

eNewsletter

**Mysore Chapter
adjudged “the Best”
among C grade Chapters
Congrats Team Mysore!**



**Corporate Diplomacy:
Area yet to be explored!**

5



**Great ‘Jobs’ done!
Congrats Steve.**

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WORDS WORTH MILLIONS



**Our way is straight and clear:
building up of a socialist
democracy at home
with freedom & prosperity for all
and the maintenance of world peace &
friendship with all nations.**

- Lal Bahadur Shastri

**2nd Prime Minister of India
2 October 1904 – 11 January 1966**

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Message from Chairperson



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

I Hope Navarathri has brought with it a lot of joy and happiness to all of you.

We are very proud to share with you all that *Mysore Chapter has been adjudged the Best 'C' Grade Chapter for the year 2009*. I congratulate and thank all the members and students of our Chapter whose joint effort under the able leadership of CS. Anshuman A S, Chairman of the chapter during the year 2009 has brought us this laurel.

As the December-2011 examination forms have been filed, I'm sure the students are back to books and have started their preparation for the exams. I recall the words of an American Writer William A. Ward-

"Study while others are sleeping; work while others are loafing; prepare while others are playing; and dream while others are wishing. This is the Recipe for success"

All the Best...

Yours in CS fraternity,

CS. Srilatha T G

Inside.....



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Activity Report

12 Career Guidance Programs

The Chapter had arranged 12 Career Awareness Programs on 6th, 7th, 8th, 9th, 10th, 12th, 13th, 14th, 17th, 20th and 28th of September at 12 different colleges in

Mysore, Chamarajanagar, Madikeri, Virajpet, Hassan, K R Pet, Maddur, Mandya, and Holenarasipura. During these programs, the students were addressed by CS. Anshuman A S and CS. Srilatha T G and they were given an insight to the CS Course and the Career Prospects. Around 2,170 students were benefitted.



Follow Up Program

On 15th September, the chapter conducted Follow-up Program for the BBM students of Government First Grade College, Chamarajanagar after the Career Guidance Program conducted earlier in the quarter. CS. Anshuman A S and CS. Srilatha T G answered queries from the students and provided guidance as to the approach to the course and the facilities that are available for them at the Chapter.



Annual Sports Day

Annual Sports day was celebrated on 18th September 2011 at Gangotri Grounds and in the Chapter Premises. Over 65 students actively participated. Winners were presented with medals by Past chairman CS. Anshuman AS and Chairperson CS. Srilatha T G. The program was coordinated by Mr. Vinay Kashyap and Mr. Ajay Kumar with the support of CS Kiran T.

Mahajana PU College. The participants were trained by eminent faculties. 28 sessions were held during this week long training program on various topics of academic interest, personality development, Soft Skills etc.

Study Circle Meetings

The Chapter organized Study Circle Meetings on 4th, 11th, 18th and 25th of September. Various topics relevant to the students were discussed and the members and senior students clarified the doubts raised by the students.

Student Induction Program (SIP)

The Sixth SIP was conducted by the chapter from 5th to 11th September 2011 at Praveen Hall,

Appeal from Mysore Chapter

*It is our pleasure to inform you that making of **ICSI Bhavan** at Mysore is on schedule and is expected to be completed by November 2011. We request you to kindly go through the project details at the Chapter website www.icsi.edu/mysore. Please provide us your valuable suggestions.*

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.



In response to the Open Letter to the President - ICSI

CS. K. Narayana Swamy

Past Chairman, SIRC of ICSI Email: kn_swamy@hotmail.com

"The views expressed in this article are personal."



Respected Shri Anil Murarka, Greetings!!!

