



**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-110003, India.
Phone-(011) 41504444, 24617321-24, Fax-(011)24626727, Email - info@icsi.edu

CS UPDATE

Mar 16, 2010

CONTENTS

Forthcoming Programmes

- Workshop on RESEARCH METHODOLOGY at Navi Mumbai on March 23, 2010
- 5th International Professional Development Fellowship Programme on 20-27 May, 2010 covering Rome, Florence, Venice (Italy), Innsbruck (Austria), Munich (Germany) and Engelberg, Zurich (Switzerland)
- Investor Awareness Programmes under IEPF (2010)
- 38TH National Convention Of Company Secretaries

Service Tax Updates

- All assesses who have paid more than Rs 10 lakh service tax in last financial year now need to pay service tax by epayment and also file returns electronically

RBI Updates

- Additional Disclosures by banks in Notes to Accounts

SEBI Updates

- Half Yearly Reporting by Portfolio Managers
- Circular for Mutual Funds

Disclaimer: - CS Update contains government notifications, case laws and contributions received from the members. Due care and diligence is taken in compilation of the CS Update. The Institute does not own the responsibility for any loss or damage resulting from any action taken on the basis of the contents of the CS Update. Anyone wishing to act on the basis of the contents of the CS Update is advised to do so after seeking proper professional advice.

Forthcoming Programmes

- Workshop on RESEARCH METHODOLOGY at Navi Mumbai on March 23, 2010
- 5th International Professional Development Fellowship Programme on 20-27 May, 2010 covering Rome, Florence, Venice (Italy), Innsbruck (Austria), Munich (Germany) and Engelberg, Zurich (Switzerland)
- Investor Awareness Programmes under IEPF (2010)
- 38TH National Convention Of Company Secretaries

[HOME](#)



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

CENTRE FOR
CORPORATE GOVERNANCE,
RESEARCH &
TRAINING (CCGRT)

Workshop on RESEARCH METHODOLOGY

Introduction & Background	<p>Research methodology is the study of how to perform scientific research. This workshop looks at strategies for performing research and is designed for persons who wish to gain a Ph. D of high standard.</p> <p>The focus of the workshop is build around two components – the first involves doing a scientific study and the second component is methodological and concerns the use of scientific method.</p> <p>Company Secretaryship Qualification is recognised as equivalent to Post Graduate Degree of Commerce / Management Studies for the purpose of registering for Ph. D programs of these universities. Members of the Institute can take advantage of this opportunity.</p>	
Day, Date & Timing	Tuesday, March 23, 2010	09.30 a.m – 05.30 p.m
Venue	A/C Conference Hall of ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614	
Proposed Coverage includes	<ul style="list-style-type: none"> ♦Introductory details relating to important aspects of research ♦Research Methods & Methodology (Discussion on 12 Methods) ♦Objectives hypothesis & the method of validating the hypothesis ♦How to frame objectives of Hypothesis. ♦Procedure for collection of Primary & Secondary data through question & interview procedure. ♦Certain important statistical technique for testing hypothesis. ♦Interpretations of the analysis & results ♦Conclusions, Suggestions & Recommendations ♦Methods of Research ♦Report writing 	
Presenters	<p>Dr. Anil K. Khandelwal Chairman, Baroda Pioneer Asset Management Company Limited</p> <p>Dr. A B Rao Senior Research Guide Pune University</p>	
Fees	<p>General : Rs. 2500/- per participant</p> <p>Members of ICSI, & Faculty Members (50% discount) : Rs. 1250/- per participant</p>	

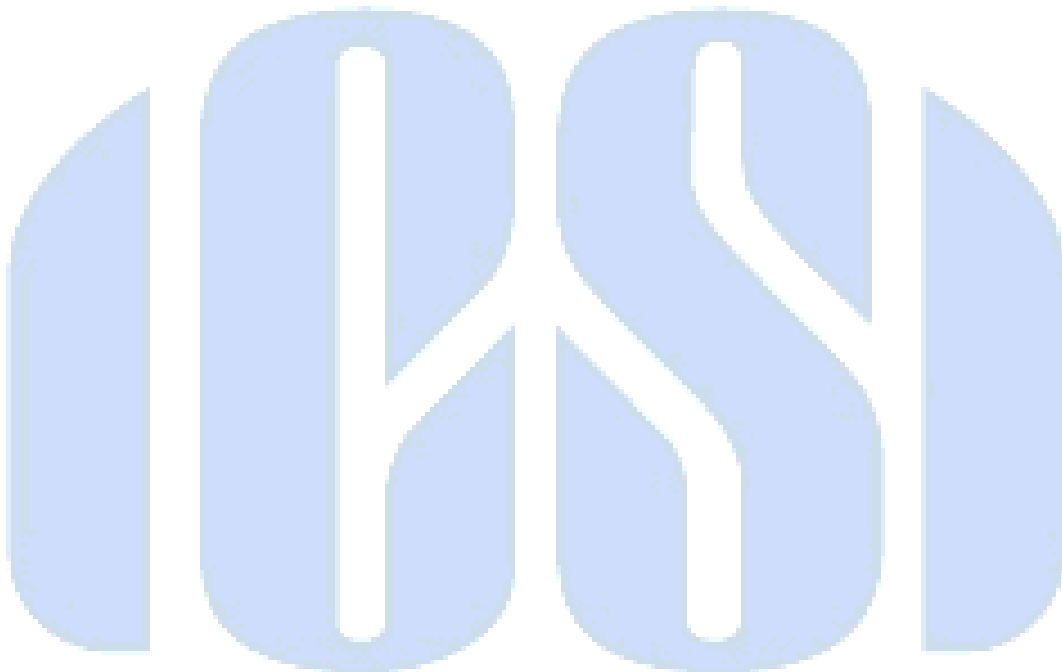
	to cover the cost of backgrounder, Course Kit, Lunch and other organisational expenses.
--	---

