



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

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

Jan 08, 2010

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Forthcoming Programmes

- “Quartet: The CS Conference” at Mumbai on 16th January 2010

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“QUARTET: THE CS CONFERENCE”

on the theme

THINKING BEYOND ...

Technical Session

1. Corporate Governance – Voluntary Guidelines 2009
2. Corporate Social Responsibilities – Voluntary Guidelines – 2009
2. Emerging Opportunities – GST
3. Bank Credit Rating & Borrowing Options

Day & Date : Saturday, 16th January, 2010
Time : 10.00 am to 05.00 pm
Venue : Maharashtra Chamber of Commerce & Industry
Oricon House, 6th Floor, 12, K. Dubash Marg
Kalaghoda, Fort,
Mumbai – 400 001 (Tel. No. : 022-22855858)

Faculty: - Eminent Faculty will address the participants

Delegate Fees:-

(includes Seminar Kit, Lunch and High Tea)

Members - Rs. 950/-
CS Students - Rs. 750/-
Non-Members - Rs. 1250/-

Free for PMS Members (one full PMS)

For enrolment please contact: - Either of NIRC, SIRC, EIRC and WIRC Offices

This is a joint programme of EIRC, SIRC, NIRC & WIRC

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MCA

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- Compendium “Corporate India 2009”

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Compendium “Corporate India 2009”

The Compendium “Corporate India 2009” released by Her Excellency, the President of India, during the concluding day of “India Corporate Week, 2009” held on December, 21, 2009 is based on the theme of Corporate India and inclusive growth. The compendium throws light on the performance of Indian Corporate Sector in the year of Global Financial crisis, Evolution and principles of Corporate Governance, sustainable Indian Business, Glimpse of initiatives of Corporate Social Responsibility, Performance of SMEs, Corporate and rural India synergy, evolution and growth of stock markets in India, mobilization of investors to invest wisely in financial markets and role of professional institutes (IACI, ICSI and ICWAI) in facilitating the Corporate sector.

Price : Rs.1000 per copy
Mode of payment : By cheque in favour of ‘National Foundation for Corporate Governance’ payable at New Delhi.
Forwarded to : National Foundation for Corporate Governance, C/o
Confederation of Indian Industry,
The Mantosh Sondhi Centre
23, Institutional Area
Lodi Road
New Delhi – 110003 (India)

Name of the contact person : Ms. Shalini Thapa Budathoki
Ph : 9810735057/24601180(D)

Email of Ms. Shalini : shalini.budathoki@cii.in

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SEBI

Updates

- PAN requirement for transmission of shares in physical form
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DEPUTY GENERAL MANAGER
Market Regulation Department – Division of Policy
Email: harinib@sebi.gov.in

SEBI/MRD/DoP/SE/RTA/Cir-03/2010
January 07, 2010

1. The Executive Directors/ Managing Directors
of all Stock Exchanges
2. Registrars to an Issue and Share Transfer Agents

Dear Sir/Madam,

Sub: PAN requirement for transmission of shares in physical form

1. The Securities and Exchange Board of India (SEBI) vide circular ref. no. MRD/DoP/Cir-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transactions. Thereafter, vide circular no. MRD/DoP/ Cir-05/2009 dated May 20, 2009 it was clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/ RTAs for registration of such transfer of shares.
2. Based on representations/ clarifications sought by market participants and in continuation to the aforesaid circulars, it is hereby clarified that it shall be mandatory to furnish a copy of PAN in the following cases –
 - 2.1. Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
 - 2.2. Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - 2.3. Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
3. Incase of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors -
 - 3.1. The RTAs can collect the PAN card as submitted by the transferee(s). However, this would be subject to the RTAs verifying the veracity of the claim of such transferee(s) by collecting sufficient documentary evidence in support of the identity of the transferee(s) as provided for at para. 2 in the SEBI circular no. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004 read with SEBI circular no. MRD/DoP/Cir-08/2007 dated June 25, 2007.
4. All Stock Exchanges are advised to:-
 - 4.1. implement the above by making necessary amendments to the byelaws and Listing Agreement, as applicable;
 - 4.2. bring the provisions of this circular to the notice of the listed companies for necessary compliance and also to put the same on their website for easy access to the investors; and

4.3. communicate to SEBI the status of the implementation of the provisions of this circular and the action taken in this regard in the Monthly Development Report.

5. All Registrars to an Issue and Share Transfer Agents are advised to:-

5.1. take necessary steps to implement the above decision.

