



*Happy
Sankranti*



6 Jan 12:
National youth Day



4 Umang 2012

5 How fair ₹ is going?



**E Newsletter from
The Mysore Chapter of the
Institute of Company Secretaries
of India**

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**Message from
Chairperson**



Dear Members and
Students of CS fraternity,

I wish you all a very happy and prosperous new year.

2011 has been a good year for us and I'm very happy to share with you that during the year, we have conducted 15 Member Meetings, 32 Study Circle Meetings, 92 Career Guidance Programs and 201 professional development and other programs.

2012 has come up with a historic change to Mysore Chapter as we have moved to our own premises at #125, NHCSL Layout, Off. K R S Road, Metagalli, Mysore. I hope we would be able to perform better and contribute more to the betterment of the profession.

As the examinations are over, it's a right time for the students to have fun and Umang'12 is coming up. So get ready and actively participate in this annual students program.

Wishing you all a very happy Makara Sankranthi,

Yours in CS fraternity,

CS. Srilatha T G

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Activity Report

INTERACTIVE MEETING WITH CS.R SRIDHARAN

An Interaction Meeting with Central Council Member CS. R Sridharan was held on 6th December 2011. In the Meeting, CS Sridharan addressed the students and members. He spoke about the importance of Team Work, shared his experiences as the chairman of Building Committee and also shared about the recent developments in ICSI.

FIRST SOUTHERN INDIA REGIONAL CONFERENCE OF WOMEN COMPANY SECRETARIES



The First Southern India Regional Conference for Women Company Secretaries was organized by Hyderabad Chapter jointly with SIRC on 10th and 11th of December. CS. Srilatha, Chairperson of Mysore Chapter participated in the program and addressed the participants on the topic "Balancing Personal Life and Family Life".

7TH STUDENT INDUCTION PROGRAM

The Seventh SIP was conducted by the Chapter from 5th December 2011 to 11th December 2011.

MEMBERS INTERACTION WITH PRESIDENT & SECRETARY OF ICSI

An Interactive Dinner Meeting was organized on 16th December 2011. The Members shared their views about the profession, new opportunities, and also about the Course structure and Training requirements.

PLANTING OF SAPPLINGS BY THE DIGNITORIES

As a green initiative, a program of planting of saplings was done at the Chapter premises on 17-12-2011. Dignitaries including the President, Vice President and Secretary planted saplings.



PRESS CONFERENCE

A press Conference was organised by the Chapter on 17th December 2011 at 'Patrakarthara Bhavana' in Tyagaraja Road, Mysore. The President of ICSI, CS. Anil Murarka, Vice President CS. Nesar



Ahmed, Secretary & CEO CS. N K Jain and the Chairperson of the Chapter CS. Srilatha T G participated in the press meet. The reporters from various news papers and TV Channels were addressed and informed about CS Course and importance of Company Secretaries in present day's corporate scenario.

INAUGURATION OF THE CHAPTER'S NEW BUILDING BY SRI. VEERAPPA MOILY

On 17th December 2011, the new Building of Mysore Chapter was inaugurated by Sri. Veerappa Moily,



Hon'be Minister of Corporate Affairs. The President, Vice President, Secretary and CEO, Central Council Members, Chairman- SIRC, Regional Council Members, Members and Students of ICSI, Local Industrialists, Fellow Professionals from ICAI and ICWAI and members from Press were present during the grand ceremony.

HOISTING OF THE INSTITUTE'S FLAG

On 17th December 2011, the President of ICSI, CS. Anil Murarka hoisted the Institute's Flag at the New Building of Mysore Chapter in the presence of Vice President, Secretary and CEO, Central Council Members, Chairman- SIRC, Regional Council Members, Members and Students of ICSI.



RELEASE OF FLASH BULLETIN

To commemorate the inauguration of the Chapter's dream building, a special Flash Bulletin was published by the editorial Team of the Mysore Chapter's News Letter. ICSI President, CS. Anil Murarka released the Flash Bulletin.



INTERACTIVE SESSION WITH STUDENTS AND MEMBERS

An Interaction Program for Students and Members of the Chapter with the President, Vice President, Secretary and CEO

and SIRC Chairman C S B.Ravi was held on the evening of 17th December.

