CS Update

March 16, 2011

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PREVIOUS ISSUES ARE AVAILABLE AT THE FOLLOWING LINK:
http://www.icsi.edu/Member/CSUpdate/tabid/1635/Default.aspx

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FROM
ICSI
Interactive Meeting with Shri D K Mittal, Secretary, Ministry of Corporate Affairs at PHD Chamber of Commerce and Industry on 17th March, 2011 at 6:30 PM

The Ministry of Corporate Affairs has undertaken a number of forward looking initiatives towards providing a credible environment for doing business in India. In this direction, the Institute is organizing an Evening Interactive Session with Shri D K Mittal, Secretary, Ministry of Corporate Affairs for the members of the Institute on the recent initiatives of the Ministry of Corporate Affairs.

The Evening Interactive Session is scheduled to be held on March 17, 2011 at 6:30 PM at PHD Chamber of Commerce & Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi 110016 preceded by High Tea at 5:30 PM.

All members are cordially invited to attend and participate in the interactive session.

***************
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.

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

<table>
<thead>
<tr>
<th>Date of issue of Certificate of Practice</th>
<th>PCH required in 2008</th>
<th>PCH required in 2009</th>
<th>PCH required in 2010</th>
<th>Total PCH required in the block</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before April 1, 2008</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>40**</td>
</tr>
<tr>
<td>Apr. 1, 2008 to Sep. 30, 2008</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>40**</td>
</tr>
<tr>
<td>Oct. 1, 2008 to 31 Mar., 2009</td>
<td>0</td>
<td>12</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Apr. 1, 2009 to Sep. 30, 2009</td>
<td>0</td>
<td>12</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Oct. 1, 2009 to 31 Mar., 2010</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Apr. 1, 2010 to Sep. 30, 2010</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>On or After Oct.1, 2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* No carry forward of Programme Credit Hours shall be allowed from one block of three years to another block of three years.
** Members are required to obtain twelve programme credit hours in each year or a total of 40 PCH in the entire block

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

ENHANCEMENT OF FEES

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

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

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

***************************************************************************
INSTITUTE’S NEW PUBLICATIONS

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

or

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

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

February 22, 2011

Dear Member

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

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

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

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

About CISI (erstwhile SII)

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

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

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

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

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

Arrangement between the Institutes

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

Discounts/ rebates upto 30 to 50 % of International fee is offered to ICSI students and members for pursuing Certificate Programmes, International Operations Certificate

CISI has offered certain recognitions to ICSI students who have passed the ‘Executive Programme, which will facilitate their obtaining the ‘International Investment Administration Qualification (IAQ)’.

ICSI Centre for Corporate Governance Research & Training (CCGRT) at Navi-Mumbai has been offered accreditation as a training provider (ATP) to conduct direct training for CISI exams to those wishing to obtain CISI international qualifications.

CISI also provide its Members an opportunity to develop their competencies through :

- Free use of the CISI CPD scheme
- Access to free CPD seminars (local and outside India)
- Online access to webcasts and podcasts of previous CPD events
- Online archive of slides and transcripts of previous CPD events
- Free use of CISI Professional Refresher
- Free online version of the members’ magazine, Securities & Investment Review
- Free access to Infolink, the CISI’s online information resource library
- Online members’ directory
- Access to Integrity Matters, the CISI’s e-learning product, focusing on ethical dilemmas facing financial services practitioners
- A PDF of an CISI workbook of your choice on registering for membership

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

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

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

Regards

N K Jain
Secretary & CEO
Memorandum of Understanding

between

The Chartered Institute for Securities & Investment (CISI)

and

The Institute of Company Secretaries of India (ICSI)
The Chartered Institute for Securities & Investment (hereinafter also referred to as ‘CISI’), having its main office at 8 Eastcheap, London EC3R 8AQ;

and

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

Hereinafter referred to as ‘the parties’

1. Hereby agree to extend their collaboration (an original MOU having been signed in September 2008) to promote the recognition and uptake of CISI qualifications and CISI Membership to ICSI students and members in India.