Annual Members of ICSI-CCGRT can attend this program free of Cost

For Registration : The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of "ICSI-CCRT A/c" and sent to **Shri Gopal Chalam**, Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.

☎ 022-27577814, 4102 1515, Fax – 022-2757 4384, email : ccgrt@vsnl.net

[HOME](#)



5th INTERNATIONAL PROFESSIONAL DEVELOPMENT FELLOWSHIP PROGRAMME – 2010

The Institute is organizing an International Professional Development Fellowship Programme from 20th May, 2010 to 27th May, 2010 covering Rome, Florence, Venice (Italy), Innsbruck (Austria), Munich (Germany) and Engelberg, Zurich (Switzerland). On 27th May, at Zurich, there would be an International Conference which will address the 'emerging challenges the corporates are facing globally in terms of economic activities, social obligations and growing commitments towards environment, the surge in shareholders' activism and demand for more disclosures in the overall changing context.

Theme of the Conference –

“PLANET, PEOPLE AND PROFIT: THE NEW INTERNATIONAL PARADIGM FOR CORPORATE SUSTAINABILITY”

To have threadbare deliberations, there would be Sub-Groups of the delegates. These sub-groups will be constituting their views and suggestions by having their internal group discussions/presentations, etc. from day one till the date of the Conference. The findings/suggestions so emerged would be presented at the International Conference on 27th May, 2010 at Zurich.

The delegate fee for the International Conference is Rs.10,000/- (included in the package). Delegates will be entitled to Ten Programme Credit Hours for this Conference.

COUNTRIES TO BE COVERED : Italy, Austria, Germany and Switzerland •
DATES (Tentative) : From Thursday, 20th May, 2010 (Departure from Delhi/Mumbai/Chennai) To Thursday, 27th May, 2010 (Arrival at New Delhi/Mumbai/Chennai-28th May, 2010)

Number of Delegates* – Limited to sixty only on first booked (paid) first admitted basis. In case, number of delegates exceeds sixty, such delegate registration requests received afterwards will be considered only if total number of additional delegates is fifteen or more.

(*) Subject to minimum fifteen (15) delegates from each departure location.

DETAILS OF FELLOWSHIP PROGRAMME

Day 01 : 20 May, 2010 : Rome ■ The glimpse of Rome with a Guided City Tour of the most important sites: Colosseum, Roman Forum, Trevi Fountain, Spanish Steps, and Pantheon. Visit to Vatican City. After visiting the Vatican; Arch de Constantine; the temples of Saturn & Concord, the Arch of Augustus; the Circus Maximus and other important Roman monuments.

Day 02 : 21 May, 2010 : Rome- Pisa- Florence ■ Business breakfast in Rome
■ Transfer to Pisa at 0830 hours by coach ■ Visit the “Field of Miracles”, Baptistry and the bell tower, known throughout the world as Leaning Tower of Pisa ■ Transfer and visit to impressive Duomo, Vecchio Tower, the Basilica of Santa Croce and Ponte Vecchio, Florence’s most distinctive bridge on the Amo River; the Piazzelle Michelangelo, for a breathtaking bird’s eye view of Florence.

Day 03 : 22 May, 2010 : Florence – Venice or Padova ■ Business breakfast in Florence
■ Check out and transfer to Venice ■ On arrival, transfer to the Troughetto pier to travel

by Vaporetto (boat) to St. Mark's Square past Palladian churches ornate palazzos. Bridge of Sighs, Doges' Palace and Basilica of St. Mark (the largest Cathedral in the world), and eye catching demonstration of Murano glass blowing at Murano Glass Factory.

Day 04 : 23 May, 2010 : Padova/ Venice – Innsbruck ■ Business breakfast in Venice Padova ■ Transfer to Innsbruck by coach ■ Visit to Swarovski's Crystal World - the makers of the world's finest crystals ■ Transfer to Innsbruck and local sightseeing ■ Visit of the famous Golden Roof, Maria Theresien Strasse, and Trasmopolino, Olympic ski jump, Imperial Palace, Royal Church and other attractions in Innsbruck.

Day 05 : 24 May, 2010 : Innsbruck – Munich ■ Business breakfast in Innsbruck ■ Proceed for Munich.

