



**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, 45341000, Fax-(011)24626727, Email - info@icsi.edu

CS UPDATE

January 11, 2011

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PCS UPDATE

COMPANY SECRETARIES IN PRACTICE

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

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

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

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

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

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FROM ICS

PMQ COURSE IN CORPORATE GOVERNANCE

ENHANCEMENT OF FEES

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

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

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

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THE INSTITUTE'S PUBLICATIONS - 2010

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

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MCA UPDATE

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**ADDITIONAL FEES REVISED w.e.f 5TH DECEMBER,
2010.**

Dear Corporates,

It has been decided to revise the additional fees payable as per Section 611(2) of the Companies Act, 1956 (except for Form 5) as per below details with effect from 5th December 2010 :-

Period of Delay	Fixed rate of additional fee
Upto 30 days	Two times of normal filing fee
More than 30 days and upto 60 days	Four times of normal filing fee
More than 60 days and upto 90 days	Six times of normal filing fee
More than 90 days	Nine times of normal filing fee

In order to avoid payment of additional fees, please file within stipulated time.

Source: www.mca.gov.in

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Circular on Easy Exit Scheme, 2011

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

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

Dated the 3rd December, 2010

To
All Regional Director,
All Registrar of Companies.

Subject: Easy Exit Scheme, 2011

Sir,

It has been observed that certain companies have been registered under the Companies Act, 1956, but due to various reasons some of them are inoperative since incorporation or commenced business but became inoperative later on and are not filing their due documents timely with the Registrar of Companies. These companies may be defunct and are desirous of getting their names strike off from the Register of Companies.

2. In order to give an opportunity to the defunct companies, for getting their names strike off from the Register of Companies, the Ministry had launched a Scheme namely, "Easy Exit Scheme, 2010" under Section 560 of the Companies Act, 1956 during May-Aug, 2010. A large number of companies availed this scheme. However, on huge demands from corporate sector, the Ministry has decided to re-launch the Scheme as, "Easy Exit Scheme, 2011" under Section 560 of the Companies Act, 1956. The details of the Scheme are as under: -

(i) The Scheme shall come into force on the 1st January, 2011 and shall remain in force up to 31st January, 2011.

(ii) **Definitions** - In this Scheme, unless the context otherwise requires, -

- (a) "company" means a company registered under the Companies Act, 1956;
- (b) "Collective Investment Management Company" means the company as defined in clause (h) of sub-regulation of 2 of Securities and Exchange Board of India (Collective Investment Companies) Regulations, 1999;

- (c) "defunct company" means a company registered under the Companies Act, 1956 which is not carrying over any business activity or operation on or after the 1st April, 2008 and includes a company which has not raised its paid up capital as provided in sub sections (3) and (4) of section 3 of the Companies Act, 1956;
- (d) "Non-Banking Financial Company" means a company as defined under clause (f) of section 45-I of the Reserve Bank of India Act, 1934;
- (e) **"Scheme" means the "Easy Exit Scheme, 2011" (EES, 2011), being specified through this Circular;**
- (f) "vanishing company" means a company, registered under the Companies Act, 1956 and listed with Stock Exchange which, has failed to file its returns with Registrar of Companies and Stock Exchange for a consecutive period of two years, and is not maintaining its registered office at the address notified with the Registrar of Companies or Stock Exchange and none of its Directors are traceable.

(iii) Applicability: -

- (a) Any "defunct company" which has active status on Ministry of Corporate Affairs portal may apply under EES, 2011 in accordance with the provisions of this Scheme for getting its name strike off from the Register of Companies;
- (b) Any defunct company which is a Government Company shall submit 'No Objection Certificate' issued by the concerned Administrative Ministry or Department or State Government along with the application under this Scheme;
- (c) The purpose of the Scheme is to allow eligible companies to avail of this opportunity to exit from the Register of Companies after fulfilling the requirements laid down herewith and the decision of the Registrar of Companies in respect of striking off the name of company shall be final.