SEMINAR ON CAPITAL MARKET ISSUES

A Seminar on Capital Market Issues was held on 18th December at the auditorium of the Chapter's new Building. CS. B Narasimhan, Central Council Member of ICSI addressed the participants about the Basic Concept of IPO through Book Building and SME – An opportunity for Company Secretaries. The participants were members and students from Bangalore, Chennai and Mysore. CS. Sridharan, Central Council Member was present. Ms. Bhagya M G coordinated for the program.

THANKS GIVING TO ALL THOSE WHO BUILT CHAPTER'S NEW BUILDING

The Construction of new building has earned lot of appreciation and the Committee thought that it is appropriate to pass it on and thank the persons whose hard work has made it possible to have a state of the art Building within the record time of ten months. To thank all the masons, contractors, electricians, plumbers, fabricators and all other workers, a program was arranged on 25th December 2011. An interaction program was conducted in the Chapter's Auditorium where CS. Srilatha T G,

CS. Anshuman A S and Mr. Gopal G, Civil Contractor thanked all for the team work and the participants also shared their experience.

CAREER GUIDANCE PROGRAMS



The Chapter had arranged [6 Career Awareness Programs on 3rd, 8th and 21st of December at 6 different colleges in Mysore, Kalatmadu, Virajpet and Gonikoppa](#). During these programs, the students were addressed by CS. Anshuman A S and they were given an insight to the Company Secretaries Course and the Career Prospects for CS. Pamphlets about the Course were distributed to the participants.

Umang – 2012

Zeal to Excel...

“Umang 2012” for February 5th 2012 @ Mysore

Main events includes Elocution, Quiz, Essay Writing, Technical Presentation, Management Games, Mock Session and Cultural Events

Preliminary round competitions will be held on 26th January 2012 for Business Quiz, Elocution and Essay Writing

Participating students are eligible for 8 hours of ADP/PDP.

For details contact: 08867288657

Visit: www.icsi.edu/mysore

Coming up event for students.....

Karnataka State Level Students Conference @ Bangalore

Milaap *meeting of minds...*

18th and 19th February 2012

visit: www.icsi.edu/bangalore



: HOW FAIR IT IS GOING?

“₹” weakness has proven to be very abrupt, which is warning sign for other Asian currencies. It is often assumed that ₹ is a laggard but over the past few years it is found that sharp ₹ weakness precedes the sell-off by other Asian currencies.

Since its independence in 1947, India has faced two major financial crises and two consequent devaluations of rupee. These crises were in 1966 and 1991. Foreign exchange reserves are an extremely critical aspect of any country's ability to engage in commerce with other countries. A large stock of foreign currency reserves facilitates trade with other nations and lowers transaction costs associated with international commerce. If a nation depletes its foreign currency reserves and finds its own currency is not accepted abroad, the only option left to the county is to borrow from abroad.

Cautious stance has been taken in the recent months but the currency has weakened sharply and it could still weaken further. ₹'s weakness is not solely due to its current account backdrop, other factors are also influential. For instance, the market's perception of FX policy has played an important part in recent ₹ weakness. The RBI appeared to be quick to act against ₹ weakness in September'11 but was equally quick to rebuild its FX reserves in October'11. So, this has left the impression that policymakers are willing to accept ₹ weakness as a necessary part of the economy's rebalancing, provided the currency's weakness from current levels is measured. In light of the currency's steep fall more recently, we would expect some kind of policy response to slow the move.

So, we are left with the question how low could the ₹ go? The ₹ has room to fall further if global growth expectations continue to decline and \$ liquidity pressures are intensifying, and if so \$-₹ could reach the 58 level. It is not right to anticipate a rapid recovery by the INR until there is a considerable improvement in **the external environment or lower domestic inflation**, which would see real interest rates become less negative.

As a developing economy, it is to be expected that India would import more than it exports. Despite government attempts to obtain a positive trade balance, India has had consistent balance of payments deficits since the 1950s. As India continued to experience deficits in trade and the government budget, the country was aided significantly by the international community. In the period of 1950 through 1966, foreign aid was never greater than the total trade deficit of India except for 1958. Nevertheless, foreign aid was substantial and helped to Clearly, there are many similarities between the devaluation of 1966 and 1991. Both were preceded by large fiscal and current account deficits and by dwindling international confidence in

postpone the rupee's final reckoning until 1966. In 1966, foreign aid was finally cut off and India was told it had to liberalize its restrictions on trade before foreign aid would again materialize. The response was the politically unpopular step of devaluation accompanied by liberalization. When India still did not receive foreign aid, the government backed off its commitment to liberalization. According to Shri. T N Srinivasan, “devaluation was seen as capitulation to external pressure which made liberalization politically suspect...