2. Qualifications collaboration

2.1 The ICSI will offer units of CISI qualifications in capital markets, commodity markets, fund management, wealth management and investment banking as an elective both to their students studying for the ICSI qualification and to full ICSI members, as follows:

CISI Certificates programme in:

Securities
Derivatives
Financial Derivatives
Commodity Derivatives
International Wealth Management
International Investment Management
Risk in Financial Services
Principles of Financial Regulation
International Introduction to Investment Award – stand-alone award

International Operations Certificate
(also known as IOC) global units

(Modular exam of three units):
International Introduction to Securities and Investment
Asset Servicing
Exchange Traded Derivatives Administration
Global Securities Operations
Operational risk
Over-The-Counter (OTC) Derivatives administration
Risk in Financial Services
Principles of Financial Regulation

Advanced Certificates in:
Operational Risk
Global Securities Operations

CISI Diploma units:
Interpretation of Financial Statements
Fund Management
Financial Derivatives

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

[Signature]

CISI®
<table>
<thead>
<tr>
<th>CISI Modules</th>
<th>Rebate offered to ICSI Students (on full International price)</th>
<th>Rebate offered to ICSI Members (on full International price)</th>
<th>Full International Prices (Subject to change every April)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities</td>
<td>30%</td>
<td>£5</td>
<td>£190</td>
</tr>
<tr>
<td>Derivatives</td>
<td>30%</td>
<td>£5</td>
<td>£190</td>
</tr>
<tr>
<td>Financial Derivatives</td>
<td>50%</td>
<td>50%</td>
<td>£160</td>
</tr>
<tr>
<td>Commodity Derivatives</td>
<td>50%</td>
<td>50%</td>
<td>£190</td>
</tr>
<tr>
<td>International Wealth Management</td>
<td>50%</td>
<td>50%</td>
<td>£190</td>
</tr>
<tr>
<td>International Investment Management</td>
<td>30%</td>
<td>£5</td>
<td>£190</td>
</tr>
<tr>
<td>Risk in Financial Services</td>
<td>30%</td>
<td>£5</td>
<td>£190</td>
</tr>
<tr>
<td>Principles of Financial Regulation</td>
<td>30%</td>
<td>£5</td>
<td>£160</td>
</tr>
<tr>
<td>International Introduction to Investment Award – stand-alone award</td>
<td>50%</td>
<td>£5</td>
<td>£118</td>
</tr>
</tbody>
</table>
### International Operations Certificate (also known as IOC) global units (Modular exam of three units):

<table>
<thead>
<tr>
<th>Course</th>
<th>Pass Percentage</th>
<th>Fee</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Introduction to Securities and Investment</td>
<td>50%</td>
<td>£5</td>
<td>£118</td>
</tr>
<tr>
<td>Asset Servicing</td>
<td>30%</td>
<td>£5</td>
<td>£118</td>
</tr>
<tr>
<td>Exchange Traded Derivatives Administration</td>
<td>30%</td>
<td>£5</td>
<td>£118</td>
</tr>
<tr>
<td>Global Securities Operations</td>
<td>30%</td>
<td>£5</td>
<td>£118</td>
</tr>
<tr>
<td>Operational Risk</td>
<td>30%</td>
<td>£5</td>
<td>£118</td>
</tr>
<tr>
<td>Over-The-Counter (OTC) Derivatives administration</td>
<td>30%</td>
<td>£5</td>
<td>£118</td>
</tr>
<tr>
<td>Risk in Financial Services</td>
<td>30%</td>
<td>£5</td>
<td>£190</td>
</tr>
<tr>
<td>Principles of Financial Regulation</td>
<td>30%</td>
<td>£5</td>
<td>£160</td>
</tr>
</tbody>
</table>

### Advanced Certificates in:

<table>
<thead>
<tr>
<th>Course</th>
<th>Pass Percentage</th>
<th>Fee</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Risk</td>
<td>30%</td>
<td>£5</td>
<td>£235</td>
</tr>
<tr>
<td>Global Securities Operations</td>
<td>30%</td>
<td>£5</td>
<td>£235</td>
</tr>
</tbody>
</table>

