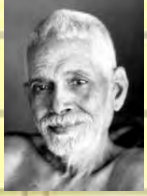


ಮೈಸೂರು
ಮೈಸೂರು
MYSORE

**On 17th December 2011,
All roads lead to Mysore for the
Opening Ceremony of the
“ICSI House”**

WORDS WORTH MILLIONS



**Reality is simply the loss
of ego. Destroy the ego
by seeking its identity.
Because the ego is no entity,
it will automatically vanish and
reality will shine forth by itself.**

Sri Ramana Maharshi

30 December 1879 to 14 April 1950

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Message from Chairperson



**Dear Members and
Students of CS fraternity,**

We are extremely glad to inform you that Mysore Chapter's dream project is completed and the inauguration is scheduled to be held on 17th of this month. We would not have achieved this in a short span but for the support and encouragement from all of you. I extend hearty welcome to all of you for this joyous occasion and request you to be with us on that day and be a part of this memorable event.

With the Union Cabinet approving the Companies Bill, 2011, the new Companies Act, which is to replace almost 55 year old company law, is all set to see the light of the day. With this, the professionals are to face new challenges as well as new opportunities. It's a time to unlearn what we have learnt so far and learn something new.

I hope the students are all set to face the examination and I wish them all the success in the exams. Remember that - **the difference between 'try' and 'triumph' is a little 'umph'**. You work hard, put in your best and the success will be at your feet. Good Luck to all of you,

Yours in CS fraternity,

CS. Srilatha T G

Inside.....

Chapter Activities...3

ICSI House...3

Introspection of a Compliance Officer...4

FDI in Retail: How else could it be handed?...5

Living Room: Eternal Truths...6

News from ICSI Mysore & Bangalore...6

Web Yatra: www.business.gov.in ...7

IT for Professionals: Evernote...7

Spectrum Space...8

Legal Roundup ... 9

News Room...12





Activity Report

12 CAREER GUIDANCE PROGRAMS



The Chapter had arranged 12 Career Awareness Programs on 16th, 24th, 25th, 28th and 29th of November at 5 different colleges in Mysore, Murnad, Hassan, Chamarajanagar, and Maddur. During these programs, the students were addressed by CS. Anshuman A S and they were given an insight to the Company Secretaries Course and the Career Prospects for CS. Pamphlets about the Course were distributed to the participants.

SESSION ON RECENT DEVELOPMENTS IN BUSINESS LAWS

A session on 'Recent Developments in Business Laws' was organized by the chapter on 24th November at Rotary Hall, Mysore.



During the session, CS Anshuman AS made a detailed presentation on various developments in law like – LLP, New Company Bill, Direct Tax Code, IFRS, GST etc.

“ICSI House” to be inaugurated on 17th December 2011

It is our pleasure to inform you that making of ICSI Bhavan at Mysore is on schedule and opening ceremony is scheduled to be held on 17th December 2011. You are most welcome to participate in the opening ceremony.

*Your contribution for the project will not only augment the resources but will assure us that colleagues from all over the country are with us. Further, we will be very much obliged if you can use your good offices for obtaining donations from Corporates, philanthropists etc. **Contributions received so far:***

SPONSORS	Rs.				
		Rtn.Jagadeesh Kumar K.N.	25,000	CS.Pranab Kumar Panigrahi	10,000
CS. Jayalakshmi Anshuman	500,000	CS. K. Sarina Chouta Harish	25,000	CS. Sharma G.S.	10,000
CS. Srilatha T.G.	200,000	CS. Sabareeshan C K	25,000	CS. Subramanian R.	10,000
		CS. Rajshekar K. & Aarthi G Krishna	20,000	CS. Sunil Kumar B.G.	10,000
		Mrs.Jyothi Sivakumar	128,950	CS. Badrinarayanan S	15,000
		Mrs.Savitha Raj	110,000	CS. Kiran T.	12,005
		CS. Anshuman A.S.	102,750	CS. Omkar Nagesh Gayatri	11,111
		M/s.SIRC OF ICSI	100,008	CS. Lalit Kumar Shukla	10,001
		M/s.Geo Rubber Works	100,000	CS. Sreedharan V.	10,001
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		CS. Bhat D D	25,000	CS. M N V Krishna Kumar	10,000
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				Mr. Vageesh Hegde	10,000
				CS. Shrinivas Devadiga	5,001
				Mr. Subrahmanya N.	5,000
				CS. Sudhir Babu C.	5,000
				CS. Jagannatham P.	4,567
				Dr. Manju S – CS Student	2,100
				CS. Rashmi M R	2,000
				Mr. Krishne Gowda C – CS Student	1,001
				Mr. Sharath M. Kumar – CS Student	1,000
					1,685,495

