



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

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CS UPDATE

October 19, 2010

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FORTHCOMING PROGRAMME

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**FOUR PCH FOR
MEMBERS OF THE
ICSI**

Dear Member,

INSOL International Seminar on December 3, 2010 at New Delhi - Update

In continuation of our mail inviting you to register for the above Seminar, I am pleased to inform you that the following speakers have consented to address the Seminar:

- Ashwani Puri, Veritas Advisors LLP, India
- Howard Seife, Chadbourne & Parke LLP, USA
- Nick Hood, Begbies Global Network, UK
- Adam Harris, Bowman Gilfillan Attorneys, South Africa
- Mahesh Uttamchandani, World Bank
- Jitesh Khosla, Indian Institute of Corporate Affairs, India
- Gordon Stewart, Allen & Overy LLP, UK
- Derek Sach, Royal Bank of Scotland, UK
- Alok Nigam, Joint Secretary, Banking Operations, Ministry of Finance, Govt of India
- S. Khasnobis, Asset Reconstruction Company (India) Ltd , India
- Rakesh Singh, Rothschild, India
- Alok Dhir, Dhir & Dhir Associates, India
- Ministry of Micro, Small and Medium Enterprises, Govt. of India
- B. Venkateswarlu, Kotak Infinity, India
- Michael Thierhoff, Thierhoff Illy, Germany
- Sumant Batra, Kesar Dass B. & Associates, India

In keeping with INSOL's worldwide events, this seminar will be an opportunity for practitioners from across the industry to meet, discuss and share ideas and insights into both recent examples from their own work as well as potential future developments across the broader market-place.

Senior figures from within the profession will be presenting on key topics such as :

- Corporate Debt Restructuring (CDR),
- Development of the Insolvency Profession in India,
- Legal, Policy & Regulatory Challenges in Corporate Restructuring and
- Small and Medium Enterprise Insolvency.

The registration brochure can be located on the INSOL website. For registration brochure outlining the technical programme for the day as well as all practical details such as venue, location and timings [Click Here](#).

Bookings are now being taken and INSOL would welcome your registration at its website: [Click Here](#)

If you have any questions about the event, please do not hesitate to contact Ms.Tina McGorman at tina@insol.ision.co.uk.

Regards,
Yours sincerely,
(N K JAIN)
SECRETARY & CEO

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The CFO Summit 2010

Saturday, 13 November, 2010

The Taj Mahal Palace & Tower, Mumbai

About the Conference

The CII is organising 'The CFO Summit 2010' on Saturday, 13 November, 2010 at The Taj Mahal Palace & Tower, Mumbai with **ICSI as an Institutional Partner** to the event.

Topics for discussion

The Conference would deliberate upon the domestic & international economic trends, regulatory aspects, best practices and implications of forthcoming tax reforms on the role of CFOs.

Who should participate

CFOs, Finance Managers, Investment Bankers, Financial Economists, Debt Market Traders and Fund Managers from Banking, Manufacturing, Software & Solution Providers, Finance & Insurance, IT & Outsourcing, etc. would benefit from the conference.

Speakers

Dr Subir Gokarn, Deputy Governor, RBI and **Mr K V Kamath**, Chairman, ICICI Bank Ltd have kindly consented to address members at the inaugural session of the Summit.

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2nd CFOs Roundtable Conference

"Challenges for CFOs and the way forward"
22nd October 2010, The Imperial, New Delhi

Dear Professional Colleagues,

I am pleased to inform you that Institute has joined hands with ASSOCHAM in organizing 2ND CFOs Roundtable Conference "Challenges for CFOs and the way forward" on October 22, 2010 at The Imperial, New Delhi.

Prominent Experts, Professionals and Business Leaders will be addressing the Conference.

I request you to register for this Conference as delegate and network with other professionals and interact with a range of exceptional speakers and technical experts.

The Participation fees per delegate for the Conference is Rs. 4,000/- per Delegate and there is discount of 20% for ICSI Members. **The Members of ICSI would be entitled for Four Programme Credit Hours.**

For Registration : [Please Click here](#)

For Programme Details : [Please Click here](#)

If you have any questions about the event, please do not hesitate to contact at: satnam.kaur@assochem.com/mohit.bhalla@assochem.co .

Regards,

N K JAIN
SECRETARY & CEO

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ICSI-Knowledge Portal

Dear Member,

You are aware, the Institute is giving focused attention to the capacity building of its members by way of organising Professional Development Programmes, bringing out publications and introducing Post Membership Qualification Courses.

