



September 2006

From Chairman's desk,.....

Dear Friends,

I would have preferred to have the first page of this News Letter to be titled "From the students"! The students of the chapter deserve that honour by returning a **dream result of 46% in June, 2006 Exam!** Students passing the Foundation course passing was 42.85%; Intermediate First Group- 26%; Second group- 58%; Intermediate both Groups -33 % Final First Group - 80% Groups II & III 100% and all the Groups of Final- 100!



Inside...

Chapter News:

Invest instead of just saving...2
Discovering independence in BR hills...2
Corporate Etiquette...3

Columns:

Living Room:
Today...3
News of use...4
Market Roundup...5
Readers' space...6
Book review: You can negotiate anything...6
Web Yatraa:
Wikipedia...7
Legal Roundup...8

Spectrum space:

Spectrum this month...10
Legal Process
Outsourcing...10

I congratulate all the students for this spectacular performance. I urge the students who could not make it to the winning post not to loose heart. They should take it as a challenge to clear their exams in December, 2006. I request the members to suggest the type & scale of the function the Chapter should hold for honoring the students who have brought laurels to the Chapter. The Chapter looks forward to a spontaneous response from members with ideas on the function and also active participation by way of sponsoring the event.

It is interesting to note that all most all the students who have cleared their exams have been very active participants in study circles. I will be failing in my duty if I do not take this opportunity to **acknowledge the efforts of Mr. H.M. Dattatri by sparing his time to regularly conduct the study circles**

The members would appreciate that the students having returned a good result, it is now the turn of the members to show their appreciation by **facilitating management training to the eligible students** by providing opportunity in their organizations & firms. May I request the members to convey the number of trainees they can accommodate.

I have immense pleasure in **conveying my gratitude to two of the members** of the institute who spared their valuable time for **career counseling**. Ms. Nimmoo Kinger led the team to conduct Career Counseling at Sharadavilas Law College which was attended by more than 150 students. The response was excellent. It is said success follows success! Mr. K.R. Ganapathy led the career counseling at Sharada Vilas PU College which was attended by more than 350 students!! I am also happy to inform the members that Mr. Ganapathy has agreed to accommodate one Management trainee in his organization. Sincere thanks to him.

The members are aware that a program on "Investor awareness" was held on 3rd September, 2006. It is reported elsewhere in this edition.

Members who have not yet subscribed to the "Company Secretaries Benevolent Fund" are requested to subscribe.

D D Bhat
Chairman - ICSI Mysore chapter

Editors: Dattatri H M, Sarina C H, Kasturi & Spectrum Team

Invest, instead of just saving...

Investor Awareness Programme-A Report

Reported by: **Mr. Omkar N G**, CS final



“Whether we should save or invest? Saving only means ‘not spending’. But Investment includes earning a return on our savings. Now, choice is yours” said **Mr. Ravi Kamath**, Senior officer from National Stock Exchange in the “Investor Awareness Program” organised by the Mysore Chapter of ICSI in association with NSE, Mumbai, on September 3, 2006.

“NSE is the largest stock exchange in India (third largest in the world) with 70% Market Share in equity and 99% Market share in Derivative” He said.

He said that we should know what we need to know to achieve our financial goals. We should effectively evaluate before investing in any company. Trading in securities is not gambling. It is challenging as well as rewarding. “Investment requires skill and expertise since it carries the risk of loss also” he cautioned the investors.

Mr. Kamat told the investors to analyse, study and gather information before investment. He explained the Risk-Return profile of different securities with graphical representation. He said that for analyzing any company one should look into criteria like P/E ratio, 52 weeks High & Low, Trading Volume, Last 5 years growth in sales & profit, Financial ratios and Management.

The program was well received by the investors of the Mysore city. Around 70 investors’ had participated. The program was started with a presentation on Company Secretaries course by Mr. Ajay and Mr. Kiran. Mr. D.D. Bhat, Chairman of Mysore Chapter welcome the gathering and introduced the Guest speaker Mr. Ravi Kamat. Program concluded with vote of thanks by Mr. H M Dattatri, Secretary of Mysore Chapter. Mr. Rakesh, Inter student of Mysore Chapter anchored the program.

