

Securities and Exchange Board of India

CIR/IMD/FIIC/3/2011

March 08, 2011

Sub: Allocation of Government debt long term & corporate debt - old investment limits to FIIs

1. Based on the assessment of the allocation and the utilization of the limits to FIIs for investments in debt, it has been decided to allocate the unutilized limits in Government debt long term & corporate debt – old category in the following manner:-

2. **Allocation through bidding process:** The bidding for these limits shall be done on the NSE from 15:30 hrs to 17:30 hrs, on March 15, 2011, in terms of SEBI circular IMD/FII&C/37/2009 dated February 06, 2009, subject to the modifications stated below:-

2.1. Government debt long term:

2.1.1. In partial amendment to clause 3 (h) of the aforesaid circular IMD/FII & C/37/2009, no single entity shall be allocated more than Rs.750 cr. of the investment limit. Where a single entity bids on behalf of multiple entities, in terms of para 7 of SEBI circular CIR/IMD/FIIC/18 /2010 dated November 26,2010, then such bid would be limited to INR 750 cr. for every such single entity.

2.1.2. In partial amendment to clause 3 (c) and 3(d) of the aforesaid circular IMD/FII & C/37/2009, the minimum amount which can be bid for shall be Rs.100 cr. and the minimum tick size shall be Rs.50 cr.

2.2. Corporate Debt – Old limit:

2.2.1. In partial amendment to clause 3 (h) of the aforesaid circular IMD/FII & C/37/2009, no single entity shall be allocated more than Rs.300 cr. of the investment limit. Where a single entity bids on behalf of multiple entities, in terms of para 7 of SEBI circular CIR/IMD/FIIC/18 /2010 dated November 26, 2010, then such bid would be limited to INR 300 cr. for every such single entity.

2.2.2. In partial amendment to clause 3 (c) and 3(d) of the aforesaid circular IMD/FII & C/37/2009, the minimum amount which can be bid for shall be Rs.100 cr. and the minimum tick size shall be Rs.50 cr.

3. Allocation through first come first serve process (FCFS): In terms of SEBI circular dated January 31, 2008, the Government debt long term & corporate debt -old limits shall be allocated in the FCFS basis subject to the following conditions:-

3.1. The remaining amount in Government debt long term & corporate debt -old limits other than bidding process shall be allocated among the FIIs/sub-accounts on a FCFS basis.

3.2. The debt requests in this regard shall be forwarded to the dedicated email id fii_debtrequests@sebi.gov.in. The window for FCFS process shall open at 08:30 AM IST, March 15, 2011.

3.3. Maximum limit per request under this process shall be INR 50 cr.

3.4. A non-utilisation charge would be levied at average successful bid premium (in respective bidding process) for non-utilized part from the allocation in first come first serve. A copy of this circular is available at the web page “F.I.I.” on our website www.sebi.gov.in. The custodians are requested to bring the contents of this circular to the notice of their FII clients.

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

Yours faithfully,

Jeevan Sonparote
General Manager
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CIRCULAR SEBI /DNPd/ 3 /2011

March 7, 2011

Subject: Futures on 91-day Government of India Treasury-Bill (T- Bill)

1. This is in continuation of SEBI Circular No. SEBI/DNPd/Cir- 46/2009 dated August 28, 2009 regarding Exchange Traded Interest Rate Futures.
2. It has now been decided to permit introduction of futures on 91-day Government of India Treasury-Bill (T- Bill) on currency derivatives segment of Stock Exchanges. Eligible Stock Exchanges may do so after obtaining prior approval from SEBI.
3. The details in terms of product design and risk management framework for futures on 91-day Government of India Treasury-Bill (T- Bill) are as given under Annexure I.
4. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. The circular shall come into force from the date of the circular.
6. This circular is available on SEBI website at www.sebi.gov.in., under the category “Derivatives-Circulars”.

Yours faithfully,
Sujit Prasad
General Manager
Derivatives and New Products Department
022-26449460
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This circular can be viewed on the website: www.sebi.gov.in

Reserve Bank of India (RBI)

Subject: Exchange-traded Interest Rate Futures

It has been decided to introduce Interest Rate Futures on 91-Day Treasury Bills issued by Government of India. In this regard, Reserve Bank of India has issued an amendment direction IDMD.PCD.27/ED(HRK)-2010 dated March 7, 2011 under section 45W of the Reserve Bank of India Act, 1934, which has been placed on the Reserve Bank of India website (www.rbi.org.in).

Interest Rate Futures (Reserve Bank) (Amendment) Directions, 2011

IDMD.PCD. 27 /ED (HRK) - 2010

March 7, 2011

The Reserve Bank of India having considered it necessary in public interest and to regulate the financial system of the country to its advantage, in exercise of the powers conferred by section 45W of the Reserve Bank of India Act, 1934 and of all the powers enabling it in this behalf, hereby amends the Directions contained in Notification FMD.MSRG.1/02.04.003/2009-10 dated August 28, 2009 (hereinafter referred to as 'Directions') as follows, namely -

1. In paragraph 3(i) of the Directions, after the words "are permitted on" and before the words "10-year notional coupon bearing Government of India security" the following words shall be inserted:

"91-Day Treasury Bills,"

2. Paragraph 4 of the Directions shall be amended to read as under –

4. Features of Interest Rate Futures

4.1 The 10-year Interest Rate Futures contract shall have the following features:

The contract shall be on 10-year notional coupon bearing Government of India security.

The notional coupon shall be 7% per annum with semi-annual compounding.

The contract shall be settled by physical delivery of deliverable grade securities using the electronic book entry system of the existing Depositories, namely, National Securities Depositories Ltd. and Central Depository Services (India) Ltd. and Public Debt Office of the Reserve Bank.

Deliverable grade securities' shall comprise GoI securities maturing at least 7.5 years but not more than 15 years from the first day of the delivery month with a minimum total outstanding stock of ` 10,000 crore. Exchanges may fix their own basket of securities for delivery from the deliverable grade securities in accordance with guidelines issued by the Securities Exchange Board of India from time to time.

4.2 The 91-Day T-Bill Futures shall have the following features:

The contract shall be on 91-Day Treasury Bills issued by the Government of India.

The contract shall be cash settled in Indian Rupees.

The final settlement price of the contract shall be based on the weighted average price/yield obtained in the weekly auction of the 91-Day Treasury Bills on the date of expiry of the contract.

(H R Khan)
Executive Director

RBI/2010-11/414 DGBA.GAD.No.H.6002/42.01.029/2010-11

March 3, 2011

Subject: Scheme for Collection of Dues of (i) Central Board of Direct Taxes (ii) Central Board of Excise and Customs (iii) Departmentalised Ministries Account - Reporting and Accounting of March Transactions - Special Arrangements - Financial Year 2010-2011

Please refer to Circular DGBA.GAD.No.H.7083/42.01.029/2009-10 dated March 4, 2010 advising the procedure to be followed for reporting and accounting of collection of Direct Taxes (CBDT) and Indirect Taxes (CBEC) and transactions of Departmentalised Ministries at the Receiving/Nodal/Focal Point branches of your bank for the Financial Year 2009-10.

2. The Government of India has decided that the date of closure of Residual Transactions for the month of March 2011 be fixed as April 15, 2011 (Friday) for the Financial Year 2010-11.

