



**Opening Ceremony  
of the Dream Building**

**“ICSI Bhavan” @ Mysore**

**on 17th December 2011**



## WORDS WORTH MILLIONS



**If a country is to be corruption free and become a nation of beautiful minds, I strongly feel there are three key societal members who can make a difference. They are the father, the mother and the teacher.**

**- Dr. A P J Abdul Kalam,  
Former President of India**

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## Message from Chairperson



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

I believe that the festival of lights has filled your life with lots of light, brightness, cheer and colour.

We have pleasure in informing you all that **Ms. Sapna U R**, Professional Program Student of Mysore Chapter has been awarded Jaypee Group Prize for securing highest marks at national level in Module II of Professional Program Exam held in June 2010. I congratulate her on behalf of the Members and Students of Mysore Chapter for her achievement.

There are a few welcome changes the institute has brought out for the benefit of students. A provision has been made to avail exemption from the Student Induction Program for the students who have the required qualification and experience. Similarly, provision has also been made to undergo six months of management training with Financial Institutions, Management Consultants and Law Firms. I hope you'll make best use of these provisions.

We are very happy to share with you all that the Building Project of our chapter is nearing completion and we are hoping to inaugurate the same by end December. We thank you all for your continuous support and encouragement without which it would have been impossible to finish a project like this according to the schedule.

The December Exams are nearing and I'm sure all our students appearing for the same are preparing in full swing. Our Best wishes are with you.

Yours in CS fraternity,

**CS. Srilatha T G**

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# Activity Report

## SPECIAL CLASS ON 'WORKING CAPITAL MANAGEMENT'

A Special Class on 'Working Capital Management' was conducted for the benefit of Professional Program Students on 2nd and 9th October. CS. Jayasheela Bhat, Management Committee Member of the Chapter explained the students about various techniques of Working Capital Management.

## CRASH COURSE ON TAX LAWS

A Crash Course on Tax Laws for Professional Program Students was conducted on 29th and 30th of October. The Classes were conducted by Mr. Gowrish Kumar Kateel from Bangalore. The faculty explained the provisions of Tax Laws and the students were greatly benefitted by this Program.

## SESSION ON 'HOW TO PREPARE FOR EXAMS AND HOW TO FACE EXAMS'

To help the students to prepare for the exams in a better manner, a Session on 'How to prepare for exams and How to Face Exams' was conducted on 30th October. The students were given a lot of inputs on various techniques on preparing for and appearing for a professional examination by Mr. Gowrish Kumar Kateel.

## STUDY CIRCLE MEETINGS

The Chapter organized Study Circle Meetings on 2nd, 9th and 16th of October. Various topics relevant to the students were discussed and the members and senior students clarified the doubts raised by the students.

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## ICSI Bhavan to be inaugurated on 17<sup>th</sup> 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 17<sup>th</sup> 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

CS. Jayalakshmi Anshuman  
Rs. 5,00,000  
CS. Srilatha T.G. Rs. 2,00,000

### DONORS

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Krishna Rs. 10,000  
CS. M N V Krishna Kumar Rs. 10,000

CS. Subramanian R. Rs. 10,000  
DR. Krishna R Rs. 10,000  
Mr. Vageesh Hegde Rs. 10,000  
CS. Sunil Kumar B.G. Rs. 6,200  
CS. Sudhir Babu C. Rs. 5,000  
Mr. Subrahmanya N. Rs. 5,000  
CS. Jagannatham P. Rs. 4,567

**Total Rs. 1,211,886**

## In response to the Open Letter to the President - ICSI



CS. S. Ganesan

Nanganallur, Chennai, Tamilnadu

[ganesan\\_52@yahoo.com](mailto:ganesan_52@yahoo.com)

*“The views expressed in this article are personal.”*

The appeal to the Institute President to take a lead in fighting Corruption was well written. Today we have Corporate governance guidelines, Independent directors etc. All these measures, ultimately, are supposed to protect the investors. But in reality independent directors are NOT INDEPENDENT. Rather they are (in) dependent of the Promoter/Directors. Similar is the case of working Company Secretary, since he is dependent on the promoter / directors for continuance of his / her employment in the company.

Many companies indulge in fraud/ corruption. Only some companies get caught and only very few of them get punished. Most of the Companies which have so far been punished / penalized by regulators like SEBI, CLB, ROC, courts etc did have independent directors and qualified chartered accountants and qualified company secretaries in their rolls. Then why did fraud happen in those companies?

