

RBI Guidelines for Bank Finance for PSU Disinvestments

The position with regard to above (as mentioned in paragraph 5 of Circular No. DBOD.BP.BC.83/21.04.137/2002-2003 dated 21st March, 2003) has been reviewed by the Reserve Bank of India and all Scheduled Commercial Banks (excluding RRBs & LABs) have been advised vide RBI's Circular No. DBOD.BP.BC.34/21.04.137/2003-2004 dated October 15, 2003 that only those Special Purpose Vehicles (SPVs) which comply with the following conditions viz;

- (a) They function as holding companies, special purpose vehicles, etc. with not less than 90 per cent of their total assets as investment in shares held for the purpose of holding ownership stake,
- (b) They do not trade in these shares except for block sale,
- (c) They do not undertake any other financial activities, and
- (d) They do not hold/accept public deposits.

would not be treated as investment companies and therefore would not be considered as NBFCs for the limited purpose of being eligible for bank finance for PSU disinvestments of Government of India, subject to compliance with the other guidelines issued vide RBI's Circulars Nos. DBOD. BP BC.17 and 83/21.04.137/2002-2003 dated 16th August 2002 and 21st March 2003 respectively.

All other instructions specified in the above Circulars remain unchanged.

Clarification on RBI Guidelines on Netting off of Old and Small Value Entries-Clearing Differences

This is with reference to the Reserve Bank of India's circular DBOD No. BP.BC.4/21.04.018/2003-04 dated July 19, 2003 on "Guidelines on Netting Off of Old and Small Value Entries-Clearing Differences" in terms of para 3(e) of which banks should maintain a record of the clearing difference entries transferred to Head Office at the branches/Head Office for verification by internal inspection,/auditors/RBI inspection whereby the netting off at the branches, the transfer of entries by the branches to the Head Office, the netting off at the Head Office and writing off/transfer at the Head Office should be subjected to a 100 percent audit by the internal auditors, the concurrent auditors and the statutory auditors.

Now, it has been clarified by the Reserve Bank of India vide its circular DBOD No. BP.BC.37/21.04.018/2003-04 dated October 20, 2003 to all Scheduled Commercial banks (Excluding RRBs and LABs) that netting off at the branches, transfer of entries to Head Office, netting off at the Head Office and writing off/transfer at the Head Office should be subjected to a 100 percent audit by at least two of the following audits viz. concurrent audit, internal audit and statutory audit.

Recognition of Chartered Accountancy Qualification (after Graduation) for registration under Ph.D. Programme

The Committee on Commerce Education & Career counselling is pleased to inform that the Jamia Millia Islamia (A Central University by an Act of Parliament) has also recognised the C.A. qualification as equivalent to Postgraduate degree in Commerce for registration under Ph.D. Programme.

Now in all 76 Universities besides the Association of Indian Universities and four IIMs (Ahmedabad, Bangalore, Calcutta and Lucknow) have recognised the C.A. qualification as equivalent to Postgraduate degree in Commerce for registration under M.Phil/Ph.D./Fellow Programme.