3. In view of the ensuing closing of Government Accounts for the financial year 2010-11, you may please reiterate the instructions to your branches regarding introduction of special messenger arrangements at your receiving branches (situated locally) from the second fortnight of March 2011. Receiving branches not situated locally should also adopt special arrangements such as courier service etc. from the second fortnight of March 2011 for passing on challans/scrolls etc. to the Nodal/Focal Point branches so that all payments and collections made on behalf of Government towards the end of March are accounted for in the same financial year. The branches may also be instructed to take all necessary steps to ensure that the arrears, if any, are cleared before March 15, 2011.

4. As regards reporting of March 2011 transactions by Nodal/Focal Point branches in April, the branches may be advised to follow the procedure as outlined in the Annex. To sum up, the Nodal/Focal Point branches will be required to prepare separate sets of scrolls, one pertaining to March Residual Transactions and another for April Transactions during the first 15 days of April 2011. The Nodal/Focal Point branches should also ensure that the accounts for all transactions (revenues/tax collections/payments) are effected at the receiving branches upto March 31, 2011 in the accounts for the current financial year itself and are not mixed up with the transactions of April 2011. Also, while reporting transactions pertaining to March 2011 upto April 15, 2011, the transactions of April 2011 should not be mixed up with "March Residual Transactions".

5. The procedure now followed for reporting and accounting of transactions of Non-Civil Ministries viz. Defence, Posts, Railways and Telecommunications (which was revised with effect from October 1, 1993), is similar to the procedure for reporting and accounting of transactions of Departmentalised Ministries. The special arrangements for reporting March transactions by receiving branches to Nodal/Focal Point branches and the procedure for reporting March 2011 transactions in April 2011 by Nodal/Focal Point branches as indicated in paragraphs 3 and 4 above are also applicable to the reporting of transactions of Non-Civil Ministries. The branches of your bank handling the Non-Civil Ministries transactions, if any, may, therefore, be advised to follow the above procedure.

Yours faithfully
(G. C. Biswal)
Deputy General Manager

ANNEXURE

Enclosure to DGBA Circular No.RBI/2010-11/Dated March 3, 2011

Reporting of March Transactions

Beginning from April 1, 2011, the Nodal/Focal Point branches will segregate on a daily basis all scrolls/challans pertaining to March 2011 received from the receiving branches concerned and prepare separate main scrolls for: scrolls for transactions of March 2011 or earlier period (i.e. effected during the previous financial year 2010-11) and scrolls pertaining to current transactions (i.e. those effected from April 1, 2011 onwards).

2. The main scrolls for March 2011 transactions prepared from April 1 to April 15, 2011 are to be distinctly marked as March Residual - 1, March Residual - 2 and so on upto April 15, 2011. In other words, serial number should be allotted in consecutive order for each main scroll of March 2011 transactions sent from April 1 to April 15, 2011. These scrolls alongwith the copies of daily summary of Receipts and Payments prepared separately for March 2011 transactions will be forwarded to the Departmental Officials concerned (i.e. Zonal Accounts Officers/Pay and Accounts Officers and Designated Officers) in the usual way. The Nodal/Focal Point branches will also be required to report the above transactions to the Link Cell through separate Daily Memos. These advices must be sent by telegrams/FAX to enable the Link Cell of each bank at Nagpur, to make daily settlement with Reserve Bank of India, Central Accounts Section (CAS) Nagpur. On receipt of advices (Memo/Telegrams/FAX) from the Nodal/Focal Point branches, the Link Cell should segregate the advices for the March Residual transactions and forward them separately to Reserve Bank of India, CAS, Nagpur for being processed on the computer. This procedure should continue upto and inclusive of April 15, 2011 only. All transactions reported thereafter by the receiving branches will be reported and accounted for in the usual manner in the accounts of the month of report irrespective of the date of transaction. Following the special arrangements for March 2011 transactions, it is necessary for the Nodal/Focal Point branches to prepare two sets of DMS to be submitted to Zonal Accounts Officers/Pay and Accounts Officers for March 2011 transactions - one for transactions upto March 31, 2011 and another for March Residual Transactions adjusted by Nodal/Focal Point branches with Reserve Bank of India, Central Accounts Section, Nagpur, during April 1 to April 15, 2011.

Since the Nodal/Focal Point branch will also be reporting the April 2011 transactions pertaining to year 2011-2012 in addition to March Residual transactions, monthly statement for April transactions should be compiled and furnished to Zonal Accounts Officers/Pay and Accounts Officers in the usual way. In order to distinguish the April 2011 (year 2011 - 2012) and March Residual Transactions, the statement pertaining to March Residual Transactions should be clearly marked as "March Residual Account".

Note : As advised in our circular GA.NB.No.376/42.01.001/95-96 dated May 22, 1996 all the cheques/amounts realized on or before March 31, 2011 should be treated as transactions relating to the current financial year as "March 2011 or March Residual Transactions", the reporting of which may take place during the month of April (upto April 15, 2011). But if any cheque is tendered on or before March 31, 2011 and realized on or after April 1, 2011, it will be treated as transaction for the next

financial year as "April Transactions". Accordingly, the banks will prepare separate scrolls for March 2011 and April 2011 (year 2011 - 2012) transactions.

RBI/2010-11/411 DBOD.Dir.BC. 81/13.03.00/2010-11

February 21, 2011

Subject: Guidelines on Base Rate

Please refer to our circular No. DBOD.Dir.BC.88/13.07.001/2009-10 dated April 9, 2010 and our letter DBOD.Dir.No. 21957/13.07.001/2009- 10 dated June 24, 2010 addressed to IBA on the subject.

2. Government of India, Ministry of New and Renewable Energy (MNRE) has formulated a scheme on financing of Off-Grid and Decentralised Solar (Photovoltaic and Thermal) applications as part of the Jawaharlal Nehru National Solar Mission (JNNSM). Under the scheme, banks may extend subsidised loans to entrepreneurs at interest rates not exceeding five per cent where refinance of two per cent from Government of India is available. In this context, we advise that such lending at interest rates not exceeding five percent per annum where refinance of Government of India is available, would not be considered to be a violation of our Base Rate Guidelines.

Yours faithfully,

(P. R. Ravi Mohan)
Chief General Manager

RBI/2010-11/409 UCB (PCB) BPD Cir.No. 36/16.20.000/2010-11

February 18, 2011

Subject: Prudential norms on investment in Zero Coupon Bonds

Please refer to paragraph 2 (iii) (c) of circular UBD(PCB) BPD Cir No.46/16.20.000/2008-09 dated January 30, 2009 on investments in Non-SLR securities by Primary (Urban) Co-operative Banks.

2. It is observed that banks are investing in long term Zero Coupon Bonds (ZCBs) issued by corporates including those issued by Non-Banking Financial Companies (NBFCs). As the issuers of ZCBs are not required to pay any interest or installments till the maturity of bonds, credit risk in such investments would go unrecognized till the maturity of bonds and this risk could especially be significant in the case of long term ZCBs. Such issuances and investments if done on a large scale could pose systemic problems.

3. In view of the above, it has been decided that banks should not, henceforth invest in ZCBs unless the issuer builds up a sinking fund for all accrued interest and keeps it invested in liquid investments/securities (Government bonds). The other instructions contained in paragraph 2 (iii)(c) of circular dated January 30, 2009 remain unchanged.

Yours faithfully,

(Uma Shankar)
Chief General Manager

RBI/2010-11/408 DNBS.PD/CC.No.211 /03.02.002/2010-11

February 17, 2011

Subject: All Deposit Taking NBFCs - CRAR Fifteen percent w.e.f March 31, 2012

In terms of paragraph 16 of Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, every deposit taking NBFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital, which shall not be less than 12% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. However, in terms of paragraph 16 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, dated February 22, 2007, every systemically important non-deposit taking NBFC(NBFC-ND-SI) has to maintain a minimum capital ratio consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items by March 31, 2011.