Discovering ‘independence’ in BR Hills

Reported by: **Ms. Kanchana and Mr. Chakri Hegde** Both CS inter

Mysore chapter of ICSI has celebrated the **Independence Day of 2006** differently. As a part of academic education, 25 students of Mysore chapter went on a day's study trip to B R Hills. The journey to BR Hills began sometime after the break of the dawn.

After taking blessings from **Biligiriranganatha Swamy** at his Temple we spent our time relishing the **beautiful mother nature**. Why is this place called BILIGIRI? As one traverses on the winding roads to the hill top, one gets the feeling of being on the top of clouds, thereby the name Biligiri. The roads uncluttered by the city traffic and bordered by lush green on both sides, is a sight to behold. The feeling is awesome, almost blissful.

The next stop was at **ATREE - Ashoka Trust for research in environment and ecology**, an organization carrying research on the medicinal herbs available there and conducting experiments on cultivation and harvesting methods. They have made a mark in the upliftment of the soligas- tribals of BR hills. Mr. Made Gowda explained the activities. Mr. Mahesh Murthy enlightened us about the **self reliant truly independent lifestyle**, customs, the festivals, the culture of soligas and measures taken by them in protecting environment and also the evil effect of

westernization. He emphasised the advantages of using the natural products in our daily life, without the bane of harsh side effects.

Next we visited **vishwa shanti niketana**, just as peaceful as the very name indicates. That is the place where Sri Nirmalananda did prayopavesha, i.e., fasting till death.

Next visit was to **Vivekananda Girijana Kalyana Kendra (VGKK)**. We were amazed at the remarkable achievements of Dr. Sudarshan. He has made soligas a self-reliant modern tribe. The hospital, handicraft industries of soligas and the schools started by Dr. Sudarshan for soligas speak volumes for the transformation and progress this tribal settlement has undergone. Hats off to right livelihood winner Dr. Sudarshan.

That was a memorable day. Thanks to Mr. Bangaru for being our guide. It was so overwhelming that one of our fellow students planted a sapling at his home as a token of remembrance of the BR Hills immediately on return.

(Follow the link to see other trip photos:
www.esnips.com/web/icsimysore)



Corporate Etiquette...

Reported by Mr. Ajay ACS Inter



Corporate etiquettes are very important to get a winning edge in a corporate world. We got an excellent entry into the world of knowledge in corporate etiquette.

That was on a nice Sunday afternoon on 13th august 2006. And the trainer was **Ms. Nimmoo Kinger**. She is master in English literature, person who loves to interact with people, renowned trainer in personality development for companies like Infosys. She is a practicing company secretary in Mysore.

The session was very interactive, informative and with lots of humor. The session was not lecturing on behavioral science. It was practical experiment. Just a small instruction to greet each other with firm eye contact showed us how careless we are in normal life.

Ms. Nimmoo demonstrated the importance of corporate etiquette as a company secretary as he represents the company or himself as a professional in many places. Proper cultured approach will certainly win the hearts. We played several roles to understand how to introduce ourselves to people of different grades and cadres. That was an unmemorable day for us. **Yes, that was just a beginning...**

Today...



From the collections of Ms. Pracheta

Today: I woke up early, excited over all I get to do before the clock strikes midnight. I have responsibilities to fulfill today. My job is to choose what kind of day I will have today.

Today: I can complain because the weather is rainy or I can be thankful that the grass is getting watered for free.

Today: I can feel sad that I don't have more money or I can be glad that my finances encourage me to plan my purchases wisely and guide me away from waste.

Today: I can grumble about my health or I can rejoice that I am alive.

Today: I can lament over all that my parents didn't give me when I was growing up or I can feel grateful that they allowed me to be born.

Today: I can cry because roses have thorns or I can celebrate that thorns have roses.

Today: I can mourn my lack of friends or I can excitedly embark upon a quest to discover new relationships.

Today: I can whine because I have to go to work or I can shout for joy because I have a job to do.

Today: I can complain because I have to go to school or eagerly open my mind and fill it with rich new tidbits of knowledge.