### CISI Diploma units:

<table>
<thead>
<tr>
<th>Course</th>
<th>Fee</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpretation of Financial Statements</td>
<td>£5</td>
<td>£290 + invigilation</td>
</tr>
<tr>
<td>Fund Management</td>
<td>£5</td>
<td>£290 + invigilation</td>
</tr>
<tr>
<td>Financial Derivatives</td>
<td>£5</td>
<td>£290 + invigilation</td>
</tr>
</tbody>
</table>
2.3 Candidates enrolling for examinations for any CISI qualifications programme in India receive as part of their examination fee:
   - an electronic Workbook sent to the candidate at point of payment for the examination.
   - one year’s free Student Membership of CISI

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

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

3. Recognition for ICSI Qualifications

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

3.2 In line with the CISI’s Exemption Policy, detailed on the CISI website at www.cisi.org/qualifications >Booking and results > Exemptions an exemption fee of £10 will be payable by ICSI students who have successfully passed ICSI Executive Programme and who request an exemption against the ‘Introduction to Securities & Investment unit’ of the IOC™.
3. ICSI students applying for the exemption will need to complete an Exemption form available on the CISI website and submit that, along with the exemption fee when booking for the technical units of the IOC examination(s) in order to achieve their CISI certification.

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

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

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

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

5. Membership

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

5.2 CISI offers membership at ACSI level to ICSI members for which no initial joining fee will be charged. Initial membership fees are charged on a pro-rata basis dependent on the month of joining and on renewal at the International rate listed on the CISI price list at: www.cisi.org/prices
5.3 ICSI members applying for CISI Student (not through CISI exams) & Associate membership, application will need to complete application forms and attach a copy of their ICSI certificate to the form (or for those who are still ICSI students, confirmation of registration with ICSI for their course of study).

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

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

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

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

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

5.7 Each party will publicise the Membership collaboration in any publicity or membership materials produced by either party and on their respective websites. CISI will publicise the membership offering on the India page in the Global Presence section of its website.
5.8 CISI will also offer automatic membership at ACSI level to ICSI members at the level for international membership fee renewals (currently discounted by 25% discount on the price of the UK fee and 50% on price of the annual renewal fee). There is, additionally, no initial joining fee for ICSI members.

6. Government Approval

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

7. Intellectual Property

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

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

8. Service of Notice

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

9. Arbitration

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

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

11. Review and Termination
11.1 This agreement will be reviewed, as agreed by both parties, every two
   years.

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

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

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

(Simon Cullhane)
Chief Executive Officer

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

(N K Jain)
Secretary & Chief Executive Officer

Witness: D Taylor
Executive CISI

CISI®
### Appendix A

**MCSI by experience (International Applicants) - Points system**

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

**Points system used by CISI:**

- 11 points or above: Normally acceptable - formal ratification through Membership Committee
- 9 to 10 points: Borderline case - referred to local advisory board for decision
- 8 points or below: Not acceptable but offered ACSI if they meet requirements

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

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*Signature:*

CISI®
MEMORANDUM OF UNDERSTANDING BETWEEN ICSI AND UNITED STOCK EXCHANGE OF INDIA LTD.(USE)

March 07, 2011

Dear Member

Sub : Memorandum of Understanding between ICSI and United Stock Exchange of India Ltd.(USE)

The Institute entered into an MOU with United Stock Exchange of India Ltd. on March 07, 2011

United Stock Exchange of India Limited (USE) is India’s newest stock exchange and has been promoted by 21 Indian public sector banks, private banks and corporate houses.

The areas of collaboration under MOU include:

1) Holding and organizing seminars on financial markets and corporate governance to empower the users.
2) Creating infrastructure of knowledge based technical studies on financial markets.
3) Creating awareness about the complex financial instruments and using derivatives for effective hedging keeping accounting standards in perspective.
4) Conduct various kinds of certification programmes and literature on financial markets and corporate governance.
5) Hosting events such as simulation exercises (mock trading on exchanges), seminars, and training in financial markets to empower ICSI members and general investing public in rightfully analyzing the financial markets.
6) Conducting research and other related activities in financial markets and impact of corporate laws and Secretarial standards on financial markets.
7) Imparting and conducting special training and education programmes in financial markets.
8) Organizing short term courses on various asset classes, currency, interest rates, commodity, debt, mutual funds, and derivatives.
9) Organizing panel discussions, webcasting and presentation of experts on various aspects of financial markets and using electronic media for imparting knowledge.