2. It has been decided to align the minimum capital ratio of all deposit taking as well as systemically important non-deposit taking NBFCs to 15%. Accordingly, all deposit taking NBFCs shall maintain a minimum capital ratio consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items w.e.f. March 31, 2012. Accompanying notification No. DNBS.224/CGM (US) - 2011 dated February 17, 2011 is enclosed for compliance.

Yours Sincerely,

(Uma Subramaniam)
Chief General Manager-in-Charge

All these circulars can be viewed on the website: www.rbi.org.in

Central Board of Excise & Customs (Customs)

Circular No. 13/ 2011-Customs

28th February, 2011

Subject: Compliance of International Standards for Phytosanitary Measures (ISPM-15) in respect of wood packaging material by exporters – regarding.

Attention is invited to the provisions of Plant Quarantine (Import of Goods in India) Order, 2003 which outlines mandatory requirements of compliance of ISPM for imported goods. Accordingly, Board Circular No.39/2004-Customs dated 30.6.2004 and instructions dated 2.4.2009 were issued to Customs field formations to implement the provisions of ISPM compliance.

2. ISPM is International Standards for Phytosanitary Measures as per IPPC convention of FAO to reduce the risk of introduction / or spread of quarantine pest associated with wood packaging material (including dunnage) made of coniferous and non coniferous raw wood, in use in international trade.

3. However, on export side, a large number of export consignments are intercepted by importing countries for non-compliance of ISPM-15 Standards relating to wood packaging materials used for export of materials. It has also been reported by Department of Agriculture and Co- operation that they are receiving numerous notifications regarding interception of consignments due to non-compliance of ISPM-15 standards in respect of export consignments.

4. The DGFT, vide the Notification No 54/2009-2014 dated 3.8.2010 has made it mandatory that

export of goods including plant and plant products using wood packaging materials such as pallet, dunnage, crating, packing blocks, drums, cases load boards, pellet collars shall be allowed subject to compliance of ISPM-15.

5. Considering that the large number of agricultural consignments are rejected being non-compliant with international standards and also mandatory requirements of the Notification No.54/2009-2014 dated 3.8.2010 issued by DGFT, it is decided by the Board that all consignments of export packed with wood packaging materials should be allowed clearance only if the wood packaging materials conform to requirements of ISPM-15. The export / imported consignment with wood packaging material are to be inspected by Customs. If any export / imported consignment is found without ISPM-15 mark or with doubtful marking, it should be reported to Plant Quarantine Officer / authorities for taking necessary action.

6. Ministry of Agriculture, Department of Agriculture & Cooperation has also reported that all the agencies authorized to provide ISPM Certification on wood packaging material have been duly accredited by Directorate of Plant Protection, Quarantine & Storage. These agencies issue ISPM-15 certification after providing treatment with Methyl Bromide or Forced Hot Air as per prescribed norms. The list of these accredited treatment providers of Methyl Bromide and Forced Hot Air are available on the Directorate's website www.plantquarantineindia.org. It is also clarified that exporters should specifically indicate in the Shipping Bill filed for export, the description of packaging material so as to ensure whether any consignment with wooden packaging material warrants mandatory compliance with ISPM-15 standards or not.

7. Board desires that the Customs staff posted at different ports and airports are trained in respect of inspection of wood packaging material for ISPM-15 compliance in respect of export / imported consignments. The periodical training programme should be imparted by NACEN in coordination with Plant Protection Advisor, Faridabad.

Yours faithfully,

(G.S. Sinha)
OSD (Customs IV)

Circular No 11(A)/2011-Customs

25th February , 2011

Sub: Execution of a Common Bond for specified Export Promotion (EP) schemes-reg.

The authorization holders operating under the Advance Authorization/Duty Free Import Authorization (DFIA) / Export Promotion Capital Goods (EPCG) schemes are presently, required to execute a bond and a bank guarantee, as applicable, with the Customs authorities at the time of each import. Further, this bond is required to be executed separately for each authorization at different ports in case the goods are being imported from different ports.

2. In this regard I am directed to refer to the report of the Task Force on Transaction Cost in Exports set up by the Government. The report submitted in January, 2011, recommended that the authorization holders may be permitted to execute a single running bond with Customs authorities for all their imports under any Export Promotion (EP) scheme, from any port in India. The recommendation of the Task Force has since been accepted by the Government.

3. Since the authorization holders have to execute bonds against each authorization under specified EP schemes i.e. Advance Authorization / Duty Free Import Authorization (DFIA) and Export Promotion Capital Goods (EPCG) scheme, it has been decided that henceforth the authorization holders may execute only one common bond for all their exports/imports under the above mentioned EP schemes. This bond shall be called the “Common Bond for EP schemes”. The bond shall be executed on the stamp paper of requisite denomination. The salient features of the facility of the Common Bond for EP Schemes are as under:-

(i) The facility shall be available to all fresh authorizations issued under the above mentioned EP schemes on or after 1st March, 2011.

(ii) This facility shall be available financial year wise. In other words, the authorization holder shall be required to execute one common bond in each financial year. The authorization holders who avail the facility of common bond by executing a common bond during March, 2011 shall be required to execute a fresh common bond for authorizations issued after 1st April 2011 during the financial year 2011-12.

(iii) The facility of common bond shall be available if the authorization holder imports/ exports all his goods only from Customs ports / airports / ICDs etc. where the ICES 1.5 is fully implemented and the Customs location is duly notified by the DGFT as an EDI port (hereinafter referred to as specified port (s)).

(iv) The common bond should be executed at the port of registration of the first Authorization issued/to be issued in that Financial Year for import of goods from a specified port. The common bond shall be applicable for all authorizations issued in that financial year for imports from specified ports.

(v) The common bonds are required to be executed IEC wise.

(vi) An authorization holder shall have a choice of executing either a common bond for all import clearances from different ports or of continuing with the existing system of executing different bonds at different ports. However, in case the authorization holder opts for the common bond facility then all imports against all authorizations(under the above mentioned EP schemes) issued in that financial year shall be permitted only under the common bond. In other words, the authorization holder can opt for the common bond at any point of time during the financial year; but once the common bond facility has been opted for, the authorization holder cannot execute separate bonds for authorizations registered subsequently in that financial year.

(vii) In order to use the common bond facility, the authorization holder shall execute the bond at the time of registration of the first authorization for imports through specified ports. The authorization holder shall indicate to the Customs authorities, at the time of registration of authorization, whether a common bond has already been registered with the Customs authorities. If so, then the unique number and the location where such common bond was registered shall be indicated to the assessing officer. This unique bond number shall be entered in the system and shall link the authorization with the common bond. If the common bond has not been executed, then the authorization holder may choose to do so; or else continue with the present practice of executing different bonds for different authorizations. The authorization holder shall give an undertaking to the Customs authorities, at the time of registration, that the authorization is not registered elsewhere.

(viii) The bond value shall be decided by the authorization holder keeping in mind the likely imports against authorizations issued in that financial year. Once a common bond has been executed and the

authorization registered against it, the imports against such authorization shall be permitted as per the time limits prescribed in the concerned EP scheme. If the bond value is exhausted, it shall be topped up by the authorization holder at the port where the common bond was executed. At the time of topping up, the authorization holder shall ensure that the stamp duty applicable to new bond is paid. For this purpose, the authorization holder shall furnish a crossed stamp paper of requisite denomination to the Customs authorities.

