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- MANDATORY E-FILING OF CENTRAL EXCISE RETURNS IN ACES (CBEC dated 15.09.2011)

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

Disclaimer: - 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.
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FROM

ICSI
CS Update  September 21, 2011

39th National Convention of Company Secretaries

Dates
October 13-14-15, 2011

Venue
Jaypee Palace Hotel & Convention Centre, Agra

THEME
Corporate Dynamism and Innovative Professionalism

Sub Themes
- Dynamic Business Environment, Innovation and Risk Management
- Regulatory Convergence, Technology and Innovative Professionalism
- From Compliance to Creative Solutions – Vision 2020 challenges
- Leveraging Globalisation for Trade in Professional Services
- Harmonisation of Companies Bill, vis-à-vis other Corporate Laws

Further details of the Convention and delegate registration form available at the link:

*****************

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CS Update  September 21, 2011

6th INTERNATIONAL PROFESSIONAL DEVELOPMENT FELLOWSHIP PROGRAMME-2011

Details can be accessed at:

For AUSTRALIA (18TH -27TH NOVEMBER 2011)

http://www.icsi.edu/Webmodules/LinksofWeeks/6InFellowship.doc

For Optional Tour to Newzeland thereafter (27th - 2nd December, 2011)

http://www.icsi.edu/Webmodules/LinksofWeeks/NZ15092011.doc

***************************************************************************
CS Update  September 21, 2011

RECORDING OF WEBCAST ON XBRL ARRANGED BY ICSI

Details can be accessed at:

http://www.streamonweb.com/ICSI/archivals
**Programme on XBRL**

| Introduction and Objective | The Ministry of Corporate Affairs has issued various General Circulars (the recent being Circular No. 57/2011 dated 28\textsuperscript{th} July 2011) mandating certain class of companies to file, on or before 30\textsuperscript{th} November 2011, their balance sheets & profit and loss account in respect of financial statements closing on or after 31.03.2011 by using XBRL taxonomy.

The Manual for filing financial statements in XBRL form in MCA21 system is given at the XBRL section of the MCA portal.

MCA has also clarified that the verification and certification of the XBRL document of financial statements on the e-forms would continue to be done by authorized signatory of the company as well as professionals like Company Secretary in whole-time practice.

Considering the above, ICSI-CCGRT is organising this program particularly for the benefit of its Members, to acquaint them with the intricacies and practical aspects involved in XBRL filing. |

| Day, Date & Timing | Friday, September 23, 2011 from 05.00 p.m to 07.30 p.m followed by Dinner
Saturday, September 24, 2011 from 09.30 a.m to 05.30 p.m |

| Venue | A/C Conference Hall of ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614 |

| Proposed Coverage | • Introduction to XBRL filing
• Concept of XBRL Reporting
• Demonstration of XBRL filing |

| Faculty | Eminent faculty with practical exposure to the subject will be addressing the participants. |

| Participant Mix | Primarily Company Secretaries and Finance Professionals |

| Fees | Members of ICSI Rs. 3000/- per participant
Others Rs. 3500/- per participant
Concessional fees Rs. 2500/- per participant for Annual Members |

Fees includes the cost of program kit, lunch, dinner on the first day, background material and other organisational expenses.

For Prior registration : Fee may be paid by local cheque/DD payable at Mumbai in favour of “ICSI-CCGRT A/c” sent to: Shri Gopal Chalam, Dean, ICSI-CCRT, Plot No. 101, Sector – 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614, Ph : 022-27577814/15, 022- 4102 1515 email : ccgrt.icsi@gmail.com, ccgrt@icsi.edu

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PCH - 4

<table>
<thead>
<tr>
<th>Programme on DERIVATIVE</th>
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<tbody>
<tr>
<td><strong>Day, Date &amp; Time</strong></td>
</tr>
<tr>
<td><strong>Venue</strong></td>
</tr>
<tr>
<td><strong>Focus of Coverage</strong></td>
</tr>
<tr>
<td><strong>Principal Faculty</strong></td>
</tr>
<tr>
<td><strong>Fees</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

For Registration : The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of “ICSI-CCGRT A/c” and sent to The Dean, ICSI-CCGRT, Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614. ☎ 022–2757 7814/15, Fax–022–2757 4384, email: ccgrt@icsi.edu

******************
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The Institute has always been in the frontline to promote good corporate governance and it has been the constant endeavour of the Institute to raise awareness among the members and students in Corporate Governance arena. This watch gives an update of the latest happenings in the area of Corporate Governance and Corporate Social Responsibility.

**NEW DEVELOPMENTS**

1. **Code for Responsible Investing in South Africa’ (CRISA) 19 July 2011**

The Code for Responsible Investing in South Africa (CRISA) was launched by Committee on Responsible Investing by Institutional Investors in South Africa in order to encourage institutional investors to integrate into their investment decisions sustainability issues such as environmental, social and governance (ESG). It aims to provide the investor community with the guidance needed to give effect to the King Report on Corporate Governance South Africa (King III) as well as the United Nations-backed Principles for Responsible Investment (PRI) initiative. Both require institutional investors to consider ESG issues in their investment.

It applies to institutional investors such as pension funds and insurance companies as the owners of assets, and their service providers including asset managers and consultants. It encourages institutional investors and service providers to adopt its principles and practice recommendations on an “apply or explain” basis. The effective date for reporting on the application of CRISA is 1 February 2012.

The King Code was written from the perspective of the board of the company as the focal point of corporate governance. CRISA is intended to give guidance on how the institutional investor should execute investment analysis and investment activities and exercise rights so as to promote sound governance.