10) Collaborating for joint certification of ICSI professionals on topics of professional interest.

11) Membership of United Stock Exchange of India is available free of cost to all ICSI Members for the first three months from the signing of this MOU.

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

Regards

N K Jain
Secretary & CEO
Memorandum of Understanding

between

United Stock Exchange of India Ltd. (USE)

and

The Institute of Company Secretaries of India (ICSI)
Memorandum of Understanding for Knowledge Partnership between United Stock Exchange of India Ltd. (USE), Mumbai and The Institute of Company Secretaries of India (ICSI), New Delhi.

This association records the following understanding between United Stock Exchange of India Ltd. (hereinafter referred to as “USE”) having its Headquarters at C7, 2nd Floor - Laxmi Towers, Bandra Kurla Complex, Mumbai - 400051 represented by Mr. Saurav Arora, President, Marketing and Business Development, USE and The Institute of Company Secretaries of India (hereinafter referred to as “ICSI”) having its Headquarters at ICSI House, 22, Institutional Area, Lodhi Road, New Delhi, 110 003 represented by Mr. N K Jain, Secretary & CEO, The ICSI.

“USE” and “ICSI” understand and realize the high growth potential of the Indian Financial markets and agree to collaborate in variety of educative initiatives. “USE” and “ICSI”, over a period of time, as per mutual understanding and convenience, shall explore opportunities for collaboration such as:-

1) Holding and Organizing seminars on financial markets and corporate governance to empower the users.
2) Creating infrastructure of knowledge based technical studies on financial markets.
3) Creating awareness about the complex financial instruments and using derivatives for effective hedging keeping accounting standards in perspective.
4) Conduct various kinds of certification programmes and literature on financial markets and corporate governance.
5) Hosting events such as simulation exercises (mock trading on exchanges), seminars, and training in financial markets to empower ICSI members and general investing public in rightfully analyzing the financial markets.
6) Conducting research and other related activities in financial markets and impact of corporate laws and Secretarial standards on financial markets.
7) Imparting and conducting special training and education programmes in financial markets.
8) Organizing short term courses on various asset classes, currency, interest rates, commodity, debt, mutual funds, and derivatives.
9) Organizing panel discussions, webcasting and presentation of experts on various aspects of financial markets and using electronic media for imparting knowledge.
10) Collaborating for joint certification of ICSI professionals on topics of professional interest.

Role and responsibility of each partner will be decided on the basis of nature of the proposed events/seminars/assignments to be organized jointly.

Terms and Conditions

Terms and conditions shall be mutually agreed between parties on a case to case basis. ICSI shall provide institutional support and facilitate interface/interactions with its members. USE would bear the cost and arrange for the content.

Intellectual property and its ownership

“USE” and “ICSII hereby agree to respect and protect each other’s rights to intellectual property, including, but not limited to, business processes, know-how, inventions, ideas, programmes, concepts, discoveries, confidential information, trade marks, or improvements, additions, research efforts relating to any of the above, or names that can be registered as a trademark, patent, copyright, service mark or otherwise of each Party.

[Signature]

ICSII
Intellectual property and other rights owned solely by one Party shall and shall be deemed to vest solely and exclusively in that Party and they shall remain the property of such Party.

In case where the intellectual property is developed jointly, rights over such property shall be governed by an agreement or understanding arrived at by both the parties before undertaking the assignment.

However, the courseware or study material shall be co-branded if it is used in any of the joint events organized under this agreement.

**Tenure and Termination**

The tenure of the association would be for a period of 3 (three) years from the date of signing. The MOU can be extended for increments of 3 (three) years thereafter on mutually agreed terms and conditions. Either Party may in its absolute discretion, whether during the initial period of 3 (three) years, terminate this association by giving at least one month notice in writing, which will however be subject to compliance with completion of all commitments already made. Notwithstanding any such termination, both parties shall ensure that all activities in progress are completed successfully.