As you may be aware, the Mysore Chapter of SIRC of ICSI are pioneers in bring out "eNewsletter" and are close to hit their 100th edition. Recently, I happened to peruse the "eNewsletter of Mysore Chapter (September, 2011 issue)" which has as usual contained a lot of good and interesting/educative Articles. Very strangely, the eNewsletter also contained an extract of the "Open Letter to the President – ICSI" by CS. A.R. Vishwanathan, PCS from Coimbatore. I started reading the open letter casually but when I completed it, I was taken aback as the feeling was totally different.

The content of the letter is not just mind boggling but also thought provoking. It has indeed touched my consciousness and awaken my inner self. I have no doubt that other colleagues who have gone through the letter would have undergone similar experiences. For your ready reference, I have herein attached the letter of CS. Vishwanathan. Incidentally, I knew CS Vishwanathan from the days he was Secretary of the Mysore Chapter. I thank and salute him for kindling the inner feeling of many of the right thinking people.

In this context, I would like to reiterate my stand on the proposed Lokpal Bill / Act which I had already posted elsewhere: "Lokpal Bill / Act is only a mean not an end itself. All big things will have a small beginning, like only drops of water make an Ocean. We the people of India should first decide to eradicate corruption, which has become a cancer in the society. Enough is enough. Let us all make a small beginning."

Under the circumstances, I for one whole-heartedly support the views expressed by CS Vishwanathan and request you as the President of ICSI and other Council Members to seize the golden opportunity prevailing in the post – Anna Hazare era to "Wage a war against Corruption".

I am of the firm opinion that ICSI is the right Professional Body to lead the "Crusade against Corruption" since it not only gel very well with its proven record in terms of its contribution towards "Corporate Governance" but also as an Institution which stands out and strive for Professionalism.

I hope the Central Council of ICSI will deliberate upon the subject and take appropriate decision in the matter.

LIVING ROOM



"ARE YOU A MASTER?"

There was this master who said and felt I know it all. At times claimed that he had no master and was the master by himself. One day this master was passing by the market side in his village. As he was passing through he saw a young boy entering the village carrying a lit candle in his hands. He was going to the church nearby; to offer the candle there. The master in his sense of arrogance, sarcastically asked the young boy, 'Have you lit the candle yourself?'

The young boy to his surprise by such a question, said 'Yes sir.'

The master asked, 'There was a moment then the candle was unlit, then there was a moment when the candle was lit. Can you show me the source from which the light came?'

And the young boy thought for a moment; laughed and blew out the candle and said, "Now Sir, did you see where the light has gone. This is the source where it came from."

And the master put his head low in shame. His ego and pride shattered by a young boy. That moment the master felt his own stupidity. When you are a master that does not mean to have to stop learning. In fact, when you are a master it is much more important to learn more because then people have high expectations from a master. They look up to you as an example. It is rightly said "Learning is Continuous" and more so if you are a master.....!



CORPORATE DIPLOMACY

- AREA YET TO BE EXPLORED

International relation not only effect governments but public at large. In globalised world, international relations have been reached to our neighborhood tea stall or grocery shop. We judge a nation by product, we buy. We may not know, where Finland is in world map, but we know Nokia in our hand. We will surely judge Finland by Nokia. This is a public diplomacy.

The ever expanding flow of commercial products and services across borders has important implications for public diplomacy. Despite the escalation of transnational corporations, high profile brand names are closely connected with their countries of origin. Coca Cola, Nike and McDonald's are inextricably tied with the United States. The same associations are true for Ikea with Scandanavia, Nokia with Finland, Sony with Japan, and Nestle with Switzerland.

Corporate diplomacy is crucial to the credibility of a company in explaining, positioning and carrying out its business, especially in these times when the image of a nation abroad is not bright.

International commerce depends upon the goodwill of the public, which must be continuously built so that it works as a shock absorber when some unforeseen calamity occurs and crisis communication strategy has to be deployed. The creation and the development of this intangible and



valuable asset, the public goodwill, is the function of corporate diplomacy.

In 1999, the U.S. State Department introduced the Award for Corporate Excellence to recognize companies that display best business practices, strong community service programs, and exemplary corporate social responsibility practices abroad.