Institutional investors and service providers are expected to adopt the principles and practice recommendations in CRISA on an “apply or explain” basis. Where there is conflict between CRISA and applicable legislation, the legislation will prevail.

The code contains five principles and practice recommendations for the institutional investors and service providers. If an institutional investor has not fully applied one of the Principles of the Code, the reasons should be disclosed. Disclosure as well as policies should be made public.

2. **International Integrated Reporting Committee (IIRC) Pilot Programme**

Integrated Reporting demonstrates the linkages between an organization’s strategy, governance and financial performance and the social, environmental and economic context within which it operates. By reinforcing these connections, it can help business to take more sustainable decisions and enable investors and other stakeholders to understand how an organization is really performing. It supports the creation of long-term sustainable value by bringing together financial and non-financial information on areas that are material to an organization’s strategy and business performance.

The International Integrated Reporting Committee (IIRC) was established to create a globally accepted integrated reporting framework which brings together financial, environmental, social and governance information in a clear, concise, consistent and comparable format.

IIRC has launched the Pilot Programme to bring together a group of leading companies across different industry sectors and geographies to test the initial proposals for an International Integrated Reporting Framework being developed by the IIRC. Through participation in the Programme, companies will develop an expertise in Integrated Reporting, supported by a network of peer-group companies with whom knowledge can be exchanged and experiences shared in applying the principles of the IIRC’s draft Integrated Reporting Framework.

Companies should register their interest in joining the Programme by emailing the expression of interest form to pilotprogramme@theiirc.org. The IIRC encourages early expression of interest. The programme commences in October 2011.

The Integrated Reporting Pilot Programme offers a select group of companies the opportunity to demonstrate global leadership in this emerging field of corporate reporting.

The Pilot Programme will underpin the development of the Integrated Reporting framework in 2011 and onwards. Through the Pilot Programme, the principles and practicalities of Integrated Reporting will be tried and tested, to support the creation a new global standard in Integrated Reporting. The Programme will consist of three phases:

1. **Dry run**
2. **Pilot Cycle 1**
3. **Pilot Cycle 2**

The Pilot Programme encompasses companies and the investor community, with expert support from the secretariat of the International Integrated Reporting Committee (IIRC) and peer group feedback from other participants in the Programme.

The details can be accessed at:

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GREEN IDEA

E-waste Management

Manage your e-waste responsibly.

Loosely discarded, surplus, obsolete, or broken electrical or electronic devices is e-waste.

Informal processing of electronic waste in developing countries causes serious health and pollution problems.

Contact nearest E-waste Management facility before dumping your e-waste.

Something Good:

Concept of ‘Paryavaran Ganapathi’ -- The Andhra Pradesh Pollution Control Board (APPCB) is advocating celebrating eco-friendly Ganesha Chaturthi through various awareness programmes and workshops to promote clay Ganesh idols and use of environment-friendly colours to protect the water bodies. APPCB has dispatched guidelines set by the Central Pollution Control Board (CPCB) to district collectors and departments concerned for compliance.

To Remember:

September 8 - International Literacy day
September 15- International Democracy Day
September 27- World tourism Day

Quote of the Month

"Until the poor become asset creators, we are not empowering them."

2011 Ramon Magsaysay Award winner Harish Hande on poverty reduction

Forthcoming Events

CSR Asia Summit --- The Summit is the annual flagship event of CSR Asia which aims to be the most innovative and thought-provoking gathering on corporate social responsibility in Asia. Themed “Asian Growth: Global Responsibility”, the conference will bring together over 400 international delegates to discuss key CSR issues and strategies, and provide new insights for businesses, governments, CSR practitioners and NGOs.

--September 27th- 28th 2011– Hotel Istana, Kuala Lumpur, Malaysia.

Corporate Secretaries International Association --- First International Corporate Governance Conference – “Sustainable Corporate Governance – Towards a Global Model ?”

--21-23 September 2011- JW Marriott Hotel, Shanghai.
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OECD - Asian Roundtable on Corporate Governance and the Task Force on Board Nomination and Election

--3-4th October, 2011, Bali, Indonesia

Feedback & Suggestions

Readers may give their feedback and suggestions on this page to Mrs. Alka Kapoor, Joint Director, ICSI (alka.kapoor@icsi.edu)

Disclaimer:
The contents under CG & CSR: Watch have been collated from different sources. Readers are advised to cross check from original sources.

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CS Update
September 21, 2011

COMPLIANCE OF THE PROVISIONS OF COMPANIES
ACT, 1956 AND RULES MADE THEREUNDER

General Circular No. 64/2011
F. No. 17/146/2011-CL V
Government of India
Ministry of Corporate Affairs

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi,
Dated the 20th Sept, 2011

To
All Regional Director,
All Registrars of Companies.

Subject: Compliance of the provisions of Companies Act, 1956 and Rules
made thereunder

Sir,

Please refer to this Ministry’s earlier circular no. 63/2011 dated 6th September, 2011
on the subject cited above. In this regard, I am directed to say that the said circular
shall be implemented from 25th September, 2011.