**Confidentiality**

The parties acknowledge that during the negotiations and subsistence of this association, each Party may be required to disclose certain information which shall be confidential and proprietary to the disclosing Party and therefore undertake not to disclose the same to any other party and/or any third party during the subsistence of this association and for a further period of 2 (two) years after the termination/expiry of this association except under any compulsion of law. The obligation of this Clause shall survive the termination of this association.
Free Membership

Membership of United Stock Exchange will be available free of cost to all “ICSI” members for first three months from the signing of this MOU.

This association is an indicative arrangement of partnership between “USE” and “ICSI” to work closely to move in the right direction. Going forward, this association could be made more comprehensive to include additional collaborative arrangements to fulfill the objectives, as desired from this association.

United Stock Exchange of India Ltd. (USE)                        The Institute of Company Secretaries of India

Name : Mr. Saurav Arora                                      Name : Mr. N K Jain
Title : President, Marketing and Business Development, USE         Title : Secretary & CEO
                      The ICSI
Date : 7th March, 2011                                      Date : 7th MARCH, 2011

By signing this document, I also confirm that I am authorized to sign on behalf of “United Stock Exchange of India Ltd.”

Mr. Saurav Arora
President
Marketing and Business Development
United Stock Exchange of India Ltd.

By signing this document, I also confirm that I am authorized to sign on behalf of “The Institute of Company Secretaries of India”

Mr. N K Jain
Secretary & CEO
The Institute of Company Secretaries of India
MCA UPDATE
COMPANIES (NAME AVAILABILITY) RULES, 2011

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

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

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

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

(i) Name of a company in existence; or

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

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

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

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

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

(iv) The proposed name is not offensive to any section of people, e.g., proposed name does not contain profanity or words or phrases that are generally considered a slur against an ethnic group, religion, gender or heredity;
(v) he has gone through all the prescribed guidelines, given in these Rules, understood the meaning thereof and the proposed name(s) is/are in conformity thereof;

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

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

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

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

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

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

7. The name if made available to the applicant, shall be reserved for sixty days from the date of approval and further extension of thirty days with revalidation application and fees. If, the proposed company has not been incorporated within such period, the name shall be lapsed and will be available for other applicants.
8. Even after incorporation of the company, the Central Government has the power to direct the company to change the name under section 22 of the Companies Act, 1956, if it comes to his notice or is brought to his notice through an application that the name too nearly resembles that of another existing company or a registered trademark.

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

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

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

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

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

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

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

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

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

(ix) The addition of an internet related designation, such as .COM, .NET, .EDU, .GOV, .ORG, .IN does not make a name distinguishable from another, even where (.) is written as ‘dot’;
(x) The addition of words like New, Modern, Nav, Shri, Sri, Shree, Sree, Om, Jai, Sai, The, etc. does not make a name distinguishable from an existing name such as New Bata Shoe Company, Nav Bharat Electronic etc. Similarly, if it is different from the name of the existing company only to the extent of adding the name of the place, the same shall not be allowed. For example, ‘Unique Marbles Delhi Limited’ can not be allowed if ‘Unique Marbles Limited’ is already existing;

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

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

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

10. Guidelines for availability of name

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

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

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

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

(iv) Abbreviated name such as ‘ABC limited’ or ‘23K limited’ cannot be given to a new company. However the companies well known in their respective field by abbreviated names are allowed to change their names to abbreviation of their existing name (for Delhi Cloth Mills limited to DCM Limited, Hindustan Machine Tools limited to HMT limited) after following the requirement of Section 21 of the Companies Act, 1956;
(v) If the proposed name is identical to the name of a company dissolved as a result of liquidation proceeding should not be allowed for a period of 2 years from the date of such dissolution since the dissolution of the company could be declared void within the period aforesaid by an order of the Court under section 559 of the Act. Moreover, if the proposed name is identical with the name of a company which is struck off in pursuance of action under section 560 of the Act, then the same shall not be allowed before the expiry of 20 years from the publication in the Official Gazette being so struck off since the company can be restored anytime within such period by the competent authority;