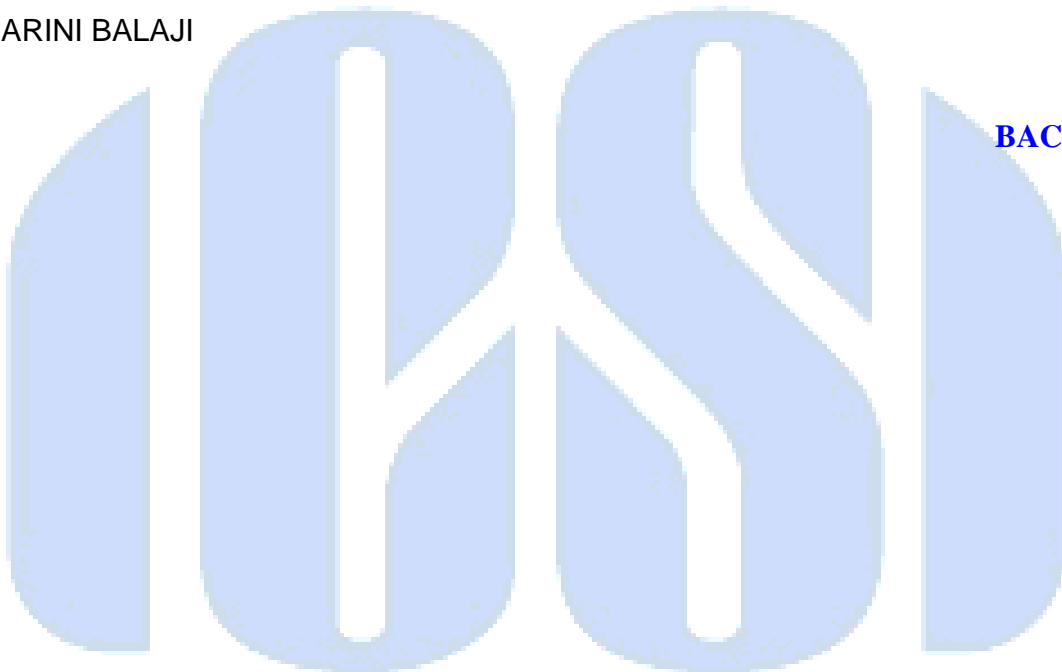
5.2. disseminate the provisions of this circular on their website.

6. 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 section 55A of Companies Act to protect interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

HARINI BALAJI

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DEPUTY GENERAL MANAGER
MARKET INTERMEDIARIES REGULATION AND SUPERVISION DEPARTMENT

SEBI/MIRSD/CRA/Cir-01/2010
January 06, 2010

All Credit Rating Agencies Registered with SEBI

Dear Sirs,

Sub: Internal Audit for Credit Rating Agencies (CRAs)

It has been decided in consultation with the credit rating agencies (CRAs) that the audit envisaged under Regulation 22 of the SEBI (Credit Rating Regulations), 1999 shall include an internal audit to be undertaken in the following manner:

- a. It shall be conducted on a half yearly basis.
 - b. It shall be conducted by Chartered Accountants, Company Secretaries or Cost and Management Accountants who are in practice and who do not have any conflict of interest with the CRA.
 - c. It shall cover all aspects of CRA operations and procedures, including investor grievance redressal mechanism, compliance with the requirements stipulated in the SEBI Act, Rules and Regulations made thereunder, and guidelines issued by SEBI from time to time.
 - d. The report shall state the methodology adopted, deficiencies observed, and consideration of response of the management on the deficiencies.
 - e. The report shall include a summary of operations and of the audit, covering the size of operations, number of transactions audited and the number of instances where violations / deviations were observed while making observations on the compliance of any regulatory requirement.
 - f. The report shall comment on the adequacy of systems adopted by the CRA for compliance with the requirements of regulations and guidelines issued by SEBI and investor grievance redressal.
2. The time schedule for the internal audit shall be as under:
- a. The CRA shall receive the report of the internal audit within two months from the end of the half-year.
 - b. The Board of Directors of the CRA shall consider the report and take steps to rectify the deficiencies, if any, and the CRA shall send an Action Taken Report to SEBI within next two months.

