



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

'ICSI House', 22 Institutional Area, Lodi Road, New Delhi-110003, India.
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CS Update

July 13, 2011

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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 TO





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12th NATIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES

DATES & DAYS: JULY 14-15-16, 2011 (THURSDAY, FRIDAY & SATURDAY)

VENUE: STERLING HOLIDAY RESORTS (FERN HILL), KUNDAH HOUSE ROAD, FERN HILL, OOTACAMUND – 643004 (OOTY) - TAMIL NADU : 0423 – 2441073 / 74, 2452840 / 41 / 42

THEME

PCS: Strategic Options in the New Decade

SUB-THEMES

1. Futuristic Changes in MCA mechanism – Role of CS
2. Capital Market – Professional opportunities
3. Emerging opportunities in SMEs
4. Appearances before various tribunals / quasi judicial authorities
5. Corporate Governance, CSR and Sustainability Reporting

Brochure & FAQs available at the link:

http://www.icsi.edu/webmodules/linksofweeks/12_NC_PCS.htm



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39th NATIONAL CONVENTION OF COMPANY SECRETARIES



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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

- I. Dynamic Business Environment, Innovation and Risk Management
- II. Regulatory Convergence, Technology and Innovative Professionalism
- III. From Compliances to Creative Solutions – Vision 2020 Challenges
- IV. Leveraging Globalisation for Trade in Professional Services
- V. Harmonisation of Companies Bill, 2009 *vis-à-vis* other Corporate Laws

PAPERS FOR DISCUSSION

Members who wish to contribute papers for publication in the souvenir or for circulation at the Convention are requested to send the same preferably through email [sudhir.dixit@icsi.edu] (with one hard copy to Dr. S K Dixit, Director (Academics), The Institute of Company Secretaries of India, 22, Institutional Area, Lodi Road, New Delhi 110003) on or before September 10, 2011. The paper should not normally exceed 15 typed pages. The Articles Screening Committee will consider the articles so received and the decision of the Institute based on the recommendations of the Screening Committee will be final in all respects. An honorarium of Rs. 2,500 will be paid by the Institute for each paper selected for publication in the souvenir or circulation at the Convention.

Please visit the website of the Institute www.icsi.edu for Delegate Fee, Hotel/Advertisement Tariff and Registration Procedure on or after July 15, 2011.



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ICSI-CCGRT PROGRAMME ON XBRL



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**CENTRE FOR
CORPORATE
GOVERNANCE,
RESEARCH &
TRAINING (CCGRT)**

PCH - 4

Program on eXtensible Business Reporting Language (XBRL)

Introduction and Objective	<p>The Ministry of Corporate Affairs vide its General Circular No. 09/2011 dated 31.03.2011, amended vide General Circular No. 37/2011 dated 07.06.2011 and 43/2011 dated 07.07.2011 has mandated certain class of companies to file balance sheets & profit and loss account in respect of financial statements closing on or after 31.03.2011 by using XBRL taxonomy based on the existing Schedule VI and Accounting Standards notified under Companies (Accounting Standard) Rules, 2006.</p> <p>MCA portal is expected to have XBRL filing module by July 2011.</p> <p>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.</p>	
Day, Date & Timing	Sunday, July 24, 2011	09.30 a.m to 05.30 p.m with lunch and background material
Venue	A/C Conference Hall of ICSI-CCGRT, Plot No. 101, Sector 15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614	
Proposed Coverage	<ul style="list-style-type: none"> • Introduction to XBRL filing • Concept of XBRL Reporting • Demonstration of Web Forms XBRL filing 	
Speakers include	Shri S. Swaminathan Founder & CEO IRIS Business Services Ltd & team from IRIS Business Services	
Participant Mix	Primarily Company Secretaries	
Fees	Members ICSI Others Annual Members of CCGRT	Rs. 2000/- per participant Rs. 2500/- per participant Rs. 1000/- per participant
Fees includes the cost of program kit, lunch, background material and other organisational expenses.		

Note : The program will be conducted by IRIS Business Services Ltd.

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 : ccgrrt.icsi@gmail.com, ccgrrt@icsi.edu



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ICSI Celebrates Corporate Governance Week

August 8-12, 2011

The Institute of Company Secretaries of India (ICSI) is one of the first professional bodies in India to initiate discussion on "Corporate Governance" in the light of Cadbury Committee Report in the year 1997. The Institute has taken several initiatives on corporate governance including ICSI National Award for Excellence in Corporate Governance; ICSI Life Time Achievement Award for Translating Excellence in Corporate Governance into Reality; Issuance of Secretarial Standards to harmonise diverse Corporate Secretarial Practices; Post Membership Qualification (PMQ) Course in Corporate Governance; Directors Development Programmes; International Conferences on Corporate Governance; Investor Education and Awareness Programmes; as well as Joint Programmes with OECD, GCGF (IFC – Washington), INSOL International, Cass Business School (London), ICSA Singapore, ICSA Malaysia, CISI, CMDA (Maldives), etc. for furthering the cause of corporate governance.

CORPORATE GOVERNANCE WEEK

Furthering the cause of good governance amongst corporate India, the Institute has decided to observe "ICSI Corporate Governance Week", as an Annual Event.

This year the week will be celebrated from August 8-12, 2011. It is proposed to organise programmes corporate governance, sustainability, ethics and integrity, risk management, Non-Financial Disclosures, Carbon Foot Prints, and Good Corporate Citizenship as well as furthering "Go Green" initiatives throughout the length and breadth of the country.

CORPORATE GOVERNANCE CONCLAVE

The celebrations of the Corporate Governance Week shall culminate into Corporate Governance Conclave. Besides building awareness, the Conclave would provide insights into the various facets of the corporate governance which have assumed significance in the changing business landscape and need the attention from governance professionals, industry leaders, academia, students and others.

THEME

"Integrating Sustainability into Corporate DNA"

Day & Date : Friday August 12, 2011

Venue : New Delhi

Faculty: Corporate Captains, learned professionals, global experts in Corporate Governance will enlighten participants on various intricate issues of Corporate Governance.

PCH – Members attending conclave will be awarded two PCH.

Knowledge Partners :



All are cordially invited to attend and participate in the Corporate Governance Week activities and Corporate Governance Conclave.



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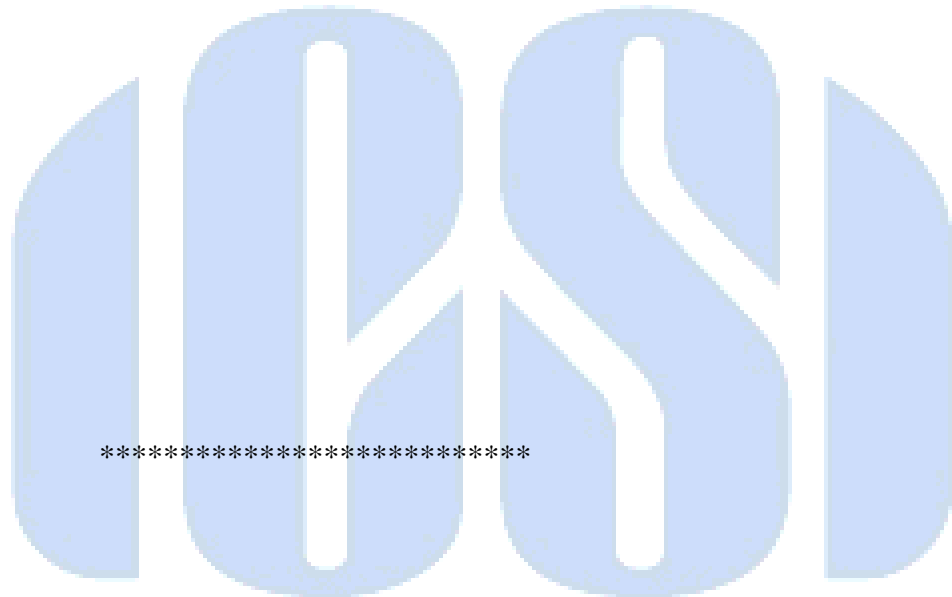