Day 06 : 25 May, 2010 : Munich - Engel berg- Mt. Titlis- Lucerne ■ Business breakfast in Munich ■ Proceed for one of the most beautiful country in Europe- "Switzerland" by coach ■ On arrival, visit Mt. Titlis - The MountTitlis experience world's first revolving cable car known as 'Roitar' ■ Visit Lion monument, Chapel Bridges & Old Town of Lucerne. Enjoy free time to shop around for beautiful watches, Swiss chocolates and much more ■ Evening enjoy Lake Lucerne cruise and **Gala Dinner at restaurant**

Day 07: 26 May, 2010 :Engel berg- Mt. Jungfrauoch & Interlaken and transfer to Zurich ■ Business breakfast in Engelberg ■ Excursion to Jungfrauoch ■ Arrival at Lauterbrunnen ■ Rack Rail : Lauterbrunnen-Jungfrauoch-Lauterbrunnen ■ After visiting ice caves, terrace & ice sphinx, start descending from Alps & reach Interlaken ■ Time free at Interlaken and enjoy Swiss shopping ■ Transfer to Zurich and Indian dinner.

Day 08 : 27 May, 2010 : Zurich – India ■ International Conference ■ Check-out of the hotel and transfer to the airport after Conference for return flight.

Tentative cost of the tour per person :

The cost of the tour per person will be on the basis of twin/multiple sharing (without Dubai visit):

A. Cost Per Adult	Rs. 1,02,000 /- (Rupees One Lakh Two Thousand Only)
B. Child (Age 2 – 12 yrs) (without bed)	Rs. 82,500 /- (Rupees Eighty Two Thousand Five Hundred Only)
C. Child (Age- 12) (with Bed)	Rs. 96,000/- (Rupees Ninety Six Thousand only)
D. Infant (0 – 2 Yrs)	Rs. 20,000 /- (Rupees Twenty Thousand Only)
E. Single Occupancy	Rs.1,27,000/- (Rupees One Lakh Twenty Seven Thousand Only)

Cost of the Package Includes ■ Return Economy class airfare as on date using Emirates or similar ■ Airport taxes, visa charges, Medical Insurance and service taxes as on date for the travelling period ■ Delegate Fee for the conference (Rs.10,000) ■ Seven nights accommodation in the hotel ■ Meals (Continental breakfast with discussion breakfast, Indian lunch & Indian dinner), Transfers, Sightseeing/Excursion as per the itinerary ■ 1 Gala dinner in Switzerland ■ One litre mineral water bottle per day ■ Service of Professional Tour Manager ■ Tips to the coach driver

Cost of Package does not include ■ Cost of US \$ 25,000 granted by RBI under the Basic Travel Quota (BTQ) scheme ■ Any increase in the airfare and taxes that may come into effect prior to departure of the tour ■ Any increase in the Rate of Exchange leading to increase in surface transportation and land arrangements which may come into effect prior to departure of the tour ■ Portage at hotels and airports, tips, laundry, wines, mineral water and all items of personal nature forming part of the tour menu ■ Anything not specifically mentioned in the "Tour price includes" as above ■ Any other expenses of personal nature.

Please note the above rates are subject to change and are based on a minimum of 60 Passengers travelling together in the month of May.

Last Date of Registration - *March 20, 2010*

Last Date of Withdrawal - *March 27, 2010*

REGISTRATION PROCEDURE – You are requested to confirm your participation, with or without spouse, children or co-delegates, by sending a covering letter accompanied by the photocopies of the passport and an **initial amount of Rs.20,000 per person travelling, by way of Demand Draft only issued in favour of the "Institute of Company Secretaries of India" payable at New Delhi as to reach the Director (Academics & Professional Development), ICSI House, 22 Institutional Area, Lodi Road, New Delhi 110 003 on or before 20th March, 2010 positively.** Registration may however be withdrawn by a delegate on or before 27th March, 2010. Any request received for withdrawal after this date shall attract forfeiture of said registration charges.

Please also give details of passport number(s), Date of Issue, Date of Expiry, Place of Issue, at the time of registration. The balance payment be made on or before 10th April, 2010 by Demand Draft only issued in favour of the Institute of Company Secretaries of India payable at New Delhi. Please note that joining to this programme is limited to members and others accompanying the members of the Institute. It may further be noted that considering limited number of seats, the registration for this programme will be made on first-come-first-served basis.

Cancellation Charges

After issue of the ticket on **10th April, 2010 or visa application (i.e. upto 5.30 pm on 19th April, 2010)** - 50% of the Tour Price

Cancelled 15 working days prior (i.e. before 5.30 p.m. on 10th May, 2010 but from 20th April, 2010) - 75% of the tour price

Cancelled 7 working days prior (i.e. from 10th May, 2010 onward) - 100 % of the tour cost

Receipt of cancellation request will be considered on the basis of actual time of receipt of the request at the ICSI, Headquarters.

VISA PROCEDURE – The Visa procedure is very strict now. To travel, Schengen Visa from Italian Embassy is required to be obtained. The Tour Operator will co-ordinate the visa process directly with the delegate.

DOCUMENTATION CHECK LIST – To process your Visa two photocopies of the following documents together with original papers of point (3) and (4) will be required :

(1) 6 Months Valid Passport from the Date of Travel with the old Passport if any

- (2) 4 Photographs each, 45mm*35mm white background, Matt finishing
- (3) Last 6 months Bank Statements (Current & Saving Account) of Firm / Individual
- (4) Last 3 Years Income Tax Returns Acknowledgement of (Firm/ Individual)
- (5) In case of GOVERNMENT employees, No Objection Certificate, Salary Certificate & Leave Sanction Certificates
- (6) FDR/NSC/Saving Certificate if any.