My suggestion to improve the preventive measures is to protect the tenure of Independent Directors and

employed company Secretaries by Law, say for 3 years, subject to extension.

If any Independent director or employed company secretary should be removed by the Board, it must be done by an independent body that will inquire into the complaints against the independent directors, employed company secretary and pass necessary orders. In this scenario, both the independent directors and working company secretary will get an opportunity of being heard.

Once tenure of service is ensured by law, then we can expect independent directors to be really independent in their functioning and the employed company secretary will be more forth right in his professional opinion to the management and ensure that the company/management do not violate the law. Same applies to Chartered Accountants who are employed in a company to look after the financial functions.

Unless the Corporate compliance and other guidelines/ rules are followed both in letter and spirit, we can never fight corporate corruption.



## Letters from Readers....

I am delighted to go through your Newsletter. It's innovative, comprehensive, educative and knowledge updating. Cudos.

CS. N Santhanam, Secretary - Salem Chapter of ICSI

I read Sep 11 News letter. It is really good. Keep it up.

CS. Manivannan Srinivasan,  
CFO, i9 infocom Pvt Ltd, Chennai Area, India

Hearty congratulations to Team - Mysore for getting the Best Chapter award among C Grade Chapters of ICSI for the year 2009. I wish many more laurels add to your cap in the years to come.

CS K. Narayana Swamy FCS,  
K. Narayana Swamy & Co, Bangalore

Hearty Congratulations to Mysore Chapter for bagging the Best Chapter award. With people like CS Anshuman and CS Srilatha leading from the front it is bound to happen. Best wishes to them. May the Mysore chapter reach greater heights.

Dr. S. Ravichandran, Advocate & Head, Academic Initiatives,  
Surana & Surana International Attorneys, Chennai

Congratulations to Mysore Chapter for the achievement. My sincere appreciations to the editorial team for the wonderful coverage.

Dr. M.N. Bheemesh, Senior Advisor &  
Advocate, ALMT Legal, Bangalore

Latest Chairperson's message is excellent. Please circulate to all for students to progress.

CA. Ramachandran M, Bangalore

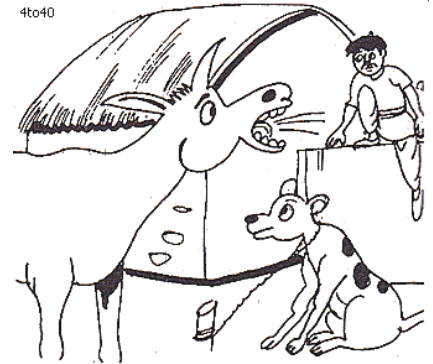






# WASHER MAN'S STAFF

There was a washer man who had a donkey and a dog. One night when the whole world was sleeping, a thief broke into the house, the washer man was fast asleep but the donkey and the dog were awake. The dog decided not to bark since the master did not take good care of him and wanted to teach him a lesson. The donkey got worried and said to the dog that if he doesn't bark, the donkey will have to do something himself. The dog did not change his mind and the donkey started braying loudly. Hearing the donkey bray, the thief ran away, the master woke up and started beating the donkey for braying in the middle of the night for no reason. Moral: "One must not engage in duties other than his own"



Now take a new look at the same story.



The washer man was a well educated man from a premier management institute. He had skills of looking at the bigger picture and thinking out of the box. He was convinced that there must be some reason for the donkey to bray in the night. He walked outside a little and did some fact finding, applied a bottom up approach, figured out from the ground realities that there was a thief who broke in and the donkey only wanted to alert him about it. Looking at the donkey's extra initiative and going beyond the call of the duty, he rewarded him with lot of hay and other perks and became his favorite pet.

The dog's life didn't change much, except that now the donkey was more motivated in doing the dogs duties as well. In the annual appraisal the dog managed a "meets requirement". Soon the dog realized that the donkey is taking care of his duties and he can enjoy his life sleeping and lazing around. The donkey was rated as "star performer". The donkey had to live up to his already high performance standards. Soon he was over burdened with work and always under pressure and now is looking for a job rotation. If you have worked in a corporate environment, I am sure you have guessed the characters of the new story.



Now take a look at another dimension.