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RECORDING OF WEBCAST ON XBRL ARRANGED BY ICSI

Details can be accessed at: <http://www.streamonweb.com/ICSI>





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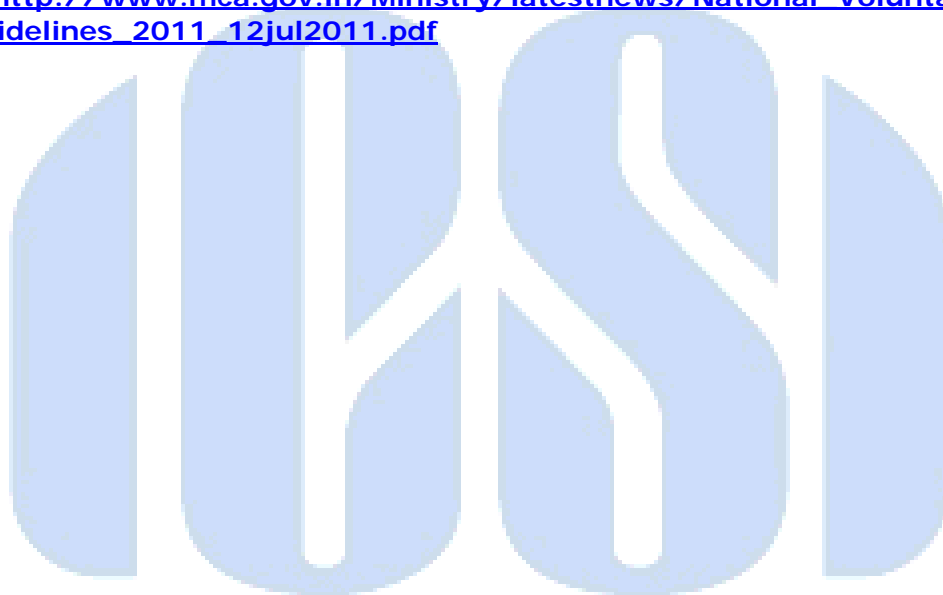


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NATIONAL VOLUNTARY GUIDELINES ON SOCIAL, ENVIRONMENTAL & ECONOMIC RESPONSIBILITIES OF BUSINESS, 2011

Details can be accessed at: http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf





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COMPANIES (CENTRAL GOVERNMENT'S) GENERAL RULES AND FORMS (AMENDMENT) RULES, 2011

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

GOVERNMENT OF INDIA
Ministry of Corporate Affairs

Notification

New Delhi the 07.07.2011

G.S.R. (E). – In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of section 642 of the Companies Act, 1956 (1 of 1956) and all other powers hereunto enabling the Central Government hereby makes the following rules, further to amend the Companies (Central Government's) General Rules and Forms, 1956 namely:-

1. Short title and commencement

- (1) These rules may be called the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 2011.
- (2) They shall come into force with effect from the date of publication in the official Gazette.

2. The existing Rule 10C shall be substituted by the following Rule 10C:

- [Rule 10C. (1) The total monthly remuneration for the purpose of clause (b) of sub-section (1) of section 314, shall not be less than rupees fifty thousand.
- (2) The total monthly remuneration, for the purpose of sub-section (1B) of section 314, shall not be less than rupees two lakhs and fifty thousand.]

[F No 17/174/2011-CLV]

J.N. Tikku,
Joint Director

Note:- The Principal notification was published vide number G.S.R. 432 dated the 18th January, 1956 and last amended vide G.S.R. 408 (E) dated the 26th May, 2011.



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NAME AVAILABILITY GUIDELINES, 2011

General Circular No. 45/2011

No 17/90/2011- CL V
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated the 8th July, 2011

All the Regional Directors,
All the Registrar of Companies

Subject: **NAME AVAILABILITY GUIDELINES, 2011**

Sir,

In supercession of all the previous circulars and instructions issued by Ministry of Corporate Affairs from time to time regarding name availability, the applicants and Registrar of Companies are advised to adhere following guidelines while applying or approving a name:

1. 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 and names already approved by the Registrar of Companies;

(ii) Name of a LLP in existence or names already approved by Registrar of LLP; or

(iii) 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.

2. 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) respectively 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;



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(iv) the proposed name(s) is not such that its use by the company will constitute an offence under any law for the time being in force.

v) 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;

(vi) he has gone through all the prescribed guidelines, understood the meaning thereof and the proposed name(s) is/are in conformity thereof;

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

3. There is 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) respectively 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 Name Availability Guidelines, 2011.

4(i) Where e-form 1A has been certified by the professional in the manner stated at '3' 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 Guidelines, 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.

5. 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 a specific order giving reasons for withdrawal of name, with an opportunity to the applicant of being heard, before withdrawal of such name.

6. The name, if made available to the applicant, shall be reserved for sixty days from the date of approval. If, the proposed company has not been incorporated within such period, the name shall be lapsed and will be available for other applicants.

7. 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.



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8. 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, as this does not make a name distinguishable from a name that uses the similar, separated or joined words. Such as Ram Nath Enterprises Pvt. Ltd. will be considered as similar to Ramnath Enterprises Pvt. Ltd.;

(vi) The use of a different tense or number of the same word, as this does not distinguish one name from another. Such as, Excellent Industries will be similar to Excellence Industries and similarly Teen Murti Exports Pvt. Ltd. will be to Three Murti Exports Pvt. Ltd.;

(vii) Using different phonetic spellings or spelling variations, as this 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) The addition of an internet related designation, such as .COM, .NET, .EDU, .GOV, .ORG, .IN, as this does not make a name distinguishable from another, even where (.) is written as 'dot';

(ix) The addition of words like New, Modern, Nav, Shri, Sri, Shree, Sree, Om, Jai, Sai, The, etc., as this 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;

(x) Different combination of the same words, as this 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;

(xi) Exact Hindi translation of the name of an existing company in English especially an existing company with a reputation. For example, Hindustan Steel Industries Ltd. will not be allowed if there exists a company with name 'Hindustan Ispat Udyog Limited';

9. In addition to above, the user shall also adhere to following guidelines: --

(i) It is not necessary that the proposed name should be indicative of the main object.;



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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: cooperative, sehkari, trust, LLP, partnership, society, proprietor, HUF, firm, Inc., PLC, GmbH, SA, PTE, Sdn, AG etc.;

(iv) Abbreviated name such as 'BERD 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. Further, if the name is only a general one like Cotton Textile Mills Ltd., or Silk Manufacturing Ltd., and not specific like Calcutta Cotton Textiles Mills Limited or Lakshmi Silk Manufacturing Company Limited, the same shall not be allowed;

(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 Act/ 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 the proposed name contains any word or expression which is likely to give the impression that the company is in any way connected with, or having the patronage of, the Central Government, any State Government, or any local authority, corporation or body constituted by the Central or any State Government under any law for the time in force, unless the previous approval of Central Government has been obtained for the use of any such word or expression;

(ix) 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;

(x) 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;



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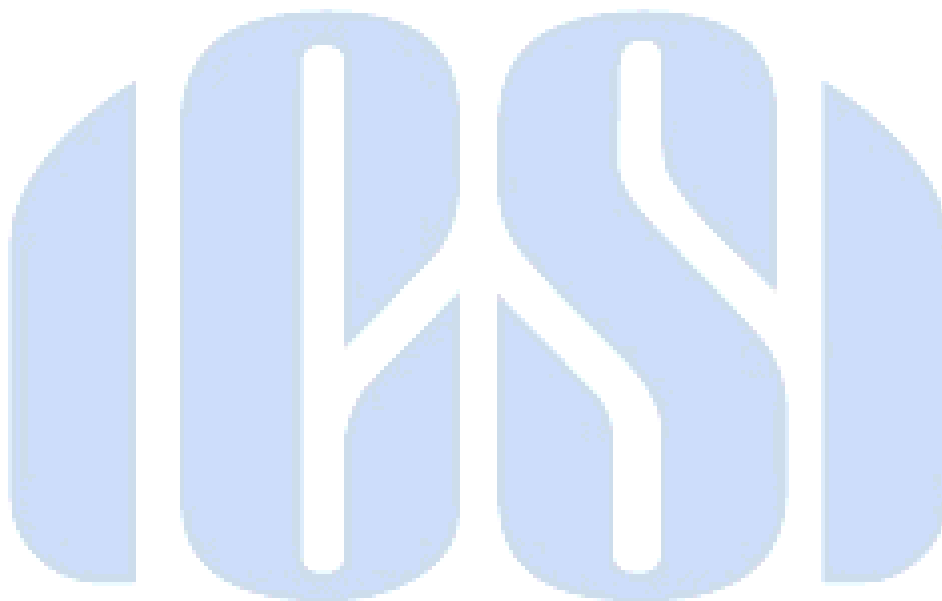
10. These guidelines and revised e-form 1A are likely to be implemented with effect from 24th July, 2011.

11. This issues with the approval of competent authority.

Yours faithfully,

-Sd/-

(Monika Gupta)
Assistant Director
Copy to: All concerned.





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INTEGRATION OF DIRECTOR'S IDENTIFICATION NUMBER (DIN) ISSUED UNDER COMPANIES ACT, 1956 WITH DESIGNATED PARTNERSHIP IDENTIFICATION NUMBER (DPIN) ISSUED UNDER LIMITED LIABILITY PARTNERSHIP (LLP) ACT, 2008

General Circular No. 44/2011

No 2/1/2011-CL.V
Government of India
Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi
Dated: 08.07.2011

To

All Regional Directors
All Registrar of Companies.
Registrar of Limited Liability Partnership

Sub: Integration of Director's Identification Number (DIN) issued under Companies Act, 1956 with Designated Partnership Identification Number (DPIN) issued under Limited Liability Partnership (LLP) Act, 2008

Sir,

The Ministry of Corporate Affairs has been issuing two separate identification numbers as DIN to an individual for becoming a director of a company under Companies Act, 1956 and DPIN for a designated partner in a Limited Liability Partnership under Limited Liability Partnership (LLP) Act, 2008.