Yours faithfully,
-Sd/-
(Sanjay Shorey)
Joint Director

Copy to:
1. All concerned
2. PS to CAM and PS to MOS
3. PPS to Secretary, Additional Secretary, Joint Secretaries

***************
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Details can be accessed at:

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---

CS Update
September 21, 2011

ANNUAL FILING 2011

MINISTRY OF CORPORATE AFFAIRS
GOVERNMENT OF INDIA

DEAR CORPORATES,

AS YOU ARE AWARE, THE LAST DATE FOR FILING OF YOUR COMPANY'S BALANCE SHEET AND ANNUAL RETURN FOR THE CURRENT YEAR IS FALLING DUE SOON. TO AVOID LAST MINUTE RUSH AND SYSTEM CONGESTION IN MCA21 DUE TO HEAVY FILING IN LAST 10 DAYS OF THE MONTHS OF OCTOBER AND NOVEMBER 2011, IT IS REQUESTED THAT FILING OF BALANCE SHEET AND ANNUAL RETURN MAY PREFERABLY BE DONE IN THE FOLLOWING ORDER:-

<table>
<thead>
<tr>
<th>Company Names starting with</th>
<th>September 2011</th>
<th>October 2011</th>
<th>November 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alphabets A to D</td>
<td>All days during the month</td>
<td>1st Oct to 05 Oct 2011</td>
<td>1st Nov to 05 Nov 2011</td>
</tr>
<tr>
<td>Alphabets R &amp; S</td>
<td>-do-</td>
<td>16th Oct to 20th Oct 2011</td>
<td>16th Nov to 20th Nov 2011</td>
</tr>
<tr>
<td>Remaining/Left out companies</td>
<td>-do-</td>
<td>26th Oct to 31st Oct 2011</td>
<td>26th Nov to 30th Nov 2011</td>
</tr>
</tbody>
</table>

KINDLY PLAN YOUR FILING ACCORDINGLY.

DURING THIS PERIOD, ROC FACILITATION CENTRES/ HELP DESKS WOULD GIVE PRIORITY IN EFILING/ANSWERING QUERIES OF COMPANIES FALLING UNDER THE ABOVE ALPHABETICAL ORDER.

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Plant a Tree

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Let’s go Green

CS Update  September 21, 2011

COMPLIANCE OF THE PROVISIONS OF COMPANIES ACT, 1956 AND RULES MADE THEREUNDER

General Circular No. 63/2011

F. No. 17/146/2011-CL V
Government of India
Ministry of Corporate Affairs

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi,
Dated the 6th Sept, 2011

To
All Regional Director,
All Registrars of Companies.

Subject: Compliance of the provisions of Companies Act, 1956 and Rules made thereunder

Sir,

The Ministry has issued General Circular No. 33/2011 dated 01.06.2011 wherein it was informed that in order to ensure corporate governance and proper compliances of provisions of Companies Act, 1956, no request, whether oral or in writing or through e-forms, for recording any event based information / changes shall be accepted by the Registrar of Companies from such defaulting companies, unless they file their updated Balance Sheet and Profit & Loss Accounts and Annual Return with the Registrar of Companies.

2. However, in the interest of stakeholders certain event based information /changes were being accepted by the Registrar from such defaulting companies. Now, on the requests received from various quarters of the corporates & professionals, following forms will also be accepted by the Registrar.

(a) Filing by Directors of defaulting Companies in respect of such companies:-

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form 2</td>
<td>Return of allotment</td>
</tr>
<tr>
<td>Form 3</td>
<td>Particulars of contract relating to shares allotted as fully or partly paid-up otherwise than in cash</td>
</tr>
<tr>
<td>Form 5</td>
<td>Notice of consolidation, division, etc. or increase in share capital or increase in number of members</td>
</tr>
<tr>
<td>Form 23</td>
<td>Registration of resolution(s) and agreement(s)</td>
</tr>
<tr>
<td>Form 61</td>
<td>Form for filing an application for compounding of offences</td>
</tr>
</tbody>
</table>

(b) Filing by Directors of defaulting Companies in respect of Companies having the status of Dormant Companies.
**CS Update**  
**September 21, 2011**

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<table>
<thead>
<tr>
<th>Form 61</th>
<th>Form for filing an application with Registrar of Companies for normalizing the company and compounding of offences.</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIN-3</td>
<td>Intimation of Director Identification Number by the company to the Registrar</td>
</tr>
<tr>
<td>Form 32</td>
<td><strong>(for appointment of signatory added through BO screen)</strong></td>
</tr>
<tr>
<td></td>
<td>Particulars of appointment of managing director, directors, manager and secretary and the changes among them or consent of candidate to act as a managing director or director or manager or secretary of a company and/or undertaking to take and pay for qualification shares</td>
</tr>
<tr>
<td>Form 21</td>
<td>Notice of the court or the company law board order</td>
</tr>
<tr>
<td>Form FTE</td>
<td>Application for striking off the name of company under the Fast Track Exit (FTE) Mode</td>
</tr>
</tbody>
</table>

(c) Filing by Directors of defaulting Companies in respect of Companies having the status as active in progress companies

<table>
<thead>
<tr>
<th>Form 61</th>
<th>Form for filing an application for compounding of offences</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Particulars of contract relating to shares allotted as fully or partly paid-up otherwise than in cash</td>
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<tr>
<td>Form 5</td>
<td>Notice of consolidation, division, etc. or increase in share capital or increase in number of members</td>
</tr>
<tr>
<td>Form 21</td>
<td>Notice of the court or the company law board order</td>
</tr>
<tr>
<td>Form 23</td>
<td>Registration of resolution(s) and agreement(s)</td>
</tr>
<tr>
<td>Form 61</td>
<td>Form for filing an application for compounding of offences</td>
</tr>
<tr>
<td>Form 23AC</td>
<td>Form for filing balance sheet and other documents with the Registrar</td>
</tr>
<tr>
<td>Form 23ACA</td>
<td>Form for filing Profit and Loss account and other documents with the Registrar</td>
</tr>
<tr>
<td>Form 20B</td>
<td>Form for filing annual return by a company having a share capital with the Registrar</td>
</tr>
<tr>
<td>Form 21A</td>
<td>Particulars of annual return for the company not having share capital</td>
</tr>
<tr>
<td>Form 66</td>
<td>Form for submission of compliance certificate with the Registrar</td>
</tr>
<tr>
<td>Form 23 B</td>
<td>Information by Auditor to Registrar</td>
</tr>
</tbody>
</table>
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CS Update  September 21, 2011