A special edition of the e Newsletter will be released immediately after the opening ceremony.

INTROSPECTION OF A COMPLIANCE OFFICER

In US, Goldman Sachs disclosed that it spent more than \$700 million on lawyers in 2010, when the Securities and Exchange Commission sued it for securities fraud related to the sale of a subprime mortgage investment. Goldman also paid \$550 million to settle these charges.

On one hand, there are lawyers who are paid to make laws discriminating the corrupt practices of companies be it in the form of bribes or other favors, and there are in house counsels to ensure compliance with those laws. But on the other hand, the same legal community is also fleecing companies with huge fees and bills in the name of protecting them from non-compliances.

At home, even in the case of the recent 2G scam, I am sure that companies like Reliance would have engaged the best of the legal heads available to close those deals and finalize those contracts. And today, there is another group of the lawyers making sure that the top brass don't spend the rest of their life in jail.

Seems as if lawyers are getting the best either way when it comes to making money. But it also raises a few doubts on the quality of our own jobs...either we are not effective enough in ensuring that our companies don't get into trouble or we are over powered by the top brass who are more than willing to take risks (of non-compliance) to make money.

So, should we make more noise about the millions being wasted to rectify mistakes we knowingly made, so that the top man listens and complies, even if it means that some lawyer somewhere is losing out on the butter for his bread...?



Billing by hour is catching up very fast among Indian Lawyers. This has been prevalent in US and European countries for quite some time now.



It would be nice to have views on what other people think about paying each other for hours, minutes and seconds.

Another thought...

Though legal fees have been on the higher end in the US always, the trend is picking up quickly in India too. "Billing by the hour" is slowly creeping into a number of law firms in India. It would be nice to have views on what other people think about paying each other for hours, minutes and seconds.

At the end, somehow, does all of this fit anywhere into the "noble" definition of the profession?



FDI IN RETAIL: HOW ELSE COULD IT BE HANDLED?

No purpose served. No reform done. Nobody is happy. No parliamentary proceedings for few days. No clarity. No useful deliberations. No consensus, even within the ruling party. No goodwill earned by any political party. But yes, lot of news, heated arguments, blame games, media engagement, sensation...

Let us assume without accepting, for a moment, that -

1. FDI in Retail is an indispensable boon for India (in view of claims that it has done good to some other countries, not being conclusive about the veracity of these claims; not considering the basic differences between different countries, their culture and their economy)
2. FDI in Retail will create 10 million jobs (why not 15 million? How has the number been arrived at?)
3. FDI in Retail will bring down inflation (conveniently forgetting the earlier defence that inflation is a global phenomenon; conveniently ignoring the influence of larger macro economic factors; as if a billion dollars or so of investment, spread over the next few years, is all that is needed to bring down inflation tomorrow)
4. FDI in Retail will create infrastructure (how? Will the foreign investors build highways, roads and bridges for the rural farm produce to move to the markets in cities?)
5. FDI in Retail will prevent wastage of agricultural produce by having cold storage chains and back end infrastructure (which are the non-glamorous parts of a business chain which is anyway characterized by thin margins)

And so on....

1. Was it proper to thrust the decision without gaining consensus within the main ruling party, leave alone its allies?

2. Why rake the issue when the Parliament is in session?
3. Why not take the principal allies into confidence, before the announcement?
4. Why not start with a minority or non-majority stake in multi brand retail, say up to 24% or 49%, and then move forward in a phased manner, taking the learning as we proceed?
5. Why provide only 30% procurement from SMEs? At least, there could have been a clarification upfront that it refers to indigenous SMEs and not global - rather than do a flip-flop on the clarification?
6. Why provide for self-certification as regards such

minimum percentage of SME procurement? Can a mere self-certification bring in the required controls in such a sensitive issue? Has self-certification and self-regulation succeeded, even in advanced economies?

