



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

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CS UPDATE

January 21, 2011

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CONSOLIDATED FDI POLICY CIRCULAR- ISSUE OF THIRD EDITION ON 31ST MARCH, 2011- REGARDING

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.

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

NEW PRESIDENT AND VICE-PRESIDENT OF THE ICSI FOR 2010



CS Anil Murarka

President - ICSI



CS Nesar Ahmad

Vice- President - ICSI

Mr. Anil Murarka has been elected as **PRESIDENT** of the Institute of Company Secretaries of India (ICSI) w.e.f 19th January 2011.

Mr. Nesar Ahmad has been elected as the **VICE PRESIDENT** of the Institute of Company Secretaries of India (ICSI) w.e.f 19th January 2011.

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PMQ COURSE IN CORPORATE GOVERNANCE

ENHANCEMENT OF FEES

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

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

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

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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

END USE OF FUNDS - MONITORING

RBI/2010-11/368
DBS.CO.PPD.BC.No. 5/11.01.005/2010-11

January 14, 2011

The Chairman/Chief Executives Officer

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir,

End Use of Funds - Monitoring

The Reserve Bank, as a part of ongoing supervision, had undertaken an assessment of the practices in vogue at certain banks for ensuring the end use of funds. The review revealed that the expected level of due diligence had not been exercised in some cases facilitating diversion of funds by the borrowers. The shortcomings, amongst others, included, crediting of term loan disbursements to the current/cash credit accounts of borrowers and utilisation thereof for day-to-day operations, as also, exclusive reliance on Chartered Accountants' certification both in regard to infusion of promoters' contribution and deployment of banks' funds.

2. In the context of the above, it is advised that the efficacy of the existing machinery in your bank for post-sanction supervision and follow-up of advances may please be evaluated and made robust, wherever considered necessary. Illustratively, the systems and procedures may broadly include the following:

- i. meaningful scrutiny of the periodical progress reports and operating/financial statements of the borrowers;
- ii. regular visits to the assisted units and inspection of securities charged/hypothecated to the banks;
- iii. periodical scrutiny of the books of accounts of the borrowers;
- iv. introduction of stock audits depending upon the extent of exposure;
- v. obtention of certificates from the borrowers that the funds have been utilised for the purposes approved and in case of incorrect certification, initiation of prompt action as may be warranted, which may include withdrawal of the facilities sanctioned and legal recourse as well. In case a specific certification regarding diversion/siphoning of funds is desired from the auditors of the borrowers, a separate mandate may be awarded to them and appropriate covenants incorporated in the loan agreements; and
- vi. examination of all aspects of diversion of funds during internal audit/inspection of the branches and at the time of periodical reviews.

3. As would be appreciated, effective monitoring of the end use of funds lent is of critical importance in safeguarding a bank's interest. Further, this would also act as a deterrent for borrowers to misuse the credit facilities sanctioned, and in the process, help build a healthy credit culture in the Indian banking system.