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

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

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

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

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

<table>
<thead>
<tr>
<th>S.No</th>
<th>Key Words</th>
<th>Required authorized capital (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporation, corp, corpn, corp.</td>
<td>25 crore</td>
</tr>
</tbody>
</table>
2. international, Globe, Global, World, Overseas, Universe, Universal, Continent, Continental, InterContinental, Asiatic, Asia, Asian being the first word of the name

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

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

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

6. Industries/ Udyog


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MCA HAS CLARIFIED THAT REVISED SCHEDULE VI WOULD BE EFFECTIVE FROM THE DATE OF ITS NOTIFICATION/DATE OF PUBLICATION IN THE GAZETTE. THIS DATE WILL BE INFORMED SHORTLY.[MCA/15/03/2011]
General Circular No. 6/2011

F.No. 17/56/2011-CL-V

Government of India
Ministry of Corporate Affairs

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

Dated 8 March, 2011

To
All Regional Directors
All Registrar of Companies
All Official Liquidators

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

Sir,

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

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

1. Only Form-1 shall be approved by the RoC Office. Form 18 and 32 shall be processed by the system online.

2. There shall be one more category, i.e., Incorporation Forms (Form 1A, Form 37, 39, 44 and 68) which will have the highest priority for approval.

3. Average time taken for incorporation of company should be reduced to one (1) day only.

4. A Notification to notify minor changes in e-forms 18 and 32 to enable them to be taken on record through STP mode for aforesaid procedure is being issued separately.

Yours faithfully,
(Seema Rath)
Assistant Director (Inspection)
Tele: 011-23387263

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PAYMENT OF MCA FEES THROUGH ELECTRONIC MODE

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

5th Floor, A Wing, Shastri Bhavan
Dr. R.P. Road, New Delhi-110001
Dated 9th March, 2011

CIRCULAR

Sub: Payment of MCA fees – electronic mode-regarding

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

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

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

Yours faithfully,

(Nirupama Kotru)

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

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

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

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

March 08, 2011

Dear Professional Colleagues,

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

Section 5 deals with Combination (threshold limits).
Section 6 deals with Regulation of Combinations
Section 20 deals with Inquiry into Combination by Commission
Section 29 deals with procedure for investigation of combination
Section 30 deals with procedure in case of notice under Section 6(2)
Section 31 deals with orders of the commission on certain combinations

Highlights of the notifications

➢ The notification exempts an enterprise, whose control, shares, voting rights or assets are being acquired has assets of the value of not more than Rs. 250 crores or turnover of not more than Rs. 750 crores, from the provisions of section 5 of the Competition Act 2002 for a period of five years.
➢ The notification exempts the ‘Group’ exercising less than fifty per cent of voting rights in other enterprise, from the provisions of section 5 of the Competition Act 2002 for a period of five years.
➢ The notification enhances the value of assets and the value of turnover, by fifty per cent for the purposes of section 5 of the Competition Act 2002 on the basis of the wholesale price index.

The notifications are available at the link

The draft Regulations are available at the link

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

Regards,

CS N K Jain
Secretary & CEO

************
DIN PROCESS – SIMPLIFIED – REG.

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

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

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

SUBJECT; DIN PROCESS – SIMPLIFIED – REG.

Sir,

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

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

1. Application for DIN will be made on eForm; No physical submission of documents shall be accepted and for this purpose Scanned documents along with verification by the applicant will be attached with the eForm. Only online fee payment will be allowed i.e. No challan payment

2. The application can also be submitted online by the applicant himself using his DSC.

3. DIN 1 eForm can be digitally signed by the professional who shall also confirm that he has verified the particulars of the Applicant given in the application.
4. Where the DIN 1 is verified by the professional, the DIN will be approved by the system immediately online.