7. Why not clarify what all are included in the broad term 'back-end investment'?

The present rules anyway permit 51% in single-brand retail. It would have been a

progressive move, to first increase this, subject to adequate safeguards. Or, alternately, initially permit 100% FDI in luxury retail, which does not in any manner seem to threaten the livelihoods of millions of people and will not affect the masses in a country where nearly 80% (or more) of the population are said to be deprived of the economic liberalization of the last two decades. If the idea was to create jobs in the metros or large cities, FDI could be selectively allowed in specific products, or specific branded retail store formats which perceivably do not pose any threat to the larger populace; say for example, watches, luxury accessories, luxury footwear, designer jewelry, designer eyewear or even designer apparel.

An indiscriminate, ill-conceived, ambiguous and poorly implemented roll out of FDI in Retail will at best, ensure that the benefits of such FDI are misunderstood, over-estimated, and ultimately, not enjoyed by those for whose benefit it is intended.

Government has only made some sensational news and wasted time of Parliament. Either it acted so because it has got no vision or it was strategic to draw attention of parliamentarians from something else. Author is drawing our attention towards some of the missing links of reality in the proposal.



CS. K. Vijay Shyam Acharya, B Com, LLB, ACS, CA
Head-Corp.Legal, Himatsingka Seide Ltd, Bangalore
vijayshyam@yahoo.com
"The views expressed in this article are personal."



ETERNAL TRUTHS

1. You cannot legislate the poor into prosperity by legislating the wealthy out of prosperity
2. What one person receives without working for, another person must work for with out receiving
3. The government cannot give to anybody anything that the government does not first take from somebody else.
4. You cannot multiply wealth by dividing it.
5. When half of the people get the idea that they do not have to work because the other half is going to take care of them and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that is the beginning of the end of any nation.



TWO DAY PROFESSIONAL DEVELOPMENT PROGRAM

ON 17TH & 18TH DECEMBER 2011 AT MYSORE

ELIGIBLE FOR 4 PCH & ADP/PDP HOURS

Topics: MCA initiatives, Basic Concept of IPO through Book Building, Regulatory Framework and Case Studies, SME – An opportunity for Company Secretaries.

For more details: email : mysore@icsi.edu website : www.icsi.edu/mysore Contact No: 9886395144

NEWS FROM ICSI, BANGALORE CHAPTER

Bhoomi Pooja

for the Construction of New Chapter Premises for ICSI Bangalore Chapter

ICSI has acquired a plot of land for Bangalore Chapter, measuring about 12,800 sq.ft. at No. 5 (Old No. A 67), 1st Main Road, Rajajinagara Industrial Estate, West of Chord Road, Rajajinagara, Bangalore – 560 044.

Wednesday, 9th November, 2011, is a memorable day, in the history of Bangalore Chapter of ICSI, as we have successfully completed the execution and registration of Sale Deed, with respect to the purchase of land for Bangalore Chapter. Now our ICSI is the proud owner of the prime property in Bangalore. And the “ICSI-TEAM BANGALORE” made it happen!

The “Bhoomi Pooja” ceremony will be held on Saturday, the 24th December, 2011, commencing at 11-00 A.M. Dr. Veerappa Moily, Honourable Minister of Corporate Affairs, Government of India, has kindly agreed to be the Chief Guest for “Bhoomi Pooja” ceremony.



Shruthi K.
CS Professional Program,
Mysore



This month I have a very informative website to share with you i.e., www.business.gov.in. It is a government website which has a wide range of information which are helpful for doing business in Indian economy.

www.business.gov.in guides how to start, manage and grow in business. It shows various stream to finance the business, provides information about investment opportunities and also about the infrastructure required for the growth of the business in Indian context. LPG (Liberalization, Privatisation and Globalisation) created a global market for local products which paved a way for setting up of business in abroad, which is not an easy task. But this site provides detailed procedure for setting up of business abroad as well. This site further gives information about Industry and service, Consumer rights, Legal aspects, Taxation, Corporate governance, Entrepreneurship in agriculture and allied sectors, Trade and taxation, Outsourcing industry, Opportunities for overseas Indians, Closing or changing a business, Imports and exports etc.