For any query, you may please feel free to contact :

Sutanu Sinha

Director (Academics & Professional Development)

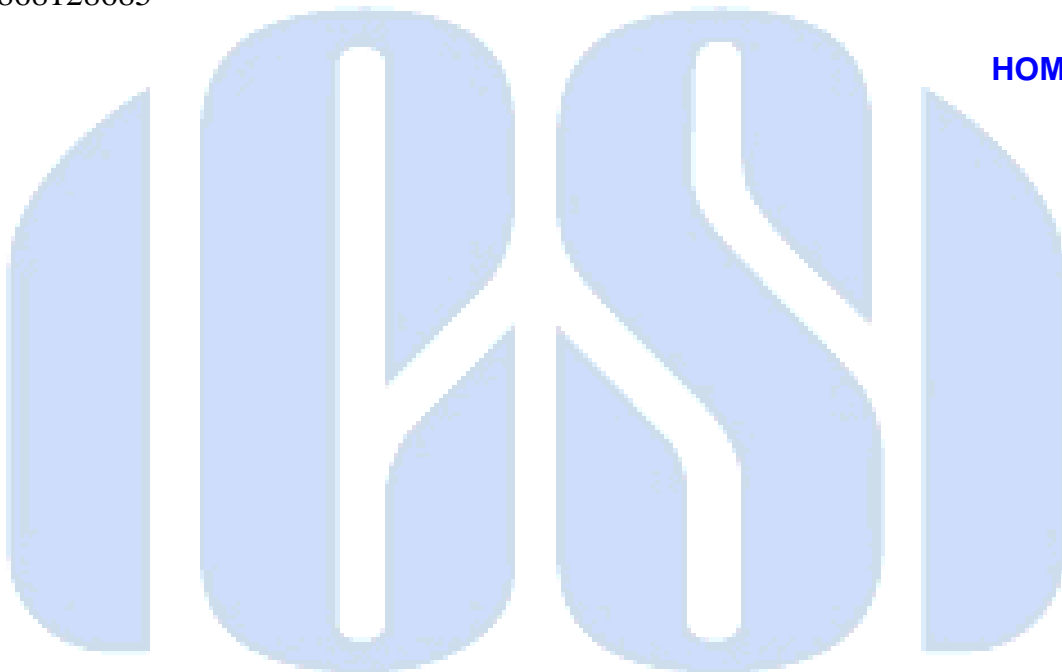
E-mail : sutanu.sinha@icsi.edu

R K Verma

Joint Director Administration

E-mail : rk.verma@icsi.edu

The Institute of Company Secretaries of India, 'ICSI HOUSE', 22 Institutional Area, Lodi Road, New Delhi – 110 003, Ph No.011-45341020 ; Cell No. (0) 9868128685



[HOME](#)

Investor Awareness Programmes under IEPF (2010)

Sl. No	Place of program/ Name of the Chapter	Schedule of program
1.	Kalyani University	Date : 26.03.2010 Time : 2.00 PM to 4.30 PM Venue: Vidyasagar Sabhagriha, Kalyani, Dist: Nadia, W.B
2.	Jamsedpur	Date: 27.03.2010 Time: 4.00 PM Venue: RMCE Auditorium, Near Jubilee Park, Jamshedpur.
3.	Mangalore	Date : 20.3.2010 Time : 4 PM to 7 PM Venue: J. B. Pinto memorial hall, Grace towers, IIIrd floor, Bejai - Kapikad Road, Mangalore - 575004
4.	Vridhachalam (Puducherry)	Date: 27.3.2010 Time: 4 PM - 8 PM Venue: Raja Mahal, Vridhachalam, Puducherry
5.	Vellore	Date: 28.3.2010 Time: 10 AM - 2 PM Venue: Hotel Kanna, Vellore, Puducherry
6.	Pune	Date : 20.3.2010 Time : 4PM to 6 PM Venue: Maratha Chamber of Commerce, Tilak Road, Pune

[HOME](#)

ATTENTION
38TH NATIONAL CONVENTION OF COMPANY SECRETARIES
SUGGESTIONS ON THEME AND SUB-THEMES

The 38th National Convention of Company Secretaries is scheduled to be held in September, 2010. Suggestions are invited for theme and sub-themes to be deliberated at the National Convention.

The person whose theme alongwith its sub-themes is selected shall get exemption from paying the delegate registration fee for the Convention. The decision of the Institute shall be final in all respects. Interested persons may send their suggestions so as to reach by March 25, 2010 to :

Sutanu Sinha
Director (Academics)
The Institute of Company Secretaries of India
ICSI House, 22, Institutional Area
Lodi Road, New Delhi 110 003
E-mail : devender.kapoor@icsi.edu - Fax : 011-24645045

HOME

Service Tax Updates

- All assesses who have paid more than Rs 10 lakh service tax in last financial year now need to pay service tax by epayment and also file returns electronically

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

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 01/2010 – Service Tax

New Delhi, the 19TH February 2010

G.S.R. (E).- In exercise of the powers conferred by sub-sections (1) and (2) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the Service Tax Rules, 1994, namely :-

1. Short title and commencement.- (1) These rules may be called the Service Tax (Amendment) Rules, 2010.

(2) They shall come into force on the 1st day of April, 2010.