(iv) Scheme not applicable to certain companies: - The Scheme does not cover the following companies namely: -

- (a) listed companies;
- (b) companies that have been de-listed,
- (c) companies registered under section 25 of the Companies Act, 1956;
- (d) vanishing companies;

- (e) companies where inspection or investigation is ordered and being carried out or yet to be taken up or where completed prosecutions arising out of such inspection or investigation are pending in the court;
- (f) companies where order under section 234 of the Companies Act, 1956 has been issued by the Registrar and reply thereto is pending or where prosecution if any, is pending in the court;
- (g) companies against which prosecution for a non-compoundable offence is pending in court;
- (h) companies accepted public deposits which are either outstanding or the company is in default in repayment of the same;
- (i) company having secured loan ;
- (j) company having management dispute;
- (k) company in respect of which filing of documents have been stayed by court or Company Law Board (CLB) or Central Government or any other competent authority;
- (l) company having dues towards income tax or sales tax or central excise or banks and financial institutions or any other Central Government or State Government Departments or authorities or any local authorities.

(v) Procedure for making an application:-

(a) Any defunct company desirous of getting its name strike off the Register under Section 560 of the Companies Act, 1956 shall make an application in the Form EES, 2011, annexed;

(b) The Form EES, 2011, should be filed electronically on the Ministry of Corporate Affairs portal namely www.mca.gov.in accompanied by filing fee of Rs. 3,000/-;

(c) In case, the application in Form EES, 2011, is not being digitally signed by any of the director or Manager or Secretary, a physical copy of the Form duly filled in, shall be signed manually by a director authorised by the Board of Directors of the company and shall be attached with the application Form at the time of its filing electronically;

(d) In all cases, the Form EES, 2011, shall be certified by a Chartered Accountant in whole time practice or Company Secretary in whole time practice or Cost Accountant in whole time practice;

(e) The company shall disclose pending litigations if any, involving the company while applying under this Scheme;

(f) The Form shall be accompanied by an affidavit annexed at Annexure- A of Form EES, 2011, which should be sworn by each of the existing director(s) of the company before a First Class Judicial Magistrate or Executive Magistrate or Oath Commissioner or Notary, to the effect that the company has not carried on any business since incorporation or that the company did some business for a period up to a date (which should be specified) and then discontinued its operations and has not carried on any business after the 1st April, 2008, as the case may be;

(g) The Form EES, 2011 shall further be accompanied by an Indemnity Bond, duly notarized, as annexed at Annexure B of Form EES, 2011, to be given by every director individually or collectively, to the effect that any losses, claim and liabilities on the company, will be met in full by every director individually or collectively, even after the name of the company is struck off the register of Companies;

(h) The Company shall also file a Statement of Account annexed at Annexure C, prepared as on date not prior to more than one month preceding the date of filing of application in Form EES, 2011, duly certified by a statutory auditor or Chartered Accountant in whole time practice, as the case may be.

(i) In the case of 100% Government companies, if no Board is in existence, an officer not below the rank of Deputy Secretary of the concerned administrative Ministry may be authorized to enter his name and other details in Form EES, 2011 and in Annexure A, B and C in place of name and other details of the directors and also to sign the said documents before filing.

(vi) Simplified procedure for Registrar of Companies for removal of name of defunct companies:-

(a) The Registrar of Companies, on receipt of the application, shall examine the same and if found in order, shall give a notice to the company under section 560(3) of the Companies Act, 1956 by e-mail on its e-mail address intimated in the Form, giving thirty days time, stating that unless cause is shown to the contrary, its name be struck off from the Register and the company will be dissolved;

(b) The Registrar of companies shall put the name of applicant(s) and date of making the application(s) under EES, 2011, on daily basis, on the MCA portal www.mca.gov.in, giving thirty days time for raising objection, if any, by the stakeholders to the concerned Registrar;

(c) In case of company(s) like Non-Banking Financial Company(s), Collective Investment Management Company(s) which are regulated by other Regulator(s) namely RBI, SEBI, the Registrar of Companies, at the end of every week, after the Scheme commences, shall send intimation of such companies availing EES, 2011, during that period to the concerned Regulator(s) and also an intimation in respect of all companies availing EES, 2011, during that period to the office of the Income Tax Department giving thirty days time for their objection, if any;

(d) The Registrar of Companies immediately after passing of time given in sub-paras (a) to (c) of this Para and on being satisfied that the case is otherwise in order, shall strike its name off the Register and shall send notice under sub-section (5) of section 560 of the Companies Act, 1956 for publication in the Official Gazette and the applicant company under this Scheme shall stand dissolved from the date of publication of the notice in the Official Gazette.