In line with this thought process, the Institute conceived the idea of ICSI-Knowledge Portal (ICSI-KP) to provide members access to a large reservoir of knowledge it has generated over a period of time through dedicated research and studies on a number of new and emerging areas relevant to the profession of Company Secretaries and the Corporate Sector.

I am pleased to inform you that the ICSI-Knowledge Portal was launched by Shri Salman Khurshid, Hon'ble Minister of Corporate Affairs and Minority Affairs (I/C) on September 2, 2010 at Kolkata at the 38th National Convention of Company Secretaries.

ICSI-KP a repository of immense wealth of Knowledge enables the user, access to huge pool of information including Bare Acts, Case Laws, Notifications and Circulars issued by the Government and Regulatory Authorities from time to time, on a payment of nominal charges. In addition, ICSI-KP users become eligible to subscribe to e-jurix and its value added services, on substantially concessional price.

I am sure this capacity building initiative of the Institute will help the members in keeping update on various legislative and judicial developments and help them improving efficiency and competitive edge.

I invite you to visit <http://knowledge.icsi.edu> and register for the ICSI-Knowledge Portal. I will appreciate your feedback/suggestions for further improvement of ICSI Knowledge Portal.

Regards,

(N.K. JAIN)
SECRETARY & CEO

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MCA UPDATES

**ANNUAL FILING OF BALANCE SHEET AND ANNUAL
RETURN FOR THE CURRENT YEAR**

September 27, 2010

Dear Professional Colleagues,

The Institute has received a request letter from the Ministry of Corporate Affairs regarding streamlining the filing of Balance Sheet and Annual Return to RoC by companies during the month of October and November, 2010 and avoidance of the last minute rush and system congestion in MCA21 during that period. Copy of the letter is appended below for your ready reference.

Regards,

Yours sincerely,

CS N K Jain
Secretary & CEO

Avinash K. Srivastava
Joint Secretary



DO No. HQ/60/2005-Computerisation

Government of India
Ministry of Corporate Affairs
New Delhi

Dated: September 22, 2010

Dear Shri Khanvalkar,

This has reference to streamlining the filing of Balance Sheet and Annual Return to RoC by companies during the month of October and November, 2010 and avoidance of the last minute rush and system congestion in MCA21 during that period.

2. The Ministry has initiated multipronged actions so that peak filing during the month of October and November, 2010 can be smoothed under MCA21. Initiatives have also been taken to augment the infrastructural facilities to meet the extra load during that period.

3. The Ministry seeks the support of the professionals from your Institute towards filing Annual Returns and Balance Sheets in an organized manner so that peak hour filing rush during the month of October and November, 2010 can be met smoothly.

4. The Ministry requests the Companies to plan filing of their statutory returns / Forms as per Schedule below drawn in alphabetical order of the names of companies. I seek your active co-operation in dissemination of the information amongst the professionals to plan and file the Annual Returns and Balance Sheets as per the following order:-

Preferable Dates for filing			
Company Names starting with	September 2010	October 2010	November 2010
Alphabets A to D	All days during the month	1 st Oct to 05 Oct 2010	1 st Nov to 05 Nov 2010
Alphabets E to K	-do-	6 th Oct to 10 th Oct 2010	6 th Nov to 10 th Nov 2010
Alphabets L to Q	-do-	11 th Oct to 15 th Oct 2010	11 th Nov to 15 th Nov 2010
Alphabets R & S	-do-	16 th Oct to 20 th Oct 2010	16 th Nov to 20 th Nov 2010
Alphabets T to Z	-do-	21 st Oct to 25 th Oct 2010	21 st Nov to 25 th Nov 2010
Remaining/ Left out companies	-do-	26 th Oct to 31 st Oct 2010	26 th Nov to 30 th Nov 2010

With best regards,

Yours sincerely,
(Avinash Srivastava)

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SEBI UPDATES

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Draft Listing Agreement for Securitized Debt Instruments

SEBI has placed Draft Listing Agreement for Securitized Debt Instruments on its website for public comments.

Highlights of the Draft Listing Agreement for Securitized Debt Instruments are as follows:

- Dissemination of performance related information by the companies on a monthly basis.
- If the number of loans under an asset class is less than 20 then disclosure of loan level details is proposed to be mandatory.
- If the number of loans exceeds 20 per asset class, quartile analysis of the performance of loans is proposed.
- The dissemination format includes pool level, asset-level and tranche level information so as to enable investors to assess the performance of underlying pools.
- The Listing Agreement places the burden of disclosures on the Special Purpose Distinct Entity (SPDE) which is the issuer of securitized debt.
- To facilitate flow of information, the draft requires the SPDE to enter into back to back arrangements with the originator, servicer and the trustee.