2. In the Service Tax Rules 1994 (hereinafter referred to as the said rules), in rule 6, in sub-rule (2), for the proviso, the following proviso, shall be substituted, namely:-

“Provided that where an assessee has paid a total service tax of rupees ten lakh or more including the amount paid by utilisation of CENVAT credit, in the preceding financial year, he shall deposit the service tax liable to be paid by him electronically, through internet banking.”

3. In the said rules, in rule 7, after sub-rule (2), the following proviso shall be inserted, namely:-

“Provided that where an assessee has paid a total service tax of rupees ten lakh or more including the amount paid by utilisation of CENVAT credit, in the preceding financial year, he shall file the return electronically”.

[F. No. 137/13/2010 - CX.4]

(Madan Mohan)
Under Secretary to Government of India

Note.- The principal rules were published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i), dated the 28th June, 1994 vide notification No. 2/94-Service Tax, dated the 28th June, 1994, [G.S.R. 546(E), dated the 28th June, 1994] and were last amended by notification No. 17/2006-Service Tax, dated 25th April, 2006, [G.S.R. 247 (E), dated the 25th April, 2006, and vide notification No. 10/2009 - Service Tax, dated the 17th March 2009, [G.S.R. 171 (E), dated the 17th March, 2009].

AUTOMATION OF CENTRAL EXCISE AND SERVICE TAX (ACES)

AUTOMATION OF CENTRAL EXCISE AND SERVICE TAX (ACES) Central Excise & Service Tax is a massive automation mission mode project by the Government of India to automate the formations of CBEC (Central Board of Excise and Customs) and e- enable the interface between the user and department.

It is a Centralized web based application which shall enable the assesses to electronically interface with the department. It aims to reduce paperwork, manual interface, transaction costs and increase accountability, efficiency and transparency.

Of many things the assessee shall be able to file registration requests, amendment applications online and track them. She shall also be able to file online returns, refund claims, various intimations and online view records.

From 01.04.2010 the electronic filing of returns and e-payment is mandatory for those assesses who have paid a total service tax of Rupees Ten lakh or more including the amount paid by utilization of CENVAT credit, in the preceding financial year.

Register yourself with ACES to seek Assessee registration; to file tax return, claims and intimations and for tracking their status.

Registered assesses need not register again afresh. They just need to update their emails in the records available with the department.

Once launched the registered assessee in case of any difficulty in accessing or using the ACES Application can seek help of the ACES Service Desk by sending e-mail to aces.servicedesk@icegate.gov.in or calling up national toll-free number 1800 425 4251 on any working day from Monday to Friday between 9 AM and 7 PM.

For more information on ACES log on to
www.aces.gov.in Or www.servicetaxdelhi.gov.in

Procedure for new registrant/ assessee

A person/concern desiring to register with the department needs to register with ACES first on www.aces.gov.in. By clicking on "Service Tax" tab one can access the login page. Click on "New Users to Click here to Register with ACES" to access the Registration Page where in some basic details are required to be filled in including desired login id. The password is sent to the email address submitted by the registrant. Using the login id and password one can access ACES. After logging in, go to REG menu and select "fill ST-1" to apply for fresh registration. This is similar to the physical form earlier used. After filing the online application the registrant needs to printout the application and send the copy of requisite documents to the concerned Range. (See Trade Notices 14, 15 and 17/2009 in this regard available in our website www.servicetaxdelhi.gov.in. Also see **Jurisdiction** under **About Us** and **Find your Range** under **Useful information** to know about the correct Division and Range). Once the documents are received by the department the ST-2 shall be issued which shall be sent to you on your email id itself.



RBI

Updates

- Additional Disclosures by banks in Notes to Accounts

[HOME](#)



RESERVE BANK OF INDIA

RBI/2009-10/347
DBOD.BP.BC.No. 79 /21.04.018/2009-10

March 15, 2010

The Chairmen/Chief Executives of
All Commercial Banks
(excluding RRBs)

Dear Sir,

Additional Disclosures by banks in Notes to Accounts

The Reserve Bank has been taking several steps from time to time to enhance the transparency in the operations of banks by stipulating comprehensive disclosures in tune with the international best practices.

On a review of the existing disclosures, it has been decided to prescribe the following additional disclosures in the 'Notes to Accounts' in the banks' balance sheets, from the year ending March 2010:

- I. Concentration of Deposits, Advances, Exposures and NPAs
- II. Sector-wise NPAs
- III. Movement of NPAs
- IV. Overseas assets, NPAs and revenue
- V. Off-balance sheet SPVs sponsored by banks

The prescribed formats are furnished in [Annex](#).