January 21, 2011

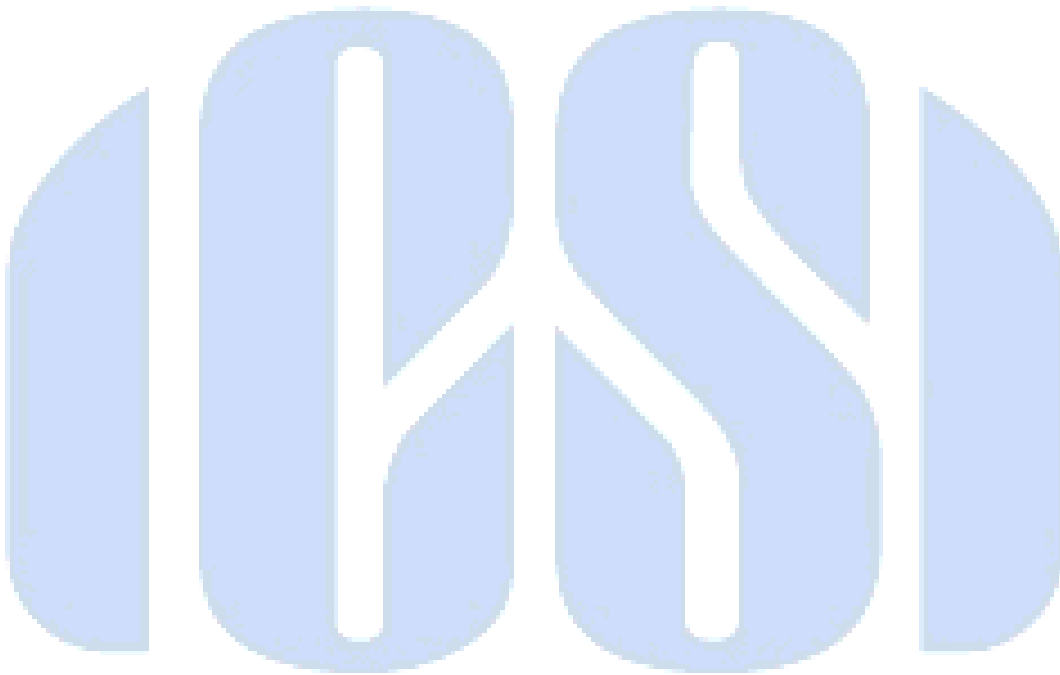
4. Please acknowledge receipt.

Yours faithfully,

(Dr.N. Krishnamohan)

Chief General Manager-In-Charge

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**ANTI-MONEY LAUNDERING /COMBATING FINANCING OF
TERRORISM – STANDARDS**

RBI/2010-11/364

DBOD. AML. No. 10854/14.01.038/2010-11 January 11, 2011

**The Chairmen/CEOs of all Scheduled Commercial Banks(Excluding
RRBs)/Local Area Banks / All India Financial Institutions**

Dear Sir,

**Anti-Money Laundering (AML)/Combating of Financing of Terrorism
(CFT) - Standards**

Please refer to our letter [DBOD. AML.No.1930/14.01.036/2009-10 dated August 2, 2010](#) on risks arising from the deficiencies in AML/CFT regime of Iran, Democratic People's Republic of Korea (DPRK), and Sao Tome and Principe.

2. Financial Action Task Force (FATF) has issued a further Statement on October 22, 2010 on the subject ([copy enclosed](#)). It may be observed that the statement divides the strategic AML/CFT deficient jurisdictions into two groups as under:

- a. Jurisdictions subject to FATF call on its members and other jurisdictions to apply countermeasures to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/FT) risks emanating from the jurisdiction : Iran
- b. Jurisdictions with strategic AML/CFT deficiencies that have not committed to an action plan developed with the FATF to address key deficiencies as of October 2010. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction: Democratic People's Republic of Korea (DPRK).

3. All banks and All India Financial Institutions are accordingly advised to take into account risks arising from the deficiencies in AML/CFT regime of these countries, while entering into business relationships and transactions with persons (including legal persons and other financial institutions) from or in these countries/ jurisdictions.

4. Please advise Principal Officer of your bank to acknowledge receipt of this circular letter.

Yours faithfully,

(Vinay Baijal)

Chief General Manager

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SEBI UPDATE

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INTRODUCTION OF DERIVATIVE CONTRACTS ON FOREIGN STOCK INDICES

CIRCULAR

CIR/DNPD/ 2 /2011 January 11, 2011

To

Chief Executive Officers of Equity Derivatives Segment
National Stock Exchange of India Limited (NSEIL)
Bombay Stock Exchange Limited (BSE)

Dear Sir,

Sub: Introduction of Derivative Contracts on Foreign Stock Indices

1. It has been decided to permit Stock Exchanges to introduce derivative contracts (Futures and Options) on foreign stock indices in the equity derivatives segment in accordance with the Guidelines mentioned in Annexure-1.
2. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
3. The circular shall come into force from the date of the circular.
4. This circular is available on SEBI website at www.sebi.gov.in., under the category "Derivatives- Circulars".