2. To avoid this duplicity and to give ease to the stakeholders, the Ministry has decided to issue only one identification number to an individual for both the purpose.

3. Therefore, the Ministry, vide notification dated 5th July, 2011, has integrated the Director's Identification Number (DIN) issued under Companies Act, 1956 with Designated Partnership Identification Number (DPIN) issued under Limited Liability Partnership (LLP) Act, 2008 with effect from 9.7.2011.

4. Pursuant to this notification:-

(a) With effect from 9.7.2011, no fresh DPIN will be issued. Any person, who desires to become a designated partner in a Limited Liability Partnership, has to obtain DIN by filing e-form DIN-1.

(b) If a person has been allotted DIN, the said DIN shall also be used as DPIN for all purposes under Limited Liability Partnership Act, 2008.



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(c) If a person has been allotted DPIN, the said DPIN will also be used as DIN for all the purposes under Companies Act, 1956.

(d) If a person has been allotted both DIN and DPIN, his DPIN will stand cancelled and his DIN will be used as DIN as well as DPIN for all purposes under Limited Liability Partnership Act, 2008 and Companies Act, 1956.

5. As per Circular no. 32/2011 dated 31.05.2011, the Ministry has made Income Tax Permanent Account Number (PAN) mandatory for obtaining DIN for Indian nationals. Further, all existing DIN holders, who have not furnished their PAN at the time of obtaining DIN, are required to furnish their PAN to the Ministry by filing e-form DIN-4 by 30th September, 2011.

6. Similarly, all DPIN holders, who had not furnished their PAN at the time of obtaining DPIN, are required to furnish their PAN to the Ministry by filing eform DIN-4 by 30th September, 2011, failing which their DPIN/DIN will be disabled and they will also be liable for heavy penalty.

Yours faithfully,

-Sd/-

(Monika Gupta)
Assistant Director
Copy to: All concerned



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COMPANIES DIRECTOR IDENTIFICATION NUMBER (THIRD AMENDMENT) RULES, 2011

In exercise of the powers conferred by clause (A) and (b) of sub-section (1) of section 642 read with sections 266A, 266B and 266E of the Companies Act, 1956 (1 of 1956), the Central Government hereby issues rules, further to amend the Companies (Director Identification Number) Rules, 2006 by a notification dated 5th July, 2011. These rules may be called the Companies Director Identification Number (Third Amendment) Rules, 2011 and they shall come into force with effect from 9th July, 2011.

Further details can be accessed at:

[http://mca.gov.in/Ministry/notification/pdf/GSR\(E\)_05july2011_1.pdf](http://mca.gov.in/Ministry/notification/pdf/GSR(E)_05july2011_1.pdf)





CS Update

July 13, 2011



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LIMITED LIABILITY PARTNERSHIP RULES, 2009 (AMENDMENT) RULES, 2011

In exercise of the powers conferred by sub-section (1) and (2) of section 79 of limited Liability Partnership Act, 2008 (6 of 2009), the Central Government hereby issues rules, further to amend the Limited Liability Partnership Rules, 2009 by a notification dated 5th July, 2011. These rules may be called the Limited Liability Partnership Rules, 2009 (Amendment) Rules, 2011. They shall come into force with effect from 9th July, 2011.

Further details can be accessed at:

[http://mca.gov.in/Ministry/notification/pdf/GSR\(E\)_05july2011.pdf](http://mca.gov.in/Ministry/notification/pdf/GSR(E)_05july2011.pdf)



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FILING OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT IN EXTENSIBLE BUSINESS REPORTING LANGUAGE (XBRL) MODE

Circular Circular No. 43/.

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 07-07-2011

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,

In partial modification to Para 2 of Ministry's Circular No. 26/2011 dated 18.05.2011, the filing on MCA 21 in the XBRL mode will be effective in respect of financial statements closing on or after 31.03.2011 instead of the year 2011-12.

2. Further, in continuation to the Circular no. 37/2011 dated 07.06.2011, the further information is given as under: --

- (i) Besides signing by signatories as specified u/s 215 of the Companies Act, 1956, the Statutory Auditor has to certify the financial statements prepared in XBRL mode for filing on MCA-21 portal.
 - (ii) Phase-1 class of companies as per Circular 9/2011 dated 31.03.2011 and later exempted from XBRL filing (under Power sector, Insurance sector, NBFC and Banking sector) who are unable to file their financial statements would be exempted from additional fee due to delay in filing up to 30.09.2011.
3. This issue with approval of Competent Authority.

Yours faithfully,


(J.N. Tikku)
Joint Director



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E-FILING OF INCOME TAX RETURN IN RESPECT OF COMPANIES UNDER LIQUIDATION

GENERAL CIRCULAR NO. 41/2011

F. No. 51/19/2011/Insolvency
Government of India
Ministry of Corporate Affairs

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi-110001
Dated 6th July 2011

To

**All Regional Directors
All ROCs
All Official Liquidators**

Subject: E-filing of Income Tax return in respect of companies under liquidation.

The Official Liquidators have reported that they are facing problems in e-filing of Income Tax Returns in compliance as they are required to mention PAN No. of the person who files the return, representing the company in liquidation. In the Regional Directors Conference held on 16-6-2011 also, the Official Liquidators brought to the notice of the Ministry that they are not able to file Income Tax Returns since the verification part of the report require them to mention their personal PAN Card No. even when they file the Return as a representative assessee of the company (in liquidation). It was suggested that a PAN Card should be issued in the name of the office i.e. OL..... This PAN No. should be quoted in respect of all returns filed by him as OL. In this regard, Section 139A read with Form ITR-6 (Rule 12) of the Income Tax Act, 1961 were examined. According to Section 139A of Income Tax Act, 1961, PAN is a must for all assesses for his own income or other income exceeding Rs.5 lakhs. Companies are also required to obtain PAN as well as TAN. Since this IT provision is applicable from 1995 onwards, hence, all companies which have come into liquidation from 1995 onwards are expected to have the PAN No. After the winding up order is passed by High Court, while obtaining Statement of Affairs from the Directors and taking possession of company's rights such as Telephone, Electricity connection, Franking machines, Bank account. Official Liquidator should also take possession of PAN/TAN Numbers and Cards. In case the management fails to handover PAN/TAN Numbers and Cards, Official Liquidator should invoke Rule 130 of Companies (Court Rule) 1959 and obtain the PAN details from Ex-Directors/Officials. Alternatively, wherever no PAN is available, Official Liquidator should apply for PAN Card after his appointment, company-wise. Single PAN in the capacity of Official Liquidator may not be workable. Hence, Official Liquidator should obtain PAN Card for all the companies in liquidation with the approval of Company Judge and meet the expenses in obtaining the PAN Cards from respective company's accounts. However, most of the Official Liquidators have not filed the Income Tax Return because Income Tax Department insist for personal PAN details in the ITR Form.



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2. The matter was discussed with CBDT. It was explained from the CBDT side that IT Returns have been developed to enable all assessees to file the return and the Official Liquidators may quote PAN of the company as well as his personal PAN which is insisted for the purpose of identification of the person who has signed the Return. In order to avoid correspondence/notice issued to individual members, Official Liquidators should give their Office address in Part A-General Information against "address of the representative" column in all correspondence which reach his office. In the circumstances, Official Liquidators are advised to take the following action to avoid receipt of notices and correspondence from the IT Department at his personal address, instead of official address.

3. Thus, the following steps are proposed to be taken by Official Liquidators:-

- 1) To check whether the company which has come in liquidation has a PAN and takes possession along with other records.
- 2) If PAN is not available in the records, the PAN No. of the company shall be obtained from concerned ITO.
- 3) There are cases where no certificate of Registration and/or Article of Association/ Memorandum of Association are available. For this following action be taken:
 - (a) If the company has no assets, it must be got liquidated and there is no need to apply for PAN.
 - (b) If the company has assets, the concerned ROC be requested to send documents about the company for applying to concerned ITO for obtaining PAN.
- 4) In the verification column of the ITR, OL will mention his personal PAN as this is only for the purpose of Verification Number obtained in official designation.
- 5) As Representative Assessee, (OL) official address should be given in Part A-General Information under column No.(b).i.e. address of Official Liquidator's office would be mentioned as the address of the company under Liquidation.
- 6) Since this is a regular activity, following actions be taken:
 - (a) Staff be trained to prepare and file application for PAN with outsourced agencies of CBDT namely NSDL and UTI;
 - (b) All IT Returns filing is now on-line. Hence staff be trained to do the same. No CA firms/consultants be employed for above tasks.

**(Jaikant Singh)
Director
06-07-2011**

Copy to DIT (RSP & OL), Mayur Bhawan, C.P., New Delhi.



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FAQS ON FAST TRACK EXIT (FTE) MODE

What is Fast Track Exit (FTE) Mode?

Ministry has issued Guidelines for "Fast Track Exit (FTE) Mode" to give opportunity to the defunct companies to get their names struck off from the register under Section 560 of the Companies Act, 1956 in time bound manner.

What is the date of implementation of these Guidelines?

The Guidelines will be implemented with effect from 3rd July, 2011.