Today: I can murmur dejectedly because I have to do housework or I can feel honored because the Lord has provided shelter for my body, mind and soul.

Today: Stretches ahead of me, waiting to be shaped. And here I am, the sculptor who gets to do the shaping. What today will be like is up to me. I get to choose what kind of day I will have!

Have a Great Day unless you have other plans.

For more news and legal updates just follow the link...

www.esnips.com/web/icsimysore

NEWS OF USE

Compiled from various sources.



NSE authorizes PCS for certification

NSE vide its Circular No.541, Ref. NSE/MEM/7835 dated September 06, 2006 has authorized Practicing Company Secretary to issue certifications regarding Compliances by Trading Members at par with Chartered Accountants. (Circular No.541 September 06, 2006)

Actuaries Bill comes into Effect

PIB release dated 04.09.2006: The Actuaries Bill, 2006 has been enacted. As per the provisions of the Act, the Institute of Actuaries of India will be set up to conduct examinations for the profession of actuaries to regulate the profession.

Food Safety & Standards Bill, 2006

PIB release dated 29.08.2006: Vide the above press release it is notified that The Food Safety and Standards Bill, 2006 as passed by the Parliament has been enacted w.e.f from August 24, 2006. The Bill received the assent of the President on August 23, 2006.

RBI says no to white-label ATMs

The Reserve Bank of India seems reluctant to give its go-ahead for setting up white-label ATMs by corporates, banking sources said. Accordingly RBI is of the view that only banks can own ATMs so that the flow of funds can be accounted for, well regulated and monitored.

White-label ATMs are those owned and operated by non-bank entities and also branded separately by them. These ATMs are not branded after any bank's name, but are owned and operated by independent entities including corporates, and they do not come under the jurisdiction of the banking regulator. The banking regulator also feels allowing corporates to own ATMs will result in their virtual entry into banking, which goes against the current policies for entry into banking. The RBI is also worried that white-label ATMs will raise the cost of banking for retail customers, as each white-label ATM operator will have its own cost structure, which may not adhere to the overall domestic banking structure. This has been the experience internationally, as well.

Banking in India may have just one Act soon

All legislation governing the banking industry are likely to be merged into one Act in the next couple of years. Official sources said the proposal was at a nascent stage and would take some time to concretize. Sources pointed out that the government might decide to have separate sections comprising rules for state-owned, private and foreign banks. Currently, the State Bank of India fall under the SBI Act, Nationalised banks are governed by the Banking Companies Act and Private sector banks are by Banking Regulation Act. The finance ministry is also looking to pass the Payment and Settlements Services Act, in order to facilitate clearing and settlement.

India's external debt rises

India's external debt has risen to \$125.2 billion as on March 2006, as compared to \$123.2 billion in the previous fiscal. "The increase in external debt was \$2 billion during 2005-06 compared to \$11.6 billion a year ago," an official statement said.

For more details and further news, visit this link → www.esnips.com/web/ICSIMysore

Simplified I-T law likely from 1/4/08

Salient features

- Combines all the existing direct taxes into a single law
- The language of the law would be simple.
- Removal of redundant provisions of law from the statute.
- Similar provisions are to be regrouped and placed at one place in a chapter-wise format.

An expert group of CBDT that was constituted to suggest simplification of the Income-Tax Act, 1961, submitted its report to the Union Finance Minister, Mr P. Chidambaram, on 08th September 2006