The rise in corporate diplomacy is being fueled by a combination of growth, globalization, and an increasing realization by business executives that they have to play an active role in influencing governmental rule making and in shaping public perceptions.

Public Diplomacy Division of Ministry of External Affairs has discussed this concept in its Public Diplomacy Conference in November 2010. This writer was present in this conference. A particular session looked at how companies are engaged in corporate diplomacy and what could be the best way to engage and partner with them for public diplomacy objectives. The conference discussed what potential role can it play and finally the growing role that the corporate sectors like the chambers of commerce, private entities, etc, play in public diplomacy.

The session dedicated to corporate diplomacy was focused on three important aspects. Firstly, how to link private sectors' media and image management activities with public diplomacy, secondly, what does corporate world offer in the public

Corporate diplomacy is about building trust, providing perspectives and help governments in their transformational agenda of inclusive growth.



Corporate diplomacy is crucial to the credibility of a company in explaining, positioning and carrying out its business, especially in these times when the image of a nation abroad is not bright.

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diplomacy domain and thirdly, how can we take the experience that corporate world has for promoting public diplomacy.



Mr. Som Mittal of NASSCOM discussed the role of corporate sector is also going beyond Corporate Social Responsibility (CSR) and philanthropy. Corporate diplomacy is about building trust, providing perspectives and help governments in their transformational agenda of inclusive growth. With Indian corporate going global, the engagement is not only with communities and society in India but also in the countries they operate. Mr. Mittal concluded by saying that today the role corporate diplomacy plays is not just at the company level but also to represent the industry, the country and further the India Brand.

Mr. Roger Hayes of Henley Business School has opinion that just as diplomats are becoming public diplomacy entrepreneurs promoting their country's products, policies and values, so CEOs and their corporate staff are acquiring the role of corporate diplomats able to build relationships with other organisations and individuals in other parts of the world. One of the roles of corporate diplomats is to increasingly understand the culture as well as the economic and political context, analyse it and then share it. Hayes pointed out that governments are increasingly using the tools of the private sector, such as marketing, advertising and public relation techniques and these are all strategic tools as well as tactical tools.



With increasing sophistication in working methodology of corporate houses, their ability of

influencing governments goes beyond limitations. In term of Gross Domestic Product as well as human resource availability, many corporate houses are of much better position than many nation states. This is obvious, with increasing influence and power; these corporate houses affect the national and international policies of nation states.

With growth of businesses beyond borders, the corporate foreign policy became multi-dimensional depending upon size of the corporate house. One particular dimension deals with its internal policies relating to manpower policies and cross cultural collaboration in a multinational company, and another with import, export, foreign exchange, merger and acquisitions, sponsorships of international sports events, cross border social responsibility exercises and multilateral trade treaties.

These days, business talks are regular feature at the sideline of every bilateral and multilateral talk. There are several Industry bodies, bilateral and multilateral chambers of commerce which are actively participating in corporate diplomacy. Negotiations in World Trade Forum are best example of corporate and public diplomacy initiatives along with conventional diplomacy.

Doing effective global corporate diplomacy requires local knowledge, competencies and tools for implementing strategic communications to deal effectively with foreign publics.

Corporate diplomacy is certainly a new field to explore for the professionals in corporate India.

Sources:

- http://publicdiplomacy.wikia.com/wiki/Corporate_Diplomacy
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- http://publicdiplomacy.wikia.com/wiki/Corporate_Diplomacy
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No one wants to die. Even people who want to go to heaven don't want to die to get there. And yet death is the destination we all share. No one has ever escaped it. And that is as it should be, because Death is very likely the single best invention of Life. It is Life's change agent. It clears out the old to make way for the new. Right now the new is you, but someday, not too long from now, you will gradually become the old and be cleared away. Sorry to be so dramatic, but it is quite true.