This site under the caption HOW DO I, enlightens the individuals about Central Vigilance Commission (CVC), TAN, Income tax, etc. www.business.gov.in is with bundle of business knowledge and update. Surf and let me know your feedback please.

IT FOR CORPORATE PROFESSIONALS

Remember Everything with



Amitkumar Hegde, B.Com, MCA,
Bangalore



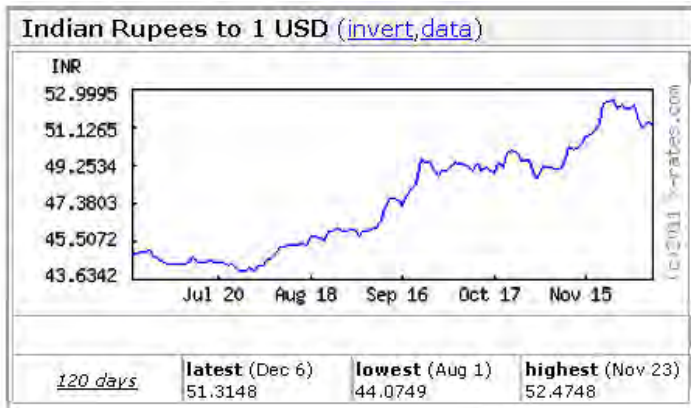
It is all about remembering stuffs and getting organized. No matter how much we try, getting organized is not so easy as one can think of. It is a continuing process which involves lot of improvisation over time with technology. I have been using Evernote to capture and organize information over years and it is one of the best applications available on the web.

Evernote allows you to Save your ideas, things you like, things you hear, and things you see. It works with nearly every mobile device and computer ultimately leading to information portability. Go ahead and sign up with Evernote and install its plugin on your PC or handheld. If you install the browser plugin, you can clip information from web pages and store it on Evernote for further reading.

Once you sign in to Evernote, you can see all the clippings, search and keep them organized; be it your home PC or office PC or your smart phone. You can easily share it with friends using facebook or twitter. Alternatively you can get a unique address for the note which can be shared with selected people.

URL: www.evernote.com

RUPEE FALLING AGAINST DOLLAR



currencies in the world. Though reasons like global crisis are common to all currencies, investors feel that the currencies of the emerging markets are riskier than the others.

The Indian currency, the rupee, has seen its value eroding in recent times. The rupee to US dollar exchange rate now stands at approximately Rs 51.40 to a dollar (four months back, the cost of dollar was around Rs 45.00 per dollar. This translates to about 10% drop in the value of Rupee against dollar in the past four months. With this Rupee became the worst performing currency in Asia and the third worst performing currency in the globe.

India is a net importer of goods with oil forming the largest portion of the total imports. Due to falling rupee, the cost of the imports will go up significantly and in turn will increase the current account deficit. These deficits can be funded through borrowings or equity investments (from foreign sources). This increasing deficit in turn causes worries for the investor, which come back to hurt the value of currency. This would in turn lead to a higher demand for the US dollar which would lead to a further fall in the value of the rupee.

In addition to weak economic conditions prevailing at global level, high inflation rates coupled with high interest rates has made the Rupee one of the worst performing

Pick of the Month

When can court grant Temporary Injunction?

The court may grant temporary injunction to stop any such act such:

1. That any property in dispute in a suit is in danger of being wasted, damaged or alienated by any party to the suit, or wrongfully sold in execution of a decree, or
2. That the defendant threatens, or intends to remove or dispose of his property with a view to cheating his creditors, or
3. That the defendant threatens to dispossess the plaintiff or otherwise cause injury to the plaintiff in relation to any property in dispute in the suit.

It is necessary for the plaintiff to satisfy the Court that substantial and irreparable harm or injury would be suffered by him if such temporary injunction is not granted and such loss or damage or harm cannot be compensated by damages.

Did you Know?