Capital Market Terminologies

Mr. Prasanna Patil CS Final, Bangalore



Dear friends,

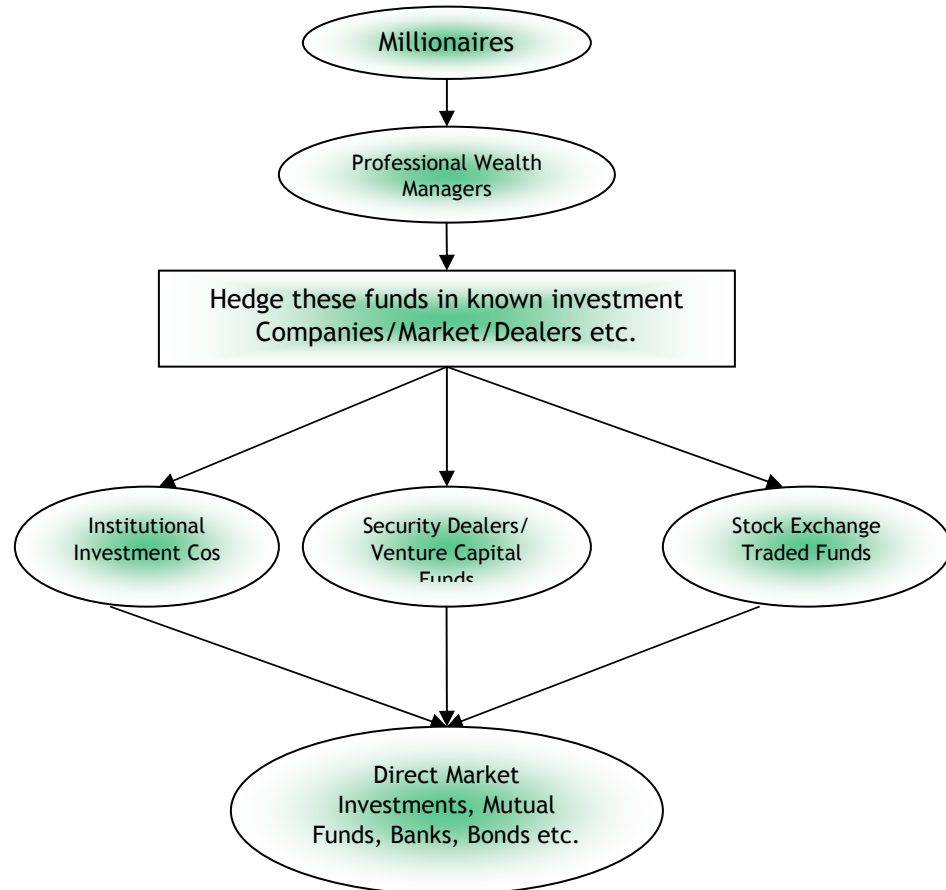
In July edition we discussed how a futures and options function. Lets' understand the concept of Hedge Funds.

What is Hedging?

The dictionary meaning of Hedge is being cautious or evading. You must have heard of proverb "Never put all eggs in the same basket" i.e. you should not invest all your savings into one scheme or script. In such a situation, as a normal investor, it is difficult to make choices. However, with one's help (Dealers and Sub-dealers) one can invest in various scripts and fields of investment.

Thus, hedge here conceptually referred to as the evasion of risk by investing in various scripts. This is called as Portfolio Management.

Hedge Funds are also known as Rich mans' Mutual Fund". As a millionaire, involved in various business activities, don't get time for looking after their investment. Thus, they outsource the this activity to professionals which is known as Wealth Management Services. These professionals on a commission basis, make a private investment LLPs or partnership firm which is involved in investment services in different markets, strategies and instruments. This can be understood with the help of the given diagram.



In Simple, Hedge Funds are the investment the Companies, Exchange Traded Funds, Dealers, Institutional Investors and Mutual Fund Portfolio Managers which in turn, pool the resources from public. This kind of investment will not be affected by the fluctuations in the market. It works on the basis of the long term strategy which we will discuss in the next episode. **Till then, bye bye..**

ICSI looking at global opportunities

Business Line ICSI has approached the Government to build a consensus on including a new head for corporate governance compliance and secretarial advisory services under the 'Services Sectoral Classification List' of the WTO. This is aimed at internationalising the profession a move that is said to require support from similar organisations operating in other countries.

Corporate governance course

Business Line ICSI has proposed to begin a post-membership qualification course on corporate governance. This is expected to keep members up-to date-with the latest developments concerning a major aspect of modern business and industry.

Readers' space

Dear Editors,

As one of the profound readers of your Newsletter, I must confess that the "Mysore Newsletter" is nurturing into a real professional journal. To me, it is no longer a "Newsletter" but a Magazine and therefore it should be called as "Mysore Magazine" henceforth.