.....Looking at the donkey's extra initiative and going beyond the call of the duty, he was rewarded the "Star Performer" at a huge corporate event. The donkey had proved his caliber. Expectations went up. Work load increased. He was always under pressure. Therefore performance could not meet elevated expectations. Meanwhile the dog used to lick

the washer man's feet which made the washer man feel very good. At the same time the washer man did not like the sound of the Donkey's braying.



At the time of Performance appraisal and increments, the Donkey got a "Meets expectation" with a marginal increment. Whereas the Dog got the best Performance rating and the best increment that the organization could give plus a performance linked bonus for keeping the washer man's spirit high. Poor Donkey could not go against nature to change his voice. Nor could he stoop so low to lick the washer man's feet. The Donkey got highly de-motivated and is searching for a new boss who would be fair and unbiased....



**Shruthi K.**  
CS Professional Program,  
Mysore



Contribution of Income tax to the exchequer is very small compared to indirect taxes. However, understanding of Income Tax laws, its planning, management and calculation requires expertise. You can be an expert with the help of [www.incometaxmanagement.com](http://www.incometaxmanagement.com)

This site provides comprehensive and detailed information on the income tax system in India. Articles of professional interest are published with expert analysis of the provisions. Tabs like Tax @ Glance, Taxation System, Tips on Tax, Tax Saving Schemes etc., helps the learners to understand the concept of Income tax in very simple words and with Graphical/Chart Presentation. It gives detailed information on following:

1. Calculation of total income of individuals.
2. Taxation in company.
3. Business tax management and procedure.
4. Tax- managerial and financial decision.
5. Information about VAT, CST, TDS, TCS and PAN.

As rightly captioned, this site is for students, salaried, professionals and businessmen which help to discover the simple way of tax management and planning.

## IT FOR CORPORATE PROFESSIONALS



Syncing mobile contacts  
with Google



**Amitkumar Hegde, B.Com, MCA,**  
Bangalore



Mobile contacts are very vital in today's life. Those who have lost the contacts at least once know the real worth of it. People follow multiple ways to keep a backup of their contacts: right from noting down all the contacts in a diary to keep exporting all the contacts to whatever format the mobile supports such as csv, vcf etc. There is one more problem with this. If you change your mobile and want to transfer your contacts to the new one, it will not be simple all the time.

So how do we safeguard all our contacts and take all the contacts along if we switch to a new mobile?

Well, Google has a mobile sync service which enables us to sync all our contacts from multiple operating system/devices such as android, iPhone, Blackberry etc. Along with your contacts, you can also enable sync for Gmail, Google calendar and more. You can get more information on how to sync a particular phone at: <http://www.google.com/mobile/sync/>. There are special sections for different devices.

If you do not use internet on your mobile then if the device supports wi-fi, you can perform the sync on wi-fi which saves your bandwidth usage also. Ideally you can sync your contacts once in a week or so. Now if you move to a new phone, just connect it with Google and perform a sync to get all your contacts.

Visit Today - URL: <http://www.google.com/mobile/sync/>



## Repo Rate and Reverse Repo Rate

**Repo (Repurchase) Rate:** Repo rate also known as 'Repurchase rate' is the rate at which banks borrow funds from the RBI to meet short-term requirements. RBI charges some interest rate on the cash borrowed by banks. This interest rate is called 'repo rate'.

If the RBI wants to make it more expensive for the banks to borrow money, it increases the repo rate; similarly, if it wants to make it cheaper for banks to borrow money, it reduces the repo rate.

**Reverse Repo Rate:** Reverse Repo rate is the rate at

which Reserve Bank of India borrows money from banks. This is the exact opposite of repo rate.

RBI uses this tool when it feels there is too much money floating in the banking system. If the reverse repo rate is increased, it means the RBI will borrow money from the bank by offering lucrative rate of interest. Banks feel comfortable lending money to RBI since their money would be in safe hands and with a good interest. It is also a tool which can be used by the RBI to drain excess money out of the banking system.

### Pick the Month Capital reduction

*without requiring Court confirmation:*

- (i) forfeiture of shares for non-payment of calls;
- (ii) surrender of shares as a short cut to forfeiture;
- (iii) cancelling the shares, which have not been taken and diminish the amount of its share capital;
- (iv) order from CLB under section 397 or section 398, for purchase of shares of any members by the company;
- (v) redeemable preference shares are redeemed in accordance with the provisions of Section 80 or 80A;
- (vi) buy-back of own shares or other specified securities under section 77A.