What are the main criteria for making an application under FTE?

There are two main criteria: -

- The company applying under FTE should not have any asset and liability.
- The company should not have commenced any business activity or operation since incorporation or at least one year must have been passed since last business activity or operation.

Can a dormant company apply under FTE?

Yes, any company, which has been identified as dormant by the Ministry of Corporate Affairs, can apply under FTE. Such companies need not to file Form 61 for normalizing.

Can a company identified as defaulting company apply under FTE?

Any company, which has not filed its statutory documents i.e. Balance Sheet and Annual Return for any of the financial year 2006-07, 2007-08, 2008-09 and 2009-10, has been identified as defaulting company. Directors of such companies are debarred from filing any document till they make the default good. Such defaulting companies can apply under FTE.

Which are the companies to whom FTE is not applicable?

The guidelines does not inter-alia cover the listed companies, companies that have been de-listed due to non-compliance of listing agreement or any other statutory Laws, section 25 companies, vanishing companies, companies under inspection/investigation, companies against which prosecution for a non-compoundable offence is pending in court, companies having outstanding public deposits or secured loan or dues towards banks and financial institutions or any other Government Departments etc. or having management dispute or company in respect of which filing of documents have been stayed by court or CLB or Central Government or any other competent authority.

For details, kindly refer general circular number 36/2011 dated 7.6.2011 available on MCA portal www.mca.gov.in



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What is the procedure for making application for striking off the name under FTE?

The Company desirous to get its name struck off from the Register shall file an application in the prescribed Form FTE online with the Registrar. The form shall be accompanied with an affidavit, an indemnity bond, statement of account duly certified by a Chartered Accountant in practice or auditor of the company and copy of board resolution showing authorization for filing the form.

Is there any fee for filing Form FTE?

Yes, applicant is required to file an application in the prescribed Form FTE along with prescribed fee of Rs. 5,000/-

Who can sign Form FTE? Whether digital signature of authorised signatory of the company is a mandatory requirement for filing the Form FTE?

- In case there are active signatories of the company existing in the MCA21 system, then the Form shall have to be mandatorily digitally signed by the authorised signatory of the company.
- In case no active signatories are existing in the MCA 21 system, then a physical copy of the Form duly filled in, shall have to be signed manually by a director authorised by the Board of Directors of the company and shall be attached with the Form. Such form will be uploaded by the practicing professional (i.e. CA/CS/CWA), who has certified the form.

In such case, the application shall be accompanied by certificate from a CA/CS/CWA in whole time practice alongwith their membership number, certifying that the applicants are present directors of the company. In such cases, the applicants shall not be asked to file Form 32 and Form DIN.

In all cases, certification by a practicing professional (i.e. CA/CS/CWA) is mandatory.

What will happen, if there is pending prosecution against the company and its directors?

If the pending prosecutions are only for non-filing of Annual Returns under section 159 and Balance Sheet under section 220 of the Act, such application may be accepted provided the applicants have already filed the compounding application. However, steps for final strike of the name of the company will be taken only after disposal of compounding application by the competent authority.

How the foreign nationals will get their Indemnity Bond and Affidavit notarized?

Foreign nationals and NRIs may get their Indemnity Bond and Affidavit notarized as per their respective country's law.



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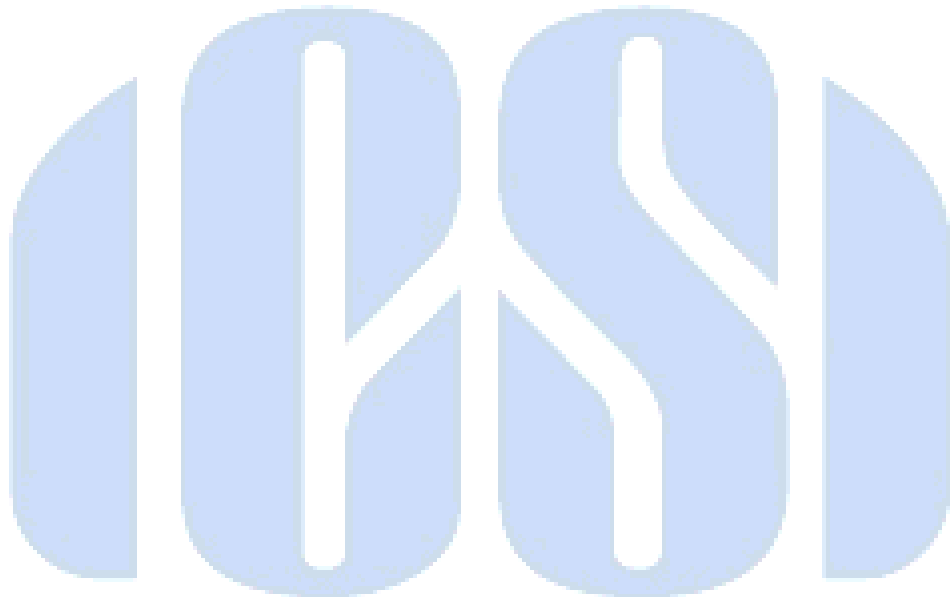


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In case any stakeholder has any objections to the Striking off the name of any company from the Register, what shall be done in such case?

List of applications filed under FTE will be available on the portal. In case any stakeholder has any objections to the Striking off the name of any company, he/she may raise such objection by email/letter with the concerned ROC Office within 30 days from the date of filing Form FTE by the company.





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PROPOSED GUIDELINES FOR CONVERSION OF SECTION 25 COMPANY (NON PROFIT COMPANY) TO AN ORDINARY COMPANY UNDER COMPANIES ACT, 1956.

F.No.17/178/2011-CL-V
Government of India
Ministry of Corporate Affairs
CL V Section

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

Regional Directors,

All Registrar of Companies,

All Stakeholders

Sub : Proposed guidelines for conversion of section 25 company (non profit company) to an ordinary company under Companies Act, 1956.

Sir,

The Ministry has been receiving representation from various stakeholders to develop a procedure under Companies Act, 1956 for conversion of section 25 company (non-profit company) to an ordinary company because there are a number of section 25 companies which have not done any activity after obtaining license under section 25 or have stopped such activities, and now want to convert themselves as an ordinary company.

2. At present there is no specific provision under Companies Act, 1956, where a company can apply for conversion of a section 25 company (non profit company) to an ordinary company. The Central Government is however empowered under section

25(7) of the Companies Act, 1956 to revoke the license granted under section 25(1) or 25(3) of the Companies Act, 1956. This may tantamount as conversion of section 25 (non-profit) company to an ordinary company subject to certain conditions.

3. Section 25 companies, being a non profit organization/company normally receive contribution from all sections of the society in the form of donations, contributions, etc for the furtherance of the charitable, philanthropic activities or for such other useful objects. Such non profit companies sometime also enjoy special status and benefit from various authorities such as Income Tax, Commissioner of Charity, any organization of Central Government or State Government, Municipal Body or any other recognized authority.

4. The Companies Regulation, 1956 also provides for distribution of assets of such companies on winding up as under: --

"If upon a winding up or dissolution of the company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same



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shall not be distributed amongst the members of the company but shall be given or transferred to such other company having objects similar to the objects of this company, to be determined by the members of the company at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter."

5. In the background of above provisions, the Ministry of Corporate Affairs is considering to prescribe following guidelines for conversion of a section 25 company to an ordinary company: --

I. A section 25 Company may apply to Registrar of Company in e-form 61 for its revocation of license under section 25 (7) of the Act. Such section 25 Company should satisfy following conditions: --

(a) The company should have passed a resolution in general meeting to convert itself into a non section 25 company which should have been approved by all members/shareholders of the company by adopting revised Memorandum and Articles of Association.

(b) The company has not commenced any activity or operation since its incorporation.

(c) The company has not received any donation, grants or contribution etc., other than from its members.

(d) Where the company has obtained any special status from any authority such as Income Tax, Commissioner of Charity or any organization or Department of Central Government, State Government, Municipal Body or any recognized authority then a "No Objection Certificate" has to be obtained from the concerned authority.

(e) The existing assets, if any has to be transferred to a similar object company before converting it into a non-section 25 company.

(f) The company should have filed its all upto date Balance Sheets and Annual Returns.

(g) The Directors have to file an affidavit confirming above compliances/ status.

(h) A certificate from practicing Chartered Accountants/ Company Secretary/ Cost Accountant certifying the above status / compliances by the company.

II. On receipt of above documents and being satisfied, the Registrar of Companies can considered to revoke license in exercise of his power under section 25(7) of the Act on merits.

6. You are requested to examine the proposed guidelines and furnish your comments/recommendations to the Ministry by 15th July, 2011 by e-mail on following e-mail addresses.

monika.gupta@mca.gov.in
kamna.sharma@mca.gov.in

Yours faithfully,
(Monica Gupta)
Assistant Director



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PROPOSED GUIDELINES FOR STRIKE OFF NAME UNDER SECTION 560 OF THE COMPANIES ACT, 1956 OF COMPANIES (NON PROFIT COMPANIES) WHICH HAVE BEEN GRANTED LICENSE UNDER SECTION 25 OF THE COMPANIES ACT, 1956

F.No.17/178/2011-CL-V
Government of India
Ministry of Corporate Affairs
CL V Section

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

All Regional Directors,
All Registrar of Companies,
All Stakeholders

Sub : Proposed guidelines for strike off name under section 560 of the Companies Act, 1956 of companies (non profit companies) which have been granted license under section 25 of the Companies Act, 1956.

