



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

'ICSI House', 22 Institutional Area, Lodi Road, New Delhi-110003, India.  
Phone-(011) 41504444, 24617321-24, Fax-(011)24626727, Email - info@icsi.edu

**CS UPDATE**

**Feb 09, 2010**

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# Forthcoming Programmes

- Program on EMERGING DIMENSIONS OF CORPORATE GOVERNANCE at Navi Mumbai on February 13, 2010

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Program on  
EMERGING DIMENSIONS OF  
**CORPORATE GOVERNANCE -**

**Board of Directors, Audit Committee, Secretarial Audit and Compliance**

<b>Background</b>	<p>Corporate Governance guidelines are administered by SEBI inter alia, through the Listing Agreement; other aspects are administered by Ministry of Corporate Affairs (MCA).</p> <p>Recently, the MCA has brought out Voluntary Guidelines for Corporate Governance which focus inter alia, on Board of Directors, Audit Committee and Secretarial Audit. A Company can ensure good governance practices through Secretarial Audit carried out by an independent professional like the Company Secretary.</p> <p>To understand the Emerging Dimensions of Corporate Governance with focus on some of these aspects, ICSI-Centre for Corporate Governance, Research &amp; Training (CCGRT) is organising a one day program on the above subject.</p>
<b>Day, Date &amp; Time</b>	<p>Saturday , February 13, 2010</p> <p>10.00am – 05.00pm with lunch and background material</p>
<b>Venue</b>	Hall of Culture, Nehru Centre, Ground Floor, Worli, Mumbai – 400 018
<b>Focus of Coverage</b>	<p><b>Corporate Governance</b></p> <ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Audit Committees</li> <li>• Secretarial Audit</li> <li>• Compliance</li> </ul>
<b>Eminent speakers include</b>	<p><b>Shri G N Bajpai</b> Former Chairman - Securities &amp; Exchange Board of India (SEBI)</p> <p>✎ <b>Shri Henry Richard</b> Registrar of Companies, Mumbai</p> <p>✎ <b>Dr. K R Chandratre</b> Practising Company Secretary, Pune &amp; Past President, ICSI</p> <p>✎ <b>Shri Shailesh Haribhakti</b> Managing Partner &amp; CEO HARIBHAKTI GROUP</p> <p>✎ <b>Prof. Poonam Kumar</b> Chairperson Mega Ace Consultancy (I) Pvt. Ltd.</p> <p>✎ <b>Shri Ashok Chhabra</b> Former Executive Director, Procter &amp; Gamble Ltd and now Partner, Dua Associates</p> <p>✎ <b>Ms. Radhika Pereira</b> Managing Partner, Dudhat Pareira &amp; Associates, Advocates &amp; Solicitors</p> <p>✎ <b>Dr. A. K. Sengupta</b> Director, SIESCOMS</p>
<b>Fees :</b>	<p>General : Rs. 1600/- per participant</p> <p>Members of ICSI, ICAI, ICWAI &amp; Faculty Members (25% Discount) : Rs. 1200/- per participant</p> <p>Self Sponsored students 50% discount</p> <p>To cover the cost of backgrounder, kit, lunch and other organisational expenses.</p>

*Annual Members of ICSI-CCGRT can attend the program free of Cost*

**For Registration :** The Fees may be drawn by way of D.D / local cheque payable at Mumbai in favour of "ICSI-CCRT A/c" and sent to The Program Co-ordinator, ICSI-CCGRT , Plot No. 101, Sector -15, Institutional Area, CBD Belapur, Navi Mumbai – 400 614.

☎ 022-2757 7814/15, 022 – 4102 1504, Fax-022-2757 4384, email : ccgrt@vsnl.net

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# MCA Updates

- Constitution of Benches of the Company Law Board

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## Constitution of Benches of the Company Law Board

[Issued by the Company Law Board, vide Order No. 10/43/2005-CLB dated 22.01.2010/

### ORDER

In exercise of the powers conferred by Sub-Section 4(B) of Section 10(E) of the Companies Act, 1956 (1 of 1956) read with Regulation 4 of Company Law Board Regulations, 1991, amended from time to time and in supersession of all earlier orders, the Chairman Company Law Board hereby constitutes the following Benches for the purpose of exercising and discharging the Board's powers and functions in the manner specified below:-

- (a) Matters filed before the Principal Bench before 31st March 2008 and pending in the following Benches will be dealt with by any one of the following: -