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

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

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

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

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

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

Yours faithfully,
(Monica Gupta)
Assistant Director(Inspection)

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

***************
INDIAN ACCOUNTING STANDARDS CONVERGED WITH IFRS

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

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

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

General Circular No: 3/2011

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

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

Dated: 21 February, 2011

To
All Regional Directors
All Registrar of Companies


Sir,

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

Yours faithfully

(Jaikant Singh)
Director

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General Circular No: 2/2011

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

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

To
All Regional Directors
All Registrar of Companies

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

Sir,

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

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

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

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

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

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

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

(vi) The holding as well as subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them;
(vii) The company shall give Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiary companies along with exchange rate as on closing day of the financial year;

Yours faithfully

(Jaikant Singh)

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

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

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

SOURCE: www.llp.gov.in/22/02/2011
LLP SHALL MANDATORILY FILE FORM 3 AND FORM 4 WITHIN 30 DAYS OF INCORPORATION & FORM 7 SHALL BE DIGITALLY SIGNED BY APPLICANT'S OWN DSC.

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

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

SOURCE: www.llp.gov.in /22/02/2011
MCA NOTIFICATIONS ON GENERAL EXEMPTIONS U/S 211 AND APPLICABILITY OF SCH. XIII IN CASE OF UNLISTED COMPANIES

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

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

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

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

Section 212 of the Companies Act, 1956 requires holding companies to attach with their balance sheet a copy of the balance sheet, profit and loss account etc. of each of its subsidiaries. The Ministry has been granting permission not to attach the account of subsidiaries on case-by-case basis on the basis of certain conditions which are
intended to protect the interests of investors. The Ministry has vide its general circular no. 1/2011 decided that the permission may be granted on a general basis wherever the Board of Directors of the holding company gives its consent and the conditions prescribed by the Ministry are complied with. Details are available at the link http://mca.gov.in/Ministry/pdf/Circular_08feb2011.pdf

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

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

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

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

Government of India
Ministry of Corporate Affairs
NOTIFICATION

New Delhi; the 8th February, 2011

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

(i) the Public Financial Institutions shall make the complete disclosures about investments in the balance sheet in respect of the following, namely: -

(a) immovable property;
(b) capital of Partnership firms;
(c) all unquoted investments and;
(d) investments in subsidiary companies.

(ii) the Public Financial Institutions shall disclose the total value of quoted investments in each of the following respective categories, namely:-

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

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

(v) all unquoted investments shall be separately shown;

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

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

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

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

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Dear Professional Colleagues,

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

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

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

Regards,

Yours sincerely,

CS N K Jain
Secretary & CEO
To
All Regional Director,
All Registrar of Companies.

Subject: Easy Exit Scheme, 2011

Sir,

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

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

Yours faithfully,

(Monika Gupta)
Assistant Director

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INTRODUCTION OF ANNUAL RETURN ON FOREIGN LIABILITIES AND ASSETS REPORTING AND DISCONTINUATION OF PART B OF FORM FC-GPR[RBI/15.03.2011]

RBI/2010-11/427
A.P. (DIR Series) Circular No. 45

March 15, 2011

To
All Category - I Authorised Dealer Banks

Madam / Sir,

Introduction of Annual return on Foreign Liabilities and Assets reporting by Indian Companies and discontinuation of the Part B of form FC-GPR

Attention of the Authorised Dealer Category – I (AD Category – I) banks is invited to A. P. (DIR Series) Circular No.40 dated April 20, 2007 wherein, it was, inter-alia, stipulated that Part B, which is an annual return of all investments made in the company during a financial year, is required to be submitted directly by the Company to the Director, Balance of Payment Statistics Division, Department of Statistics and Information Management, Reserve Bank of India, C-9, 8th floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, by June 30th of every year.

2. In order to capture the statistics relating to Foreign Direct Investment (FDI), both inward and outward in a more comprehensive manner as also to align it with international best practices, it has been decided to replace Part B of the Form FC-GPR by a separate ‘Annual Return on Foreign Liabilities and Assets’ given as Annex-I. The return should be submitted by July 15 of every year to the Director, Balance of Payment Statistics Division, Department of Statistics and Information Management (DSIM), Reserve Bank of India, C-9, 8th floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Further, the return should be submitted by all the Indian companies which have received FDI and/or made FDI abroad (i.e. overseas investment) in the previous year(s) including the current year. The Annex –II gives the concepts and definitions useful in filling the Annual Return on Foreign Liabilities and Assets.