Sir,

The Ministry has been receiving representation from various stakeholders to develop a procedure for strike off name under section 560 of the Companies Act, 1956 of companies (non profit companies) which have been granted license under section 25 of the Companies Act, 1956. There are a number of section 25 companies which have not done any activity after obtaining license under section 25 or have stopped such activities, and now want to strike off their name under section 560 of the Companies Act, 1956.

2. At present Registrar of Companies are not taking action either suo-moto or on request of companies for striking off the name of section 25 companies (non profit companies) under section 560 of the Companies Act, 1956. The Ministry of Corporate Affairs has also not permitted for exit of section 25 companies under various exit schemes under section 560 of the Act announced by it from time to time.

3. Section 25 companies, being a non profit organization/company normally receive contribution from all sections of the society in the form of donations, contributions, etc for the furtherance of the charitable, philanthropic activities or for such other useful objects. Such non profit companies sometime also enjoy special status and benefit from various authorities such as Income Tax, Commissioner of Charity, any organization of Central Government or State Government, Municipal Body or any other recognized authority.

4. The Companies Regulation, 1956 also provides for distribution of assets of such companies on winding up as under: --

"If upon a winding up or dissolution of the company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the company but shall be given or transferred to such other company having objects similar to the objects of this company, to be determined by the members of the company at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter."



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5. In the background of above provisions, the Ministry of Corporate Affairs is considering to prescribe following guidelines for strike off name under 560 of the Companies Act, 1956 for section 25 companies as under: --

I. A section 25 Company may apply to Registrar of Companies in e-form (to be prescribed) for strike off name under 560 of the Companies Act, 1956 after satisfying following conditions : --

(a) The section 25 company should have passed a resolution in general meeting to apply Registrar of Companies to strike off name under 560 of the Companies Act, 1956 which should have been approved by all members/shareholders of the company.

(b) The section 25 company has not commenced any activity or operation since its incorporation or stopped activities for more than last 03 years.

(c) The company has not received any donation, grants or contribution etc., other than its members.

(d) Where the company has obtained any special status from any authority such as Income Tax, Commissioner of Charity or any organization or Department of Central Government, State Government, Municipal Body or any recognized authority then a "No Objection Certificate" has to be obtained from the concerned authority.

(e) The existing assets, if any has to be transferred to a similar object company (section 25 company) before applying to Registrar of Companies for strike off the name under section 560 of the Act.

(f) The company should have filed its all upto date Balance Sheets and Annual Returns and latest Balance Sheet should not have any Assets or Liabilities.

(g) The Directors have to file an affidavit and indemnity as required under present exit guidelines and confirming above compliances/ status.

(h) A certificate from practicing Chartered Accountants/ Company Secretary/ Cost Accountant certifying the above status / compliances by the company.

II. On receipt of above documents and being satisfied, the Registrar of Companies may consider to initiate action under section 560 of the Companies Act, 1956.

6. You are requested to examine the proposed guidelines and furnish your comments/recommendations to the Ministry by 15th July, 2011 by e-mail on following e-mail addresses.

monika.gupta@mca.gov.in
kamna.sharma@mca.gov.in

Yours faithfully,

(Monika Gupta)
Assistant Director



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CARVES OUT PROVIDED IN IND AS

The Ind As have been prepared by NACAS and with its recommendation submitted to MCA. NACAS adopted due consultative proposed of hosting the draft Ind As insisting /suggestions and therefore after deliberated with industries representative in NACAS. The finally recommended Ind AS have the following carve outs. These carve outs have been made to fill up the gap/differences in application of Accounting Principles Practices and economic conditions prevailing in India.

1. Ind AS 21-The Effects of Changes in Foreign Exchange Rates

It requires recognition of exchange differences arising on translation of monetary items from foreign currency to functional currency directly in profit or loss.

Carve out

Ind AS 21 permits an option to recognise exchange differences arising on translation of certain long-term monetary items from foreign currency to functional currency directly in equity. In this situation, Ind AS 21 requires the accumulated exchange differences to be amortised to profit or loss in an appropriate manner.

2. Ind AS 28- Investment in Associates

1. Paragraph 25 require that difference between the reporting period of an associate and that of the investor should not be more than three months, in any case.

Carve out

The phrase 'unless it is impracticable' has been added in the relevant requirement i.e., paragraph 25 of Ind AS 28.

2. IAS 28 requires that for the purpose of applying equity method of accounting in the preparation of investor's financial statements, uniform accounting policies should be used. In other words, if the associate's accounting policies are different from those of the investor, the investor should change the financial statements of the associate by using same accounting policies.

Carve out

The phrase, 'unless impracticable to do so' has been added in the relevant requirements i.e., paragraph 26 of Ind AS 28.

3. Ind AS 32- Financial Instruments in Presentation Part,

A Carve out is an exception has been included to the definition of 'financial liability' in paragraph 11 (b) (ii), Ind AS 32 to consider the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of entity's own equity instruments as an equity instrument if the exercise price is fixed in any currency. This exception is not provided in IAS 32.

4. Ind AS 39- Financial Instruments: Recognition and Measurement

IAS 39 requires all changes in fair values in case of financial liabilities designated at fair value through Profit and Loss at initial recognition shall be recognised in profit or loss. IFRS 9 which will replace IAS 39 requires these to be recognised in 'other comprehensive income'

Carve out



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A proviso has been added to paragraph 48 of Ind AS 39 that in determining the fair value of the financial liabilities which upon initial recognition are designated at fair value through profit or loss, any change in fair value consequent to changes in the entity's own credit risk shall be ignored.

5. Ind AS 103, Business Combinations

IFRS 3 requires bargain purchase gain arising on business combination to be recognised in profit or loss.

Carve out

Ind AS 103 requires the same to be recognised in other comprehensive income and accumulated in equity as capital reserve, unless there is no clear evidence for the underlying reason for classification of the business combination as a bargain purchase, in which case, it shall be recognised directly in equity as capital reserve.

6. Ind AS 101, First-time Adoption of Indian Accounting Standards (i) Presentation of comparatives in the First-time Adoption of Indian Accounting Standards (Ind AS) 101 (corresponding to IFRS 1)

IFRS 1 defines transitional date as beginning of the earliest period for which an entity presents full comparative information under IFRS. It is this date which is the starting point for IFRS and it is on this date the cumulative impact of transition is recorded based on assessment of conditions at that date by applying the standards retrospectively except to the extent specifically provided in this standard as optional exemptions and mandatory exceptions. Accordingly, the comparatives, i.e., the previous year figures are also presented in the first financial statements prepared under IFRS on the basis of IFRS.

Carve out

Ind AS 101, requires an entity to provide comparatives as per the existing notified Accounting Standards. It is provided that, in addition to aforesaid comparatives, an entity may also provide comparatives as per Ind AS on a memorandum basis.

(ii) Presentation of reconciliation

IFRS 1 requires reconciliations for opening equity, total comprehensive income, cash flow statement and closing equity for the comparative period to explain the transition to IFRS from previous GAAP.

Carve out

Ind AS 101 provides an option to provide a comparative period financial statements on memorandum basis. Where the entities do not exercise this option and, therefore, do not provide comparatives, they need not provide reconciliation for total comprehensive income, cash flow statement and closing equity in the first year of transition but are expected to disclose significant differences pertaining to total comprehensive income. Entities that provide comparatives would have to provide reconciliations which are similar to IFRS.

(iii) Cost of Non-current Assets Held for Sale and Discontinued Operations on the date of transition on First-time Adoption of Indian Accounting Standards (Ind AS)

Carve out



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Ind AS 101 provides transitional relief that while applying Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations, an entity may use the transitional date circumstances to measure such assets or operations at the lower of carrying value and fair value less cost to sell.

(iv) Foreign currency gains/losses on translation of long term monetary items.

Carve out

Ind AS 101 provides that on the date of transition, if there are long-term monetary assets or long-term monetary liabilities mentioned in paragraph 29A of Ind AS 21, an entity may exercise the option mentioned in that paragraph regarding spreading over the unrealised Gains/Losses over the life of Assets/Liabilities either retrospectively or prospectively. If this option is exercised prospectively, the accumulated exchange differences in respect of those items are deemed to be zero on the date of transition.

(v) Financial instruments existing on transition date

Carve out

Ind AS 101 provides that the financial instruments carried at amortised cost should be measured in accordance with Ind AS 39 from the date of recognition of financial instruments unless it is impracticable (as defined in Ind AS 8) for an entity to apply retrospectively the effective interest method or the impairment requirements of Ind AS 39. If it is impracticable to do so then the fair value of the financial asset at the date of transition to Ind-ASs shall be the new amortised cost of that financial asset at the date of transition to Ind ASs. Ind AS 101 provides another exemption that financial instruments measured at fair value shall be measured at fair value as on the date of transition to Ind AS.