Yours faithfully,

(Monika Gupta)
Assistant Director

NOTE: To view Form EES, 2011 and the proforma of various attachments required to be send along with it, kindly visit the website of Ministry of Corporate Affairs i.e. www.mca.gov.in

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RBI UPDATE

**LIST OF TERRORIST INDIVIDUALS/
ORGANISATIONS UNDER UNSCR 1267(1999) AND
1822(2008) ON TALIBAN/AL-QAIDA
ORGANISATION**

RBI/2010-11/362
DPSS.CO.AD.No.1568/02.27.005/2010-11

January 7, 2011

All the Authorised entities operating payment system in India

Dear Sir

**List of Terrorist Individuals/ Organisations under UNSCR 1267(1999)
and 1822(2008) on Taliban/Al-Qaida Organisation**

We have received from Government of India (Ministry of External Affairs) copy of following notes forwarded by the Chairman of UN Security Council's 1267 Committee regarding changes made in the Consolidated List of Individuals and entities linked to Al-Qaida and Taliban:

1. Note dated December 17, 2010 ([Annex I](#))
2. Note dated December 16, 2010 ([Annex II](#))
3. Note dated December 01, 2010 ([Annex III](#))
4. Note dated November 04, 2010 ([Annex IV](#))
5. Note dated October 21, 2010 ([Annex V](#))
6. Note dated September 28, 2010 ([Annex VI](#))
7. Note dated September 13, 2010 ([Annex VII](#))
8. Note dated August 06, 2010 ([Annex VIII](#))

2. All the payment system operators (PSOs) are required to update the consolidated list of individuals/entities as circulated by Reserve Bank and before opening any new account/registering or offering service to new customer, it should be ensured that the name/s of the proposed customer does not appear in the list. Further, PSOs should scan all existing accounts to ensure that no account is held by or linked to any of the entities or individuals included in the list.

3. You are advised to strictly follow the procedure laid down in the UAPA Order dated August 27, 2009 enclosed to the Reserve Bank circular [DBOD.AML.BC. No. 44/14.01.001/2009-10 dated September 17, 2009](#) and ensure meticulous compliance to the Order issued by the Government. The said circular is available on our website www.rbi.org.in.

4. As far as freezing of funds, financial assets or economic resources or related services held in the form of bank accounts, etc. of the designated individuals/entities are concerned, action should be taken as detailed in paragraph 6 of the circular dated September 17, 2009, mentioned above.

5. The complete details of the said consolidated list are available on the UN website:
<http://www.un.org/sc/committees/1267/consolist.shtml>

6. Nodal Officer/Principal Officer should acknowledge receipt of this circular letter.

Yours faithfully,

(K.Sivaraman)
General Manager
Encl: As above

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SEBI UPDATE

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MASTER CIRCULAR FOR MUTUAL FUNDS

**Deputy General Manager
Investment Management Department**

SEBI/IMD/MC No.2/836/2011

January 07, 2011

All Mutual Funds, Asset Management Companies (AMCs)
and Association of Mutual Funds in India (AMFI)

Dear Sir/ Madam,

Sub: Master Circular for Mutual Funds

For effective regulation of the Mutual Fund Industry, Securities & Exchange Board of India (SEBI) has been issuing various circulars from time to time. In order to enable the industry and other users to have an access to all the applicable circulars at one place, Master Circular for Mutual Funds has been prepared.

This Master Circular is a compilation of all the circulars issued by SEBI on the above subject, which are operational as on date of this circular.