We seek your views/suggestions on the same and would appreciate to receive the same on sonia.baijal@icsi.edu by October 27th, 2010 for sending to SEBI.

Click here for view the PDF File
[\(Draft Listing Agreement\)](#)

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RBI UPDATES

RBI Monthly Bulletin - October 2010

The Reserve Bank of India Bulletin is issued monthly by the Department of Economic Policy and Research. The issue includes recent speeches by management, articles on topical issues, various press releases, a list of regulatory and other measures, and foreign exchange developments. It also includes detailed statistics and list of publications.

The Reserve Bank's [October Monthly Bulletin](#) carries six articles. Of particular note in this month's issue, is the trend of India's external debt, with tables and charts of various external debt indicators. Also in this issue is the results of the Reserve Bank's inflation expectations survey of households in June 2010, which is done every quarter. The survey provides useful information on near-term inflationary pressures and, along with other economic indicators, serves as an indicator of future inflation. The Bulletin also includes an article on the revisions to the wholesale price index for more adequately capturing the current structure of the economy.

A brief description of each article is presented below.

1. Developments in India's Balance of Payments during the First Quarter (April-June) 2010-11

This article provides details on developments in India's balance of payments during April-June 2010 (Q1).

Main Findings

The higher trade deficit combined with the lower invisibles surplus widened the current account deficit during Q1. The capital account surplus increased significantly, over the corresponding quarter of last year, on account of short-term trade credit, external commercial borrowings, external assistance and banking capital. With capital account surplus being higher than the current account deficit, the overall balance was in surplus at US\$ 3.7 billion.

2. India's External Debt: Trend, Policy Changes and Cross-country Comparisons

India's external debt, as of end-June 2010, was at US\$ 273.1 billion. The article also provides tables and charts on various details on external debt such as External Debt Outstanding, External Debt

by Component, Currency Composition, Instrument-wise classification, Short-Term Debt by Original Maturity and Residual Maturity and cross country comparisons of external debt of select developing countries etc.

Main Findings

The long-term debt at US\$ 215.2 billion and short-term debt at US\$ 57.8 billion accounted for 78.8 per cent and 21.2 per cent, respectively, of the total external debt. The article highlights India's external debt as of end-June 2010, provides a cross-country comparison of external debt among select developing countries, reviews recent policy measures by the Reserve Bank and Government of India for effective management of external debt, and presents some observations on India's external debt stock.

3. Inflation Expectations Survey Of Households; June 2010 (Round 20)

The Bank has been conducting inflation expectations survey of households (IESH) on a quarterly basis since 2005. The present article is based on the survey round 20 (quarter ended June 2010). Presently the survey is limited to households from four major metropolitan cities and eight other major cities. The major metropolitan cities, are represented by 500 households each while the eight other cities are represented by 250 households each.

Main Findings

This article presents the survey findings.. It gives respondents' perceptions of current inflation as well inflation expectations for 3 months ahead (July-September 2010) and one year ahead (July 10-June 11).The survey findings indicate that households expect inflation to rise further by 30 and 80 basis points during next quarter (11.4 per cent) and next year (11.9 per cent) respectively from the expected current rate of 11.10 per cent.

Household's expectations of general price rise is mainly influenced by movements in food grains prices. High price-rise is expected in food, housing prices and cost of service. On category-wise inflation expectations, housewives and daily-wage workers are comparatively more consistent in the inflation expectations.

4. New Series of Wholesale Price Index Numbers (Base 2004-05=100)

The series on Index Numbers of Wholesale Prices with base 1993-94=100 had been in use since April 2000. A Working Group was established for the revision of the WPI series (base 1993-94=100) on December 26, 2003 under the Chairmanship of Prof. Abhijit Sen, Member, Planning Commission. Based on the recommendations of the Working Group, the Ministry came out with the new series of Wholesale Price Index with the base year 2004-05=100 from August 2010, on September 14, 2010.

Main Findings

At the aggregate level, the price trend as well as inflation of new series (base 2004-05=100) is similar to those of the old series (base 1993-94). However, there are a number of significant changes in the new series in terms of weighting diagram, coverage, and price collection mechanism. There is a reduction in the weight of 'Primary Articles' by 1.9 percentage points. On the other hand, weights of 'Fuel and Power' and 'Manufactured Products' have gone up by 0.7 percentage points and 1.2 percentage points, respectively. In terms of coverage, the number of commodities in the new series has gone up significantly to 676, as compared to 435 commodities of the earlier series. Further, in order to ensure a better representation of price, the number of price quotations has also increased significantly to 5482 from 1918 price quotations of the old series. The latest WPI revision to the base year 2004-05=100 is a welcome development and will be better representative of overall inflation of the economy.

