciation. During current fiscal foreign exchange reserves increased by US \$ 18.2bn from US \$ 279.4 bn in end April 2010 to US \$ 297.3 bn in end December 2010.

The inclusive growth agenda of the Government is reflected in the 59 per cent rise in Net Bank Credit . The expenditure on Social sector programs has been stepped up by 5 percent point of GDP over the past five years.

The Survey points out that Gross Fiscal Deficit is 4.8% of GDP in 2010-11 as against 6.3 percent of GDP in the previous year. The Revenue deficit in the current financial year has been 3.5 percent of GDP as against 5.1 percent in the previous year.

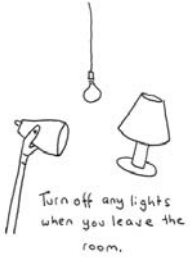
The Economic Survey 2010-11 has expressed satisfaction at the progress of fiscal consolidation and the role of monetary policy on tackling inflation, ensuring availability of funds and expansion of credit growth. It has called for efficient taxation of goods and services by a new GST, raising revenues, installing stronger safeguards and measures to accelerate financial inclusion.

The Economic Survey 2010-11 has lauded the Government's efforts in addressing social and financial inclusion. The specific schemes for Scheduled Castes, Tribes, OBCs and the regions such as North-East, expansion of Mahatma Gandhi NREGA, Sarva Shiksha Abhiyan , National Rural Health Mission, in terms of coverage as well as the spending and monitoring have found specific mention in the report. The survey has advised that a better convergence of the schemes to address the issues of unemployment and poverty alleviation could avoid duplication and leakages.

A call for reforms in the university and higher education and correcting the demand supply mismatch in the job market has been made in the report. It says the gap in resources for higher education may be met on the basis of public private partnership without diluting the regulatory oversight of the Government.

The Survey has also made specific mention of Government's active engagement on issues related to climate change with expanded financing of programs and better policies.

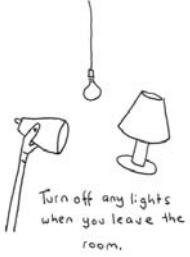
The Economic Survey has suggested that in the long run the potential engines of growth for the country could be from skill development and innovative activity and therefore, efforts should be made to promote them.



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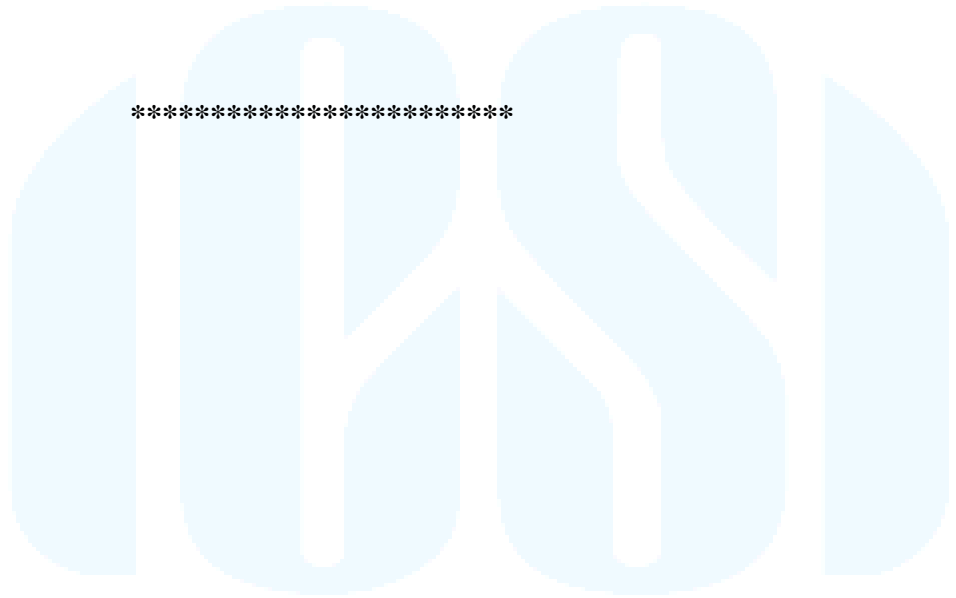
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Regarding the outlook for the Indian economy, the Survey says that despite the risks of global events, such as volatility in commodity prices like crude oil exacerbated by political turmoil in the Middle-East, the Indian economy seems poised to scale greater heights in terms of macro economic indicators. It sums up by stating that the real GDP growth is expected to reach the 9 per cent mark in 2011-12 and the next two decades may well see the economy growing faster than it has done any time in the past.

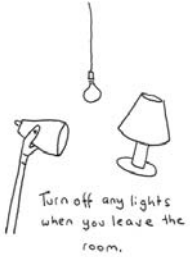
DSM/RM/AKT/KKA-2



HIGHLIGHTS OF ECONOMIC SURVEY 2010 – 11

Following are the highlights of Economic Survey 2010 – 11:

- Economy expected to grow at 8.6% in 2010-11 and 9 per cent in next fiscal
- Growth broad based with rebound in Agriculture, continued momentum in manufacturing and private services
- Fundamentals strong with Savings & Investments up, exports rising rapidly and inflation falling
- Agriculture likely to grow at 5.4% in 2010-11;
- Industrial output grows by 8.6% ; manufacturing sector registers 9.1%
- Exports in April-December 2010 up by 29.5 %
- Imports in April – December 2010 up by 19%
- Trade gap narrowed to US \$ 82.01 bn in April-December 2010
- 59% rise in Net Bank Credit
- Social programme spending stepped up by 5 percentage points of GDP over past 5 years
- 9.7% growth of GDP at market prices
- Inflation expected to be 1.5 per cent higher than what it would be if we were not on growth turnpike
- Production of foodgrains estimated at 232.1 mn tonnes
- Forex Reserves estimated at US\$ 297.3 bn
- Gross Fiscal Deficit stands at 4.8% of GDP down from 6.3% last year.



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