Yours faithfully,

Sujit Prasad

General Manager
Derivatives and New Products Department
022-26449460
sujitp@sebi.gov.in

Encl: as above

ANNEXURE-1

INTRODUCTION OF DERIVATIVE CONTRACTS ON FOREIGN STOCK INDICES

1. Eligibility Criteria

A stock exchange may introduce derivatives on a foreign stock index if:

- i. Derivatives on that Index is available on any of the stock exchanges listed at Annexure-A
- ii. In terms of trading volumes (number of contracts), derivatives on that Index figure among the top 15 Index derivatives globally.
OR That Index has a market capitalization of at least USD 100 billion.
- iii. That index is "broad based". An Index is broad based if :
 - a. The Index consists of a minimum of 10 constituent stocks and
 - b. No single constituent stock has more than 25% of the weight, computed in terms of free float market capitalization, in the Index.

2. Failure to meet Eligibility Criteria

After introduction of derivatives on a particular stock index, if that stock index fails to meet any of the eligibility criteria for three months consecutively, no fresh contract shall be introduced on that Index. However, the existing unexpired contracts would be traded till expiry and new strikes may be introduced on those contracts.

3. Currency Denomination

The absolute numerical value of the underlying foreign stock index shall be denominated in Indian Rupees (INR). The derivatives contracts on that foreign stock index would be denominated traded and settled in Indian rupees.

4. Risk Management Framework

The stock exchange shall submit the risk management framework along with its application for introduction of derivatives on foreign stock indices.

5. Position Limits

The Trading Member/Mutual Funds position limits (higher of Rs. 500 crore or 15% of the total open interest in Index derivatives) as well as the disclosure requirement for clients whose position exceeds 15% of the open interest of the market, as applicable to domestic stock index derivatives, shall be applicable to derivatives on foreign stock indices.

6. Information Sharing

The stock exchange shall ensure that material price sensitive information and information relating to regulatory actions and corporate actions relating to constituent stocks of the foreign stock index, as available in public domain, are available to Indian investors.

7. Legal Compliance

The stock exchange shall ensure compliance with any other legal provisions relating to introduction of derivatives on foreign stock indices and obtain requisite approvals from the concerned regulatory bodies.

8. Enforcement

Any kind of market demeanor in the market for the derivatives on foreign stock indices shall be subject to the appropriate enforcement actions, as applicable to the market for any securities.