#### NEW DELHI BENCH

1. Justice Shri Dilip Raosaheb Deshmukh, Chairman
2. Smt. Vimla Yadav, Member (Technical)

#### CHENNAI BENCH

1. Justice Shri Dilip Raosaheb Deshmukh, Chairman
2. Smt. Lizamma Augustine, Member (Judicial)

#### KOLKATA BENCH

1. Justice Shri Dilip Raosaheb Deshmukh, Chairman
2. Shri Kanthi Narahari, Member (Judicial), (Till a regular Member is posted)

#### MUMBAI BENCH

1. Justice Shri Dilip Raosaheb Deshmukh, Chairman
2. Shri Kanthi Narahari, Member

- (b) Matters pending before the Additional Principal Bench as on 31st March, 2008 shall be dealt with by the Chennai Bench consisting of any one of the following :

- (a) Justice Shri Dilip Raosaheb Deshmukh, Chairman
- (b) Smt. Lizamma Augustine, Member (Judicial)

- (c) The Constitution of the following Benches shall be as under :

- (1) Matters relating to sections 247, 250, 269 and 388B of the Act shall be dealt by **Principal Bench at New Delhi** consisting of Justice Shri Dilip Raosaheb Deshmukh, Chairman
- (2) Matters relating to all Sections except 247, 250, 269 and 388B of the Act shall be dealt by **New Delhi Bench** consisting of any one of the following :
  - (a) Justice Shri Dilip Raosaheb Deshmukh, Chairman
  - (b) Smt. Vimla Yadav, Member (Technical)
- (3) Matters relating to all Sections except 247, 250, 269 and 388B of the Act shall be dealt by **Kolkata Bench** consisting of any one of the following :
  - (a) Justice Shri Dilip Raosaheb Deshmukh, Chairman
  - (b) Shri. Kanthi Narahari, Member (Judicial), (Till a regular Member joins).
- (4) Matters relating to all Sections except 247, 250, 269 and 388B of the Act shall be dealt by **Mumbai Bench** consisting of any one of the following :
  - (a) Justice Shri Dilip Raosaheb Deshmukh, Chairman
  - (b) Shri Kanthi Narahari, Member.
- (5) Matters relating to all Sections except 247, 250, 269 and 388B of the Act shall be dealt by **Chennai Bench** consisting of any one of the following :

(a) Justice Shri Dilip Raosaheb Deshmukh, Chairman

(b) Smt. Lizamma Augustine, Member (Judicial)

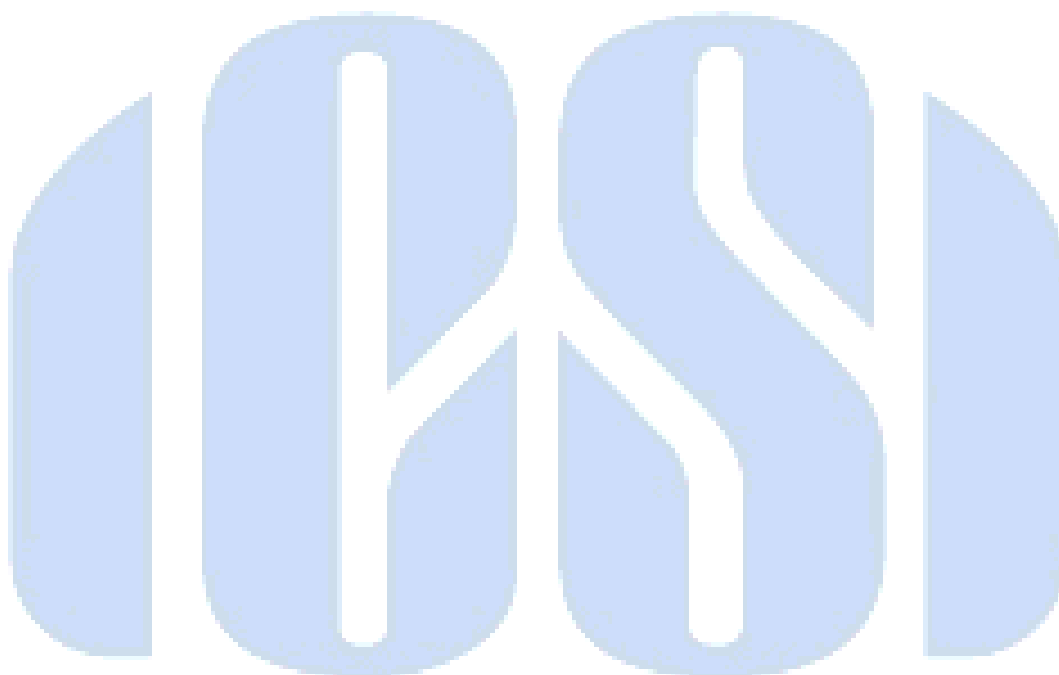
2. The Benches may, at their discretion, hold sittings in any other city or town falling within their respective geographical jurisdiction or any other place outside their jurisdiction with the consent of the parties,