3. These directions will come into force with immediate effect. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Meena Hemchandra)
Chief General Manager-in-Charge

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AMENDMENTS TO THE PREVENTION OF MONEY LAUNDERING RULES, 2005[RBI/15.03.2011]

RBI/ 2010-11/425UBD. BPD. (PCB) No. 38 /12.05.001/2010-11

March 15, 2011

The Chief Executive Officer
All Primary (Urban) Co-operative Banks

Dear Sir,

Amendments to the Prevention of Money Laundering Rules, 2005


Yours faithfully,

(Uma Shankar)
Chief General Manager
Enc: As above

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New Delhi, the 16th December, 2010

GSR (E) – In exercise of the powers conferred by sub-section (1) read with clauses (h) (i), (j) and (k) of sub-section (2) of Section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following amendments to the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, namely:--:

(1) (1)These rules may be called the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Third Amendment Rules, 2010.
(2) They shall come into force on the date of their publication in the Official Gazette.


(a) in rule 2,-

(i) after clause (b), the following clause shall be inserted, namely:-

“(bb) “Designated Officer” means any officer or a class of officers authorized by a banking company, either by name or by designation, for the purpose of opening small accounts”.

(ii) in clause (d), for the words “the Election Commission of India or any other document as may be required by the banking company or financial institution or intermediary”, the words “Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government, the letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number or any other document as notified by the Central Government in consultation with the Reserve Bank of India or any other document as may be required by the banking companies, or financial institution or intermediary” shall be substituted;

(iii) after clause (fa), the following clause shall be inserted, namely:-

“(fb) “small account” means a savings account in a banking company where-

(i) the aggregate of all credits in a financial year does not exceed rupees one lakh,

(ii) the aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand, and;

(iii) the balance at any point of time does not exceed rupees fifty thousand”.

(b) In rule 9, after sub-rule (2), the following sub-rule shall be inserted, namely:-

“(2A) Notwithstanding anything contained in sub-rule (2), an individual who desires to open a small account in a banking company may be allowed to open such an account on production of a self-attested photograph and affixation of signature or thumb print, as the case may be, on the form for opening the account.

Provided that –

(i) the designated officer of the banking company, while opening the small account, certifies under his signature that the person opening the account has affixed his signature or thumb print, as the case may be, in his presence;
(ii) a small account shall be opened only at Core Banking Solution linked banking company branches or in a branch where it is possible to manually monitor and ensure that foreign remittances are not credited to a small account and that the stipulated limits on monthly and annual aggregate of transactions and balance in such accounts are not breached, before a transaction is allowed to take place;

(iii) a small account shall remain operational initially for a period of twelve months, and thereafter for a further period of twelve months if the holder of such an account provides evidence before the banking company of having applied for any of the officially valid documents within twelve months of the opening of the said account, with the entire relaxation provisions to be reviewed in respect of the said account after twenty four months.

(iv) a small account shall be monitored and when there is suspicion of money laundering or financing of terrorism or other high risk scenarios, the identity of client shall be established through the production of officially valid documents, as referred to in sub rule ( 2) of rule 9"; and

(v) foreign remittance shall not be allowed to be credited into a small account unless the identity of the client is fully established through the production of officially valid documents, as referred to in sub-rule (2) of rule 9.”

(Notification No.14/2010/F.No.6/2/2007-ES)

(S.R. Meena)
Under Secretary

Note : The principal rules were published in Gazette of India, Extraordinary, Part-II, Section 3, Sib-Section (i) vide number G.S.R.444 (E), dated the 1st July, 2005 and subsequently amended by number G.S.R.717 (E), dated the 13th December, 2005, number G.S.R. 389(E), dated the 24th May, 2007, number G.S.R. 816(E), dated the 12th November, 2009, number G.S.R.76 (E), dated the 12th February, 2010 and number G.S.R. 508(E), dated the 16th June, 2010.

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