Forthcoming Programme

Full Day Seminar At Nashik
ON
Changing Laws
- Emerging Vistas for Company Secretaries

Shilanyasa of ICSI-HOUSE, Mysore on 26th September, 2010

RBI Updates

Reporting under Foreign Direct Investment (FDI) Scheme
Prevention of Money-laundering Second Amendment Rules, 2010 - Obligation of Entities authorised to operate Payment System in India

SEBI UPDATES

Establishment of Connectivity with both depositories NSDL and CDSL - Companies eligible for shifting from Trade for Trade Settlement (TFTS) to normal Rolling Settlement

Disclaimer: - CS Update contains government notifications, case laws and contributions received from the members. Due care and diligence is taken in compilation of the CS Update. The Institute does not own the responsibility for any loss or damage resulting from any action taken on the basis of the contents of the CS Update. Anyone wishing to act on the basis of the contents of the CS Update is advised to do so after seeking proper professional advice.

HOME
FORTHCOMING PROGRAMME
WESTERN INDIA REGIONAL COUNCIL, NASIK AND AURANGABAD CHAPTERS
Jointly Organizes

FULL DAY SEMINAR AT RELIGIOUS PLACE NASHIK
ON
Changing Laws
- Emerging Vistas for Company Secretaries

Day & Date : Saturday, 18th September 2010
Time       : 11.00 am to 07.00 pm
Venue                  : Hotel Sai Palace
                       Mumbai-Agra Road, Nashik

Inauguration by
Hon. President of ICSI, Shri Vinayak Khanwalkar

Topics to be covered:
➢ Takeover regulations
➢ Public Shareholding in listed companies
➢ NCLT, GST and Ethical Dilemma in Corporate management

Special Programme

Felicitation of students who have passed final examination of ICSI in June 2010

Faculty:
Eminent faculty would address the seminar

Fees:
(Incl. Backgrounder, breakfast, lunch & snacks) :-

- Members- Rs.1,100/-  • Non -Members –Rs.1,200/-  • Students - 400/- (spot regn. Rs.100/- extra)
- Optional Tours – One Day Tour to Shirdi and / or Trimbmak will be arrange on Sunday, 19th September 2010 on actual cost basis
- Residential Accommodation – List of Hotels in Nashik and the Hotel Tariff will be mailed on request. Assistance will be provided in room booking. However, hotel bills are to be settled directly by members.
For enrollment contact:-

ICSI-WIRC Office: Tel Nos.: 22047569/22047580  
Cell Nos.: 9223542195  
Email: prog.wirc@icsi.edu/wiro@icsi.edu

Nasik Chapter of WIRC of ICSI:  
2nd Floor, Prasanna Archade, Near Hotel Mazda,  
Old Agra Road, Nasik 422 002.  
Tel – (0253) 2509989, 2500150.  
E-mail –dateyvs@yahoo.com  
Timing: 12 noon to 7.30 pm

Aurangabad Chapter of WIRC of ICSI:  
18, Prashant, Mitra Nagar,  
Limayawadi,  
Aurangabad – 431 005.  
Tel – (0240) 2480415  
E-mail: arjoshi@sancharnet.in
Shilanyasa of ICSI-HOUSE, Mysore on 26th September, 2010

MYSORE CHAPTER OF

THE INSTITUTE OF
Company Secretaries of India

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

Warmly welcomes you to be a part of the cherished occasion of

SHILANYASA OF ICSI-HOUSE MYSORE

On Sunday, 26th September 2010 @ 8 am

CS. VINAYAK S. KHANVALKAR
PRESIDENT, ICSI

has kindly consented to lay the foundation Stone

in the presence of

CS. N.K. JAIN
SECRETARY & CEO, ICSI

and other distinguished guests at

Site No. 125, NHCSL Layout,
Opp JK Tyres, KRS Road, Mysore 570 016
Reporting under Foreign Direct Investment (FDI) Scheme

RBI/2010-11/ 199
A.P. (DIR Series) Circular No. 13

To

All Category - I Authorised Dealer Banks

Madam / Sir,

Reporting under Foreign Direct Investment (FDI) Scheme

Attention of Authorised Dealer Category-I (AD Category - I) banks is invited to para 9 of Schedule 1 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000 (the Notification), as amended from time to time, and A.P. (DIR Series) Circular No. 44 dated May 30, 2008.