Processing of investor complaints against listed companies in SCORES

SEBI commenced processing of investor complaints in a centralized web based complaints redress system 'SCORES'. The salient features of this system are:

- Centralised database of all complaints,
- Online movement of complaints to the concerned listed companies,
- Online upload of Action Taken Reports (ATRs) by the concerned companies, and
- Online viewing by investors of actions taken on the complaint and its current status

(Reference: SEBI Circular CIR/ OIAE/ 2/ 2011 dated 3rd June 2011)



**CS. Abhishek
Bhardwaj A.B.,
Bangalore**

**Team Genicon,
Chennai**

**CA. Ashit Shah,
Mumbai**



Mergers & Acquisitions Case Laws

Expenditure was incurred to ward off the competition for a period of seven years at the start of the business. Hence, it will form a part of the initial outlay of the business, and will not allow as revenue expenditure. Further, non-compete fees are not in the nature of IPR, licences, or franchises within the meaning of section 32(1)(ii) of the Act. Therefore, depn., is not allowable.

Sharp Business Systems (India) Ltd. v. DCIT [2011] 140 TTJ 607 (Delhi)

Long-term capital loss set-off allowed against short-term capital gains on sale of depreciable long-term asset

Komac Investments and Finance (P) Ltd. v. ITO [2011] 132 ITD 290 (Mum)

Dividend paid by amalgamating company to amalgamated company between the appointed date and effective date is subject to dividend distribution tax

Tata Power Co. Ltd. v. DCIT [TS-527-ITAT-2011 (Mum)]

Brought forward loss and unabsorbed depreciation deductible while computing MAT, even though adjusted against share premium and revaluation reserve

J.K. Lakshmi Cement v. ACIT [TS-495-ITAT-2011 (Kol)]

Regulatory Developments

In the case of mutual funds, portfolio managers, collective investment schemes and venture capital funds, although certain basic requirements have been prescribed for customer due diligence (CDD) or know your-customer (KYC), no specific KYC format has been prescribed.

SEBI Circ. - MIRSD/SE/ Cir-21/2011 dt. 5 October 2011

CENVAT

Notifications/Circulars

E-filing of central excise returns (ER-1 and ER-6) is made mandatory in Automation of Central Excise and Service Tax (ACES) for all assesseees other than those availing exemption in excise-free zones in the states of Uttarakhand and Himachal Pradesh.

Notn. No. 21 & 22/2011-Central Excise (N.T.) dt. 14 Sept 2011

Case Laws

The Supreme Court (SC) has held that setting up an irconditioning plant resulting in immovable property is not subject to excise duty.

CCE v. Globus Stores Pvt. Ltd. [2011] 186 ECR 287 (SC)

Central Value Added Tax (CENVAT) credit availed on capital goods destroyed in fire cannot be denied merely for the reason that an insurance company had also compensated the excise duty suffered on such goods.

CCE v. Tata Advanced Materials Ltd. [2011] 271 ELT 62(Kar.)

CUSTOMS

Notifications/ Circulars

The CG has introduced a new duty drawback schedule. The same will come into effect from 1 October 2011. Some important features of this schedule are as follows: (i) 2130 products previously covered under the Duty Entitlement Passbook (DEPB), scheme are included in this new schedule; and (ii) The items included are from the engineering, auto and auto Component, chemicals, pharmaceuticals, textiles and marine sectors.

Customs Notn. No. 68/2011-NT& Circ. 42/2011 dt. 22 Sept 11

The CG has increased the concessions available on customs duty in relation to the import of specified goods from least developed countries under the Duty Free Tariff Preference Scheme. These concessions have been made effective from 16 September 2011.

Customs Notn. No. 90/2011 dt. 16 September 2011

Provisional anti-dumping duty imposed on morpholine originating in or exported from China PR, the European Union and the US

Customs Notn. No. 91/2011 dt. 20 September 2011

Exemption from customs duty provided on import of specified goods from least developed countries that are members of the South Asian Association for Regional Cooperation under the South Asian Free Trade Agreement

Notn. No. 85/2011-Custom dt. 6 September 2011

Case Laws

An importer cannot seek provisional release of goods only against a bond while adjudication is pending because customs authorities have been given the power to impose conditions necessary for safeguarding the interest of revenue.