### Did you Know?

#### *Buddh International Race circuit*

- B.B. Cauveramma, Executive student

On 30<sup>th</sup> October 2011, India witnessed spectacular first ever Formula 1 race 'Indian Grand Prix', which put India on global sporting map. In the race Germany's Sebastian Vettel remained unbeatable in his Red Bull for the 11<sup>th</sup> time this season at Greater Noida's Buddh International Circuit. This race track was designed by renowned German architect and racetrack designer, Herman Tilke and is built by Jaypee Sports International Ltd .

As per the estimation of industry body Assocham, the Formula 1 Grand Prix race in India could generate revenues of over Rs 90,000 crore in the next 10 years and create 15 lakh new job opportunities for technical workers.

It can generate revenue from sale of tickets, advertisements, hospitality and travelling, besides creating new business hubs and giving a boost to commercial and residential properties. Other benefits which it may bring are, Indian companies can get their message across to a much wider audience using F1, Events like the F1 can prove to be unconventional avenues to position high-end value-added designer products like Apparel, Gems and Jewellery, Engineering goods, Software and Automobiles. It will also help the hotel and tourism industry get an immediate boost and the country's profile also will get a lift.

**Fact Sheet:** Length: 5.14 Km. Turns: 16 Highest point of elevation: 14 m Width of the track: Between 18m – 20 m. Top speeds on the Circuit: About 320km / h, for an F1 car Approximate cost of building the track: US \$ 400 million Seating Capacity: 1 lakh







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

**Team Genicon,  
Chennai**

**CA. Ashit Shah,  
Mumbai**



## Mergers & Acquisitions

### Case Law

The assessee, a 100% subsidiary of a US company, was incurring losses. Another profit-making 100% Indian subsidiary of the US parent company merged with the assessee in assessment year ('AY') 2006-07.

The TO disallowed the assessee's claim to carry-forward and set-off unabsorbed tax losses and depreciation for the said AY, it said Section 72A of the Act allows the carry-forward of unabsorbed tax losses and depreciation of amalgamating company only and not of the amalgamated company.

Provisions of section 78(2) of the Act are applicable since the amalgamating company was succeeded by the amalgamated company. Tribunal held that Sections 72A(2) and 78(2) relating to loss carry forward to apply only when amalgamating company has unabsorbed business loss or depreciation.

*Wrigley India Pvt. Ltd. v. ACIT [TS-458-ITAT-2011-DEL]*

The assessee transferred certain assets along with specified liabilities for an agreed consideration to NSSK in AY 1996-97. NSSK discharged the liability of the assessee and paid the balance consideration to the assessee. The assessee contended that the sum paid by NSSK to the bank did not reach it and was diverted by overriding charge on the assets.

The Tribunal held that the loan so discharged was not deductible from the total value of consideration for determining capital gains.

*Changdeo Sugar Mills Ltd. v. JCIT [2011] 139 TTJ 646 (MUM)*

The assessee, the amalgamating company, post filing its return of income for AY 2002-03, merged with another company vide HC's order dated 11 February 2004. On scrutiny, the TO assessed the income of the amalgamating company vide order dated 28 March, 2005, when the assessee was not in existence. On appeal, the CIT(A) rejected the assessee's plea that the assessment was made on a non-existing entity and is therefore bad in law and void abinitio.

*Spice Entertainment Ltd. v. CIT [TS-475-HC-2011 (DEL)]*

## Regulatory Developments

Online incorporation of Companies - MCA has decided not to implement this process of online incorporation of companies.

*General Circular No. 61/2011, dated 5 September, 2011*

Infrastructure finance companies are eligible issuers for FII's investment limit in debt instrument for infrastructure

*(SEBI Circular - CIR/IMD/ FIIC/15/2011 dated 26 August, 2011)*

Ministry of Corporate Affairs was considering the proposal to issue Companies(Dematerialization of Certificates) Rules, 2011 and comments/Recommendations were invited by the Ministry latest by 30th June 2011 vide letter dated 06.06.2011.

The matter was examined by the Ministry in consultation of Law Ministry and it has been decided to withdraw the draft of Dematerialization of Certificates Rules, 2011.

## CUSTOMS

### Notifications/ Circulars

The provisions of Legal Metrology Act, 2009 will be applicable on levy of countervailing duty in lieu of excise duty (CVD) on imported goods w.e.f. 1 August, 2011.