(vi) Definition of previous GAAP under Ind AS 101 Firsttime Adoption of Indian Accounting Standards

IFRS 1 defines previous GAAP as the basis of accounting that a first-time adopter used immediately before adopting IFRS.

Carve out

Ind AS 101 defines previous GAAP as the basis of accounting that a **first-time adopter** used immediately before adopting Ind ASs for its reporting requirements in India. For instance, for companies preparing their financial statements in accordance with the existing Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 shall consider those financial statements as previous GAAP financial statements.

(vii) Cost of Property, Plant and Equipment (PPE), Intangible Assets, Investment Property, on the date of transition of First-time Adoption of Indian Accounting Standards.

Ind AS 101 provides an entity an option to use carrying values of all assets as on the date of transition in accordance with previous GAAP as an acceptable starting point under Ind AS.

B.Carve-outs for specific industries

7. Ind AS 18-Revenue



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On the basis of principles of the IAS 18, IFRIC 15 on Agreement for Construction of Real Estate, prescribes that construction of real estate should be treated as sale of goods and revenue should be recognised when the entity has transferred significant risks and rewards of ownership and has retained neither continuing managerial involvement nor effective control.

Carve out

IFRIC 15 has not been included in Ind AS 18, Revenue. Such agreements have been scoped out from Ind AS 18 and have been included in Ind AS 11, Construction Contracts.

8. Ind AS 18- Revenue

Carve out

A footnote has been added in paragraph 1 to Ind AS 18, Revenue, that for rate regulated entities, this standard shall stand modified, where and to the extent the recognition and measurement of revenue of such entities is affected by recognition and measurement of regulatory assets/liabilities as per the Guidance Note on the subject being issued by the Institute of Chartered Accountants of India.

9. Indian Accounting Standard on Agriculture (Corresponding to IAS 41)

IAS 41, Agriculture, requires measurement of biological assets, viz ,living animals and plants at fair value and recognizing gains and losses arising on such measurement in profit or loss, unless ascertainment of fair value is unreliable..

Carve out

It has been decided to revise the Standard and not to issue the standard as it is.

10. Ind As -19 Employee Benefits vis-à-vis IFRSs/IASs restricting options.

According to Ind AS 19 the rate to be used to discount post-employment benefit obligation shall be determined by reference to the market yields on government bonds, whereas under IAS 19, the government bonds can be used only where there is no deep market of high quality corporate bonds. To illustrate treatment of gratuity subject to ceiling under Indian Gratuity Rules, an example has been added in Ind AS 19. IAS 19 permits various options for treatment of actuarial gains and losses for post employment defined benefit plans whereas Ind AS 19 requires recognition of the same in other comprehensive income, both for post-employment defined benefit plans and other long-term employment benefit plans. The actuarial gains recognised in other comprehensive income should be recognised immediately in retained earnings and should not be reclassified to profit or loss in a subsequent period.



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USER GUIDE ON PAYING MCA21 FEES VIA NEFT MODE

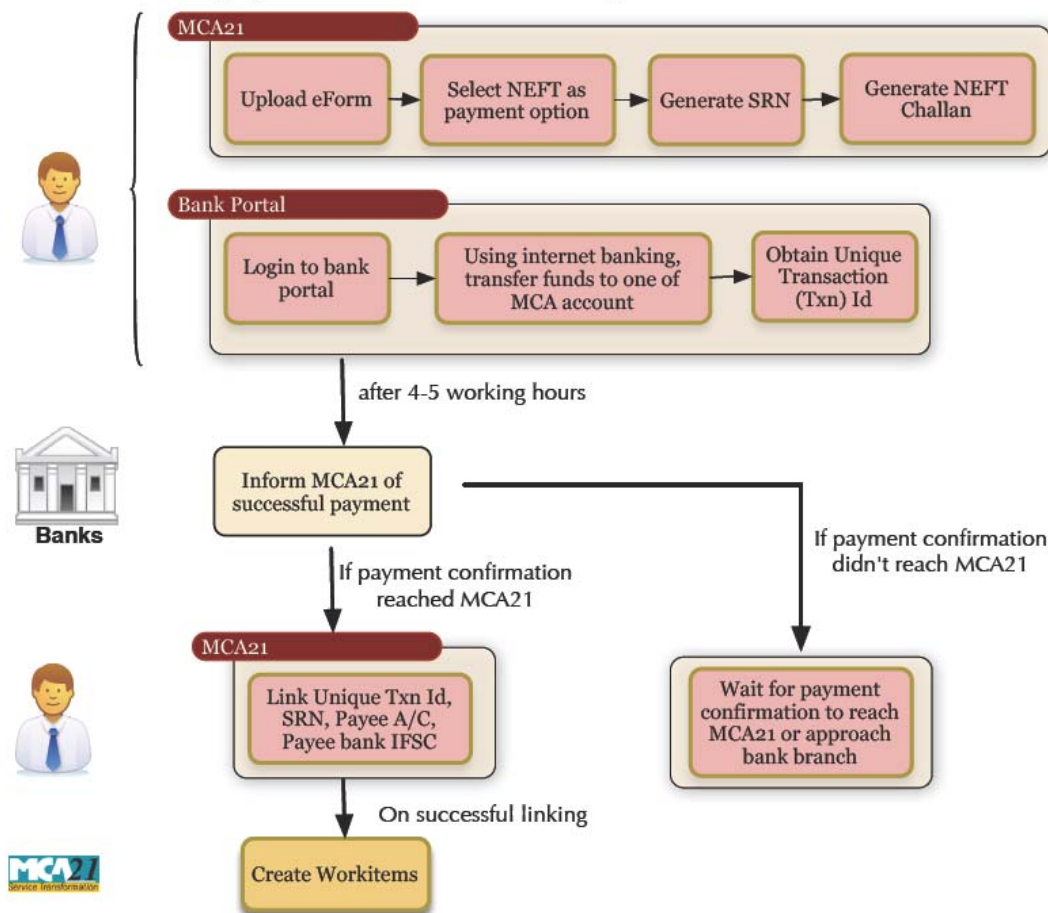
User Guide on Paying MCA21 Fees Via NEFT

Introduction:

Currently MCA21 payments are allowed via Credit Card, Internet Banking & Physical Challan. The Ministry has authorized 5 banks (Indian Bank, HDFC, ICICI, PNB and SBI) for collection of MCA21 fees, which means that only the account holders of these banks can avail Internet banking facility. Further, payment via challan can only be made in the authorized branches of these above five banks. Though this was a major improvement compared to the earlier manual system, it caused delays in incorporation of companies and processing of other eForms.

In order to eliminate inconveniences caused due to payment processing delays, Ministry is introducing payment of MCA fees via NEFT (National Electronic Fund Transfer) mode, in addition to already existing payment methods.

Process flow of payment of MCA21 fees using NEFT:





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1. User uploads eForm, selects 'NEFT' as payment option, generates a SRN and a eChallan which contains the procedure for conducting the NEFT transfer;
2. User transfer funds to one of the MCA21 account, via internet banking facility offered by their bank in which they hold an account. User may quote SRN in the remark column;
3. User's bank provides a unique transaction number (UTN) for the NEFT transfer;
4. Banks will inform MCA21 system in four to five working hours about the payment along with the UTN;
5. User logs in to MCA21 and link UTN and SRN. Additionally, for verification purpose, user will have to provide date of payment, IFSC code and account number from which the transfer was carried out and the amount. If the payment has been notified to MCA21 system and the details are matching, then the linking will be successful and MCA21 will create work item for further processing;
6. If details of payment for the SRN is still not received from banks, an information message is displayed to user to link SRN & UTN at a later time; If details doesn't match an error message is shown to the user.

What is NEFT?

NEFT is a nation-wide system that facilitates electronic transfer of funds from any bank branch to account holder of any other bank branch. The list of NEFT-enabled branches is available in the RBI website.

Presently, NEFT operates in hourly batches - there are eleven settlements from 9 am to 7 pm on weekdays and five settlements from 9 am to 1 pm on Saturdays.

NEFT transaction charges are available in the RBI website and are in addition to MCA21 filing fee.

Further details on NEFT can be found in the RBI website (<http://www.rbi.org.in/scripts/FAQView.aspx?Id=60>)

Notes for Information:

- 1) SRN will expire if payment doesn't reach MCA21 on time. Hence users should transfer funds well in advance taking into consideration of bank holidays and the settlement window mentioned as earlier.
- 2) Full amount has to be transferred in single transaction for a particular SRN. Amount can't be dividend into multiple payments.