Form FTE  Application for striking off the name of company under the Fast Track Exit (FTE) Mode

3. This circular shall be effective from 18th Sept, 2011.

Yours faithfully,

-Sd/-
(Monika Gupta)
Assistant Director

Copy to:
1. All concerned
2. PS to CAM and PS to MOS
3. PPS to Secretary, Additional Secretary, Joint Secretaries

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CS Update  September 21, 2011

CLARIFICATION ON NOTIFICATION NO S.O. 447 (E) DATED 28.02.2011 ON REVISED SCHEDULE VI (SHALL BE EFFECTIVE FROM 01.04.2011)

General Circular No. 62/2011

F.No.17/244/2011-CL-V

Government of India

Ministry of Corporate Affairs

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

Dated: 05.09.2011

To

All Regional Directors
All Registrar of Companies
All Official Liquidators

Sub: Clarification on notification no. S.O. 447 (E) dated 28.02.2011 on Revised Schedule VI (shall be effective from 01.04.2011)

The undersigned is directed to refer to this Ministry’s notification no. S.O. 447 (E) dated 28.02.2011 regarding Revised Schedule VI of the Companies Act, 1956 and to say that clarification has been sought that during the current year, Ministry has amended the Schedule VI which is to take effect for accounts closing on 31st March 2012. During the Financial Year, in case companies intend to go for Initial Public Offer / Further Public Offer, they are expected to prepare accounts in the new schedule VI format. If previous figures are reclassified in accordance with new Schedule VI, this will pose enormous amount of administrative work and difficulty in making such changes besides making comparison with previous year unrealistic.

Contd...
2. The Ministry has examined this matter and clarifies that the presentation of Financial Statements for the limited purpose of IPO/FPO during the Financial Year 2011-12 may be made in the format of the pre-revised Schedule VI under the Companies Act, 1956. However, for period beyond 31st March 2012, they would prepare only in the new format as prescribed by the present Schedule VI of the Companies Act, 1956. Also the companies would ensure that it will prepare and file the Annual Accounts for the Financial Year 2011-12 as per revised Schedule VI of the Companies Act, 1956.

3. This issues with the approval of the Corporate Affairs Minister.

Yours faithfully

(J.N. Tikku)
Joint Director
Tele: 011-2338 1295
ONLINE INCORPORATION OF COMPANIES WITHIN 24 HOURS

General Circular No. 61/2011

No 2/10/2011-CL.V
Government of India
Ministry of Corporate Affairs
5th floor, ‘A’ Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated the 5th Sept, 2011

To,
All Regional Directors
All Registrar of Companies.

Sub: Online incorporation of companies within 24 hours

Sir,

Please refer to this Ministry’s General Circular No. 49/2011 dated 23rd July, 2011 intimating that this Ministry is simplifying the procedures under the procedures to enable promoters to get their companies incorporated online within 24 hours. It has been stated that in case the e-forms 1, 18, 32 and e-form for Memorandum of Association (MOA) and Articles of Association (AOA) have been certified by the practicing professional regarding the correctness of the information and declarations given by the subscribers, the application shall be processed electronically and the digital certificate of incorporation shall be issued immediately online by the Registrar of Companies.

2. The matter has been re-examined in the Ministry and it is decided that since now companies are being incorporated within 24-48 hours, on-line approval of incorporation forms i.e. STP mode of approval of e-forms 1, 18 and 32 on the basis of certification and declarations given by the practicing professional is not going to be implemented yet.

Yours faithfully,

-Sd/-
(Monika Gupta)
Assistant Director

Copy to:
1. All concerned
2. PS to CAM and PS to MOS
3. PPS to Secretary, Additional Secretary, Joint Secretaries

***************
CORRIGENDUM TO COMPANY LAW SETTLEMENT SCHEME, 2011

General Circular No. 60/2011

F. No. 2/11/2011-CL V
Government of India
Ministry of Corporate Affairs

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi,
Dated the 10th Aug, 2011

To

All Regional Director,
All Registrars of Companies.

Subject: Corrigendum to Company Law Settlement Scheme, 2011

Sir,

In continuation of the Ministry’s General Circular No. 59/2011 dated 5.8.2011 on the subject cited above, it is stated that the said scheme shall be applicable to Form 52 (filing of annual accounts by a foreign company) as foreign companies are included in the scheme.

2. All the terms and conditions of the General Circular No. 59/2011 dated 5.8.2011 will remain the same.

Yours faithfully,

-sd/-
(Kamna Sharma)
Assistant Director

Encl: As above

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COMPANY LAW SETTLEMENT SCHEME, 2011

General Circular No.59 /2011

F. No. 2/11/2011-CL V
Government of India
Ministry of Corporate Affairs
5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi,
Dated the 05th Aug, 2011

To

All Regional Director,
All Registrars of Companies.

Subject: Company Law Settlement Scheme, 2011

Sir,

It has been observed that a large number of companies are not filing their due statutory documents (i.e. Balance Sheets and Annual Returns) timely with the Registrar of Companies. Due to this, the records available in the electronic registry are not updated and thereby are not available to the stakeholders for inspection. Further, due to not filing the documents on time, companies are burdened with additional fee, facing the prosecutions and being debarred from filing other documents electronically as provided in Circular No. 33/2011 dated 01.06.2011 also.