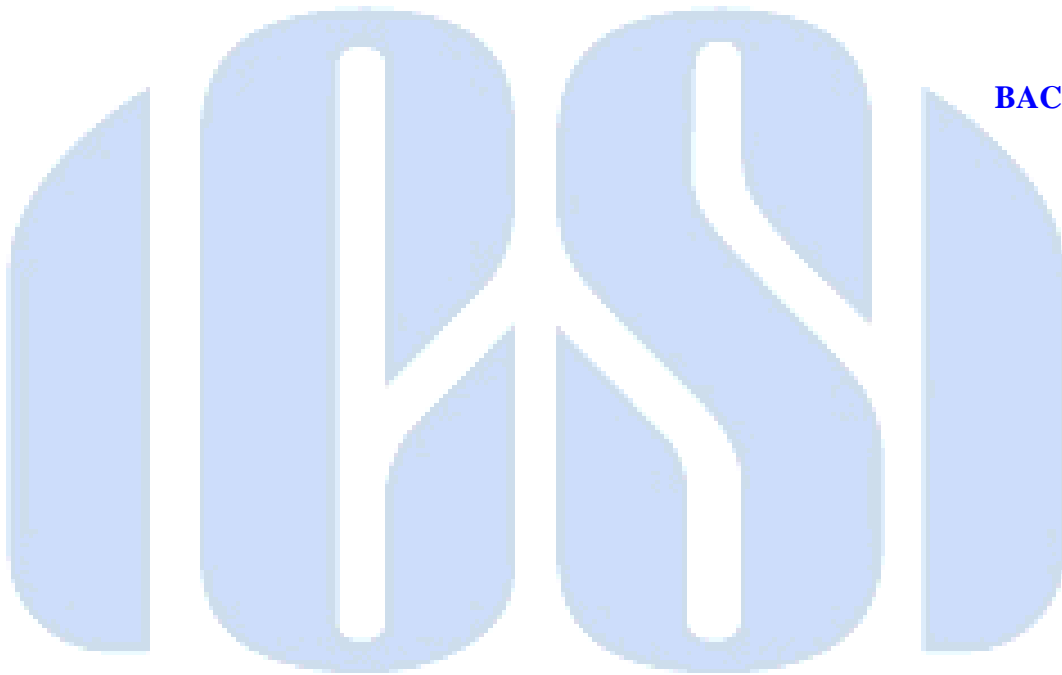
3. It is clarified that for the half-year October 2009 - March 2010, the CRA shall receive the report of the internal audit by May 31, 2010. Its Board of Directors shall consider the report and take appropriate measures to rectify the deficiencies and the CRA shall send the Action Taken Report to SEBI by July 31, 2010.

4. This circular is issued in exercise of the powers conferred by Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with the provisions of Regulations 19(1), 20 and 22 of the SEBI (Credit Rating Agencies) Regulations, 1999 to protect the interest of investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,

PRASANTA MAHAPATRA

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RBI Updates

- Disclosure in Balance Sheet – Bancassurance Business
- Prudential Norms on Creation and Utilisation of Floating Provisions

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RESERVE BANK OF INDIA

Department of Banking Operations and Development, Central Office, Centre 1, Cuffe Parade, Colaba, Mumbai - 400005 Tel No: 91-22-22189131 Fax No: 91-22-22150663 Email ID: cgmicdbodco@rbi.org.in

RBI/2009-10/283

DBOD.No.FSD.BC. 67 /24.01.001/2009-10

January 7, 2010

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir

Disclosure in Balance Sheet – Bancassurance Business

In order to increase transparency in the financial statements of banks, Reserve Bank of India has from time to time issued circulars to banks requiring disclosures in the 'Notes to Accounts' to their Balance Sheet. These instructions were consolidated in the [Master Circular No.DBOD.BP.BC.NO.22/21.04.018/2009-10](#) dated July 1, 2009.

2. As a further step in enhancing transparency, it has been decided that banks should disclose in the 'Notes to Accounts', from the year ending March 31, 2010, the details of fees/remuneration received in respect of the bancassurance business undertaken by them.

Yours faithfully

(P.Vijaya Bhaskar)
Chief General Manager-in-Charge

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RESERVE BANK OF INDIA

www.rbi.org.in

Department of Banking Operations and Development, Central Office, Centre 1, Cuffe Parade, Colaba,
Mumbai - 400005 Tel No: 91-22-22189131 Fax No: 91-22-22183785 Email ID:cgmicdbodco@rbi.org.in

RBI/2009-2010/282

January 5, 2010

DBOD. No. FID. FIC. 7 /01.02.00/2009-10

The CEOs of the select All-India Term-lending and Refinancing Institutions

(Exim Bank, NABARD, NHB and SIDBI)

Dear Sir,

Prudential Norms on Creation and Utilisation of Floating Provisions

It has come to our notice that some of All India Financial Institutions (AIFIs) are using floating provisions to make specific provisions to meet the prudential guidelines by writing back the provisions to income account above the line.

2. As you are aware that banks are permitted to use the floating provisions only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining Board's approval and with prior permission of RBI. It is felt necessary to issue similar guidelines to AIFIs also.

3. It is, therefore, advised that all AIFIs should also follow extant guidelines on 'Prudential Norms on Creation and Utilization of Floating Provisions' issued to banks. Accordingly, we advise that guidelines issued to banks vide our circular No. [DBOD.BP.BC.89/21.04.048/2005-06](#) dated June 22, 2006 and circular No. [DBOD.BP.BC.68/ 21.04.048 / 2006-07](#) March 13, 2007 (copy enclosed) shall *mutatis mutandis* apply to AIFIs.

4. In this connection, your attention is also invited to our Circular No. [DBOD. FID. FIC 6 / 01. 02. 00](#) dated December 8, 2009 on Provisioning Coverage for Advances.

Please acknowledge receipt.

Yours faithfully,

(Vinay Baijal)
Chief General Manager

Encls : As above

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