Your time is limited, so don't waste it living someone else's life. Don't be trapped by dogma — which is living with the results of other people's thinking. Don't let the noise of others' opinions drown out your own inner voice. And most importantly, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary.

- Steve Jobs



JurisOnline.in

From Legal Information to Knowledge

Shruthi K.
CS Professional Program,
Mysore



LAW is very rigid in nature and complicated to laymen. Understanding the Law in the way or in the intention with which it is framed is a tedious task. Everyone wishes for a tool which can simplify law and helps to understand the legal concepts in the right meaning.

Here is such a site which can be called a tool which can simplify the law concepts. www.jurisonline.com is helpful for lawmen, law students and the laymen. Here we can find the interpretation of different legal aspects by the legal Gurus, Supreme Court and High court which will transform the legal information into the knowledge; the laws interpreted here are,

- Constitution of India
- Corporate law
- Criminal law
- Cyber law
- Environment law
- Finance law
- Intellectual property rights.
- Property law
- International law
- Social legislation

Further it provides many important case studies, info about Dispute resolution, ICANN policies, FEMA, Stock option scheme etc., this site helps lawmen in their profession and laymen to understand the law concepts easily and in the way they are framed.

IT FOR CORPORATE PROFESSIONALS



Amitkumar Hegde, B.Com, MCA,
Bangalore



Every day we are overwhelmed with so many activities, and we find many tools and techniques to keep track of those activities. Starting from post-it to to-do list on your iphone, there are many different ways we can manage tasks.

All such techniques come with their own drawbacks also. I was keenly looking for a tool which would help organize my tasks and the tasks that i assign to others. Some time back I came across an online application Trello which serves the purpose pretty well.

The tag line of Trello says, "Organize anything, together." In one sentence, it is a collaboration tool which enables tracking all the tasks and lets you understand what is being worked on. It is a free service so you can sign up with Trello and use it. I suggest use your google credentials while signing up which allows you to login to the service with your google user name and password; you can save yourself from remembering one more username and password.

Once you sign up, you can create a new board, which is the project you are working on and create some levels for tasks. So you can move one task from level to level. If you have other people involved, you can send them an invite and they can also join the board and tasks can be assigned among the group. So together everyone tracks the tasks and everyone knows what is happening. Trello has many nice features such as notifications if someone has assigned you a task, or if some comment is added to a task you are involved in etc. which you can explore as u get used to the application.

We have found this approach to be highly effective where group of people are working in a project. We can easily avoid status mails and spreadsheets which are very vague, confusing. There is an intro video on their home page which you can play through to understand whether it is useful for you.



Application Supported By Blocked Amount (ASBA)

SEBI, in its endeavour to make the existing public issue process more efficient, decided to introduce a supplementary process of applying in public issues, viz., the "Applications Supported by Blocked Amount (ASBA)" process. The SEBI (Disclosure and Investor Protection) Guidelines, 2000 was amended to provide for the ASBA process.

The ASBA process shall be available in all public issues made through the bookbuilding route. ASBA means "Application Supported by Blocked amount". ASBA is an application containing an authorization to block the application money in the bank account, for subscribing to an issue. If an investor is applying through ASBA, his application money shall be debited from the bank account only if his/her application is selected for allotment after the basis of allotment is finalized, or the issue is withdrawn/failed. In case of rights issue his application money shall be debited from the bank account after the receipt of instruction from the registrars.

Self Certified Syndicate Bank (SCSB): SCSB is a bank which offers the facility of applying through the ASBA process. A bank desirous of offering ASBA facility shall submit a certificate to SEBI as per the format given in Annexure I of SEBI circular, for inclusion of its name in SEBI's list of SCSBs. The said list will be displayed by SEBI on its website at www.sebi.gov.in. ASBAs can be accepted only by SCSBs, whose names appear in the list of SCSBs displayed in SEBI's website.