2. In order to give an opportunity to the defaulting companies to enable them to make their default good by filing such belated documents and to become a regular compliant in future, the Ministry, in exercise of the powers under Section 611(2) and 637B (b) of the Companies Act, 1956 has decided to introduce a Scheme namely, “Company Law Settlement Scheme, 2011,” condoning the delay in filing documents with the Registrar, granting immunity from prosecution and charging additional fee of 25 percent of actual additional fee payable for filing belated documents under the Companies Act, 1956 and the rules made there under. The details of the Scheme are as under:-

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

(a) "Act" means the Companies Act, 1956 (1 of 1956);

(b) "company" means a company registered under the Companies Act, 1956 and a foreign company falling under section 591 of the Act;

(c) "defaulting company" means a company registered under the Companies Act, 1956 and a foreign company falling under section 591 of the Act, which has made a default in filing of documents on the due date(s) specified under the Companies Act, 1956 and rules made there under;

(d) "designated authority" means the Registrar of Companies having jurisdiction over the registered office of the company.

(iii) **Applicability** - Any "defaulting company" is permitted to file belated documents, which were due for filing till **30.06.2011**, in accordance with the provisions of this Scheme:

(iv) **Manner of payment of fees and additional fee on filing belated document for seeking immunity under the Scheme** - The defaulting company shall pay statutory filing fees as prescribed under the Companies Act and rules made there under along with an additional fee of 25 percent of the actual additional fee standardised under sub-section (2) of Section 611 of the Companies Act, 1956, payable on the date of filing of each belated document;

(v) **Withdrawal of appeal against prosecution launched for the offences** - If the defaulting company has filed any appeal against any notice issued or complaint filed before the competent court for violation of the provisions under the Act in respect of which application is made under this Scheme, the applicant shall before filing an application for issue of immunity certificate, withdraw the appeal and furnish the proof of such withdrawal along with the application;
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(vi) Application for issue of immunity in respect of document(s) filed under the scheme - The application for seeking immunity in respect of belated documents filed under the Scheme may be made electronically in the Form annexed, after closure of Scheme and after the document(s) are taken on file, or on record or approved by the Registrar of Companies as the case may be, but not after the expiry of six months from the date of closure of the Scheme. There shall not be any fee payable on this Form;

(vii) Order by designated authority granting immunity from the penalty and prosecution - The designated authority shall consider the application and upon being satisfied shall grant the immunity certificate in respect of documents filed in the Scheme;

(viii) Scheme not to apply to certain documents –

(a) This Scheme shall not apply to the filing of documents other than following documents:-

Form 20 B - Form of filing annual return by a company having a share capital

Form 21 A – Particulars of annual return for the company not having share capital

Form 23AC & 23ACA – Form for filing Balance Sheet and Profit & Loss account

Form 66 - Form for submission of Compliance Certificate with the Registrar

(b) This Scheme shall not apply to companies against which action under sub-section (5) of section 560 of the Act has been initiated by the Registrar of Companies;

(ix) After granting the immunity, the Registrar concerned shall withdraw the prosecution(s) pending if any before the concerned Court(s);
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3. At the conclusion of the Scheme, the Registrar shall take necessary action under the Companies Act, 1956 against the companies who have not availed this Scheme and are in default in filing of documents in a timely manner.

Yours faithfully,

(Kamna Sharma)
Assistant Director

Encl: As above
MASTER CIRCULAR ON PROSECUTION OF DIRECTORS

No.3/57/2011/CL- II
Government of India
Ministry of Corporate Affairs

5th Floor, Shastri Bhavan,
Dr. Rajendra Prasad Road,
New Delhi-110001,
Dated the 29th July, 2011

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

Sub: Master Circular on Prosecution of Directors – Regarding

Sir,

The question of treating a person as an officer in default by ROCs when prosecutions are launched against a company and its directors for violations under Companies Act, 1956 has come up for examination time and again. The Department has issued various circulars in this regard so far. It may be recollected that the Department vide circular No.42/7/73-CL.II dated 20.9.1973 had clarified that a person appointed as a nominee director, whatever interest he represents or protects is responsible for the proper discharge of his obligations and fiduciary responsibilities under the statute in the similar manner as an ordinary directors. However, in the same circular, it was further clarified that nominees of institutions set up under Acts having non-obstante clauses can enjoy immunity from prosecutions.

2. In Departmental circular No.6/98 dated 12.11.1998, it was clarified that where penal provisions provide for “punishment of officers in default”, prosecutions should be filed primarily against managing director(s)/whole time director(s)/manager(s) and the company secretary, if any. It was also clarified that only in those cases where the above mentioned managerial personnel are not available in any company; prosecutions should be against ordinary directors. In the same circular, it was also clarified that there are provisions in the Act which though do not use the expression “officers who are in default” for fastening liabilities in case of their contraventions, yet the persons against whom the proceedings can be initiated is specified. In such cases, the persons expressly specified in the relevant provisions of the Act should alone be prosecuted.
3. It has come to the notice of the Department that in spite of various rulings available on the question of "officers in default" who can be held liable for violations of a particular provision under the Companies Act, the ROCs are arraying all the directors of the company for the violations without differentiating between officer in default and or others.

4. It is noticed that penal actions are also initiated against certain Directors who are not charge with the responsibility, particularly in following cases:

   (a) For listed companies Securities and Exchange Board of India (SEBI) requires nomination of certain Directors designated as Independent Directors.

   (b) For public sector undertakings, respective Government nominates Directors on behalf of the respective Government.

   (c) Various Public Sector Financial Institutions, Financial Institutions and Banks having participation in equity of a Company also nominate Directors to the Board of such companies.

   (d) Directors nominated by the Government u/s 408 of the Companies Act, 1956.