In a nutshell my feedbacks are:

1. A lot of activities during the month of July at Mysore Chapter as can very be seen from your Chairman's desk.
2. "Creating IMPACT - vital for CS" - to say the least is fantastic. I really liked the story on wish for two boons, wine & woman. Poor fellow, what he would have got had he asked for "beautiful women", Aishwarya Rai or Surpanaka (sister of Ravana), after all the beauty is in the eyes of the beholden. Congrats to Ms. Pavithra for emphasizing on the need for proper communication.
3. Ten Commandments are really useful tips inasmuch as "success" very much depends upon how good are you in getting along with the people around you.
4. It is a wonderful collection by you on the controversy regarding "Prerogatives of ICSI"
5. Ms. Nimmoo is as usual in her best in picking up the right kind of book (on the road side of course!) "what to say when you talk to yourself" by Shad Helstetter. I can't but feel jealous about people like her who carve

You can negotiate anything...

Nimmoo Kinger,
PCS, Mysore

Herb Cohen's *You Can negotiate Anything* is a valuable book if your work involves negotiation at any level. Even if it doesn't, you can use the strategies taught in this book to get a better bargain when you are making a expensive purchase for your house. Or for that matter, anything in life: from convincing a neighbor to help you, closing a business deal, or, wherever you need to come out a winner. It is set in the American context, some of the skills may not work in India, but the more enterprising can always tailor them to their needs.

This book was on the New York Times bestseller list for nearly a year and has been translated into twenty-one languages.

The book is a treasure house of negotiation skills and a strong thread of honour runs through out the book. Real life anecdotes are used by the author to illustrate how his strategies can be used in various situations and make the book eminently interesting and readable.

A slim pocket size book, I carry it with me while traveling and have savored it many times over.

themselves time out of 24 hours for reading although the same 24 hours is available to all of us. That where the importance of "time-management" comes into being.

6. "If we fail to plan, it means we planned to fail". This quotation on Page 11 aptly summarizes the importance of Planning in the game of Success. What a wonderful saying!

Your all other "round ups" are as usual fantastic. I wish all success to you and other members of your team. Let your Magazine grows leaps and bounds and let your Chapter set bench mark to other Chapters in terms of quality programs and efficient management of the affairs. God bless you all.

K. Narayana Swamy

V.P. - Finance & Co. Secy, India Satcom Ltd. Bangalore
(Past Chairman, SIRC of ICSI)

Dear Editors,

Thanks for bringing out the excellent ICSI Mysore Chapter Newsletter 2006 containing lot of valuable and updated information in the legal and economic world as well as tips for Secret to Success and Good Living. The Chapter deserves all the appreciation for taking the initiative in this regard.

I J Kalucha
Consultant

book review





Company secretary

From Wikipedia, the free encyclopedia

B N Harish (ACS Final)

A Company Secretary is a senior position in a private company or public organisation.

Encyclopedia has always been the most interesting & attractive book since the good old school days. In today's rush hour we hardly spend any time towards reading those books. But thanks to technology, Encyclopedia is just a click away.

WIKIPEDIA.ORG is one such site launched in the year 2001 by Wikimedia Foundation a non profit organisation, offering information on almost any subject in consistent and easy to read style. Studies suggest that Wikipedia is broadly as reliable as Encyclopedia Britannica.

The fascinating thing about this website is anyone can contribute to Wikipedia so long as they are within Wikipedia's editing policies & to an appropriate standard. There are tens of thousands of regular editors - every one from expert scholars to casual readers which has in fact encouraged contribution of a tremendous amount of content.

Wikipedia is completely up to date with articles on topical events (including story on the death of crocodile hunter Mr. Steev) being created or updated within minutes or hours rather than months or years for printed encyclopedias. The pleasant surprise that goodwill prevails in Wikipedia, suggesting humans are basically good and that the evil is over come by cooperation. This site indeed deserves a look to fine-tune our knowledge.

We shall continue our journey with another website, next month and till then *Happy Browsing*.

LEGAL ROUNDUP...