A SCSB shall identify its Designated Branches (DBs) at which an ASBA investor shall submit ASBA and shall also identify the Controlling Branch (CB) which shall act as a coordinating branch for the Registrar to the Issue, Stock Exchanges and Merchant Bankers. The SCSB, its DBs and CB shall continue to act as such, for all issues to which ASBA process is applicable.

Did you Know?

Pick of the Month

The man who changed the way we work....

Steven Paul "Steve" Jobs (1955 – 2011) was the co-founder, chairman, and CEO of Apple Inc. Jobs also previously served as CEO of Pixar Animation Studios. He was a Director of The Walt Disney Company in 2006, following the acquisition of Pixar by Disney. He was credited in Toy Story (1995) as an executive producer. In the late 1970s, Jobs—along with Apple co-founder Steve Wozniak, Mike Markkula and others—designed, developed, and marketed one of the first commercially successful lines of personal computers, the Apple II series. In the early 1980s, Jobs was among the first to see the commercial potential of Xerox PARC's mouse-driven graphical user interface, which led to the creation of the Macintosh. In 1986, he acquired the computer graphics division of Lucasfilm Ltd, which was spun off as Pixar Animation Studios. He remained CEO and majority shareholder at 50.1 percent until its acquisition by The Walt Disney Company in 2006.

His recent creations iPod, iPhone and iPad brought revolution in the computer industry.

On 24th August 2011, Jobs announced his resignation from his role as Apple's CEO. On 5th October 2011, Jobs died in California at the age of 56, seven years after being diagnosed with pancreatic cancer.

Capital market terminologies

Switch: A client attempting to manipulate the order book by entering a large order on one side then switching to the other side of the book.

Fishing: A client is deliberately pushing the price down in an attempt to trigger large amounts of stop loss orders for personal benefit.





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

**Team Genicon,
Chennai**

**CA. Ashit Shah,
Mumbai**



Mergers & Acquisitions

Case Law

Unabsorbed book depreciation of amalgamating company is deductible for computing book profit of amalgamated company for MAT Purpose.: *Finolex Cables Ltd. Vs. ACIT (TS-351-ITAT-2011) (Pune)*

Legal fiction of section 2(22)(e) enlarges the definition of dividend only and not the concept of shareholder. *CIT Vs. Ankitech (P) Ltd. (TS-202-HC-2011 (Del.))*

Unsecured loans advanced by the promoter group can be adjusted against the allotment of shares to them in the rights

issue. - *SRM Energy Ltd. Vs. SEBI (2011)*

Exemption from takeover code on inter se transfer of shares has been clarified. - *Informal guidance in the matter of JSW Energy Ltd. Dt. 02.06.2011*

Regulatory Developments

Framework for redemption of Indian Depository Receipts into underlying equity shares has been introduced.

CIR/CFD/DIL/3/2011 Dt. 03.06.2011

Name availability guidelines have been introduced by MCA

No. 45/2011 Dt. 08.07.2011 and No. 48/2011 Dt. 22.07.2011

Procedure to shift registered office from one state to another has been simplified.

No. 50/2011 Dt. 25.07.2011

The approval process under Sec. 297 of the Companies Act, 1956 has been simplified and goes online.

No. 52/2011 Dt. 25.07.2011

Seeking approval of Central Government for payment of remuneration to professional managerial persons by companies that have no or inadequate profits have no or inadequate profits has been waived off.

No. 46/2011 Dt. 14.07.2011

MCA has issued guidelines for RD's or ROC's in the matter of scheme of arrangement under section 391-394 of the Companies Act, 1956

No. 53/2011 Dt. 26.07.2011

Clarification regarding admission of limited liability partnerships as members of stock exchanges.

CIR/MIRSD/12/11 Dt. 11.07.11

Lending to priority sector-reporting data on priority sector advances.