In super session of all earlier circulars, it is clarified that Registrar of Companies should take extra care in examining the cases where above Directors are also identified as Officer in default. No such Director as indicated above shall be held liable for any act of omission or commission by the company or by any officer of the company which constitute a breach or violation of any provision of the Companies Act, 1956, and which occurred without his knowledge attributable through Board process and without his consent or connivance or where he has acted diligently in the Board process. The Board process includes meeting of any committee of the Board and any information which the Director was authorized to receive as Director of the Board as per the decision of the Board. All the Regional Directors are advised to direct Inspecting Officers also to examine the Board’s minutes of the company to arrive at a conclusion if Independent director is also responsible for any violation of the provisions of Companies Act, 1956.

5. It is further clarified that before taking penal action under the Companies Act, 1956 against the Directors the following compliances should be verified by Registrar of Companies:

   (a) A director resigns and the company does not file Form 32 as required in terms of Section 302(2) of the Act. In case, the director concerned has informed/endorsed a copy of his resignation to the Registrar of Companies, the Registrar should enquire into such cases and try to find out whether such director has actually resigned or not.

   (b) In case the status of a director, i.e. whether he is a nominee director or not, is not reflected in the Annual Return or other documents of the company, available with Registrar, the same should be cross checked with the Annual Report filed by the company;
(c) The timing of the commission of offence is also material to identify the director’s responsibility; and Form 1AB should also be checked in case any person has been charged by the Board under Section 5(f) with the responsibility of complying with some particular provision or in case any director has been specified by the Board under Section 5(g) of the Act.

(d) Special Directors appointed by BIFR under section 16 (6)(b) of SICA 1985, shall not incur any obligation or liability for anything done or omitted to be done in good faith and in discharge of duties. Hence they shall be excluded in the list of officers in default

6. For default u/s 209(5), 209(6), 211 and 212 of the Act, the following persons shall be the ‘officers in default for the purpose of prosecution under these provisions:-

(a) Where there is a Managing Director or Manager, the Managing Director or the Manager as the case may be and in addition, the Company Secretary appointed u/s 383A or the person who has been charged with work of maintenance and preparation of Annual Accounts in compliance with aforesaid provisions.

(b) Where there is no Managing Director or Manager, every director and the Company Secretary appointed u/s 383A of the Act.

(c) Any persons amongst officers and employees other than Managing Director/Manager/Directors who has been charged by the Managing Director/Manger or Board of Directors with specific responsibility of complying with aforesaid provisions, in addition to Managing Director/Manager/Board of Directors as the case may be.

(d) Directors including Non-Executive Directors, officers and employees not connected with responsibility with the above provisions should not be arrayed as delinquent directors.

(e) While considering the non-executive directors for including in the list of officers in default for a particular violation of the Companies Act, it should be examined whether the violation has taken place with his knowledge attributable through board process, with his consent or connivance and whether he acted diligently or not.

(f) Where prosecution is required to be filed against any Government company, its directors/officers and Member of Parliament and Member of Legislator under the Companies Act, 1956, Registrar of Companies should seek prior authorization of Central Government in terms of Section 621 of the Act

7. There should be proper application of mind on the part of Registrar of Companies in deciding whether a person to be implicated is an ‘officer in default’ by examining the Annual Return, Form 32(s) and DIN-3 database available in the Registry. The guidelines issued herein above should be applied and wrongful prosecution should be avoided. Wherever the Registrar...
of Companies has doubt as to whether director/officer can be held liable after applying the above parameters, they should refer to Regional Director, who shall guide Registrar of Companies in the matter.

8. All the Regional Directors are required to ensure that such cases are reviewed, based on these parameters and a report must be sent by each Regional Director with specific recommendation in case the proceedings are proposed to be discontinued.


Yours faithfully

Sd/-

(R K Bakshi)
Deputy Director
Tel. No. 23073230

Copy to:
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2. PS to MOS
3. PS to Secy. MCA
4. PS to AS, MCA
5. PS to Joint Secy. (A) & Joint Secy. (R)
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FILING OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT IN XBRL MODE

Circular No: 57/2011
No. HQ/MCA/DigitisedBS/AR/2009
Government of India
Ministry of Corporate Affairs
5th Floor, "A" Wing, Shastri Bhawan,
Dr. R.P. Road, New Delhi – 110001
Dated: 28.07.2011

All the Regional Directors,
All the Registrar of Companies/ Official Liquidators
All stakeholders

Sub: Filing of Balance Sheet and Profit and Loss Account in eXtensible Business Reporting Language (XBRL) mode.

Sir,

The Para 3 of the Circular no. 37/2011 dated 07.06.2011 may be read as under:

“All companies falling in Phase-I class of companies (excluding exempted class) are permitted to file their financial statements without any additional fee up to 30.11.2011 or within 60 days of their due date, whichever is later.”

2. Further, in supersession of Para 2 (i) of Ministry’s Circular No. 43/2011 dated 07.07.2011, it is informed that the verification and certification of the XBRL document of financial statements on the e-forms would continue to be done by authorized signatory of the company as well as professional like Chartered Accountant or Company Secretary or Cost Accountant in whole time practice.

3. This issue with approval of Competent Authority.

Yours faithfully,

(J.N. Tikku)
Joint Director

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MEETING OF MEDICAL EXPENSES OF NRIS CLOSE RELATIVES BY RESIDENT INDIVIDUALS

RBI/2011-12/184
A.P. (DIR Series) Circular No. 20

September 16, 2011

To

All Banks Authorised to Deal in Foreign Exchange

Madam / Sir,

Attention of Authorised Dealer (AD) banks is invited to para 2 of the Notification No. FEMA 16/RB-2000 dated May 3, 2000 viz. Receipt from and Payment to, a Person Resident Outside India, as amended from time to time, in terms of which a resident may make payment in rupees towards meeting expenses on account of boarding, lodging and services related thereto or travel to and from and within India of a person resident outside India who is on a visit to India.