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GREEN INITIATIVE IN CORPORATE GOVERNANCE

General Circular No. 39/2011

No 17/95/2011/CL.V

Government of India

Ministry of Corporate Affairs

5th floor, 'A' Wing, Shastri Bhawan,
Dr. Rajendra Prasad Road, New Delhi

Dated: 21.06.2011

All the Regional Directors,
All the Registrar of Companies

Sub: Green Initiative in the Corporate Governance -- Issue of Certificates by Digital Signature

Sir,

The Ministry has issued a General Circulars No. 29/2011 dated 20.05.2011 wherein it was informed that in order to cut timelines and an another step towards "Green Initiative" it has been decided that all certificates and standard letters issued by the Registrar of Companies will now be issued electronically under the Digital Signature of the Registrar of Companies.

In this regard, Ministry has already developed thirteen (13) such digitally signed certificates and the same has been implemented under MCA-21 system as mentioned below: --

S. No.	Certificate Description	Form ID	Implementation date
1	Certificate of Registration for Modification of Mortgage, etc. u/s 132 read with section 135 of the Companies Act, 1956. (STP)	Form 8	29-May-11
2	Memorandum of Satisfaction of Mortgage, etc., Section 140 of the Companies Act, 1956 (STP)	Form 17	29-May-11
3	Certificate of Registration of Mortgage, etc. Under Section 132 of the Companies Act, 1956 (STP)	Form 8	29-May-11
4	Certificate of Incorporation	Form 1	12-Jun-11
5	Certificate for Establishment of Place of Business In India	Form 44	12-Jun-11
6	Certificate of Registration for Modification of Mortgage, etc. u/s 132 read with section 135 of the Companies Act, 1956. (NON STP)	Form 8	12-Jun-11
7	Memorandum of Satisfaction of Mortgage, etc., Section 140 of the Companies Act, 1956 (NON STP)	Form 17	12-Jun-11
8	Certificate of Registration of Mortgage, etc. Under Section 132 of the Companies Act, 1956 (NON STP)	Form 8	12-Jun-11
9	Fresh Certificate of Incorporation Consequent upon Change of Name	Form 1B	12-Jun-11
10	Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company	Form 62	12-Jun-11
11	Certificate of Registration of Company Law Board order for Change of State	Form 18	12-Jun-11
12	Certificate of Registration of the Special Resolution Confirming	Form 23	12-Jun-11



CS Update

July 13, 2011



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	Alteration of Object Clause(s)		
13	Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Private Limited Company	Form 1B	12-Jun-11

It may please be noted that the remaining certificates are planned to be implemented by 3rd July, 2011.

The Registrar of Companies are hereby advised that after the date of implementation of Digital Certificates, no certificates shall be issued manually. All such pending certificates which are required to be issued manually, should be issued by 30th June, 2011.

Yours faithfully,

-Sd-
(Monika Gupta)
Assistant Director

Copy to: All concerned



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July 13, 2011



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General Circular 37/2011

17/70/2011 –CL.V
Government of India
Ministry of Corporate Affairs

5th Floor, A Wing, Shastri Bhavan,
Dr. R.P. Road, New Delhi
Dated the 07.06.2011

To
All Regional Directors
All Registrar of Companies

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

In supersession of this Ministry's Circular no. 9/2011 dated 31.03.2011 and 25/2011 dated 12.05.2011, Ministry of Corporate Affairs hereby mandated certain class of companies to file Balance sheets and Profit and loss Account alongwith Director's and Auditor's Report for the year 2010-11 onwards by using XBRL taxonomy. The Taxonomy Business Rules, Validity tools etc required for preparation the above documents in XBRL format as the existing Schedule VI and Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 have been prepared and hosted on the website of the Ministry at www.mca.gov.in. The **Frequently Asked Questions** (FAQs) about XBRL have been framed by the Ministry and they are being annexed as Annexure I with this circular for the information and easy understanding of the stakeholders. To enable filing on XBRL by stakeholders, MCA-21 portal will have XBRL filing module by July, 2011. Actual date will be informed separately.

Coverage in Phase I

2. The following class of companies have to file the Financial Statements in XBRL Form only from the year 2010-2011 :-

- (i) All companies listed in India and their Indian subsidiaries;
- (ii) All companies having a paid up capital of Rs. 5 Crore and above
- (iii) All companies having a turnover of Rs 100 crore and above.



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However banking companies, insurance companies, power companies and Non Banking Financial Companies (NBFCs) are exempted for XBRL filing, till further orders.

Additional Fee Exemption

3. All companies falling in Phase –I whose Balance Sheets are adopted in the Annual General Meeting held before 30.09.2011 are permitted to file upto 30-09-2011 without any additional filing fee. However, where companies hold the Annual General Meeting in the month of September 2011, they will file the Balance Sheet within 30 days from the date of adoption in the General Meeting as per section 220 of the Companies Act, 1956.

Training Requirement

4. Stakeholders desirous to have training on the XBRL or on taxonomy related issues, may contact the persons as mentioned in Annexure II.

A handwritten signature in black ink.

(J.N. Tikku)

Joint Director

Tel 23381295

E – mail- jyotinder.nath@mca.gov.in



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Frequently Asked Questions

1. What is XBRL?

XBRL is a language for the electronic communication of business and financial data which is revolutionizing business reporting around the world. It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data. XBRL stands for eXtensible Business Reporting Language. It is already being put to practical use in a number of countries and implementations of XBRL are growing rapidly around the world.

2. Who developed XBRL?

XBRL is an open, royalty-free software specification developed through a process of collaboration between accountants and technologists from all over the world. Together, they formed XBRL International which is now made up of over 650 members, which includes global companies, accounting, technology, government and financial services bodies. XBRL is and will remain an open specification based on XML that is being incorporated into many accounting and analytical software tools and applications.

3. What are the advantages of XBRL?

XBRL offers major benefits at all stages of business reporting and analysis. The benefits are seen in automation, cost saving, faster, more reliable and more accurate handling of data, improved analysis and in better quality of information and decision making. XBRL enables producers and consumers of financial data to switch resources away from costly manual processes, typically involving time-consuming comparison, assembly and re-entry of data. They are able to concentrate effort on analysis, aided by software which can validate and process XBRL information. XBRL is a flexible language, which is intended to support all current aspects of reporting in different countries and industries. Its extensible nature means that it can be adjusted to meet particular business requirements, even at the individual organization level.

4. Who can benefit from using XBRL?

All types of organizations can use XBRL to save costs and improve efficiency in handling business and financial information. Because XBRL is extensible and flexible, it can be adapted to a wide variety of different requirements. All participants in the financial information supply chain can benefit, whether they are preparers, transmitters or users of business data.

5. What is the future of XBRL?

XBRL is set to become the standard way of recording, storing and transmitting business financial information. It is capable of use throughout the world, whatever the language of the country concerned, for a wide variety of business purposes. It will deliver major cost savings and gains in efficiency, improving processes in companies, governments and other organisations.

6. Does XBRL benefit the comparability of financial statements?



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XBRL benefits comparability by helping to identify data which is genuinely alike and distinguishing information which is not comparable. Computers can process this information and populate both pre defined and customised reports.

7. Does XBRL cause a change in accounting standards?

No. XBRL is simply a language for information. It must accurately reflect data reported under different standards – it does not change them.

8. What are the benefits to a company from putting its financial statements into XBRL?

XBRL increases the usability of financial statement information. The need to re-key financial data for analytical and other purposes can be eliminated. By presenting its statements in XBRL, a company can benefit investors and other stakeholders and enhance its profile. It will also meet the requirements of regulators, lenders and others consumers of financial information, who are increasingly demanding reporting in XBRL. This will improve business relations and lead to a range of benefits.

With full adoption of XBRL, companies can automate data collection. For example, data from different company divisions with different accounting systems can be assembled quickly, cheaply and efficiently. Once data is gathered in XBRL, different types of reports using varying subsets of the data can be produced with minimum effort. A company finance division, for example, could quickly and reliably generate internal management reports, financial statements for publication, tax and other regulatory filings, as well as credit reports for lenders. Not only can data handling be automated, removing time-consuming, error-prone processes, but the data can be checked by software for accuracy.

9. How does XBRL work?

XBRL makes the data readable, with the help of two documents – Taxonomy and instance document. Taxonomy defines the elements and their relationships based on the regulatory requirements. Using the taxonomy prescribed by the regulators, companies need to map their reports, and generate a valid XBRL instance document. The process of mapping means matching the concepts as reported by the company to the corresponding element in the taxonomy. In addition to assigning XBRL tag from taxonomy, information like unit of measurement, period of data, scale of reporting etc., needs to be included in the instance document.

10. How do companies create statements in XBRL?

There are a number of ways to create financial statements in XBRL:

XBRL-aware accounting software products are becoming available which will support the export of data in XBRL form. These tools allow users to map charts of accounts and other structures to XBRL tags.

Statements can be mapped into XBRL using XBRL software tools designed for this purpose

Data from accounting databases can be extracted in XBRL format. It is not strictly necessary for an accounting software vendor to use XBRL; third party products can achieve the transformation of the data to XBRL.



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Applications can transform data in particular formats into XBRL. The route which an individual company may take will depend on its requirements and the accounting software and systems it currently uses, among other factors.

11. Is India a member of XBRL International?

India is now an established jurisdiction of XBRL International. A separate company, under section 25 has been created, to manage the operations of XBRL India. The main objectives of XBRL India are

- To create awareness about XBRL in India
- To develop and maintain Indian Taxonomies
- To help companies, adopt and implement XBRL.