For more updates visit:

www.esnips.com/web/ICSIMysore



INCOME TAX ACT

NOTIFICATIONS & CIRCULARS:

Interest converted into loan

The CBDT has clarified that the interest converted into loan or borrowing or advance will be allowed as deduction under Section 43B of the Income Tax Act 1961 only when such interest are actually paid by the assessee to the banks or financial institutions. Various illustrations are notified to allow or to claim correct amount of deduction on account of actual payment of interest.

Circular No. 7 dated 17 July 2006

FBT Returns

The CBDT has extended the due date for furnishing return of income and/or return of fringe benefits for the AY 2006-07 from 31 July 2006 to 31 October 2006 in all cases of non-corporate taxpayers including

partners of the firms and charitable trusts and institutions

Order F. No. 142-41-2005-TPL (pt) dated 24 July 2006

TDS Cert for Carriage operators

The CBDT has directed the consignee of goods to issue the TDS certificates to goods carriage operators on delivery of goods within the prescribed time so as to allow the truck operator to claim credit for the tax deducted from the payments received by him on delivery and failure would attract penalty under Sec. 272A(2)(g) of the Income Tax Act 1961.

CBDT Circular No. 6 dated 23 June 2006

CASE LAWS: Carry forward of Depreciation

Unabsorbed depreciation can be carried forward and set-off as Section 80 which stipulates filing of return of loss does not applies to unabsorbed depreciation.

CIT, Lucknow Vs. Brigadier Parmanand [2006] 152 Taxman 123

Publicity through visual/print media is revenue expenditure

Expenditure incurred by an assessee in crop development by way of publicity through visual and print media, distribution of seeds/fertilizers, conducting seminars etc., being intimately connected with assessee's business operations was allowable as revenue expenses under section 37(1).

CIT Vs. Sakthi Soyas Ltd. [2006] 230 ITR 194 (Mad.)

Interest on deposits may not be treated as Income from other sources

Where income in the nature of interest flows from deposits made by the assessee which are inextricably linked to the business of the assessee, the income derived on such deposits cannot be treated as income from other sources under section 28(1).

CIT Vs. Koshika Telecom Ltd. (2006) 203 CTR 99 (Del.)

Determination of the value of capital asset

Once Assessing Officer has determine value of capital assets of assessee and completed assessment, he can not, thereafter, refer the matter to Valuation Officer under section 55A for determining fair market value of said assets.

CIT vs. Rallis India Ltd [2006] 154Taxman73 (Bom.)

NEWS AND VIEWS ON INCOME TAX

1. CBDT has finalized the norms for selection of cases for compulsory scrutiny of corporate and non-corporate assesses.
2. The Dept will include builders who follow the "Project Completion Method" in the list of scrutiny, and the brokerage limit for picking up cases of stock-brokers has also been revised downwards from Rs. 1 crores to Rs. 50 lakhs.
3. High Networth Individuals (HNIs) who have purchased property for over Rs. 30 lakhs, spent over Rs. 2 lakhs in a year through credit card or invested over Rs. 2 lakhs in mutual funds will come under close scrutiny if their names figure in the Annual Information Returns (AIR).

Customs Law

Enhancement of Transaction value

The Tribunal has held that transaction value of imported goods cannot be enhanced on the basis of contemporaneous imports made by the same supplier where there are valid commercial reasons for different prices.

Sundek India (P) Ltd. Vs. CC (2006 (200) ELT 381)

Transaction Value of second hand goods

The Tribunal has held that the transaction value of second hand goods could not be enhanced on the basis of data available for valuation of similar goods which were brand new.

CC Vs. Big Apple Manufacturing & Vice Versa (2006 (75) RLT 334) and M. K. Exim (I) Ltd. Vs. CC (2006 (135) ECR 321)

Duty drawback

The Tribunal has held that the amount of duty drawback claimed cannot be restricted to the extent of duty paid materials used by an exporter as the rates are based on the concept of averages and do not have a direct correlation with the actual input consumption patterns or actual duty incidence suffered by a particular exporter.

Sanghi Threads Pvt. Ltd. Vs. CC (2006 (75) RLT 461),

Foreign Trade Policy

Duty Free Credit Entitlement Scheme

The Central Government has clarified that under the Duty Free Credit Entitlement Scheme, the importer shall have to pay the additional duty of customs in lieu of sales tax / VAT levied under Sec. 3 (5) in cash and claim CENVAT credit or drawback as the case may be.