(ix) In case any Bank Guarantee is required, the authorization holder need not furnish the entire Bank Guarantee at the time of executing the bond. The Bank Guarantee may be furnished as and when the goods are imported and the benefits of concessional duties availed. While executing the bond, the authorization holder shall indicate whether the benefits of reduced Bank Guarantee is being claimed in terms of circular number 58/04-Customs (as amended). The Customs authority accepting the bond shall check the eligibility of the authorization holder and indicate the applicable quantum of Bank Guarantee. The assessing officer at the port of import shall independently arrive at the quantum of Bank Guarantee to be furnished by the importer / authorization holder and shall satisfy himself that the authorization holder / importer has furnished adequate Bank Guarantee before the imports are permitted. In case it is felt that the importer has to furnish some more bank guarantee, the importer / authorization holder shall be so advised by the assessing officer. The additional Bank Guarantee thereafter shall be furnished by the importer.

(x) The Bank Guarantees shall be furnished by the authorization holder only at the port where the common bond has been executed. This is considered mandatory so as to ensure that the common bond and the Bank Guarantees linked to the common bond are all kept physically together. The Bank guarantees linked to a Common Bond would not be accepted at Customs locations other than the location where the Common Bond is executed. The authorization holder shall ensure that the Bank Guarantee furnished by him to the Customs authorities remains alive during the life of the bond. The Customs authorities at the port where the common bond has been executed shall also monitor the bank guarantees and take action in case the bank guarantee expires.

(xi) Once a Common Bond has been executed along with the first authorization at a particular Customs port, the subsequent authorizations need to be registered at the port mentioned on the authorization. This port may be different from the port where the common bond was executed.

(xii) The authorization holder, at the time of import, shall indicate the authorization number against each item in his Bill of Entry. The EDI system shall check whether the IEC number of the importer, the IEC of the bond holder (the person who has executed the bond) and the IEC of the Authorization holder are same and shall only permit imports, thereafter. The system shall debit the common bond Authorization wise.

(xiii) The authorization holder, at the time of export, shall indicate the authorization number in his Shipping Bill. The authorization holder shall fulfill the export obligation and comply with all the conditions stipulated in relevant Customs notifications and the Foreign Trade Policy under which the goods have been imported. Although the primary responsibility of monitoring the EO under the above mentioned schemes lies with the RA/DGFT officials, the Customs officers at the port where the authorizations have been registered shall also monitor the Export Obligation (EO) under these schemes in terms of the conditions of the relevant Customs Notifications and the Board's circulars and instructions issued from time to time. Once the Export Obligation Discharge Certificate (EODC) is received from the DGFT for an authorization the Customs officials at the port where the authorization is registered shall, if required, check the import / export details, close the authorization and inform the

Customs authorities at the port where the common bond was executed so that the Bank Guarantee can be released and the bond discharged to that extent. The common bond shall be alive till all the EODCs against all the authorizations registered against that common bond have been received.

(xiv) In case of default in fulfillment of Export obligation or non-compliance of the terms and conditions of Customs Notification(s), the requisite action to safeguard Government revenue shall be taken by the Customs authorities at the port of registration of the authorization. For this purpose, the Customs authorities at the port of registration of the authorization may seek details of the common bond and/ or bank guarantee from the port where they were executed. The action to safeguard revenue may include denial of the benefit of exemption from the bank guarantee for future imports under the above mentioned schemes in terms of para 3.2 of the circular No. 58/2004-Cus dated 21-10-2004(as amended).

(xv) The opinion of Law Ministry on legal implications of a single Bond across different customs locations was sought in a similar issue. The Ministry of Law and Justice had clarified that since the Bond is executed in favour of President of India, the same is enforceable by any authorised Commissioner (Customs).

(xvi) The format of "Common Bond for EP Scheme" is annexed herewith.

5. The existing Bond sections in the Custom Houses may be suitably strengthened to implement these instructions.

6. The ICES 1.5 has been suitably modified to support the proposed scheme. The Directorate of Systems shall be issuing separate instructions in respect of the new module for the convenience of the staff.

Yours faithfully
(M.V.V.Suryanarayana)
OSD (DBK)

Circular No.11/ 2011-Customs

24th February, 2011

Subject:- Refund of 4% CVD (SAD)-Extension of time upto 30th June, 2011 for using re-credited 4% CVD (SAD) amount in DEPB.

Your kind attention is invited to the Circular No.27/2010-Customs, dated 13.08.2010 regarding procedure on refund of 4% CVD (SAD). The above Circular provides the facility of manual filing of Bill of Entry for utilizing the amount of re-credited 4% CVD (SAD) refunds for payment of duty in case of re-credited DEPB / Reward Scheme scrips upto 30.12.2010. However several representations have been received from trade and industry to extend the time upto 30th June, 2011 for using re-credited 4% CVD (SAD) amount in DEPB as they have not been able to utilize the re-credited DEPB / Reward Scheme scrips within the stipulated time.

2. The matter has been examined in consultation with Ministry of Commerce. Accordingly, it has been decided to extend time limit for using re-credited DEPB / Reward Scheme scrips in case of 4% CVD (SAD) **upto 30th June, 2011.**

Yours faithfully,

(Vikas)
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Circular No. 10 /2011- Customs

24th February, 2011

Subject: Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 -instructions for implementation -reg.

Attention is invited to Board's Circular No 41/2007-Customs dated 29-10-2007 on the above subject. In the said Circular, it was provided that the right holders may furnish a General Bond without security to the Commissioner of Customs prior to the grant of registration, undertaking to execute consignment specific Bonds with the jurisdictional Commissioner of Customs at the port of interdiction within three days from the date of interdiction of any allegedly infringing goods. This arrangement was prescribed considering the fact that at the time of registration but prior to importation, it may be difficult to ascertain and fix the Bond amount corresponding to the value of suspected infringing goods that are to be imported. Further, this would lock in right holders' money in the form of security.

2. However, representations have been received from the trade requesting for a centralized bond valid for all ports, as execution of bond at the port of interdiction within three days of interdiction of allegedly infringing goods is stated to be a cumbersome process. The opinion of Law Ministry on legal implications of a single Bond across different customs locations was sought. The Ministry of Law and Justice clarified as under:-

"The language of the Bond clearly indicates that the Bond is executed in favour of President of India and the same is enforceable by any authorised Commissioner (Customs). If the right holder is allowed to furnish one time Bond along with security at the time of Registration and all the ports to have access to this centralized account, there appears to be no legal objection for introduction of the same as Bond to be executed is in favour of President of India and not in favour of Commissioner (Customs)."

3. The issue has been considered in the Board. Currently, the right holders are required to give a notice for registration in the manner detailed in the Circular No. 41/2007-Customs dated 29.10.2007 to the Commissioner of Customs at any one of the ports where allegedly infringing goods are likely to be imported. The right holder can mention the details of other ports where he suspects that allegedly infringing goods may be imported and where he desires to get protection of his right. The right holders are required to furnish a General Bond with or without security to the Commissioner of Customs [along with indemnity bond] prior to the grant of registration, undertaking to execute consignment specific Bond along with security, as may be prescribed by the Commissioner of Customs at the port of interdiction within three days from the date of interdiction of any allegedly infringing goods.