*Notification No. 53/2011 - Customs dated 28 July, 2011*

The Central Government has provided for concessional duty rate of customs duty on specified goods when imported into India from Cambodia under the India ASEAN Free Trade Agreement ('ASEAN FTA'). This exemption is effective on imports made w.e.f. 01 August, 2011.

*Notification No. 68/2011-Customs dated 29 July, 2011*

The Central Government has provided for concessional duty rate of customs duty on specified goods when imported into India from Japan under the Comprehensive Economic Partnership Agreement ('CEPA') between India and Japan. This exemption is effective on imports made w.e.f. 01 August, 2011.

*Notification No. 69/2011-Customs dated 29 July, 2011*

The Central Government has implemented the Authorised Economic Operators ('AEO') programme to ensure security in supply chain of import and export goods.

*Circular No. 37/2011-Customs dated 23 August, 2011*

### Case Law

Classification has to be determined by the components providing essential character to the goods both in terms of function and cost. Further, the onus of proving the goods to be classified under a particular heading is on the revenue even if the importer has not produced any evidence.

*Ground Water Department v. CC [2011-186-ECR-372]*

The importer had imported compact disks from its group company. It paid royalty to its parent company on sale of compact disks in addition to the price paid to the supplier of the compact disks.

The SC held that the royalty payable by the importers would be included in the customs assessed value of the imported goods as these payments are made as a condition of sale of the CDs.

*CC v. Living Media (India) Ltd. [2011- TIOL-81-SCCUS]*



## CENVAT

### Case Law

No reversal of credit required under Rule 6 of Cenvat Credit Rules merely for the reason that by-products emerging during process of manufacture are exempted from duty.

*CCE v. Sterling Gelatin [2011-270-ELT-200]*

Process of cannibalising parts from old machines and using the same along with new parts and body, for assembly of new machine amounts to manufacture

*Xerox India Ltd. v. CCE [2011-270-ELT-395-ITATDe]*

Manufacturer is eligible to claim rebate of duty paid by reversal of credit on export of inputs/capital goods under Rule 18 of CE Rules

*CCE v. Micro Inks Ltd. [2011-270-ELT-360-Bom]*

## Service Tax

### Case Law

Since SIM cards are not sold or transacted as goods independent from the telecommunication services attached thereto, the value of the SIM card is includible in the taxable value for the purpose of levy of service tax and not subject to sales tax. Idea Mobile Communication

*Ltd. v. CCE [2011-TIOL-71-SC-ST]*

The charges levied by banks towards foreclosure, pre-payment or re-scheduling of loans, which are in the nature of compensatory charges and not service charges, are not subject to service tax under the service category of Banking and Financial Services.

*Small Industries & Development Bank of India v. CCE [2011-23-S.T.R.-392-ITAT-De]*

## VAT, Sales Tax and Entry Tax

### Case Law

Contract for processing of exposed photographic film rolls and negatives is not a works contract for levy of sales tax. The HC observed that exposed photographic film rolls and negatives have no utility and are not marketable, and hence, does not qualify as goods.

*S.S. Photographic Lab Pvt. Ltd. v. The State of Assam [2011-VIL-33-HC-Gau]*

Supply of food stuff by educational institution to students residing in a hostel is not liable to VAT

*Scholars Home Senior Secondary School v. State of Uttarakhand [2011- NTN -Vol. 46-229-HCUttarakhand]*

## FEMA & RBI

### Notifications/Circulars

RBI has in its circular with respect to banks are advised to ensure that demand drafts of Rs. 20,000/- and above are issued invariably with account payee crossing.

*RBI/2011-12/250 DBOD.BP.BC. No. 49/21.01.001/2011-12 November 4, 2011*

*E-Newsletter from ICSI – Mysore Chapter. Edition – 94; November 2011*

### Validity of cheques reduced to three months:

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, Reserve Bank has directed that with effect from April 1, 2012, banks should not make payment of cheques/drafts/pay orders/banker's cheques bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.

*RBI/2011-12/251 DBOD.AML BC.No. 47/14.01.001/2011-12 November 4, 2011*

### Share Transfer Norms simplified:

As a measure to further liberalize and rationalize the procedures and policies governing FDI in India, RBI has been decided to allow the Transfer of shares from a Non Resident to Resident under the FDI scheme and vice versa without the prior approval of the Reserve Bank of India subject to the conditions mentioned therein.

*Circular No. 43 Dated 04.11.2011 Foreign Direct Investment Transfer of Shares*

### Case Law

Approval of Department of Telecommunications required prior to merger of telecommunication companies holding licenses.