Year 1991 is often cited as the year of economic reform in India. Surely, the government's economic policies changed drastically in that year, but the 1991 liberalization was an extension of earlier, albeit slower, reform efforts that had begun in the 1970s when India relaxed restrictions on imported capital goods as part of its industrialization plan. Then the Import-Export Policy of 1985-1988 replaced import quotas with tariffs. This represented a major overhaul of Indian trade policy as previously, India's trade barriers mostly took the form of

As a developing economy, it is to be expected that India would import more than it exports. India has had consistent balance of payments deficits since the 1950s.



Without an aggressive response, \$ to ₹ at 58 is a possibility, especially if global conditions deteriorate further.

Compilation by: **Ashray S.**

AT&S India Private Limited, Nanjangud

quantitative restrictions. After 1991, the Government of India further reduced trade barriers by lowering tariffs on imports. In the post-liberalization era, quantitative restrictions have not been significant.

While the devaluation of 1991 was economically necessary to avert a financial crisis, the radical changes in India's economic policies were, to some extent, undertaken voluntarily by the government of Shri P V Narasimha Rao. As in 1966, there was foreign pressure on India to reform its economy, but in 1991, the government committed itself to liberalization and followed through on that commitment.

India's economy. Inflation caused by expansionary monetary and fiscal policy depressed exports and led to consistent trade deficits. In each case, there was a large adverse shock to the

economy that precipitated, but did not directly cause, the financial crisis. It is easy in retrospect to fault the government's policies for leading to these two major financial crises, but it is more difficult to convincingly state what the government should have done differently that would have averted the crises. One relatively non-controversial target for criticism is the tendency of the Indian government since Independence towards large budget deficits.

These two financial episodes in India's modern history show that engaging in inflationary economic policies in conjunction with a fixed exchange rate regime is a destructive policy. If India had followed a floating exchange rate system instead, the rupee would have been automatically devalued by the market and India would not have faced such financial crises. A fixed exchange rate system can only be viable in the long run when there is no significant long-run inflation.

Conclusion:

Should global growth and financing conditions further deteriorate from here, it is believed that RBI might be forced to take more drastic and possibly unconventional policy options to attempt to stop or reverse ₹ depreciation. Without an aggressive response, \$ to ₹ at 58 is a possibility, especially if global conditions deteriorate further. This in turn adds substantial risk to the rest of the region's currencies.

However even if global conditions improved materially, the market would remain cautious on ₹ until more convincing domestic signals emerges – in terms of both growth and inflation – that India is on more stable macroeconomic footing.

LIVING ROOM



STORY TOLD BY SWAMI VIVEKANANDA

There was once a minister to a great king. He fell into disgrace. The king, as a punishment, ordered him to be shut up in the top of a very high tower. This was done, and the minister was left there to perish. Minister had a faithful wife, however, who came to the tower at night and called to her husband at the top to know what she could do to help him. He told her to return to the tower the following night and bring with her a long rope, some stout twine, pack thread, silken thread, a beetle, and a little honey.

The good wife obeyed her husband, and brought him the desired articles.

The husband directed her to attach the silken thread firmly to the beetle, then to smear its horns with a drop of honey, and to set it free on the wall of the tower, with its head pointing upwards. She obeyed all these instructions, and the beetle started on its long journey. Smelling the honey ahead it slowly crept onwards, in the hope of reaching the honey, until at last it reached to top of the tower, when the minister grasped the beetle, and got possession of the silken thread.

He told his wife to tie the other end to the pack thread, and after he had drawn up the pack thread, he repeated the process with the stout twine, and lastly with the rope. Then the rest was easy. The minister descended from the tower by means of the rope, and made his escape.

In this body of ours the breath motion is the silken thread; by laying hold of and learning to control it we grasp the pack thread of the nerve currents, and from these the stout twine of our thoughts, and lastly the rope of Prana, controlling which we reach freedom. This is the secret behind Pranayama.



National Youth Day:

In 1984, the Government of India with the view that the philosophy of Swamiji and the ideals for which he lived and worked could be a great source of inspiration for the Indian Youth, declared the birthday of Swami Vivekananda (12 January, according to the English calendar) as a National Youth Day every year from 1985 onwards.

WORDS WORTH MILLIONS

All knowledge that the world has ever received comes from the mind; the infinite library of the universe is in our own mind.