4. Considering the genuine difficulties expressed by the right holders and keeping in view the opinion of the Law Ministry, it has been decided to implement an on-line, system driven, centralized bond management module as part of the existing Automated Recordation and Targeting System (ARTS). The main objective of this system is to provide for a single centralized bond account with security that can be used at all ports in India, so that the right holders do not have to rush to different customs formations to execute consignment specific bonds with securities in case of interdiction of allegedly infringing consignments at the different Customs formations. The highlights of this module are as below:

(i) The right holders will have the option to furnish either a general bond before registration followed by a consignment specific bond at the port of interdiction of allegedly infringing goods or a centralized bond at the port of registration which will be valid at all ports in India. The general bond and the consignment specific bond, which are off-line, will be in the formats prescribed hitherto as per Annexure-A and Annexure-B to Circular No. 41/2007 -Customs dated 29th October 2007. Alternatively, as stated above, the right holders can furnish a Centralized Bond (which will be a running bond) at the port of registration for an amount sufficient in their judgment, to correspond to value of suspected allegedly infringing goods, all over India, as per Annexure-I to this circular. The existing right holders, who have registered their rights with customs authorities (equipped with a valid UPRN and UTRN) can migrate to the centralized bond management system by communicating their willingness and submitting the centralized bond with Security in the prescribed format to the same Commissioner of Customs, where the general bond was initially furnished. Otherwise, they will continue to operate in the system of general bond and consignment specific bonds.

(ii) The right holders exercising the option of a Centralised Bond will have to necessarily furnish a security for an amount equivalent to 25% of the value of the Centralized Bond with the customs formation, where the right holder is registered.

(iii) Upon fulfillment of requirements by the right holders, the customs formation, where the right holders are registered, will create an on-line centralized bond account and security account. The system will generate a unique Bond Registration Number (BRN) and the same will be e-mailed to the right holder or his/her authorised representative, whose e-mail id is provided in the notice given by the right holders. All future correspondence relating to bond management shall be with reference to this BRN only. There will be a single BRN for a right holder which may cover more than one Unique Permanent Registration Number (UPRN). In other words, a centralized bond account can cover one or more rights registered by a right holder with the Customs. However, to enable linking of all UPRNs of a right holder, the applicant (whether the right holder or the service-provider/ consultants / law firms) has to be the same in all the UPRNs which are to be so linked. Thus, if the right-holder chooses two different law firms to register his Trademarks with the Custom Authorities or registers one trademark himself and other through a service provider, then both these UPRNs cannot be linked through a single Bond as the applicants in the two UPRNs would be different.

(iv) In case of interdiction of allegedly infringing goods, if the amount of Centralised Bond and the security are not sufficient to cover the value of the goods interdicted, then within three days of interdiction, the right holders would be required to execute a supplementary bond (as per Annexure - II to this circular) and furnish security for the corresponding amount. The supplementary bond, along with security has to be executed invariably with the Commissioner of Customs where the centralized bond has been executed. Commissioners of Customs at other ports where the allegedly infringing goods are interdicted can not accept the supplementary bonds.

(v) The ARTS has been so designed that while the creation of Centralized Bond account, credit (top-up) of the amounts to the bond and the security and cancellation thereof are operated only by the officers of the customs formation where the Centralized Bond is executed, the debit of amounts and re-credit of the amounts pertaining to those debits can be done only by officers at the ports where the allegedly infringing goods are interdicted, The re credit shall be done after verification of the fact that no legal proceedings and dues are pending in relation to the debit.

(vi) While the right holders who choose to execute general bond have to execute the consignment specific bond at the port of interdiction within 3 days of interdiction of the consignment allegedly

infringing the right of the right holders in terms of Circular No 41/2007-Customs dated 29th October 2007, the right holders who have opted for the Centralized bond and in whose case a BRN has been generated, have to inform in writing the jurisdictional IPR Cell, where the allegedly infringing goods have been interdicted, duly mentioning the BRN along with the particulars of debits to be made in the bond and security accounts so that the same can be verified and debited by the IPR cell. If the right holder fails to submit such a letter, customs authorities will be under no obligation to suspend the clearance of the allegedly infringing goods. It shall be responsibility of the right Holders to ensure that that the Centralized Bond and security account has sufficient balance. In case of inadequate balance, the same can be supplemented by executing a supplementary bond with necessary security at the Custom House where registration has taken place and the BRN has been generated. To enable this, the right holders have been given an on-line facility to view and check their balance using the BRN-

(vii) Irrespective of availment of either option i.e. execution of General Bond and consignment specific Bond or Centralised Bond, the rights holders would be required to furnish an indemnity bond in the format prescribed at Annexure-C to the Circular No 41/2007 -Customs dated 29th October 2007.

5. In case of suspension of clearance of goods by Customs on its own initiative, the right holder is required to give notice as laid down under rule 3 of the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 and to execute Bonds as specified in Rule 5 of the Rules. The right holder will now have the option to execute a general bond or a centralized bond, as the case may be, following the procedure detailed in the foregoing paragraphs.

6. The Deputy/Assistant Commissioner of Customs while intimating the right holder about interdiction of any goods, will also intimate the value of the goods to the right holder so as to enable him to work out the required bond amount or supplementary bond amount, along with the security.

7. The IPR Cells will accept the requests for migration of existing IPR holders to the new system. The IPR cells should properly monitor the work relating to execution of bonds. Monitoring of the Bonds and securities including their closure and expiry is the prime responsibility of the Commissioner with whom the right is registered. The closure of bond will require checking and confirmation of the fact that there are no debits in the centralized bond account pertaining to any of the UPRNs by any other Custom House. All steps to renew the bank guarantees, wherever executed, shall be initiated by the IPR Cells well within time and at least 15 days before the expiry of the bank guarantee.

8. The Board's Circular 41/2007-Customs dated 29-10-2007 stands modified to the above extent.

9. Wide publicity to this Circular may be given by way of issuance of public notice and standing order. The Additional Director General, Risk Management Division shall inform the actual date of commencement of this new system and will issue separate set of instructions for smooth operation of the centralized bond management module to the Commissioners of Customs.

Yours faithfully,
(P. S. Pruthi)
Commissioner (Customs)

ANNEXURE-I

(Centralized Bond with Provision for Security Deposit)

BOND EXECUTED IN PURSUANCE OF REGISTRATION OF INTELLECTUAL PROPERTY RIGHTS WITH INDIAN CUSTOMS

[See Rule 5(a) of Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007]

[To be executed by the Right Holder(s)]

KNOW ALL MEN BY THESE PRESENTS THAT I/we residing at hereinafter referred to as "Right Holder" (which expression shall include its successors / heirs, executors, administrators and legal representatives) am/are held and firmly bound unto the President of India hereinafter called the "President" (which expression shall include his successors and his representative Officers like Commissioner of Customs and his authorized officers) in the sum of Rs (Rupees.....only) to be paid to the President for which payment well and truly to be made, I / we bind myself / ourselves, my / our successors / heirs, executors, administrators and legal representatives firmly by these presents.

Sealed with my / our seal(s) this day of 20.....

WHEREAS

The Commissioner of Customs or his authorized Officer at (hereinafter called the "Proper Officer") has agreed to register the intellectual property right (hereinafter abbreviated as "IPR") held by me/us and to suspend clearance of goods suspected to be infringing the IPR held by me/us, depending on the information furnished by me/us and on the basis of the declarations made by the Importers in the course of importation, the Right Holder hereby agrees to furnish such bond and security, hereinafter specified, in terms of Rule 5 (a) of the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.