2. The Committee to review the facilities for individuals under the Foreign Exchange Management Act (FEMA), 1999 has in its Report recommended that the ambit of FEMA Notification No.16/RB-2000 dated May 3, 2000 may be expanded to include permission to residents to bear medical expenses of visiting NRIs/PIOs.

3. The extant position has been reviewed and it has been decided that where the medical expenses in respect of NRI close relative (relative as defined in Section 6 of the Companies Act, 1956) are paid by a resident individual, such a payment being in the nature of a resident to resident transaction may be covered under the term “services related thereto” under Regulation 2(i) of Notification No. FEMA 16/2000- RB dated May 3, 2000, ibid.

4. AD 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 are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(Meena Hemchandra)
Chief General Manager In-Charge

******************
REPAYMENT OF LOANS OF NON-RESIDENT CLOSE RELATIVES BY RESIDENTS

RBI/2011-12/183
A.P. (DIR Series) Circular No. 19

September 16, 2011

To
All Banks Authorised to Deal in Foreign Exchange

Madam / Sir,

Attention of the AD banks is invited to Regulation 8 (d) of the FEMA Notification No.4/2000-RB dated May 3, 2000 viz. Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, as amended from time to time, in terms of which the housing loan provided to a non-resident Indian or a person of Indian origin resident outside India by an authorised dealer or a housing finance institution in India approved by the National Housing Bank for acquisition of a residential accommodation in India, may be repaid by any relative of the borrower in India by crediting the borrower’s loan account through the bank account of such relative (relative as defined in section 6 of the Companies Act, 1956). Thus, repayment of loan by close relative in respect of loan in rupees availed by NRI is restricted to housing loans only.

2. The Committee to review the facilities for individuals under the Foreign Exchange Management Act (FEMA), 1999 has in its Report recommended that resident individuals may be granted general permission to repay loans availed of from banks in Rupees in India by their NRI close relatives as defined under Section 6 of the Companies Act.

3. The extant provision has now been reviewed and it has been decided that where an authorised dealer in India has granted loan to a non-resident Indian in accordance with Regulation 7 of the Notification No. FEMA 4/2000-RB, ibid, such loans may also be repaid by resident close relative (relative as defined in Section 6 of the Companies Act, 1956), of the Non-Resident Indian by crediting the borrower’s loan account through the bank account of such relative.

4. The necessary amendments to the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 are being issued separately.

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 are 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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LOANS IN RUPEES BY RESIDENT INDIVIDUALS TO NRI CLOSE RELATIVES

RBI/2011-12/180
A.P. (DIR Series) Circular No. 18

September 16, 2011

To

All Banks Authorised to Deal in Foreign Exchange

Madam / Sir,

Loans in Rupees by resident individuals to NRI close relatives

Attention of the Authorised Dealer (AD) banks is invited to Regulation 7 of the Notification No. FEMA 4/2000 dated May 3, 2000, viz. Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, as amended from time to time, in terms of which an authorised dealer in India may grant loan in rupees to a non-resident Indian.

2. The Committee to review the facilities for individuals under the Foreign Exchange Management Act (FEMA), 1999 has in its Report recommended that resident individuals may be granted general permission to lend in Rupees to their non-resident close relative (means relative as defined in Section 6 of the Companies Act, 1956) for any personal purpose or business activities other than agricultural/plantation activities or real estate or relending business.

3. The extant position has been reviewed and it has been decided to permit a resident individual to lend to a Non resident Indian (NRI)/ Person of Indian Origin (PIO) close relative [means relative as defined in Section 6 of the Companies Act, 1956] by way of crossed cheque /electronic transfer, subject to the following conditions:

(i) the loan is free of interest and the minimum maturity of the loan is one year;

(ii) the loan amount should be within the overall limit under the Liberalised Remittance Scheme of USD 200,000 per financial year available for a resident individual. It would be the responsibility of the lender to ensure that the amount of loan is within the Liberalised Remittance Scheme limit of USD 200,000 during the financial year;

(iii) the loan shall be utilised for meeting the borrower's personal requirements or for his own business purposes in India;
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CS Update September 21, 2011

(iv) the loan shall not be utilised, either singly or in association with other person, for any of the activities in which investment by persons resident outside India is prohibited, namely;

(a) the business of chit fund, or
(b) Nidhi Company, or
(c) agricultural or plantation activities or in real estate business, or construction of farm houses, or
(d) trading in Transferable Development Rights (TDRs).

Explanation: For the purpose of item (c) above, real estate business shall not include development of townships, construction of residential / commercial premises, roads or bridges.

(v) The loan amount should be credited to the NRO a/c of the NRI /PIO. Credit of such loan amount may be treated as an eligible credit to NRO a/c;

(vi) the loan amount shall not be remitted outside India; and

(vii) repayment of loan shall be made by way of inward remittances through normal banking channels or by debit to the Non-resident Ordinary (NRO) / Non-resident External (NRE) / Foreign Currency Non-resident (FCNR) account of the borrower or out of the sale proceeds of the shares or securities or immovable property against which such loan was granted.

4. The necessary amendments to the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 and Foreign Exchange Management (Deposit) Regulations, 2000 are being issued separately.

5. AD banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. 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 are 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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**GIFT IN RUPEES BY RESIDENT INDIVIDUALS TO NRI CLOSE RELATIVES**

RBI/2011-12/179
A.P. (DIR Series) Circular No. 17

**September 16, 2011**

To

All Banks Authorised to Deal in Foreign Exchange

Madam / Sir,

Gift in Rupees by Resident Individuals to NRI close relatives

Attention of the Authorised Dealer (AD) banks is invited to A.P. (DIR Series) Circular No. 24 dated December 20, 2006 and A.P. (DIR Series) Circular No. 9 dated September 26, 2007 in terms of which the remittances towards gift and donation by a resident individual was included in the Liberalised Remittance Scheme.