Circular No.20/2006 dt.21/07/06

CENVAT

Cost of production of products captively consumed

The Supreme Court has held that while arriving at the cost of production of intermediate products captively consumed within the factory, the costs of advertising, insurance and other expenses relating to the final product are not includible in the value of such products. Only cost such as direct labour & material cost and factory overheads relating to the actual manufacture/production of such products are includible in the value of goods

CCE Vs. Cadbury India Ltd. (2006 (200) ELT 353)

Cenvat credit on destroyed inputs

The Tribunal has held the CENVAT credit is not deniable on inputs sent for job work which are destroyed by fire at the job worker's premises.

Dishman Pharmaceuticals & Chemicals Ltd Vs. CCE (2006 (75) RLT 621)

Service Tax

Service recipient from foreign service provider

The Tribunal has held that supply of technology is not a rendition of consulting engineering services. Also,

the service recipient, receiving taxable services from a foreign service provider not having an office in India, is liable to pay service tax from 16th August, 2002.

Coen Company Vs. CCE (2006) (6) STJ 159)

Mandatory payment of service tax electronically for major assesseees

From 1st October, 2006, payment of service tax electronically shall be mandatory for those persons who are required to pay services tax and paid more than Rs.50 lakhs in the preceding Financial year or paid more than Rs.50 lakhs during the current financial year. At present 23 nominated banks are providing the facility of a payment of taxes and 5 more banks have already committed to extend this facility shortly.

DGST's letter D.O.F.NO: V/DGST/30-Misc-27/e-payment / 2006 Dated: 6th/7 July 2006

SEBI

Shift in trading in securities listed in the annexure

The stock exchange has shifted the trading in securities listed in the annexure from Trade for Trade Settlement (TFTS) to Rolling settlement subject to the conditions that atleast 50% of non-promoter holdings are required in a demat mode and there is no other grounds/reasons for continuation of the trading in TFTS. Further listed companies have to get a certificate from Registrar and share transfer Agent (RTA) and submit it to the stock exchange or get one from a CS/CA in case issuer company does not have a separate RTA.

Circular MRD-DoP-SE-Cir-10-06 dated 22 August 2006

Negotiable Instrument Act, 1881

Serving of legal notice

The SC held that where legal notice served upon the appellant for dishonour of cheque was returned unserved on account of non-availability of the addressee, it may deemed to be actual service of notice and the cause of action will arise.

D. Vinod Shivappa Vs. Nanda Belliappa (2006) 70 SCL 39 (SC)

Consumer Protection Act, 1986

Section: 2(1)(g) Non-adherence to the request of the respondent regarding reinvestment of the entire money by the appellant-bank amounts to deficiency in service and the appellant-bank was made liable to return the whole amount with interest.

Standard Chartered Bank Ltd. Vs. Dr. B.N. Raman (2006) 70 SCL 1 (SC)

CENTRAL EXCISE:

Manufacture under Section 2(f) of Central Excise Act, 1944:

In Hindustan Poles Corporation Vs CCE, Kolkata (2006) 5 STT 571 (Supreme Court), held that the burden to prove manufacture is always on the Revenue which has failed to prove so. It is settled law that when one particular item is covered by one specified entry, then the Revenue is not permitted to travel to residuary entry. The residuary entry is meant only for those categories of goods which clearly fall outside the ambit of specified entries.

RBI

The RBI has permitted scheduled commercial banks to offer Internet based foreign exchange services, for permitted transactions, in addition to the local currency products already permitted to be offered on Internet based platforms, subject to the specified terms and conditions

Circular DBOD No. Comp.BC.1658-07.23.29-2006-07 dt. 22 August 2006

MCA 21 UPDATES

UPDATED E-FORMS:

The updated e-forms and date of last release is mentioned hereunder. All stakeholders are requested to take note of this and use latest version of e-forms:

| S. No. | Form No. | Date of last release |
|--------|-------------------|----------------------|
| 1. | Form No. 5 | 5th August, 2006 |
| 2. | Form No. 32 | 12th August, 2006 |
| 3. | Form No. 32 (add) | 12th August, 2006 |

COMPANY LAW:

Whether a shareholder can go directly to Civil Court?