The Right Holder has deposited with the Proper Officer at , the securities as mentioned in the Schedule hereunder written of the face value of Rs (Rupees..... only) endorsed in favour of..... as security for the due observance and performance of the terms of conditions on the part of the Right Holder, prescribed as per the ibid Rules.

NOW, IT IS HEREBY AGREED AND DECLARED that –

- (i) The Right Holder shall keep the Customs abreast of validity of registration obtained by him under the IPR laws namely The Copyright Act, 1957; The Trade Marks Act, 1999; The Patents Act, 1970; The Designs Act, 2000 and The Geographical Indications of Goods (Registration and Protection) Act, 1999; expiry of the term of registration and renewal thereof, if any; cancellation; grant of compulsory licence in accordance with the law etc.
- (ii) The Right holder, having recognized limitations of international trade and understood general functioning of Customs, shall share the trends and information with Customs on an on-going basis, about suspected imports of infringing goods violating the IPR laws, as may be required to interdict consignments and to suspend the clearance.
- (iii) The Right Holder undertakes to protect the importer, consignee and the owner of the goods

and the competent authorities against all liabilities that are incidental and ancillary to the act of suspension of clearance of allegedly infringing goods, in case it is established that the suspension is vexatious.

(iv) The Right Holder shall bear all the costs towards sampling, destruction, demurrage and detention charges incurred till the time of destruction or disposal of such infringing goods, upon being confirmed.

(v) The Right Holder shall join the proceedings as per the time lines prescribed in terms of the ibid Rules, failing which, they agree, to not to object to the release of the goods.

(vi) The President or the Proper Officer, without prejudice to any other mode of recovery may, inter alia, adjust the security deposit / securities in part or full towards the dues arising out of clause (iii) and (iv) supra.

(vii) In case the proceedings are not final, the right holder agrees to renew the bank guarantee before 15 days of expiry of the bank guarantee, failing which, the bank guarantee shall be encashed by the department.

The Schedule of Securities above referred to [Particulars of the amount deposited, along with consignments, if any]

IN THE WITNESS WHEREOF the Right Holder has herein set and subscribed its hands and seals the day, month and year first above written.

SIGNED AND DELIVERED by the Right Holder at.....

In the Presence of :-

1.....

2.....

XXXXXXXXXXXXXXXXX

Accepted

For and on behalf of the President of India (Signature of the Proper Officer with Official Stamp and Seal)

ANNEXURE - II

(Supplementary Bond with Provision for Security Deposit)

BOND EXECUTED IN PURSUANCE OF REGISTRATION OF INTELLECTUAL PROPERTY RIGHTS WITH INDIAN CUSTOMS

[See Rule 5(a) of Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007]

[To be executed by the Right Holder(s)]

KNOW ALL MEN BY THESE PRESENTS THAT the Proper Officer of Customs has been pleased to accept on behalf of the President of India the Centralized bond executed by us vide letter dated.....and assigned the Bond Registration Number (BRN)....., in respect of the IPRs registered with the Custom House and UPRNs.....andso generated against them,

And

Whereas the amount bound by myself / ourselves is inadequate to cover the suspension of clearances of any suspect infringing future consignments and / or any suspect consignment already interdicted by any customs formation in India, I/we residing at.....hereinafter referred to as "Right Holder" (which expression shall include its successors / heirs, executors, administrators and legal representatives) am/are held and firmly bound unto the President of India hereinafter called the "President" (which expression shall include his successors and his representative Officers like Commissioner of Customs and his authorized officers) in the sum of Rs..... (Rupees..... only), in addition to any amount bound earlier, to be paid to the President for which payment well and truly to be made, I / we bind myself / ourselves, my / our successors / heirs, executors, administrators and legal representatives firmly by these presents.

Sealed with my / our seal(s) this day of20.....

WHEREAS

The Commissioner of Customs or his authorized Officer at (hereinafter called the "Proper Officer") has agreed to register the intellectual property right (hereinafter abbreviated as "IPR") held by me/us and to suspend clearance of goods suspected to be infringing the IPR held by me/us, depending on the information furnished by me/us and on the basis of the declarations made by the Importers in the course of importation, the Right Holder hereby agrees to furnish such bond and security, hereinafter specified, in terms of Rule 5 (a) of the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.

The Right Holder has deposited with the Proper Officer at , the additional securities as mentioned in the Schedule hereunder written of the face value of Rs(Rupees.....only) endorsed in favour of.....as security for the due observance and performance of the terms of conditions on the part of the Right Holder, prescribed as per the ibid Rules.

NOW, IT IS HEREBY AGREED AND DECLARED that –

(i) The Right Holder shall keep the Customs abreast of validity of registration obtained by him under the IPR laws namely The Copyright Act, 1957; The Trade Marks Act, 1999; The Patents Act, 1970; The Designs Act, 2000 and The Geographical Indications of Goods (Registration and Protection) Act, 1999; expiry of the term of registration and renewal thereof, if any; cancellation; grant of compulsory licence in accordance with the law etc.

(ii) The Right holder, having recognized limitations of international trade and understood general functioning of Customs, shall share the trends and information with Customs on an on-going basis, about suspected imports of infringing goods violating the IPR laws, as may be required to interdict consignments and to suspend the clearance.

(iii) The Right Holder undertakes to protect the importer, consignee and the owner of the goods and the competent authorities against all liabilities that are incidental and ancillary to the act of suspension of clearance of allegedly infringing goods, in case it is established that the suspension is vexatious.

(iv) The Right Holder shall bear all the costs towards sampling, destruction, demurrage and detention charges incurred till the time of destruction or disposal of such infringing goods, upon being confirmed.

(v) The Right Holder shall join the proceedings as per the time lines prescribed in terms of the ibid Rules, failing which, they agree, to not to object to the release of the goods.

(vi) The President or the Proper Officer, without prejudice to any other mode of recovery may, inter alia, adjust the security deposit / securities in part or full towards the dues arising out of clause (iii) and (iv) supra.

(vii) In case the proceedings are not final, the right holder agrees to renew the bank guarantee before 15 days of expiry of the bank guarantee, failing which , the bank guarantee shall be encashed by the department.

The Schedule of Securities above referred to [Particulars of the amount deposited, along with consignments, if any]

IN THE WITNESS WHEREOF the Right Holder has herein set and subscribed its hands and seals the day, month and year first above written.

SIGNED AND DELIVERED by the Right Holder at.....

In the Presence of :-

1.....

2.....

xxxxxxxxxxxxxx

Accepted

For and on behalf of the President of India (Signature of the Proper Officer with Official Stamp and Seal)

Circular No. 9 / 2011-Customs

21st February, 2011

Subject:- Customs duty exemption benefit to BCCI - Reg.

Your Kind attention is invited to Board's Circular No.5/2011-Customs dated 17.1.2011 wherein it was informed that, since BCCI has ceased to be a National Sports Federation or Apex Body for the game of Cricket in India, BCCI would not be eligible for the benefit of Notification No.21/2002-Cus. dated 1.3.2002 or any other Customs notification. For the purpose of removal of doubts, it is clarified that, the ineligibility indicated therein, of BCCI or any one certified by BCCI, applies wherever BCCI claims a notification benefit by virtue of being National Sports Federation / Apex Body controlling the

game of Cricket.