9. Trading

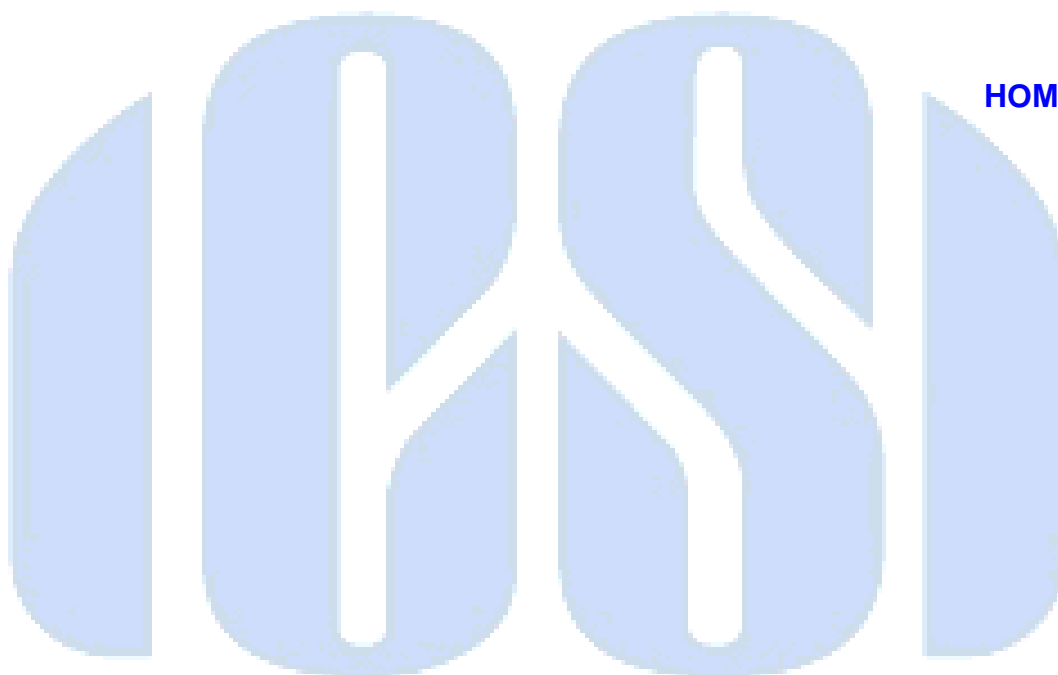
Trading in derivatives on Foreign Stock Indices shall be restricted to residents in India.

ANNEXURE A

| S No. | Exchange |
|------------------------------------|---|
| Americas | |
| 1 | BM&FBOVESPA |
| 2 | Chicago Board Options Exchange (CBOE) |
| 3 | CME Group |
| 4 | ICE Futures U.S. |
| 5 | International Securities Exchange (ISE) |
| 6 | MexDer |
| 7 | Montréal Exchange |
| 8 | NASDAQ OMX PHLX |
| Asia Pacific | |
| 1 | Australian Securities Exchange |
| 2 | Bursa Malaysia |
| 3 | Hong Kong Exchanges |
| 4 | Korea Exchange |
| 5 | Osaka Securities Exchange |
| 6 | Singapore Exchange |
| 7 | TAIFEX |
| 8 | Tokyo Stock Exchange Group |
| Europe, Africa, Middle East | |
| 1 | Borsa Italiana |
| 2 | Eurex |

January 21, 2011

| | |
|---|-------------------------------|
| | |
| 3 | Johannesburg SE |
| 4 | MEFF |
| 5 | NASDAQ OMX Nordic Exchange |
| 6 | NYSE Liffe (European markets) |
| 7 | Oslo Børs |
| 8 | Tel Aviv SE |



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REPORTING OF OFFSHORE DERIVATIVE INSTRUMENTS (ODIS)/ PARTICIPATORY NOTES (PNS) ACTIVITY

CIRCULAR

CIR/IMD/FIIC/1/2011

January 17, 2011

To

All Foreign Institutional Investors through their designated Custodians of Securities

Dear Sir/Madam,

Sub:- Reporting of Offshore Derivative Instruments(ODIs)/ Participatory Notes(PNs) activity

1. Please refer to SEBI Circular No. IMD/CUST/8/2003 dated August 8, 2003 read with Circular No. IMD/CUST/9/2003 dated November 20, 2003 read with Circular No. IMD/CUST/15/2004 dated April 02, 2004, advising FIIs issuing Offshore Derivative Instruments (ODIs)/ Participatory Notes (PNs) against underlying Indian securities about the reporting format for reporting issuance / renewal / cancellation / redemption of the aforesaid instruments.

2. On a review, it has been decided to revise the reporting formats. Revised reporting formats:-

3. The FIIs issuing ODIs/PNs shall be now be required to provide information about their ODI/PN activity and their underlying trade(s) activity in India in the following manner: -

a. Following reports to be submitted by 10th of every month with a six month's lag (e.g. report providing details of ODI/PN activity for the month of April shall be submitted in the month of October):-

- Annexure A - Details of ODI/PN activity.
- Annexure B_Equity - Details of underlying trade(s) in the Indian market where the type of underlying Indian security is Equity.
- Annexure B_Debt - Details of underlying trade(s) in the Indian market where the type of underlying Indian security is Debt.
- Annexure B_Derivative - Details of underlying trade(s) in the Indian market where the type of underlying Indian security is Derivative.
- Annexure C_Equity - Details of assets under management in Indian market where the type of underlying Indian security is Equity.