Yours faithfully

(B.Mahapatra)
Chief General Manager

Annex

I. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits

(Amount in Rupees Crores)

Total Deposits of twenty largest depositors	
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	

Concentration of Advances*

(Amount in Rupees Crores)

Total Advances to twenty largest borrowers	
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	

*Advances should be computed as per definition of Credit Exposure including derivatives furnished in our Master Circular on Exposure Norms
DBOD.No.Dir.BC.15/13.03.00/2009-10 dated July 1, 2009

Concentration of Exposures**

(Amount in Rupees Crores)

Total Exposure to twenty largest borrowers/customers	
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	

**Exposures should be computed based on credit and investment exposure as prescribed in our Master Circular on Exposure Norms
DBOD.No.Dir.BC.15/13.03.00/2009-10 dated July 1, 2009

Concentration of NPAs

(Amount in Rupees Crores)

Total Exposure to top four NPA accounts	
---	--

II: Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	
2	Industry (Micro & small, Medium and Large)	
3	Services	
4	Personal Loans	

III. Movement of NPAs

Particulars	Amount in Rs. Crores
Gross NPAs* as on 1st April of particular year (Opening Balance)	
Additions (Fresh NPAs) during the year	
Sub-total (A)	
Less:-	
(i) Upgradations	
(ii) Recoveries (excluding recoveries made from upgraded accounts)	

(iii) Write-offs	
Sub-total (B)	
Gross NPAs as on 31st March of following year (closing balance) (A-B)	

***Gross NPAs as per item 2 of Annex to DBOD Circular DBOD.BP.BC.No. 46/21.04.048/2009-10 dated September 24, 2009**

IV. Overseas Assets, NPAs and Revenue

Particulars	Amount (in Rupees Crores)
Total Assets	
Total NPAs	
Total Revenue	

V. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas

BACK

SEBI Updates

- Half Yearly Reporting by Portfolio Managers
- Circular for Mutual Funds

[HOME](#)



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

संपर्क प्रभाग, सेबी भवन, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051

Communications Division, SEBI Bhavan, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

दूरभाष / Tel: +91-22-26449000 ईमेल / email: press@sebi.gov.in वेबसाइट / website: www.sebi.gov.in

**DEPUTY GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT
DIVISION OF FUNDS-1**

IMD/DOF-1/PMS/Cir-1/2010

March 15, 2010

To

All Registered Portfolio Managers

Dear Sir/ Madam,

Sub: Half Yearly Reporting by Portfolio Managers

1. Please refer to SEBI circular No.1(93-94) dated October 20, 1993 regarding submission of half yearly report by portfolio managers.
2. The format for the half yearly report on portfolio management activity has been revised as per enclosed Annexure. All portfolio managers are advised to submit the half yearly report to SEBI in the revised format within 30 days after the end of respective period ended 30/9 & 31/3 of each year.
3. This circular is issued in exercise of powers conferred by sub-section (1) of section 11 and section 11A of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
4. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Portfolio Manager".

Yours faithfully,

Maninder Cheema

Annexure

**HALF YEARLY REPORTING REQUIREMENTS
FOR PORTFOLIO MANAGEMENT ACTIVITIES**

(To be submitted within 30 days, for the period ended 30/9 & 31/3 of each year after the end of respective period)

1. GENERAL INFORMATION

1.1 Name

1.2 Registration no:-

1.3 Address (Registered and Correspondence office address with email id.)

2 CAPITAL ADEQUACY:-

Net worth as on 30/9 or 31/3 as the case may be;

The statement of networth of based on audited / unaudited accounts as on

	Amount (in Rs. lakhs)
<i>Paid up equity capital</i>	
<i>Add: Free reserves (excluding reserves created out of revaluation)</i>	
<i>Less: Accumulated losses</i>	
<i>Less: Deferred expenditure not written off (including miscellaneous expenses not written off)</i>	
<i>Less: Minimum Capital Adequacy /networth requirement for any other activity undertaken under other SEBI regulations.</i>	
<i>Networth</i>	

3. OTHER INFORMATION

3.1 Details of all settled and pending disputes against applicant/ its directors/ associates

Sr. No.	Names of the Party	Nature of dispute	Pending/ settled
---------	--------------------	-------------------	------------------

3.2 Indictment or involvement in any economic offence during the period.

3.3 Any other information considered relevant to the nature of services rendered by the Portfolio Manager.

3.5 List of approved share brokers whose services were utilized for PMS activities and whether any of them were suspended for more than one week / had defaulted with any Stock Exchange authority

4. List of Corporate Clients - (with Name and Amount of portfolio fund managed)

Sr. No.	Name of Client	Amount of portfolio fund managed (in Rs. lakhs)

5. Performance of Portfolio Manager in comparison to any benchmark indices during the period – (Individual client wise & corporate client wise)**6. Enclosures:**

(1) A certificate duly signed by the Principal Officer stating that the information required under Regulation No. 23(ii) of SEBI (Portfolio Managers) Regulations, 1993 has been reported to SEBI.

(2) A certificate from the auditors relating to Portfolio Management activities as required under Regulation No. 20(2) of SEBI (Portfolio Managers)

March 16, 2010

Regulations, 1993 and management's comments on the adverse remarks if any, made by the auditor.