5. International Trade in Banking Services: 2008-09

The survey on International Trade in Banking Services for the reference period 2008-09 was conducted by the Reserve Bank of India in continuation of earlier surveys for 2007-08 and 2006-07. The article based on the survey results is being published in October 2010 issue of RBI bulletin. The main findings of the survey are:

Main Findings

- In all 134 branches and 99 subsidiaries of 14 Indian banks operating abroad and 289 branches of 29 foreign banks operating in India had responded to the survey.
- The amount accrued to India by Indian banks' operations in various countries was at Rs 4,255 crore in 2008-09. Out of Rs. 4,255 crore, Rs. 3,012 crore (70.8 per cent) fee income was generated by 134 branches of Indian banks operating outside India and remaining Rs. 1,243 crore (29.2 per cent) belongs to 99 subsidiaries of Indian banks operating abroad.

- Fee income generated by the Indian banks' branches operating abroad increased by 2.1 per cent from Rs. 2,950 crore in 2007-08 to Rs. 3,012 crore in 2008-09, of which 93.0 per cent of fee income was by rendering banking services like credit related services, trade finance related services, derivative, stock, securities, foreign exchange trading services and payment & money transmission services.
- In contrast to a small growth of 2.1 per cent by Indian banks branches operating outside India, a sharp growth of 140.1 per cent has been observed in the fee income generated by rendering trade in banking services by subsidiaries of Indian banks operating abroad in 2008-09.
- Foreign banks operating in India by rendering banking services was significantly higher at Rs. 10,548 crore than that of Indian banks' branches operating abroad which generated only Rs. 3,012 crore of fee income.
- Indian banks generated major share of fee income by rendering banking services to non-residents while foreign banks generated major share of fee from residents. Foreign banks operating in India generated 93.3 per cent of fee income by rendering banking services to residents during 2008-09.
- Bahrain, UK, USA, Hong Kong, UAE, Belgium, and Japan were the major countries having witnessed not only the significant share in trade in banking services by the Indian banks but also had seen significant growth in trade in banking services in 2008-09 over 2007-08.
- The amount accrued to India was more than the amount accrued to foreign countries like Bahrain, Bangladesh, Belgium, Japan, Singapore, Sri Lanka, UAE etc., during 2008-09, whereas the amount accrued to other countries was higher than the amount accrued to India in case of USA, UK, Hong Kong, Germany, Oman, France etc.

6. International Banking Statistics of India – December 31, 2009

International Banking Statistics (IBS) defined as banks' on-balance sheet liabilities and assets vis-à-vis non-residents in any currency or unit of account along with such liabilities and assets vis-à-vis residents in foreign currencies or units of account comprises Locational Banking Statistics (LBS) and Consolidated Banking Statistics (CBS). The LBS are designed to provide comprehensive and consistent quarterly data on international banking business conducted inside the Bank for International Settlements (BIS) reporting area, while CBS provides data on international/foreign

claims as per residual maturity and sector of borrower along with the exposures by country of immediate borrower and on the reallocation of claims (*i.e.* risk transfers) to the country of ultimate risk.

Main Findings

Locational Banking Statistics - International Liabilities

- The international liabilities (in Rupees) of banks in India, at end-December 2009 increased by 13.7 per cent over the position a year ago.
- The investment in the ADRs/GDRs and equities of the banking sector by non-residents registered a substantial growth over the position a year ago.
- For the quarter ended December 2009, currency composition of the international liabilities revealed that the Indian Rupee continued to be the dominant currency.
- The share of the international liabilities towards the non-bank sector was higher at 75.9 per cent compared to 69.3 per cent a year ago.

Locational Banking Statistics - International Assets

- At end-December 2009, the international assets (in Rupees) of banks in India declined marginally by 0.4 per cent over the position a year ago.
- The substantial decline in the nostro balances of the banks (19.7 per cent) over the previous year resulted in the overall decline in the international assets of the banks during the period.
- For the quarter, the share of the non-bank sector in the international assets increased to 67.8 per cent from 62.9 per cent for the previous year.
- At end-December 2009, almost all (98.4 per cent) assets denominated in Indian Rupee were towards non-bank sector.

Consolidated Banking Statistics

- The annual growth in consolidated international claims (in Rupees) of banks based on country of immediate risk, at end-December 2009, was 17.9 per cent compared to 24.6 per cent registered a year ago.
- Consolidated international claims of Indian banks on immediate risk basis, at end-December 2009, continued to be of short-term nature (less than one year) and accounted for

61.2 per cent of total claims compared to 60.7 per cent a year ago.

Alpana Killawala

Chief General Manager

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