- Annexure C_Debt - Details of assets under management in Indian market where the type of underlying Indian security is Debt.
- Annexure C_Derivative - Details of assets under management in Indian market where the type of underlying Indian security is Derivative.

b. Monthly Summary Report –

i. This report shall capture the summary of the India ISIN-wise PN/ODI activity for the preceding month.

ii. The report shall be provided in the prescribed format as enclosed and submitted to SEBI by 7th of every month providing summary of its ODI/PN activity for the previous month.

Revised undertaking:-

4. The reports shall now be submitted with the following revised undertaking:-

"We undertake that the beneficial owner and the person(s) to whom the Offshore Derivative Instrument is issued in compliance with Regulation 15A of SEBI (FII) Regulations. We also undertake that the KYC compliance norms have been followed for the beneficial owner of the Offshore Derivative Instrument"

Reporting of FII to FII ODI/PN activity:-

5. In case an ODI/PN issuer (A) issues an ODI/PN to another FII (B) that further issues the ODI/PN, then the ODI/PN reporting for (A) would be limited to naming (B) as the subscriber, on the basis that (B) in its FII capacity is providing a monthly ODI/PN report to SEBI. The reporting from (B) would meet SEBI's requirements and avoid duplication of reporting.

6. As per Circular No IMD/CUST/9/2003 dated November 20, 2003, FIIs who do not have any outstanding offshore derivatives are required to submit a statement of 'Nil' report once every quarter along with the stipulated undertaking. Considering point no.5 mentioned above, the FIIs shall now commence reporting to SEBI in the format prescribed herein above, for the month they start issuing ODIs/PNs. Hence, quarterly 'Nil' reporting is being done away with.

Threshold for reporting of non-proprietary indices and custom baskets:-

7. It is to be clarified that the threshold for non-proprietary indices (eg MSCI World or MSCI EM Asia) shall be taken as 20%, i.e. those trades need not be reported in which the materiality of Indian underlyers is less than 20% of the index, even if such exposure was hedged onshore. However, custom baskets would always be reportable if hedged onshore regardless of percentage of the Indian component that is hedged onshore.

Manner of submission:-

8. The above-mentioned reports shall be submitted in a password secured excel format. The e-mail should be sent only by the compliance officer of the respective FII to the dedicated e-mail ID – odireporting@sebi.gov.in with the subject line "ODI/PN Report of [FII Name and Registration No.] for the month of [...]". Please note that the password should be sent in a subsequent e-mail.

Effective Dates: -

9. The first such monthly summary report shall be submitted for the month of April, 2011 before 7th May, 2011. The first such Annexure A, B & C shall be submitted before 10th October, 2011 for the month of April, 2011.

10. This information in the format specified herein is being called for under Regulation 20 and 20A of the SEBI (Foreign Institutional Investors) Regulations, 1995.

11. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

A copy of this circular is available at the web page "F.I.I." on our website www.sebi.gov.in. The custodians are requested to bring the contents of this circular to the notice of their FII clients.

Yours faithfully,

Jeevan Sonparote
General Manager
+91-22-26449110
jeevans@sebi.gov.in

Enclosed: <http://www.sebi.gov.in/circulars/2011/odiformat.xls>

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PR No.10/2011

**SEBI TO HOST 2ND XBRL ASIAN WORKSHOP AND A
NATIONAL CONFERENCE ON XBRL**

SEBI and XBRL India, the Indian XBRL jurisdiction of XBRL International Inc (XII) facilitated by the Institute of Chartered Accountant of India, are co-hosting the second XBRL Asian Workshop on February 17th, 2011 at Mumbai. This will be followed by a National Conference on XBRL on February 18th 2011.