2. In terms of para 9 of Schedule 1 to the Notification, Indian companies are required to report, the details of the amount of consideration received for issue of FDI instruments, viz. equity shares, fully and mandatorily convertible preference shares and debentures under the FDI scheme, in the Advance Reporting Format along with the KYC report on the non-resident investor, to the Regional Office of the Reserve Bank in whose jurisdiction the Registered Office of the company operates, within 30 days of receipt of the amount of consideration. Further, the Indian company is required to issue the FDI instruments to the non-resident investor within 180 days of the receipt of the inward remittance and report the same in Form FC-GPR, to the Regional Office concerned of the Reserve Bank, within 30 days from the date of issue of shares.

3. FDI is an important component of the Balance of Payments (BoP) statistics, which is being compiled and published on a quarterly basis. Any delay in submission of the FDI data results in under-reporting of FDI in the BoP statistics. Further, delay in reporting of the FDI transactions (receipt of advance consideration and issue of FDI compliant instruments) and issuance of shares/refund of advance consideration beyond 180 days of receipt of the same without the Reserve Bank’s approval are considered as violations under the provisions of the Foreign Exchange Management Act, 1999 (FEMA). Therefore, AD Category - I banks are advised to sensitise and impress upon their clients the importance of strict adherence to the FDI reporting requirements including the KYC report. In this regard, AD Category-I banks may make suitable internal arrangements to monitor / track the inward remittances reported through Advance Reporting Format and the subsequent issue of shares or refund of share application money by the companies.
4. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. 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 is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,
(Salim Gangadharan)
Chief General Manager
Prevention of Money-laundering Second Amendment Rules, 2010 - Obligation of Entities authorised to operate Payment System in India

RBI/2010-11/200

DPSS. CO.AD. No. 552 /02.27.004/2010-2011                              September 15, 2010

All the entities Authorized to operate Payment Systems in India

Madam/Dear Sir

Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Second Amendment Rules, 2010-obligation of entities authorized to operate Payment System in India


Please acknowledge the receipt.

Yours faithfully

(K. Sivaraman)
General Manager

Encl: as above

MINISTRY OF FINANCE
(Department of Revenue)
NOTIFICATION
New Delhi, the 16th June, 2010

THE GAZETTE OF INDIA: EXTRAORDINARY Part II- Sec. 3 (i)

G.S.R. 508(E)- In exercise of the powers conferred by sub - section(1) read with clause(h), clause(i), clause(j) clause(k) of sub- section 2 of section 73 of
the Prevention of Money Laundering Act, 2002 (15 of 2003), the Central Government, in consultation with Reserve Bank of India, hereby makes the following rules further to amend the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, namely:-


(2) They shall come into force on the date of their publication in the Official Gazette.


(a) in rule 2 in sub-rule (1), after clause (g), the following Explanation shall be inserted, namely:-

"Explanation:- Transaction involving financing of the activities relating to terrorism includes transaction involving funds suspected to be linked or related to, or to be used for terrorism, terrorist act or by a terrorist, terrorist organisation or those who finance or are attempting to financing of terrorism."

(b) in rule 9, for sub-rule (1A), the following sub-rule shall be substituted, namely:-

"(1A) Every banking company, financial institution and Intermediary, as the case may be, shall determine whether a client is acting on behalf of a beneficial owner, identify the beneficial owner and take all reasonable steps to verify his identity."

(c) in rule 9, for sub-rule (1B), the following sub-rule shall be substituted, namely:-

"(1B) Every banking company, financial institution and Intermediary, as the case may be, shall exercise ongoing due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with their knowledge of the client, his business and risk profile and where necessary, the source of funds."

(d) in rule 9, for sub-rule (1C), the following sub-rule shall be substituted, namely:-
"(1C) No banking company, financial institution and Intermediary, as the case may be, shall allow the opening of or keep any anonymous account or account in fictitious names or account on behalf of other persons whose identity has not been disclosed or cannot be verified."