Apollo Cranes Pvt. Ltd. v. Uol [2011] 186 ECR 406 (Mum)

A bill of entry cannot be amended to correct arithmetical mistakes where the documents relied upon for correction did not exist while assessing the bill of entry.

Iqus India Pvt. Ltd. v. CC [2011] 270 ELT 571 (Kar)

No interest on differential duty payable on finalization of assessment for provisional assessment before July 2006.

CC v. Goyal Traders [2011-TIOL-568-HC-AHMCUS]

The process of erection of a chilling plant at site on frame routed to ground on concrete foundation is an immoveable property and not subject to excise duty.
Volta Ltd. v. CCE [2011] 270 ELT 541(Mum)

Service Tax Notifications/Circulars

The CG has, reversing its earlier position, clarified that service tax liability on taxable services received in India from a person located outside India would arise with effect from 18 April 2006.
Directorate of ST Instruction dt. 26 Sept 2011

Exemption on consulting engineer services and intellectual property rights services subject to fulfilment of certain conditions, exemption currently available to the extent of research and development cess paid on transfer of technology, is restricted.
ST Notn. No. 46/2011 dt. 19 Sept 2011

CBEC has clarified that service tax liability on any taxable service provided by a non resident or a person located outside India, to a recipient in India, would arise w.e.f. 18.4.2006
[F. No. 276/8/2009-CX8A - dated 26-09-2011]

Mumbai Commissionerate has given direction to all the officers to take printout of ST-2 Registration Certificate from their office and send duly signed and stamped certificate by post only.
Trade Notice No. 8/2011 - ST Mumbai - Dated 01-11-2011

Case Laws

Service tax levied under the taxable category of renting of immovable property services, being a tax on the services of leasing and letting of the property and not the building itself, is intra vires the Constitution of India. The legislature is empowered to pass legislation retrospectively and remove the grounds on which the judicial decision is based.
Home Solutions Retail Ltd. (W.P. (C.) 33/98 HC, dt. 23.11.2011

Services involving supply/use of goods chargeable to service tax prior to introduction of works contract services
Alstom Projects India Ltd. v. CST [2011] 23 STR 489 (Delhi)

The contract for development of software in question are not works contract but contract for service simpliciter and hence not liable to tax under the Karnataka Value Added Tax Act, 2003. The contract for development of software is not a composite contract consisting of a contract of service and contract for sale of goods. It is an indivisible contract of service only
[Sasken Communication - Writ Petition No. 90-101/2011]

All India Tent Dealers Welfare Organization had filed a writ petition before the Hon'ble Delhi High Court challenging the levy of service tax on the grounds that erection of pandal or shamiana for a Hindu marriage is fundamentally a sacrosanct and sacred religious function

E-Newsletter from ICSI - Mysore Chapter. Edition - 95; December 2011

and can never be treated as a social function to invite the levy of service tax. Writ Petition was dismissed
[All India Tent Dealers Welfare Organization - Writ Petition No. 12345 / 2009 dated 30-09-2011]

Service tax is paid with interest pursuant to Section 73(3), no penalty under section 76
[Adecco Flexione Workforce Solutions Ltd. - CEA No. 101 & 102 of 2008 - High Court Karnataka]

Appellant had constructed road in a petrol pump to facilitate filling of fuel and claimed exemption from payment of service tax under commercial or industrial construction services as the same is used for public utility services. Held that contract of construction is for construction of road and service tax would not be leviable.

Shilpa Construction (P) Ltd. Order No. A/855/WZB (Ahm) of 2010

VAT, Sales Tax and Entry Tax Notifications /Circulars

VAT to be levied on transfer of live telecasting rights of events performed in Delhi.
Circ. No 9 of 2011-12 dt. 13 September 2011

Rules under the Jharkhand Entry Tax on Consumption or Use of Goods Act, 2011 have been notified specifying the procedures for registration, payment of tax, returns, etc.
Notn. No. S.O 169 dt. 9 September 2011