For more information, visit www.xbrl.org/in

12. Which taxonomies developed for Indian reporting requirements? Where can I find the taxonomies?

Taxonomies for Indian companies are developed based on the requirements of

- Schedule VI of Companies Act,
- Accounting Standards, issued by ICAI
- SEBI Listing requirements.

Taxonomies for Manufacturing and service sector (referred as Commercial and Industrial, or C&I) and Banking sector, is acknowledged by XBRL International. These taxonomies are available at <http://www.xbrl.org/in/>

13. Where can I find more information about XBRL?

Please visit www.xbrl.org . Also Ministry of Corporate Affairs would be shortly developing its webpage on XBRL with list of contact persons for training purposes.

14. What are XBRL Documents?

An XBRL document comprises the taxonomy and the instance document. Taxonomy contains description and classification of business & financial terms, while the instance document is made up of the actual facts and figures. Taxonomy and Instance document together make up the XBRL documents.

15. What is Taxonomy?

Taxonomy can be referred as an electronic dictionary of the reporting concepts. Taxonomy consists of all the data definitions, the basic XBRL properties and the interrelationships amongst the concepts. It includes terms such as net income, EPS, cash, etc. Each term has specific attributes that help define it, including label and definition and potentially references. Taxonomies may represent hundreds or even thousands of individual business reporting concepts, mathematical and definitional relationships among them, along with text labels in multiple languages, references to authoritative literature, and information about how to display each concept to a user.



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16. What is meant by extending taxonomy?

Taxonomy is extended to accommodate items/relationship specific to the owner of the information. Taxonomy extension therefore can be

- a) Modification in the existing relationships
- b) Addition of new elements in the taxonomy
- c) Combination both a & b

17. Are Taxonomies based on any standards?

Yes, taxonomies are based on the regulatory requirements and standards which are to be followed by the companies. Accordingly, depending on the requirements of every country, there can be country-specific taxonomies.

18. What is an Instance document?

An XBRL instance document is a business report in an electronic format created according to the rules of XBRL. It contains facts that are defined by the elements in the taxonomy it refers to, together with their values and an explanation of the context in which they are placed. XBRL Instances contain the reported data with their values and "contexts". Instance document must be linked to at least one taxonomy, which defines the contexts, labels or references.

Thus, in order to concluded the usage and explain the XBRL technology which leads to more information exchanges that can be effectively automated by use. This one standard approach leads to the best interest of the company or more so for the international business interests globally that warrant the accuracy of all the financial data for the end users and early collaborative decisions by the companies or those whose interst is involved for acquisition/ rights etc.



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July 13, 2011



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SEBI UPDATE





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CLARIFICATION REGARDING ADMISSION OF LIMITED LIABILITY PARTNERSHIPS AS MEMBERS OF STOCK EXCHANGES

CIRCULAR

CIR/MIRSD/12/2011

July 11, 2011

To

All Recognized Stock Exchanges

Sub: Clarification regarding admission of Limited Liability Partnerships as members of Stock Exchanges.

Dear Sir/Madam,

We have received requests from various stock exchanges to permit Limited Liability Partnerships (LLPs) to be admitted as members of stock exchanges so as to enable them to get registration as stock broker under SEBI (Stock brokers and Sub-brokers) Regulations, 1992.

2. Securities Contract Regulation Rules, 1956 (SCRR) do not explicitly mention LLPs as the Limited Liability Partnership Act, 2008 was a subsequent development. As per the LLP Act, LLP is a body corporate. Sub-rule 4A and 5 of Rule 8 of the SCRR provides that Limited Liability Companies (LLC) and partnership firms are eligible to be admitted as members of stock exchanges. In this context it may be stated that LLPs are akin to LLC and partnership firms.

3. In view of the above and since the Parliament has put in place a legal framework for LLPs, Stock Exchanges may consider granting membership to LLPs subject to LLP complying with the conditions laid down in Rule 8(4A) of the SCRR, as far as it can apply to LLPs.

4. The stock exchanges are advised to:

a) Bring the provisions of this clarification to the notice of the Stock Brokers and also disseminate the same on their websites.

b) Make necessary clarificatory amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in coordination with one another to achieve uniformity in approach.

B.N. Sahoo
Deputy General Manager
022-26449250
biranchins@sebi.gov.in



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July 13, 2011



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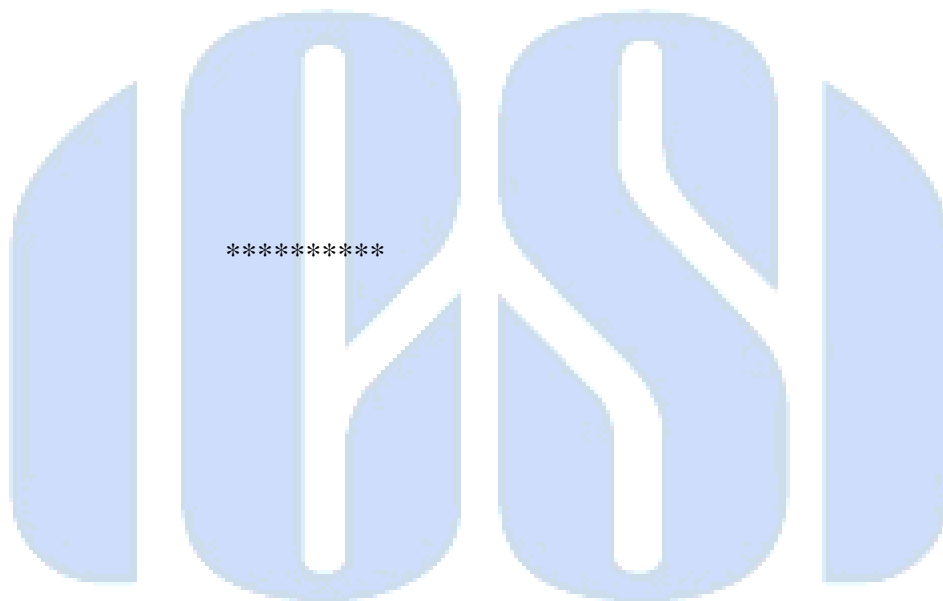
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FAQ ON 91-DAY GOVERNMENT OF INDIA TREASURY-BILL (T BILL) FUTURES

Further details can be accessed at:

<http://www.sebi.gov.in/faq/faq91day.pdf>





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TAX LAW UPDATE





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COLLECTION OF ANTI-DUMPING DUTY BEYOND THE VALIDITY PERIOD

Circular No. 28/2011-Customs

F.No.354/150/2011-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

R.No.146 I, North Block
New Delhi, dated the 8th July, 2011

To
Chief Commissioner of Customs (All)
Chief Commissioner of Customs & Central Excise (All)
Director Generals (All)

Sir/Madam,

Subject: **Collection of Anti-dumping duty beyond the validity period-regarding.**

Representations have been received from the trade that, in some cases, field formations are collecting anti-dumping duty even after the expiry of the statutorily prescribed period of levy. It has been reported that the basis for such a practice could be that the notification providing for levy of anti-dumping duty does not specify the end date.

2. In this regard, attention is drawn to the Section 9A (5) of The Customs Act, 1975, which reads as under:

"(5) The anti-dumping duty imposed under this section shall, unless revoked earlier, cease to have effect on the expiry of five years from the date of such imposition:

Provided that if the Central Government, in a review, is of the opinion that the cessation of such duty is likely to lead to continuation or recurrence of dumping and injury, it may, from time to time, extend the period of such imposition for a further period of five years and such further period shall commence from the date of order of such extension.

Provided further that where a review initiated before the expiry of the aforesaid period of five years has not come to a conclusion before such expiry, the anti-dumping duty may continue to remain in force pending the outcome of such a review for a further period not exceeding one year."

3 From a plain reading of this provision it is evident that definitive/final anti-dumping duty can be collected only for a period of five years from the date of its imposition. Generally by virtue of Sub-section (2) of Section 9A of the Customs tariff Act, 1975, the anti dumping levy notified in pursuance of final findings of the Director General (AD) is effective from the date of imposition of



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provisional duty and therefore the period of five years is to be computed from such date. Collection beyond that period is permissible only when the said levy is extended by a notification either for further period of five years (in pursuance of the final findings of the Designated Authority in a Sun Set Review) or for one year (during the pendency of Sun Set Review). Thus, a definitive/final anti-dumping duty can be collected beyond the stipulated period only when a notification extending the levy has been issued, before the expiry of the parent notification. Unless such revalidation or extension is carried out by a fresh notification, the collection of final anti-dumping duty should cease on the completion of five years as mentioned above. Where the findings in a review are notified after the lapse of the parent notification, the notification in such cases would be effective prospectively from the date of issue of such notification.

4.The above position may be brought to the notice of formations under your charge, for strict compliance.

Yours faithfully,

Vivek Johri

Joint Secretary (TRU)

Tel: 2309 2687

Fax: 2309 2031