THE GAZETTE OF INDIA: EXTRAORDINARY Part II- Sec. 3 (i)

(e) in rule 9, after sub-rule (1C), the following sub-rule shall be inserted, namely:-

"(1D) When there are suspicions of money laundering or financing of the activities relating to terrorism or where there are doubts about the adequacy or veracity of previously obtained customer identification data, every banking company, financial institution and Intermediary shall review the due diligence measures including verifying again the identity of the client and obtaining information on the purpose and intended nature of the business relationship, as the case may be."

(f) in rule 10, after sub-rule (3), the following Explanation shall be inserted, namely:-

"Explanation: For the purpose of this rule:-

(i) the expression 'records of the identity of clients' shall include records of the identification data, account files and business correspondence.

(ii) the expression 'cessation of the transactions' means termination of an account or business relationship."

[Notification No. 10/2010- E. S. / F. No. 6/8/2009-E.S.]
S. R. MEENA, Under Secretary

SEBI Updates
Establishment of Connectivity with both depositories NSDL and CDSL – Companies eligible for shifting from Trade for Trade Settlement (TFTS) to normal Rolling Settlement

CIRCULAR

CIR/MRD/DP/ 31 /2010 September 15, 2010

To,

All Stock Exchanges

Dear Sir / Madam,

Sub: Establishment of Connectivity with both depositories NSDL and CDSL – Companies eligible for shifting from Trade for Trade Settlement (TFTS) to normal Rolling Settlement

1. It is observed from the information provided by the depositories that the companies listed in Annexure ‘A’ have established connectivity with both the depositories during the month of May 2010.

2. The stock exchanges may consider shifting the trading in these securities to normal Rolling Settlement subject to the following:

   a) At least 50% of other than promoter holdings as per clause 35 of Listing Agreement are in dematerialized mode before shifting the trading in the securities of the company from TFTS to normal Rolling Settlement. For this purpose, the listed companies shall obtain a certificate from its Registrar and Transfer Agent (RTA) and submit the same to the stock exchange/s. However, if an issuer-company does not have a separate RTA, it may obtain a certificate in this regard from a practicing company Secretary/Chartered Accountant and submit the same to the stock exchange/s.

   b) There are no other grounds/reasons for continuation of the trading in TFTS.

3. The Stock Exchanges are advised to report to SEBI, the action taken in this regard in the Monthly/Quarterly Development Report.

Yours faithfully,

Harini Balaji
Deputy General Manager
022-26449372
e-mail: harinib@sebi.gov.in
### Annexure A

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Name of the Company</th>
<th>ISIN No.</th>
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<tbody>
<tr>
<td>1</td>
<td>INDO ZINC LIMITED</td>
<td>INE031L01014</td>
</tr>
<tr>
<td>2</td>
<td>ARIHANT'S SECURITIES LIMITED</td>
<td>INE190D01015</td>
</tr>
<tr>
<td>3</td>
<td>PREMIER CAPITAL SERVICES LIMITED</td>
<td>INE946K01015</td>
</tr>
<tr>
<td>4</td>
<td>ARSI COSMETICS AND CHEMICALS LIMITED</td>
<td>INE898K01018</td>
</tr>
<tr>
<td>5</td>
<td>KOSHA CUBIDOR CONTAINERS LIMITED</td>
<td>INE100L01017</td>
</tr>
<tr>
<td>6</td>
<td>GANON TRADING AND FINANCE COMPANY LTD</td>
<td>INE162L01017</td>
</tr>
<tr>
<td>7</td>
<td>ARROW SECURITIES LTD</td>
<td>INE101L01015</td>
</tr>
<tr>
<td>8</td>
<td>B &amp; B REALTY LIMITED</td>
<td>INE314E01019</td>
</tr>
<tr>
<td>9</td>
<td>BHANOT CONSTRUCTION &amp; HOUSING LIMITED</td>
<td>INE484K01017</td>
</tr>
<tr>
<td>10</td>
<td>HARYANA COATED PAPERS LIMITED</td>
<td>INE953K01011</td>
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