*Spice Communications Ltd.and Anr (165 CC 334)*

## Intellectual Property Rights

### Case Law

Held, Article 52(1) of the European Patent Convention provides that, in order to obtain a European patent, an invention must be "susceptible of industrial application". Article 57 states that an invention is susceptible of industrial application if it can be made or used in any kind of industry.

The standard set by the Judge for susceptibility to industrial application was a more exacting one than that used by the Board. The disclosure of the existence and structure of Neutrokine-a (impugned patent) and its gene sequence, and its membership of the TNF league and super family should have been sufficient, taking into account the common general knowledge, to satisfy the requirements of Article 57.

The Court has list down the requirements of Article 57 in relation to biological material while allowing the appeal.

*Home Genome Sciences Inc Vs. Eli Lilly and Company (Decided on 02/11/2011)*

### Let ex-workers with patent claims approach federal court - Appellate ruling in US

Workers who claim an employer illegally stole and patented one of their ideas cannot get relief in state courts, the Arizona Court of Appeals has ruled.

The judges refused to consider arguments by Suzanne Brown that a Tucson-based company that sells items for children had taken her idea for a "child-safe oven." They said Brown's claims against Lisa Frank Inc. need to be resolved in federal court.



## News Room

### **India, Iran Explore Payment Options for Crude Imports**

India and Iran are working on a long-term solution to settle payments for crude oil imports from the Gulf nation through banks in South Korea and Russia after New Delhi managed to pay long pending dues to Tehran through Turkey's Halkbank.

At a bilateral meeting held at New Delhi, both have decided that, both governments will also explore other stable payment options such as through won and rouble etc.

### **India may drag EU to WTO over carbon tax on airlines**

India may consider dragging European Union to the World Trade Organisation if the 27 - nation bloc goes ahead with its contentious plan to impose carbon tax on non - EU airlines. According to the EU plan, non-European airlines will have to pay a price for emission of carbon dioxide. From January 2012, airlines flying into or out of EU airports will have pay a tax to cover the carbon emission they emit during the entire flights.

### **India plans to move WTO against US over imposition of penal duties on steel import**

India plans to approach the World Trade Organisation over the imposition of 18% to 500% penal duties by United States on imports of hot-rolled steel, a move that has priced Indian producers out of the US market. The move follows India's failure to sort out the issue with the US bilaterally.

The US has imposed levies on steel exports from Indian companies over the past three years, arguing that it considers as subsidies incentives such as duty exemptions to units in special zones, loans from state-owned banks and purchases from government bodies.

### **Microsoft Considers Bidding For Yahoo!**

Microsoft Corp is considering a bid for Yahoo! Inc, resurfacing as a potential buyer after a bitter and unsuccessful fight to take over the internet company in 2008.

Microsoft joins a host of other companies looking at Yahoo!, which has a market value of about \$20 billion and is readying financial pitch books for potential buyers.

### **Pak to Normalize Trade Relations with India**

In a landmark move, Pakistan announced on 02 November 2011 that its cabinet had unanimously agreed to grant its neighbour – and often political rival – India most favoured nation (MFN) status. The decision is expected to substantially boost trade between the neighbours.

MFN status, which is required of WTO members, mandates that all members treat their trading partners equally. India had granted Pakistan MFN status in 1996; both countries hold membership at the global trade body. Last week's announcement was foreshadowed by the 28 September 2011 meeting of the two countries commerce ministers, who "agreed to jointly work to more than double bilateral trade within three years, from current levels of US\$2.7 billion per annum to about US\$6 billion."

### **Behave like 'grown up' economy: Obama to China**

President Barack Obama told China that the United States was fed up with its trade and currency practices, as he turned up the heat on America's biggest economic rival at an Asia Pacific summit. He said to China to stop "gaming" the international economic system and create a level playing field for U.S. and other foreign businesses.

### **China's financial muscle grows**

According to the Organisation for Economic Co-operation and Development, OECD, China is an important source and destination for mergers and acquisitions. It is estimated that so far this year, seven per cent of the mergers and acquisitions that have been sealed across the world originated from China.

China, which is fashioning itself as a major international investor, ranks at position four in the order of largest sources of international mergers and acquisitions in 2011, claiming seven per cent of the world total. Currently, the US and the UK occupy top slots as the destinations of choice for international mergers and acquisitions across the world.