RBI/2011/12/110 Dt. 13.07.2011

RBI has modified the Comprehensive guidelines on derivatives

RBI/2011/12/136 Dt. 02.08.2011

RBI Directs banks to regularize branch/liason offices established during the pre-FEMA period:

AP(DIR) Series Dt. 15.07.11

Non-SEBI Registered FII's allowed permission to invest in domestic mutual funds.

AP(DIR) Series Circ.8 Dt. 09.08.11

CENVAT

Notification/Circulars: High speed diesel intended for sale without a brand name is exempted from excise duty.

No.33/2011-CE Dt. 25.06.2011

CUSTOMS

Notifications/ Circulars

Basic customs duty is reduced on specified goods including crude oil, petrol and diesel -

No. 52/2011-Dt. 25.06.2011

The stated notification has removed the prohibition on export of all types of onions.

No. 75/ RE-2010/2009-14

Case Law

Directions issued by the High Court cannot be challenged by CESTAT.

RBF Rig Corporation Vs. CC (2011) 185 ECR 466 (SC)

The benefit under the Served from India Scheme is available on the total foreign exchange earned and not on the net foreign exchange earned from the services eligible under this scheme.

Vodafone Essar Ltd. Vs. UoI (2011) TIOL 427 HC MUM CUS

Fabricated Steel structures were imported as heavy melting scrap. It was held by the department that the goods cannot be used for any other purpose and as per the end-use certificated, the goods were melted. The Revenue's contention to classify the goods as steel brackets was held to be not acceptable.

Tuticorin v/s M/s Harihar Alloy Castings Ltd, CESTAT- Chennai

The appellant being a Govt company claimed a refund under the CENVAT rules since it had imported goods which were used for the purpose of generation of electricity for another govt company. The dept contended that there was a passing on of the incidence of duty since the electricity was passed on to another government undertaking and hence, stated that the same amounted to unjust enrichment. Held no unjust enrichment since the imported goods were used by the importer for production of electricity. : *Maharashtra SPGCLtd v/s Section CC(Import) - CESTAT, Mumbai.*

The case dealt with the availment and eligibility of CENVAT credit. The documents relevant to the company did not mention the nature of taxable service. The bills were towards service charges for preparing pre-shipment and post-shipment documents in respect of export items. Such services related to preparation of export related documents and therefore, it was contended that the service rendered had a nexus with the business of the manufacture of the assessee's final product and is hence in the nature of business auxiliary service. It was held that the assessee's were therefore entitled to avail CENVAT credit of the service tax paid under the said category of service.

M/s Ucal Fuel System Ltd. Vs CCE, CESTAT, Chennai.

Case Laws: Credit is permissible for fuel used as input in the generation of electricity, to the extent that it is being used in the manufacture of dutiable goods.

CCE Vs. Rajasthan Textile Mills (2011) 268 ELT 524 (Del.)

In the absence of specific provision, no refund of unutilized credit is admissible on closure of unit.

Steel Strips Vs. CCE (2011) 269 ELT 257 (Del.)

Service Tax

Notifications/Circulars

Clarification on the term 'completion of service' under point of Taxation Rules, 2011 and Service Tax Rules, 1994 has been issued.

No. 144/13/2011-ST Dt. 18.07.2011

CBEC has issued an instruction clarifying their earlier instruction on applicability of service tax on a taxable services received in India, when provided by a non-resident/person located outside India, would be applicable on reverse charge basis with effect from 1.1.2005, and that the ratio of judgment in M/s Indian National Shipowners Association (INSA) case [2009 (13) STR 235 (Bom)] would not apply to such cases. However, the appeals filed by the department before the Supreme Court, for defending the levy of service tax on such services w.e.f. 1.1.2005, have been dismissed. Hence, this new instruction issued 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, i.e., the date of enactment of section 66A of the Finance Act, 1994.