.....if he wants to agitate his common law right to seek rectification of register of members, which involves disputed question of facts and law?

The Court held that If the shareholder wants to agitate his common law right to seek rectification of register of members and it involves disputed question of facts and law, he can obviously go to the Civil Court directly.

SAHARA FABRICS (P) LTD. v. SMT. KAILASH R. MEHRA* (Decided by Bombay High Court)

Spectrum this Month...

Hello Friends,

Rains in August may not have kept pace, but good tidings poured in for Spectrum.

We believe that “Hard work and Dedication always pays”. With a 46% pass percentage in the June 06 exams, it was a thumping success and a record for the Mysore Chapter. Many Congratulations to the successful students!

The One Day picnic to the scenic Biligiri Rangana(B.R.) Hills, perched at an altitude of about 5000 ft above mean sea level and about 90 kms from Mysore, had a flavour of both academics and adventure. To take an insight into the traditions, customs and practices of the local tribal settlement would be an academician’s delight.

The Sunday Study Circle meetings are growing from strength to strength. As budding professionals, it is just the right time to be honing our ‘**Corporate Etiquettes**’, which was a theme at one such study circle. The need for a Get-Familiar session was felt, as the spectrum numbers are growing and introductions of all concerned were exchanged.

Two **Career counseling** meetings spearheaded by the members of the Spectrum tribe and assisted by the senior professionals were successfully conducted. These meetings addressed at least 500 undergraduates.

With December exams around the corner, the focus now shifts to academics. The second phase of moot court competitions is something that we, at Spectrum, look forward to.

Spectrum friends

LEGAL PROCESS OUTSOURCING

Kiran.T A.C.S. Inter

In today’s competitive world of business, gaining efficiency and staying profitable have become the Corporate Mantras. To save cost and remain cost efficient, Several International law firms, legal departments of large corporations and also state and federal government agencies are increasingly outsourcing their legal work to India to reduce cost and increase efficiency.

India’s legal services are affordable and efficient. It is estimated that outsourcing legal work to India reduces costs by 80% when compared for using the services of American law firms.

India is leading in the legal outsourcing industry because of the demonstrated advantages like vast talented English speaking lawyers, talented company Secretaries, friendly Government policies for IT and ITES exports and also pay rate in India is between 10 to 15% of what US employees receive. By 2015 it is expected that India is going to capture 60% of the \$3billion business and the business tapped so far by existing LPO firms is just 3%.

The services range between preparation of Due Diligence reports, review of transactional and litigation documents, Drafting contracts, pleadings and briefs and lending. These services can be provided in the business sphere of corporate and Securities market, Broker/dealer (Finance), commercial litigation, Mergers and Acquisitions, Real estate, Taxation, Insurance, Intellectual property, Business Advisory services etc. The process involved in LPO is 1) Scanning and uploading the document onto a secured intranet site. 2) When complete, upload the findings back on to the intranet.

To target a U.S and U.K based clients the vendors based in India must imperatively get well-versed with the lexis-nexis software workings encompassing vital aspects like legislation, case search, companies and commercial laws, financial regulations, tax reference etc.

The major LPO companies in India are Acclivant outsourcing, Intellevate, Lawwave.com, Lexadigm solution, office tiger Quislex. India based LPO industries has also received various accreditations such as ISO 9000 series, six sigma, CMMI Model and many more.

The prime challenge in this business is confidentiality issues, Abdication of responsibility, Risk management, quality assurance. However India is well equipped to handle these challenges as Indian law firms are capable of handling complex legal issues both domestic and foreign.

India faces stiff competition form English speaking countries like New Zealand, South Africa and other European countries. India has grabbed the opportunities which came from BPO and KPO and has made its presence felt. In the same way India should also make its presence felt in LPO by using the emerging opportunities in LPO.

Dear friends, Tell us which question was toughest for you in the recent examination – it may be in foundation, inter or final. Now spectrum space will suggest answers for you. Why to wait? Let’ get ready for next session. Send us your questions.

Spectrum friends.