Rules under the Bihar Tax on Professions, Trades, Callings and Employments Act, 2011 have been notified specifying the procedures for the registration of employers, periodicity of payment, filing of returns, etc.
Notn. No. S.O. 245 dt. 6 September 2011

Case Law

Building material used in construction of administrative and support structures of a power plant not eligible for purchase against form C.
Coastal Andhra Power Ltd. v. State of Andhra Pradesh [2011] 43 VST 522 (AP)

Hire charges collected by the Electricity Board from customers for lease of meters liable to value-added tax as transfer of right to use goods.
P. State Electricity Board v. State of Andhra Pradesh [2011] 43 VST 359 (AP)

The relevant rule under the VAT Act restricting the input tax credit to the extent of CST payable constitutionally valid.
Bajrang Steel and Alloys Ltd. v. State of Orissa [2011] 43 VST 235 (Orissa)

FEMA & RBI Notifications/Circulars

Guidelines for issue of shares to non-residents: The key amendments and clarifications introduced include the following:

1. Equity instruments (including convertible instruments) issued or transferred to nonresidents with in-built options of any type or sold by third parties will not qualify as eligible instruments for FDI. They will have to comply with the extant external commercial borrowing guidelines.

2. The time limit for filing Foreign Investment Promotion Board (FIPB) application for the issue of shares for consideration other than cash has been classified

3. Other key amendments introduced to certain industry sectors include the following:

(a) Construction development activities (b) Single-brand retail trading (c) Terrestrial broadcasting and FM radio (d) Agriculture; (e) Industrial parks (f) Private security agencies. *Circ. 2 of 2011 FDI Policy effective 1 October 2011*

The RBI has revised the all-in-cost ceiling limit from 300 bps to 350 bps over six months LIBOR rate for the average maturity period of ECB loan from 3 to 5 years w.e.f. November 23, 2011 to March 31, 2012.

A. P. (DIR Series) Circ. No. 51 dt. November 23, 2011.

The ECB proceeds raised for rupee expenditure in India should not be allowed to park funds outside India and the funds have to be repatriated immediately with AD Banks. The foreign Currency expenditure proceeds only are allowed to park outside India before pending utilization for permissible end-uses.

A.P. (DIR Series) Circ. No. 52 dt. November 23, 2011

The DIPP has reviewed the above and revised the FDI upto 100% under the automatic route only for green field investments. For brown field investments, the FDI is allowed upto 100% only under Approval route.

A. P. (DIR Series) Circ. No.56 dt. December 09, 2011

LABOUR AND INDUSTRIAL LAWS

Case Laws

Since the settlement was not a settlement in conciliation, Petitioners had locus standi. It was not binding on the staff union. Settlement provided for automatic termination of service and affected rights of individual workmen with regard to their termination from service whether by termination, automatic termination from service or otherwise and hence could not bind them. The settlement was opposed to public policy and was illegal as it contracted out of provisions of Industrial Disputes Act by contravening Section 25O and 25N of the Act. Petition allowed

N.R.C. Employees' Union and Ors. Vs. The Government of Maharashtra Department of Industries, Energy and Labour and Ors. (Decided on 28.11.2011) MANU/MH/1467/2011.

Intellectual Property Rights

In the present case Respondent could establish prior invention by showing that "1) it reduced its invention to practice first or 2) it was first party to conceive of invention and then exercised reasonable diligence in reducing that invention to practice. In deciding that prior

E-Newsletter from ICSI – Mysore Chapter. Edition – 95; December 2011

inventor need not be "first to appreciate patentability of invention" this Court explained, "date of conception of a prior inventor's invention is the date inventor appreciated the fact of what he made".

Teva Pharmaceutical Industries Ltd. Vs. Astrazeneca Pharmaceuticals LP and IPR Pharmaceuticals Inc (01.12.2011)

Few important changes proposed under the new Companies Bill, 2011

Substantial part of the Bill will be in form of rules, which will be prescribed separately.

The Government may notify different provision of the Act at different point of time.

The Financial Year of any Company can be only from April-March except with the approval of Tribunal.

The maximum number of members, which a Private Company can have, is increased from 50 as provided in the Companies Act 1956 to 200.

The Bill now recognizes the fact that books of accounts may be kept in electronic form also.