[F. No. 276/8/2009 - CX8A - Dt. 26-09-2011]

Services provided by a sub broker to broker in relation to sale or purchase of securities listed in a recognized stock exchange were exempt vide Notification No. 31/2009 Dt. 01-09-2009. Now this exemption is also extended to "authorized person" who provides services to brokers in relation to sale or purchase of securities from 09-09-2011. *[Notn No. 44/2011 - Dt. 09-09-2011]*

Legal services provided by arbitral tribunal in relation to arbitration to any business entity are exempt from service tax with effect from 12-09-2011. This service was taxable from 01-05-2011 by amending definition of Legal Services by Finance Act, 2011. *[Not. No. 45/2011 - Dt. 12-09-2011]*

There was an exemption to Consulting Engineer when services were provided to a client on transfer of technology equivalent to the amount of cess paid on the said transfer under Sec. 3 of the R&D Cess Act, 1986 under Notn. No. 18/2002 Dt. 16-12-2002 and 17/2004 Dt. 10-09-2004. More conditions are prescribed now to avail the exemptions by amending the existing notification from 19-09-2011. *Notn. No. 46/2011 & 47/2011- Dt. 19-09-11*

E-filing through the Centre's online tax payment application Automation of Central Excise and Service Tax (ACES) will be a must for all returns of present & past periods which have not been filed yet or are to be revised. The returns (ER1 to ER8) would have to be filed electronically by all assesses, including EOUs, SSIs and those availing of certain exemptions, irrespective of the duty paid by them in the preceding financial year. Related documents also to be filed electronically, such as the annual financial information statement and the annual installed capacity statement. - *Circ No. 955/16/2011 - CX 15-09-11*

Case Law: Services rendered at the customer's site by utilizing the services of sub-contractors are eligible input services.

CCE Vs. Areva T & D India Ltd. (2011) 23 STR 33 (Chenn.)

Services utilized in business cannot be treated as eligible input services unless reasonable nexus between the input services and output activity can be established. - *Stanadyne Amalgamations Pvt. Ltd. Vs. CCE (2011-TIOL-881-CESTAT-MAD)*

VAT, Sales Tax and Entry Tax

Notifications/Circulars: Entry tax is levied on import of specified goods in Jharkhand. *Notn. effective from 15.07.2011*

CST on selected information technology products is exempted in Uttarakhand: *786/2011/74(120)/XXVIII(8)/05 Dt. 18.07.2011*

Case Law: No VAT is payable on handling charges for facilitating the registration of the vehicle in the nature of the buyer. *Additional Commissioner of Sales Tax VAT - III Vs. Sehgal Autoriders Pvt. Ltd. (2011) VIL. 30 (Bom.)*

FEMA & RBI

Notifications/Circulars: The RBI has decided to allow the joint operation of non resident with resident-relatives mentioned under the Companies Act, 1956 in the NRE, FCNR (B), EEFC and RFC account. However, the 2nd holder can operate only after the life time of first holder.

A.P. (DIR Series) Circ No. 12, 13 & 15 Dt. 15.09.2011

The RBI has enhanced the limit from USD 25,000 to USD 50,000 per financial year for transfer of securities by way of gift by resident to non-resident close relatives without prior approval from the RBI. *A.P. (DIR Series) Circ No. 14 Dt. Sept 15, 2011*

Close relatives of NRI in India can repay any rupee loans obtained by NRI through normal banking channels.

A.P. (DIR Series) Circular No. 19 Dt. Sept 16, 2011

RBI has permitted the resident individual to lend in rupee to the NRI/PIO who is a close relative of them subject to fulfillment of certain conditions. *A.P. (DIR Series) Circ No.18. Dt. 16.9.2011*

The DIPP has been issued Consolidated FDI Policy which is updated up to September 30, 2011 through the Circ.2/11 series. This is valid up to March 31, 2011: *DIPPPress release Dt.30.09.11*

IPR

Case Law: Where a patent holder accuses customers of direct infringement based on the sale or use of a supplier's equipment, the supplier has standing to commence a declaratory judgment action if there is a controversy between the patentee and the supplier as to the supplier's liability for induced or contributory infringement based on the alleged acts of direct infringement by its customers. - *Powertech Technologies Inc Vs. Tessera Inc (Decided on 30.09.11) US Court of Appeals (Federal Circuit)*