2. Further, the Ministry of Youth Affairs and Sports informed that they have issued a few certificates to the Board of Control for Cricket in India (BCCI) for duty free import of various items under Notification No.3/89-Customs dated 9.1.1989. The issue has been examined by the Board, and accordingly it is clarified that, in terms of condition 1 (b) of the notification 3/89-Cus dated 9.1.1989, it is essential that the Ministry should be administratively concerned with the event. Since BCCI is not recognized as an Apex Body or National Sports Federation, and the Ministry of Youth Affairs and Sports has no administrative concern with the event of ICC World Cup, 2011, the benefit of Notification No.3/89 – Cus. dated 9.1.1989 is also not applicable to the imports made by the BCCI or any one certified by the BCCI.

3. However, the Central Government has issued a separate notification No. 7 / 2011 – Customs dated 9.2.2011 for the benefit of the ICC World Cup, 2011 being organized by the BCCI, and imports made for the event may be assessed in terms of this notification subject to conditions specified therein.

All these circulars can be viewed on the website: www.cbec.gov.in

Ministry of Corporate Affairs

General Circular No. 6/2011

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

8th March, 2011

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

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

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

1. Only Form-1 shall be approved by the RoC Office. Form 18 and 32 shall be processed by the system online.
2. There shall be one more category, i.e., Incorporation Forms (Form 1A, Form 37, 39, 44 and 68) which will have the highest priority for approval.
3. Average time taken for incorporation of company should be reduced to one (1) day only.
4. A Notification to notify minor changes in e-forms 18 and 32 to enable them to be taken on record through STP mode for aforesaid procedure is being issued separately.

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

General Circular No. 4/2011

**F. No. 14/6/2011-CL-VII
Government of India
Ministry of Corporate Affairs**

5th Floor, 'A' Wing,
Shastri Bhawan, New Delhi,
Dated:- 4th March, 2011

To,

All Regional Directors
All Registrars of Companies
The Institute of Company Secretaries of India
The Institute of Chartered & Accountants of India
The Institute of Cost and Works Accountants of India

Subject:- Payment of commission to Non-Whole Time Directors of the company under section 309(4) (b) of the Companies Act, 1956.

Companies are making applications to the Central Government for payment of remuneration in the form of commission to their Non-Whole Time Director(s) even when the total commission to be paid to all the Non-Whole Time Director(s) taken together falls within the limit of 1% of net profit of the company under Section 198 of the Act [when the company has a Whole Time Director(s) or a Managing Director(s)] or within the limit of 3% net profit of the company under Section 198 of the Act [when the company does not have a Managing Director or a Non-Whole Time Director(s)] in addition to the sitting fee. This is based on a decision of this Ministry taken in File No. 6(a) CL-I/66 issued several decades back.

2. It has now been decided that a company shall not require approval of the Central Government for making payment of remuneration by way of commission to its Non- Whole Time Director(s) in addition to the sitting fee if the total commission to be paid to all those Non-Whole Time Directors does not exceed 1% of the net profit of the company if it has a Whole Time Director(s) or 3% of the net profit of the company if does not have a Managing Director or Whole Time Director(s).


4-3-2011
(L. K. Trivedi)
Under Secretary

**General Circular No.5/2011
F.No.2/1/2011 CL.V**

4th March, 2011

SUBJECT: DIN PROCESS – SIMPLIFIED – REG.

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

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

1. Application for DIN will be made on eForm ; No physical submission of documents shall be accepted and for this purpose Scanned documents along with verification by the applicant will be attached with the eForm. Only online fee payment will be allowed i.e. No challan payment
2. The application can also be submitted online by the applicant himself using his DSC.
3. DIN 1 eForm can be digitally signed by the professional who shall also confirm that he has verified the particulars of the Applicant given in the application.
4. Where the DIN 1 is verified by the professional, the DIN will be approved by the system immediately online.
5. In other cases the DIN cell will examine the application and same shall be disposed of within one or two days.
6. Companies (Directors Identification Number) Rules, 2006 are being amended on the above lines.
7. Penal action against the applicant and professional certifying the DIN application in case of false information / certification as per provisions of section 628 of the Act will be taken in addition to action for professional misconduct and revocation of DIN, allotted on false information
8. The above procedures is expected to enable allotment of DIN on the same day.
9. The above procedures applies to filing of DIN 4 intimating changes in particulars of Directors.
A notification to notify the aforesaid procedure is being issued. After issue of necessary notification, the applicant/professionals/DIN Cell are advised to follow the notified procedures for allotment of DIN.

Yours faithfully,
(Monika Gupta)
Assistant Director(Inspection)
Tele :23387263

MINISTRY OF CORPORATE AFFAIRS
Notification

F.No.5/4/2003-IGC/CS

4th March, 2011

S.O. (E).- In exercise of the powers conferred by sub-section (3) of section 20, of the Competition Act, 2002 (12 of 2003), the Central Government, in consultation with the Competition

Commission of India, hereby enhance, on the basis of the wholesale price index, the value of assets and the value of turnover, by fifty per cent for the purposes of section 5 of the said Act.

(RENUKA KUMAR)
JOINT SECRETARY

MINISTRY OF CORPORATE AFFAIRS

Notification

F.No.5/4/2003-IGC/CS

4th March, 2011

S.O. (E).- In exercise of the powers conferred by sub-section (3) of section 1 of the Competition Act, 2002 (12 of 2003), the Central Government hereby appoints the 1st day of June, 2011 as the date on which sections 5,6,20,29, 30 and section 31 of the said Act shall come into force.

(RENUKA KUMAR)
JOINT SECRETARY

MINISTRY OF CORPORATE AFFAIRS

Notification

F.No.5/4/2003-IGC/CS

4th March, 2011

S.O. (E) - In exercise of the powers conferred by clause (a) of section 54 of the Competition Act, 2002 (12 of 2003), the Central Government, in public interest, hereby exempts the 'Group' exercising less than fifty per cent of voting rights in other enterprise from the provisions of section 5 of the said Act for a period of five years.

(RENUKA KUMAR)
JOINT SECRETARY

MINISTRY OF CORPORATE AFFAIRS

Notification

F.No.5/4/2003-IGC/CS

4th March, 2011

S.O. (E) - In exercise of the powers conferred by clause (a) of section 54 of the Competition Act, 2002 (12 of 2003), the Central Government, in public interest, hereby exempts an enterprise, whose control, shares, voting rights or assets are being acquired has assets of the value of not more than 250/- crores or turnover of not more than 750/- crores from the provisions of section 5 of the said Act for a period of five years.

(RENUKA KUMAR)
JOINT SECRETARY

PRESS RELEASE

Reliable, consistent and uniform financial reporting is important part of good corporate governance practices worldwide in order to enhance the credibility of the businesses in the eyes of investors to take informed investment decisions. In pursuance of G-20 commitment given by India, the process of convergence of Indian Accounting Standards with IFRS has been carried out in Ministry of Corporate Affairs through wide ranging consultative exercise with all the stakeholders. Thirty five Indian

Accounting Standards converged with International Financial Reporting Standards (henceforth called IND AS) are being notified by the Ministry and placed on the website. . These are: IND ASs 1, 2, 7, 8, 10, 11, 12, 16, 17, 18, 19, 20, 21, 23, 24, 27, 28, 29, 31, 32, 33, 34, 36, 37, 38, 39, 40, 101, 102, 103, 104, 105, 106, 107 and 108. The Ministry of Corporate Affairs will implement the IFRS converged Indian Accounting Standards in a phased manner after various issues including tax related issues are resolved with the concerned Departments. It would be ensured that the implementation of the converged standards in a phased manner is smooth for the stakeholders. The date of implementation of the IND AS will be notified by the Ministry at a later date.