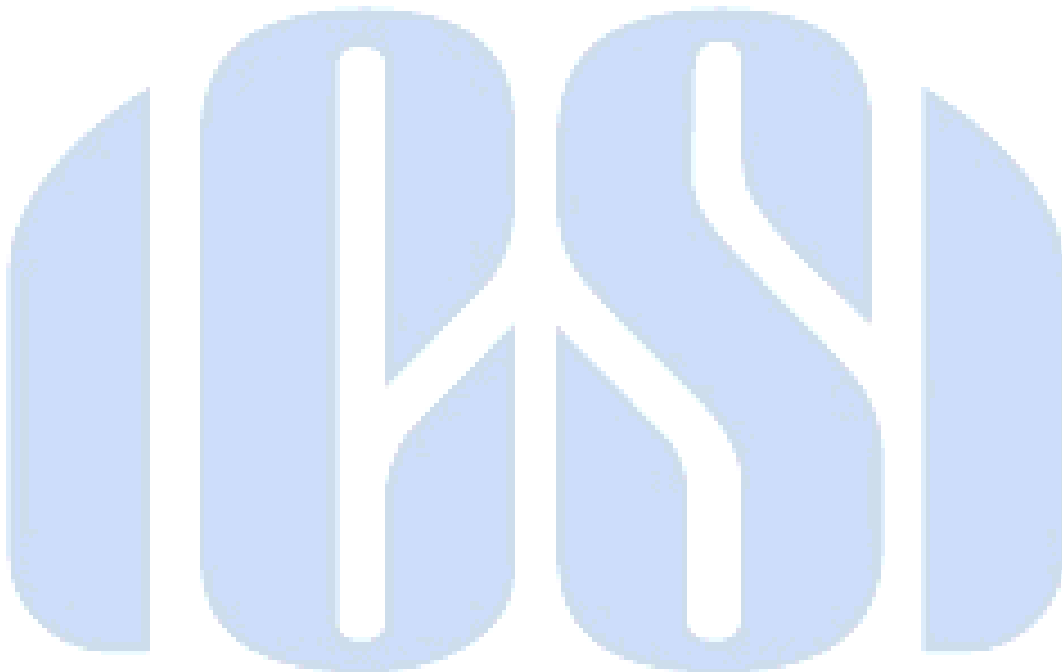
(3) Corporate Governance report as required under the PMS Circular IMD/PMS/CIR/1/21727/03 dated November 18, 2003.

Place:

Authorized Signatory

Date:

[HOME](#)



**CHIEF GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT**

SEBI/IMD/CIR No 18 / 198647 /2010

March 15 ,2010

All Mutual Funds/Asset Management Companies (AMCs)

Sir/Madam,

Sub: Circular for Mutual Funds

1. Brokerage and commission paid to associates

- i. Regulation 25 (8) of SEBI (Mutual Funds) Regulations, 1996 mandates that the payment of brokerage or commission, if any, to the sponsor or any of its associates, employees or their relatives, has to be disclosed in the half-yearly annual accounts of the mutual fund.
- ii. In order to standardize the said disclosures on brokerage and commission paid to associates/related parties/group companies of sponsor/Asset Management Company in the unaudited half yearly financial results, the abridged scheme wise annual report and the SAI, these disclosures shall henceforth be made in the format as prescribed in Annexure A.

2. Additional mode of payment through Applications Supported by Blocked Amount (hereinafter referred to as “ASBA”) in Mutual Funds and Reduction in New Fund offer (NFO) period

- i. In its continuous endeavor to make the public issue process efficient, SEBI had introduced ASBA facility which investors have been enjoying for subscription to public issue of equity capital of companies. It has been decided to extend ASBA facility to the investors subscribing to New Fund Offers (NFOs) of mutual fund schemes. It shall co-exist with the current process, wherein cheques/ demand drafts are used as a mode of payment. The banks which are in SEBI's [list](#) shall extend the same facility in case of NFOs of mutual fund schemes to all eligible investors in Mutual Fund units. Mutual Funds shall ensure that adequate arrangements are made by Registrar and Transfer Agents for the implementation of ASBA. Mutual Funds/AMCs shall make all relevant disclosures in this regard in the SAI. Also, SEBI circulars dated July 30, 2008, September 25, 2008 August 5, 2009 and December 30, 2009 related to ASBA shall be followed to the extent applicable.
- ii. Reduction of NFO Period
 - a. In order to make NFO process efficient, it has been decided to reduce the NFO period to 15 days.
 - b. However, the NFO period in case of ELSS schemes shall continue to be governed by guidelines issued by Government of India.
 - c. Mutual Funds/AMCs shall make investment out of the NFO proceeds only on or after the closure of the NFO period.
 - d. The provisions of SEBI (Mutual Fund) Regulations, 1996 regarding NFO period would be suitably amended in due course. Further, paragraph 1 of SEBI Circular No. MFD/Cir No.9/120/2000 dated November 24, 2000 is as modified as under-

Initial offer period and time taken for allotment of units and dispatch of accounts statements

“It has been decided that the present limit of maximum period of 30 days in case of Open ended schemes and 45 days of close ended scheme shall be reduced to 15 days (except ELSS schemes).