Right to Information

Case Law: Sec. 11(1) procedures applies to two circumstances. Firstly when the information relates to a third party and can be prima-facie regarded as confidential as it affects the right of privacy of the third party. The second situation is when the information is provided and given by a third party to a public authority and prima facie the third party who has provided information has treated and regarded the said information as confidential. - *Arvind Kejriwal Vs. Central Public Information and Anr. (Decided on 30.09.2011) MANU/DE/3888/2011*



formalities for the all-important revision of the tax treaty with India for this information flow India and Switzerland in August last year signed a protocol amending the DTAA, and in June this year, the Swiss parliament ratified the treaty.

US frowns at 'preferential treatment' to Indian firms for telecom gear supplies

The US Government has raised concerns over a number of India's telecom related policies. Its objections include the preferential treatment given to telecom and electronic products made in India under a new manufacturing policy. This policy will have a major impact on a number of American technology firms, including Cisco, Motorola, HP and Dell. The US has asked the Ministry of Commerce to clarify whether the proposed manufacturing policy meets the terms and conditions laid out under the WTO. The policy has been approved by the Committee of Secretaries

India supports for EU waiver on trade preferences to Pak

Pakistan claimed that India had assured Islamabad that it would not make any further comment at the World Trade Organisation's (WTO) Council for Trade in Goods on the time-bound European Union (E.U.) waiver on trade preferences that was offered to Pakistan to help recover from last year's devastating floods.

China lacks transparency on subsidies: USA

United States identified nearly 200 subsidy programs that China has failed to notify as required under WTO rules. Information was also submitted on 50 subsidy programs in India not previously notified. Through these actions at the WTO, the United States is seeking the prompt provision of detailed information and data from China and India regarding the operation of these subsidy programs.

Standard & Poor Downgraded Italy's Credit, French Banks Pressured

Standard & Poor's cut Italy's credit rating on Tuesday in a surprise move that increased strains on the debt-stressed euro zone and raised pressure on policymakers to take more decisive action to resolve the crisis. In the latest signs of stress on the banking system due to the debt crisis, sources said that Bank of China had stopped foreign exchange forwards and swaps trading with the top three French banks and Switzerland's UBS.

India to conclude FTA with EU this year

India is looking to conclude the proposed comprehensive free trade pact with the European Union (EU) this year, as the negotiations are in advanced stage with the 27-nation bloc. India is in talks with the EU, its biggest trading partner, since June 2007 for liberalizing trade in goods, services and investment through a Broad-based Trade and Investment Agreement (BTIA). Already 13 rounds of talks have taken place.

Although EU wants inclusion of intellectual property rights (IPRs) and social issues like environment and labour standards in the proposed BTIA, India has been opposing it. According to India, there are other international fora to deal with non-trade matters.

Real Estate Consultants Not to Get FDI

The government has decided not to allow foreign direct investment (FDI) in real estate consultancy firms, given the perception that this route is used as a conduit for investing in real estate. The board has also stated that no future proposal for FDI in real estate consultancy will be entertained. FDI is barred in real estate companies. The DIPP is the nodal agency for FDI policymaking. The FDI ban has been mooted by the DIPP because it feels that real estate consultancy firms may get into buying and selling properties through the backdoor.

DTAA with Swiss in relation to black money

The Swiss authorities have clarified that they have gone through all internal processes to enable India to seek information on Indians holding money in Swiss banks. However, the finance ministry is still maintaining that the Swiss authorities are yet to complete their internal formalities. This raises doubts over how serious New Delhi is about gathering information on black money stashed away in Swiss banks. According to Switzerland's federal department of finance (FDF), the counterpart of India's Union finance ministry, the Swiss parliament completed all