3. This Order shall come into force with effect from 25th January 2010.

By order of the Company Law Board

Nimmi Dhar  
Under Secretary Government of India

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# SEBI Updates

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**DEPUTY GENERAL MANAGER  
INVESTMENT MANAGEMENT DEPARTMENT**

SEBI/IMD/CIR No. 17/ 193751/2010

February 04, 2010

**All Mutual Funds, Asset Management Companies (AMCs)**

Sir / Madam,

**Sub: Standard warning in Advertisements by Mutual Funds**

1. Please refer to clause 2 of the circular SEBI/MFD/CIR No.6/12357/03 dated June 26, 2003 and SEBI Circular No. SEBI/IMD/CIR No.12/118340/08 dated February 26, 2008 on Advertisements through Audio-Visual media and Standard warning in Advertisements by Mutual Funds, respectively.

2. As per the present guidelines, in advertisements through audio-visual media like television, a statement "Mutual Fund investments are subject to market risks, read the offer document carefully before investing" is required to be displayed on the screen for at least 5 seconds and be accompanied by a voice over reiteration. However, it has been observed that in some cases the visual and voice over were run for less than 5 seconds, or if the visual stayed for 5 seconds the voice over either started late or ended early or both. In some cases extra words were inserted in the visual and voice over. As a result, the warning was rendered unintelligible to the viewer/listener.

3. In order to improve the manner in which the said message is conveyed to the investors it has been decided that with effect from May 01, 2010:

i. The standard warning in audio-visual advertisement shall be displayed as "Mutual Fund investments are subject to market risks, read all scheme related documents carefully".

ii. No addition or deletion of words shall be made in the standard warning.

4. It is evident from the circular dated June 26, 2003, that the visual is to be accompanied by voice over. It is therefore re-emphasized that both the visual and the voice over of the standard warning will be run for at least 5 seconds.



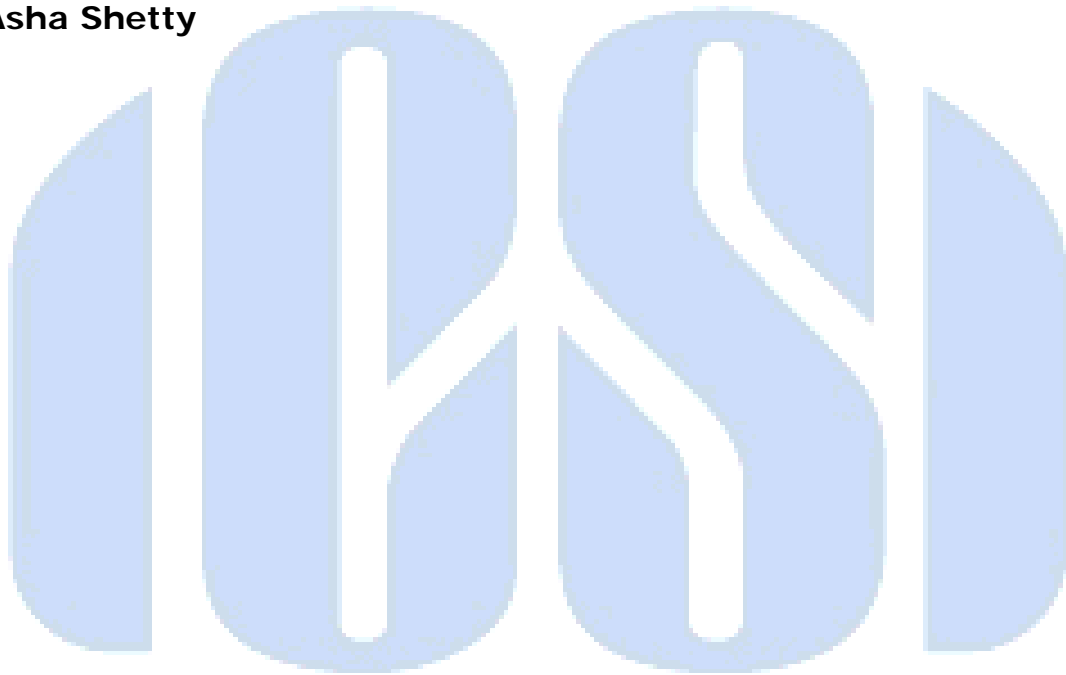
5. All other conditions specified in the above mentioned circular remain unchanged.