While the conference will be open to general public subject to registration, the participation in the workshop will be only through invitation. Regulatory bodies, Government authorities, Tax Agencies, XBRL Jurisdictions etc of Asian and Oceania region would be participating in the workshop. The details of the events are available at www.sebi.gov.in and <http://www.xbrl.org/in/xbrlconference/index.html>

eXtensible Business Reporting Language(XBRL) is the result of the quest for a solution in the area of business Reporting along with the capabilities of XML for electronically reporting of information. XBRL has emerged as a popular and effective alternative for reporting and analysis. In December 2008, the Indian XBRL Jurisdiction (XBRL India) was constituted by Institute of Chartered Accountants of India, as a formal forum for encouraging the adoption of XBRL in India. It is expected that the said workshop and the conference would provide a wonderful opportunity to all concerned to gain from the experience of foreign counterparts and to know the road map for implementation of XBRL in India.

Mumbai

January 17, 2011

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**VIEWS SOLICITED ON SEBI DISCUSSION PAPER
'OUTSOURCING OF ACTIVITIES RELATED TO
INTERMEDIATION SERVICES'**

SEBI has placed a discussion paper on 'Outsourcing of Activities related to the Intermediation Services' on its website for public comments, a copy of which is attached as ready reference.

The Discussion Paper proposes certain principles for outsourcing, and indicates activities presently being outsourced by the intermediaries along with the suggested list of activities which should not be outsourced by them.

Specific comments / suggestions are sought on the following:

- a. The principles for outsourcing,
- b. The activities which can be outsourced,
- c. The activities which cannot be outsourced,
- d. To whom the activities can be outsourced,
- e. The terms of outsourcing,
- f. Responsibilities and obligations of the intermediary and the third party in respect of the outsourced activity towards clients, regulator and market,

We seek your views/ suggestions on the Outsourcing of Activities related to the Mutual Fund, Portfolio Managers and Other Intermediaries and would appreciate to receive the same at sonia.baijal@icsi.edu by January 31, 2011 for sending to SEBI.

Attached: Discussion Paper on Outsourcing of Activities Related to Intermediation Services

CS DIPP UPDATE

**CONSOLIDATED FDI POLICY CIRCULAR- ISSUE OF THIRD
EDITION ON 31ST MARCH, 2011- REGARDING**

MOST IMMEDIATE

No. 5(1)/2011-FC-I
Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion

Udyog Bhawan, New Delhi-11
Dated 14 January, 2011st

**Subject: Consolidated FDI Policy Circular- issue of third edition on 31st
March, 2011- regarding**

Dear Sir/ Madam

The Department of Industrial Policy & Promotion had released the Circular 2 of 2010- Consolidated FDI Policy on 30.09.2010, effective from 01.10.2010. The Circular makes all information on FDI policy available at one place and subsumes Government's policy on FDI announced through earlier Press Notes/ Press Releases/ Clarifications issued by the Department, which were in force and effective as on 30.09.2010. It has been decided that the consolidated circular would be issued every six months to update the FDI policy. The circular is available on the Department's website at http://siadipp.nic.in/policy/fdi_circular/Fdi_circular_1_2010.pdf.

2. The next edition of Consolidated FDI Policy Circular i.e., Circular 1 of 2011 will be issued on 31st March, 2011, which will incorporate all the changes effected in FDI policy post issue of Circular 2 of 2010.

3. You are requested to give your comments on the Circular 2 of 2010, if any. Comments received in this Department by **15th February, 2011** will be duly considered for incorporation in the third edition of Consolidated FDI Policy document.

With regards

Yours sincerely
(Deepak Narain)
Director
Email: narain.d@nic.in

HOME