Yours faithfully,

Rakesh Bhanot

2 Master Circular for Mutual Funds

**MASTER CIRCULAR FOR MUTUAL FUNDS
BY
SECURITIES & EXCHANGE BOARD OF INDIA**

1. This Master Circular includes circulars issued upto December 31, 2010.
2. In case of any inconsistency between the master circular and the applicable circulars, the contents of the relevant circular shall prevail.
3. Master Circular is a compilation of all the existing/applicable circulars issued by Investment Management Department of SEBI issued to Mutual Funds. Efforts have been made to incorporate certain applicable provisions of existing circulars (as on December 31, 2010) issued by other Department/Division of SEBI relevant to Mutual Funds.

For

Detail: <http://www.sebi.gov.in/circulars/2010/mastercircular/imdmaster.pdf>

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ACTIVITY SCHEDULE FOR AUCTION SESSION

CIRCULAR

CIR/MRD/DP/ 39 /2010

December 28, 2010

To,

All Stock Exchanges,

Dear Sir/Madam,

Subject: Activity schedule for Auction Session

As per extant practice, in case of default by the selling broker in a settlement, the security delivered short is bought in the auction session and is delivered to the buying broker on T+4 day.

In order to reduce the time involved in delivering the shares to the buying broker, in case of default, it has been decided to conduct the auction on the same day of the settlement, after the pay-in is completed. i.e. the auction for trades done on T day shall be conducted on T+2 day after pay-in is completed and shortfall is crystallized.

The activity schedule as under shall be applicable with effect from February 1, 2011:

Rolling settlement for T day trade

S. No.	Day	Description of activity
1	T	Trade Day
2	T+2	Pay-in/Pay-out of securities and funds

Auction settlement for T day trade

3	T+2	T Auction session
4	T+3	Pay-in/pay-out and close-out of auction

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However, as the bank and stock exchange holidays are not common there are days when multiple settlements are conducted on the working day immediately following the day(s) of the closure. On such days when multiple settlements (say S_1 and S_2) are conducted on the same day (say T_m) the auction session shall be as under:

1. The auction of first settlement (S_1) shall be conducted on the same day (T_m) and settled the next day (T_{m+1}).

2. The auction for the second settlement (S_2) shall be conducted on the next day (T_{m+1}) along with the shortages/auction of that day. The settlement of the same shall happen on the subsequent day (T_{m+2}). The Stock Exchanges are advised to:

- i. put in place the adequate systems and issue the necessary guidelines for implementing the above decision.
- ii. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above
- iii. bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on their website.

This circular is being issued in exercise of powers conferred under Section 11(1) of 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.

Harini Balaji

Deputy General Manager
022-26449372
harinib@sebi.gov.in

CC: To all Depositories

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TAX LAW UPDATE

MVAT- NOTIFICATION FOR MANDATORY E-FILING OF PTRC MONTHLY RETURN

Updates- 31/12/2010

MVAT- Notification for Mandatory E-filing of PTRC Monthly return

COMMISSIONER OF PROFESSIONS TAX

MAHARASHTRA STATE

Vikrikar Bhavan, Mazgaon, Mumbai 400 010, dated the 26th November 2010

NOTIFICATION

THE MAHARASHTRA STATE TAX ON PROFESSIONS, TRADES, CALLINGS AND
EMPLOYMENTS ACT, 1975.

No. VAT/AMD-1010/IB/PT/Adm-6.—In exercise of the powers conferred by section 7A of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 (Mah. XVI of 1975), the commissioner of Profession Tax, Maharashtra State hereby Provides that:—

(a) From 1st February 2011, every registered employer whose tax liability during the previous year was Rs. Twenty Thousand or more shall mandatorily file electronic return in Form III-B online on the website www.mahavat.gov.in and make payment in the Government Treasury in Chalan MTR-6 before filing such Return.

(b) The periodicity and date of filing Return as well as making payment will be as per the provisions of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and the Maharashtra State Tax on Professions, Trades, Callings and Employments Rules, 1975.

SANJAY BHATIA
Commissioner of Professions Tax,
Maharashtra State, Mumbai.

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