Along with financial statement, consolidated financial statement of all subsidiaries and company will be prepared and shall also be laid before the Annual General Meeting. Subsidiary shall for the purpose of this requirement include associate company and joint venture.

The name of National Advisory Committee on Accounting Standards has been changed to National Financial Reporting Authority.

The benefit given to Private Companies to file their B/s and P/L A/c separately has been withdrawn.

New CSR provisions included. Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee.

Spending at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy in mandatory.

The Bill provides provision for compulsory rotation of individual auditors in every five years and of audit firm every 10 years in the listed company & certain other class of companies, as may be prescribed.

The Bill provides for certain new disqualifications for the Auditors. Further partners of the audit firm and the firm shall be jointly and severally responsible for the liability, whether civil or criminal as provided in this Act or in any other law for the time being in force.



News Room

Companies Bill, 2011 is introduced in the Parliament

The Companies Bill, 2011 has been introduced in Lok Sabha today. The copy of the Bill no. 121 of 2011 introduced can be downloaded from the following link:

http://164.100.47.4/newsbios_search/intsessionreport3.aspx

ICSI is preparing the highlights of the Bill and the same would be placed at ICSI Website www.icsi.edu shortly. The Companies Bill, 2009 which was introduced as Bill No. 59 of 2009, has been withdrawn.

WTO curbs Pakistan export to EU market

The World Trade Organisation (WTO) has imposed conditions on flood-hit Pakistan in allowing duty-free entry of 75 products into the market of the European Union (EU) countries. The EU decided to allow duty-free entry of 75 products of Pakistan to help the country recover from the damage caused by twin floods. But Bangladesh and India have informed the EU about their concern of being commercially harmed.

Pak to open trade with India; but no firm commitment on MFN

As a forward step for normalizing trade ties with India, Pakistan agreed to open its market for a large number of Indian goods by February next year, but did not make any firm commitment on granting New Delhi the crucial MFN status. The two countries which have been improving their political and economic relations in the past few months, formally agreed to move towards enhancing the preferential trading arrangements (PTA) under the SAFTA process.

US consults WTO on Indian poultry access

US poultry organisations have encouraged US Trade Representative to begin consultations with the government of India in the World Trade Organization (WTO) for India's longstanding prohibition on the import of US poultry. Despite being one of the 23 founding countries of the General Agreement on Tariffs and Trade (GATT, which became the WTO) in 1947, India has done as little as any nation to open its border to trade or to abide by multilateral trade rules.

Intel Acquires Mobile Navigation Co Telmap

Chipmaker Intel Corp has agreed to acquire mobile navigation software maker Telmap. Telmap will become a wholly-owned subsidiary of Intel, which has two plants and four development centers in Israel, and will retain its brand, management and 210 employees. Intel, the world's No. 1 chipmaker, has become a larger provider of software and services following its acquisitions of McAfee and Wind River.

Shares worth Rs 1.1 Trillion Pledged By Promoters: CRISIL

Exposing their investors to a severe risk of losing money in the stock market, promoters of approximately one-third of listed companies have pledged shares worth a collective amount of more than Rs one trillion. A study by Crisil Research, a part of the country's top rating agency Crisil, has found that "promoters of 31 per cent of the 1,214 listed companies, with market capitalisation of Rs 1 billion (Rs 100 crore) or more, have pledged a portion of their shareholding." "The total pledge works out to be Rs 1.1 trillion worth of market capitalisation" Crisil Research said.

US will enhance trade ties with BRIC nations

In a bid to enhance its trade relationship with emerging economies, the US will remove trade barriers with India and Brazil and focus on the implementation of stricter enforcement of IPR with China. With Brazil and India, US will be utilizing all available resources to identify, address and remove barriers to trade and investment between the United States and these growing markets.

Britain to launch campaign for more exports to Asia

Britain will soon launch a campaign to encourage more British companies to export to Asia's emerging markets, including India. As part of the campaign, the UK Trade & Investment (UKTI), a government department that helps Britain-based companies to succeed in the global economy, has joined forces with the Royal Bank of Scotland (RBS) to deliver a series of programs that will demonstrate to British firms key business opportunities across 12 Asian markets.