2. The Committee to review the facilities for individuals under the Foreign Exchange Management Act (FEMA), 1999 has in its Report recommended that the ambit of FEMA Notification No.16/RB-2000 dated May 3, 2000 may be expanded to include permission to residents making gifts to and bearing medical expenses of visiting NRIs/PIOs.

3. The extant position has been reviewed and it has been decided to permit a resident individual to make a rupee gift to a NRI/PIO who is a close relative of the resident individual [close relative as defined in Section 6 of the Companies Act, 1956] by way of crossed cheque /electronic transfer. The amount should be credited to the Non-Resident (Ordinary) Rupee Account (NRO) a/c of the NRI / PIO and credit of such gift amount may be treated as an eligible credit to NRO a/c. The gift amount would be within the overall limit of USD 200,000 per financial year as permitted under the Liberalised Remittance Scheme (LRS) for a resident individual. It would be the responsibility of the resident donor to ensure that the gift amount being remitted is under the LRS and all the remittances under the LRS during the financial year including the gift amount have not exceeded the limit prescribed under the LRS.

4. The necessary amendments to the Foreign Exchange Management (Deposit) Regulations, 2000 and Notification No. FEMA 16/RB-2000 dated May 3, 2000 viz. Receipt from and Payment to, a Person Resident Outside India are being issued separately.
5. AD banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. 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 are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(Meena Hemchandra)
Chief General Manager In-Charge
LIQUIDITY ADJUSTMENT FACILITY – REPO AND REVERSE REPO AND MARGINAL STANDING FACILITY RATES

RBI/2011-2012/182
FMD_MOAG. No.63/01.01.01/2011-12

September 16, 2011

All Scheduled Commercial Banks (excluding RRBs) and Primary Dealers

Dear Sir,

Liquidity Adjustment Facility – Repo and Reverse Repo and Marginal Standing Facility Rates

As announced today in the Mid-Quarter Monetary Policy Review, September 2011, it has been decided to increase the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 8.00 per cent to **8.25 per cent** with immediate effect.

2. Consequent to the above increase in the repo rate, the reverse repo rate under the LAF will stand automatically adjusted to **7.25 per cent** and the Marginal Standing Facility (MSF) rate to **9.25 per cent** with immediate effect.

3. All other terms and conditions of the current LAF and MSF Schemes will remain unchanged.

4. Please acknowledge receipt.

Yours sincerely

(G. Mahalingam)
Chief General Manager

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MANDATORY E-FILING OF CENTRAL EXCISE RETURNS IN ACES

Circular No.955/16/2011-CX

F.No.201/10/2011-CX.6
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

New Delhi, the 15th Sept., 2011

To

All Chief Commissioners of Central Excise
All Chief Commissioners of Customs & Central Excise
All Chief Commissioners of LTU

Sub: Mandatory e-filing of Central Excise Returns in ACES-regarding

Sir/Madam,

It has been decided to make it mandatory for the assesses to submit the prescribed Central Excise Returns electronically w.e.f. 1st day of October, 2011. In this regard, the Central Excise (Fourth Amendment) Rules, 2011 has been issued vide Notification No. 21/2011-CE (NT) dated 14.09.2011, amending Rule 12 and Rule 17 of the Central Excise Rules, 2002. Similarly, the CENVAT Credit (Fourth Amendment) Rules, 2011 has been issued vide Notification No.22/2011-CE (NT) dated 14.09.2011, amending Rule 9A of the CENVAT Credit Rules, 2004. The above mentioned changes will come into effect on 01.10.2011.

2. The following amendments have been made in Central Excise Rules, 2002 and CENVAT Credit Rules, 2004:

(i) ER-1 Return, filed under Rule 12(1) of the Central Excise Rules, 2002, will have to be electronically filed irrespective of the duty paid in the preceding financial year.

(ii) ER-2 Return, filed by 100% EOUs under Rule 17 of the Central Excise Rules, 2002, will be required to be filed electronically irrespective of the duty paid in the preceding financial year.

(iii) ER-3 Return, filed under the provisos to Rule 12(1) of the Central Excise Rules, 2002, will be required to be filed by the
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concerned assessees including SSI units electronically irrespective of the duty paid in the preceding financial year.

(iv) ER-4 Return (Annual Financial Information Statement), filed under Rule 12(2) (a) of the Central Excise Rules, 2002 will continue to be filed electronically by the assessees who are not exempted from filing such statement by a notification.

(v) ER-5 and ER-6 Returns, pertaining to principal inputs filed under Rule 9A of the CENVAT Credit Rules, 2004, will continue to be electronically filed by the assessees who are not exempted from filing such declaration/return by a notification.

(vi) ER-7 (Annual Installed Capacity Statement) filed under Rule 12(2A) (a) of the Central Excise Rules, 2002, has to be filed by all assessees electronically.

(vii) ER-8 Return, to be filed under the proviso to Rule 12(1) of the Central Excise Rules, 2002, by assessees availing the exemption under Notification No.1/2011-CE dated 01.03.2011 and to be filed electronically.

3. As a large number of assessees may be required to file Central Excise Returns electronically as a result of the above changes, it is requested that they may be provided all assistance so as to help them in adopting the new procedure.

4. Field Formations and Trade may also be informed suitably.

5. Hindi version will follow.

Yours faithfully,

(V.P. Singh)
Under Secretary(CX.6)