6. All mutual funds shall comply with the above requirements in letter and spirit.

7. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of the SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Asha Shetty**





भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

संपर्क प्रभाग, सेबी भवन, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051

Communications Division, SEBI Bhavan, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

दूरभाष / Tel: +91-22-26449000 ईमेल / email: [press@sebi.gov.in](mailto:press@sebi.gov.in) वेबसाइट / website: [www.sebi.gov.in](http://www.sebi.gov.in)

PR No.35/2010

### **SEBI constitutes Committee for review of structure of market infrastructure institutions**

The role of market infrastructure institutions has been continuously evolving to meet the challenges of the emerging securities market. These institutions are increasingly called upon to undertake regulation and supervision of the markets, while simultaneously pursuing commercial objectives.

SEBI Board had considered the issues with regard to the emerging market microstructure and the evolving role of market infrastructure institutions, which call for a review of their ownership and governance structure to ensure that they remain relevant and effective.

SEBI Board in its meeting held on December 22, 2009 approved the proposal to constitute a Committee to look into the issues and concerns in the above matter. Accordingly, a Committee has now been constituted under the Chairmanship of Dr. Bimal Jalan (Former Governor, Reserve Bank of India).

The other members of the Committee are:

Dr. K.P. Krishnan, Joint Secretary, Ministry of Finance, Government of India

Mr. Kishor Chaukar, Managing Director, Tata Industries

Mr. Uday Kotak, Managing Director, Kotak Mahindra Bank

Prof. G. Sethu, Officer on Special Duty, National Institute of Securities Markets (NISM)

Dr. K. M. Abraham, Whole Time Member, SEBI

Shri J.N. Gupta, Executive Director, SEBI (Member Secretary).

Mumbai

February 08, 2010

# RBI Updates

- External Commercial Borrowings (ECB) Policy - Liberalisation

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**RESERVE BANK OF INDIA**

**RBI/2009-10/311**

**A. P. (DIR Series) Circular No.33**

**February 09, 2010**

To  
All Category-I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB) Policy - Liberalisation**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Borrowing or lending in foreign exchange) Regulations, 2000, notified vide [Notification No. FEMA 3/2000-RB](#) dated May 3, 2000, amended from time to time and the [A.P. \(DIR Series\) Circular No. 5 dated August 1, 2005](#) relating to the External Commercial Borrowings (ECB).

2. As per the extant ECB procedures, any changes in the terms and conditions of the ECB after obtaining the Loan Registration Number (LRN) from the Department of Statistics and Information Management (DSIM), Reserve Bank, require the prior approval of the Reserve Bank. Accordingly, the requests of the borrowers for changes in the terms and conditions, such as, drawdown / repayment schedules, currency of borrowing and changes in designated AD bank, name of the borrowing company, etc. are referred to the Reserve Bank for necessary approval.

3. As a measure of simplification of the existing procedures, it has been decided to delegate powers to the designated AD category-I banks to approve the following requests from the ECB borrowers, subject to specified conditions:

**a) Changes / modifications in the drawdown / repayment schedule**

Designated AD Category - I banks may approve changes / modifications in the drawdown / repayment schedule of the ECBs already availed, both under the approval and the automatic routes, subject to the condition that **the average maturity period, as declared while obtaining the LRN, is maintained**. The changes in the drawdown / repayment schedule should be promptly reported to the DSIM, Reserve Bank in Form 83. However, any elongation /

rollover in the repayment on expiry of the original maturity of the ECB would require the prior approval of the Reserve Bank.

**b) Changes in the currency of borrowing**

Designated AD Category I banks may allow changes in the currency of borrowing, if so desired, by the borrower company, in respect of ECBs availed of both under the automatic and the approval routes, subject to all other terms and conditions of the ECB remaining unchanged. Designated AD banks should, however, ensure that the proposed currency of borrowing is freely convertible.

**c) Change of the AD bank**

Designated AD Category - I banks may allow change of the existing designated AD bank by the borrower company for effecting its transactions pertaining to the ECBs subject to No-Objection Certificate (NOC) from the existing designated AD bank and after due diligence.

**d) Changes in the name of the Borrower Company**

Designated AD Category - I banks may allow changes in the name of the borrower company subject to production of supporting documents evidencing the change in the name from the Registrar of Companies.

4. The modifications to the ECB guidelines will come into force with immediate effect. All other aspects of the ECB policy, such as USD 500 million limit per company per financial year under the automatic route, eligible borrower, recognised lender, end-use, all-in-cost ceiling, average maturity period, prepayment, refinancing of existing ECB and reporting arrangements remain unchanged.

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

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act 1999 (42 of 1999) and are without prejudice to permissions /approvals, if any, required under any other law.

Yours faithfully

**(Salim Gangadharan)**  
**Chief General Manager-in-Charge**

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