The Press Release and IND ASs are available on the Ministry's website at www.mca.gov.in .

PRESS RELEASE- 7/2011

No.1/1/2009-IFRS

25th February, 2011

Ministry of Corporate Affairs

The Press Information Officer, Press Information Bureau, Ministry of Information and Broadcasting, with the request that the above mentioned Press Note may be given wide publicity.

(Renuka Kumar)

Joint Secretary to the Government of India

Tel: 23074056

General Circular No: 3/2011

No: 5/12/2007-CL-III

21st February, 2011

Subject: Clarification in respect of Circular No. 2/2011 dated 8th February, 2011 regarding direction under Section 212(8) of the Companies Act, 1956.

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

Yours faithfully

(Jaikant Singh)

Director

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 8th February, 2011

G.S.R. 70(E).—In exercise of the powers conferred by sub-section (1) of Section 641 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following further amendments in Schedule XIII to the Companies Act, 1956, namely :—

1. In the Schedule XIII, in Part II, in Section II—

(i) in sub-para (C), in third proviso, after the word, “scale” occurring at the end, the following words shall be inserted, namely :—

“if the company is a listed company or a subsidiary of a listed company”;

(ii) for Explanation IV, to the Section II, the following Explanation shall be substituted, namely :—

“For the purposes of this section, “Remuneration Committee” means;—

(i) In respect of a listed company, a committee which consists of atleast three non-executive independent directors including nominee director or nominee directors, if any; and

(ii) in respect of any other company, a Remuneration Committee of Directors”;

2. It shall come into force from the date of its publication in the Official Gazette.

[F.No. 14/3/2011-CL-VII]

Dr. T.V. SOMANATHAN, Jt. Secy.

Note :— The Principal Schedule was inserted by the Companies (Amendment) Act, 1988 *vide* No.G. S.R. 559(E), dated 10-6-1998 and subsequently amended *vide*—

- (i) G.S.R. 784(E), dated 13-7-1988
- (ii) G.S.R. 723(E), dated 18-9-1990
- (iii) G.S.R. 510 (E), dated 14-7-1993
- (iv) G.S.R. 48(E), dated 1-2-1994
- (v) G.S.R. 418(E), dated 12-9-1996
- (vi) G.S.R. 215(E), dated 2-3-2000
- (vii) G.S.R. 36(E), dated 16-1-2002.

Ministry of Corporate Affairs
NOTIFICATION

F. No. 51/12/2007-CL.III

8th February, 2011

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

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

- (a) immovable property;
- (b) capital of Partnership firms;
- (c) all unquoted investments and;

- (d) investments in subsidiary companies.
- (ii) the Public Financial Institutions shall disclose the total value of quoted investments in each of the following respective categories, namely:-
- (a) Government and trusts securities;
 - (b) shares;
 - (c) debentures;
 - (d) bonds; and
 - (e) other securities.
- (iii) in each of the above categories referred to in sub-paragraphs (i) and (ii), investments where value exceeds two percent of total value in each category or one crore rupees, whichever is lower, shall be disclosed fully provided that where disclosures do not result in disclosure of at least fifty percent of total value of investment in a particular category, additional disclosure of investments in descending order of value shall be made so that specific disclosures account for at least fifty percent of the total value of investments in that category;
- (iv) the Public Financial Institutions shall also give an undertaking to the effect that as and when any of the shareholders ask for specific particulars the same shall be provided;
- (v) all unquoted investments shall be separately shown;
- (vi) the company shall undertake to file with any other authorities, whenever necessary, all the relevant particulars as may be required by the Government or other regulatory bodies;
- (vii) the Investments in subsidiary companies or in any company such that it becomes a subsidiary, shall be fully disclosed.

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

(Dr. T.V. Somanathan)
Joint Secretary

Ministry of Corporate Affairs
NOTIFICATION

F. No 51/12/2007-CL.III

8th February, 2011

S.O. 301 (E). – In exercise of the powers conferred by sub-section (3) of section 211 of the Companies Act, 1956 (1 of 1956), the Central Government, being of the opinion that it is necessary to grant exemption in the public interest, hereby exempts following classes of companies from disclosing in their profit and loss account the information mentioned under column (3), against each class of companies mentioned under column (2) of the table given below subject to fulfillment of the conditions stipulated in paragraph 2 of this notification namely:-

TABLE

Sl. No.	Class of companies	Exemptions from paragraphs of Part-II of Schedule VI
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-1	(2)	(3)
1.	Companies producing Defence Equipments including Space Research;	paragraphs 3(i)(a), 3(ii)(a), 3(ii)(d), 4-C, 4-D (a) to (e) except (d).
2.	Export Oriented company (whose export is more than 20% of the turnover);	paragraphs 3(i)(a) 3(ii)(a), 3(ii)(b), 3(ii)(d).
3	Shipping companies (Including Airlines);	paragraphs 4-D (a) to (e) except (d).
4	Hotel companies (including Restaurants);	paragraphs 3(i)(a) and 3(ii)(d)
5	Manufacturing companies/multi-product companies	paragraphs 3(i)(a) and 3(ii)(a).
6	Trading companies;	paragraphs 3(i)(a) and 3(ii)(b).

2. Conditions

- A. The Board of Directors of the Company has given consent with regard to non disclosure of information referred to in paragraph 1;
- B. The Company shall disclose in the Notes forming part of the balance sheet and profit and loss account, the fact of grant of the exemption under this notification;
- C. The company shall conform to the prescribed Accounting Standards;
- D. The company shall ensure that its financial documents represent a true and fair state of affairs of its finances;
- E. The company shall maintain and file such information as may be prescribed or called for or required by the government or the Reserve Bank of India or any regulator;
- F. For representation of foreign currency holdings, if any, exchange rate as on date of closing of accounts shall be applicable;

3. The exemption in respect of the companies referred to in serial numbers 5 and 6 of the Table shall be applicable only for those goods which form less than ten percent of the total value of turnover, purchase, consumption of raw material etc, as the case may be;

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

(Dr. T.V. Somanathan)
Joint Secretary

All these circulars can be viewed on the website: www.mca.gov.in

Central Board of Direct Taxes

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 25th February, 2011

INCOME-TAX

S.O. 435(E).—In exercise of the powers conferred by clause (ii) in the Explanation to clause (d) of the proviso to clause (5) of section 43 of the Income-tax Act, 1961 (43 of 1961), read with Rule 6DDB of the Income-tax Rules, 1962, the Central Government hereby notifies the United Stock Exchange of India Limited as a recognized stock exchange for the purpose of the said clause with effect from the date of publication of this notification in the Official Gazette.

2. United Stock Exchange of India Limited shall separately maintain data regarding all transactions registered in the system in which client codes have been allowed to be modified and submit a monthly statement containing details of such modified transactions to the Director General of Income-tax (Intelligence), New Delhi, in a soft copy within fifteen days from the last day of each month to which such statement relates.

3. The Central Government may, withdraw the recognition granted to the United Stock Exchange of India Limited if any of the conditions specified in Rule 6DDA of the Income-tax Rules, 1962 is violated.

4. This notification shall remain in force until the approval granted by the Securities and Exchange Board of India is withdrawn or expires, or is rescinded by the Central Government as provided in sub-rule (5) of rule 6DDB of the Income-tax Rules, 1962.

[Notification No. 12/2011/F.No. 142/20/2010-SO(TPL)]

This notification can be viewed on the website: www.incometaxindia.gov.in