Mutual Funds/ AMCs shall use the NFO proceeds only on or after the closure of the NFO period. The mutual fund should allot units/ refund of money and dispatch statements of accounts within five business days from the closure of the NFO and all the schemes (except ELSS) shall be available for ongoing repurchase/sale/trading within five business days of allotment”

iii. **Applicability:** The Mutual Funds/AMCs have to compulsorily provide ASBA facility to the investors for all NFOs launched on or after July 01, 2010. The provisions mentioned at paragraph 2(ii) regarding reduction in NFO period shall also be applicable for all NFOs launched on or after July 01, 2010.

3. Non availability of Unit Premium Reserve for dividend distribution

i. The Ninth and Eleventh Schedule of SEBI (Mutual Funds) Regulations provide the accounting policies to be followed for determining distributable surplus and accounting the sale and repurchase of units in the books of the Mutual Fund. In this regard, the format for Scheme Balance Sheet (including Abridged) provides for disclosure of Unit Premium Reserve.

ii. It is clear from the above regulatory requirements that the Unit Premium Reserve, which is part of the sales price of units that is not attributable to realized gains, cannot be used to pay dividend. However, it is observed that some Mutual Funds are using Unit Premium Reserve for distribution of dividend. It is therefore reiterated that:

a. When units of an open-ended scheme are sold, and sale price is higher than face value of the unit, part of sale proceeds that represents unrealised gains shall be credited to a separate account (Unit Premium Reserve) and shall be treated at par with unit capital and the same shall not be utilized for the determination of distributable surplus.

b. When units of an open-ended scheme are sold, and sale price is less than face value of the unit, the difference between the sale price and face value shall be debited to distributable reserves and the dividend can be declared only when distributable reserves become positive after adjusting the amount debited to reserves as per para 2(a) (ix) of Eleventh Schedule of SEBI (Mutual Funds) Regulations.

4. Role of Mutual Funds in Corporate Governance of Public Listed Companies

i. The issue of the role of Mutual Funds in Corporate Governance of listed companies was considered by the Mutual Fund Advisory Committee. It was felt that mutual funds should play an active role in ensuring better corporate governance of listed companies.

ii. It has been decided that henceforth, AMCs shall disclose their general policies and procedures for exercising the voting rights in respect of shares held by them on the website of the respective AMC as well as in the annual report distributed to the unit holders from the financial year 2010-11.

iii. Further, the AMCs are also required to disclose on the website of the respective AMC as well as in the annual report distributed to the unit holders from the financial year 2010-11, the actual exercise of their proxy votes in the AGMs/EGMs of the investee companies in respect of the following matters a. Corporate governance

matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.

b. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.

c. Stock option plans and other management compensation issues;

d. Social and corporate responsibility issues.

e. Appointment and Removal of Directors.

f. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

iv. The format for disclosure of voting by mutual funds in general meetings of listed companies is placed in Annexure B

5. Provision of charging of additional management fees by the Asset Management Companies in case of schemes launched on no load basis

i. Consequent to SEBI Circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009 on “Mutual Funds- Empowering investors through transparency in payment of commission and load structure” which stipulated that “*There shall be no entry load for all mutual fund schemes*”, it is clarified that AMC shall not collect any additional management fees referred to in Regulation 52(3) of SEBI Mutual Funds Regulation, 1996. Necessary amendments to Regulation 52 will be notified in due course.

ii. Mutual Fund Schemes to be launched including those for which observation letter have been issued under Regulation 29 of SEBI (Mutual Funds) Regulations, 1996 would be required to carry out the changes in Scheme Information Document and file the same with SEBI before the launch.

iii. The provisions of SEBI (Mutual Fund) Regulations, 1996 in this regard would be suitably amended in due course

6. Fund of Funds Scheme

i. It has been observed from the disclosures in the scheme information documents (SID) that Asset Management Companies (AMCs) have been entering into revenue sharing arrangements with offshore funds in respect of investments made on behalf of Fund of Fund schemes. These arrangements create conflict of interest.

ii. It has been decided that henceforth AMCs shall not enter into any revenue sharing arrangement with the underlying funds in any manner and shall not receive any revenue by whatever means/head from the underlying fund. Any commission or brokerage received from the underlying fund shall be credited into concerned scheme's account.

7. Mutual Funds/Asset Management Companies shall comply with the above requirements in letter and spirit.

8. The above circulars are issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

S. RAVINDRAN

Annexure A

Brokerage paid to associates/related parties/group companies of Sponsor/AMC

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered *	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Brokerage (Rs Cr & % of total brokerage paid by the fund)	

Commission paid to associates/related parties/group companies of sponsor/AMC

Name of associate /related parties/ group companies of Sponsor/ AMC	Nature of Association/ Nature of relation	Period covered *	Business given (Rs. Cr. & % of total business received by the fund)		Commission paid (Rs & % of total commission paid by the fund)	

* The period covered shall be as following:

- SAI - Past three financial years including the current year
- Half Yearly Unaudited Financial Results – Current half year and previous half year
- Abridged Scheme wise Annual Report – Current year and previous year

The disclosures for the aforementioned period shall be furnished for each period in separate tables.

Annexure B

**Management
Proposals**

Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)

**Shareholder
Proposals**

Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)

[HOME](#)