Swami Vivekananda
12 January 1863 to 4 July 1902



Global Issues

Shruthi K.
CS Professional Program,
Mysore



Hi friends, as we all know many things are interrelated to each other in this world. If any change occurs to one, it will have its reflection on the other. To be specific, social, political, economic and environmental issues will affect the living beings and their business. As changes in one will affect the other, it is very much necessary to know the change that occurs in the respective fields. Here is a website which makes such information available at your PC with a click to www.globalissues.org.

This site provides latest updates, most popular articles and topical issues. Latest news stories relating to the World, Economy, Climate, Human rights and many more are updated instantly. We can browse article on global issues and discussion on the same. Few important topics covered are:

- Climate change and global warming
- Poverty around the world
- Arms trade & control
- Biodiversity
- Consumption & Consumerism
- Food and Agriculture
- Human Population
- Global Financial Crisis
- Human Rights Issues
- International Criminal Court
- Natural Disasters
- Nuclear Weapons
- Sustainable Development
- War on Terror.

This site not only provides information on global issues but also instills thoughts of our responsibility and more importantly reminds us about the needs of nature.

IT FOR CORPORATE PROFESSIONALS



**Set meetings
across Time Zones
with World time buddy**



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

Today it is quite common for an individual to conduct business across the world. Business involves discussions with different people and that is where it gets little tricky. I mean to set up meeting with people across time zones making sure that it is convenient time for others.

Manually calculating the time across time zones would be fine or one off situation but if it needs to be done regularly, there is a better way. Use www.worldtimebuddy.com which simply loads times pans for different time zones. You add any city you would need to the time span collection.

Once you have all the cities you would need, you can easily find what time is it in other country for setting a meeting. If you regularly find yourself using this tool and you need a set of cities available always, you can sign up there with your facebook or google id. They have a google chrome application also, which allows you to use worldtimebuddy.

URL: www.worldtimebuddy.com



Compilation:
CS. Ajaay Madaiah, Mysore

Stock invest

In India, companies can raise capital/debt by issue of shares/debentures through IPO mechanism. In case of such issue, there may be an oversubscription of issue and there have been inordinate delay in refund of excess application money and large amounts of investors' funds remain locked up in companies for long periods affecting the liquidity of the investing public. To overcome the said problem a new instrument called 'stock invest' is introduced. The Stock invest is a non-negotiable bank instrument issued by the bank in different denominations. The investor who has a savings or current account with the bank will obtain the stock invest in required denominations and will have to enclose it with the share/debenture application. On the face of the instrument provides for space for the investor to indicate the name of the issues, the number and amount of shares/debentures applied for and the signature of the investor. The stock invests issued by the bank will be signed by it and the date of issue will also be indicated on the instruments. Simultaneously with the issue of stock invest, the bank will mark a lien for the amounts of stock invest issued in the deposit account of the investor. On

full or partial allotment of shares to the investor, the Registrar to issue will fill the columns of stock invest indicating the entitlement for allotment of shares/debentures, in terms of number, amount and application number and send it for clearing.

The investor's bank account would get debited only after the shares/debentures allotted. In respect of unsuccessful applicants, the funds continue to remain in their account and earn interest if the account is a savings or a term deposit. The excess application money of partly successful applicants also, will remain in their accounts. There will be lien on the funds for a maximum of four months period. The stock invest is intended to be utilised only by the account holders and the stock invest should not be handed over to any third party for use. In case the cancelled/partly utilised stock invest is not received by an investor from the registrar, lien will be lifted by the issuing branch on expiry of four months from the date of issue against an indemnity bond from the investor.

Pick of the Month

Did you Know?

SME Exchange

Despite the many benefits associated with public listing, the SME's are not able to access the capital markets through existing Stock Exchanges due to the stringent regulatory, disclosure and financial requirements. A dedicated stock exchange for the SME sector would allow the SME's to access capital markets easily, quickly and at lower costs.

Now, SEBI has approved creation of an SME exchange. BSE has taken an initiative to launch SME exchange for small and medium enterprises. In this regard, BSE has made necessary changes and amendments are being made in the rules, bye-laws and regulations of the cash market for making a provision for SME exchange.

Resolutions to be passed through Postal Ballot

Do all companies need to pass resolutions through postal ballot?

The answer is **NO**. Only listed companies needs to pass resolutions through postal ballot. Then **whether all resolutions need to be passed through postal ballot by a listed company?** Again the answer is **NO**. Only the resolutions relating to the following items which are notified by the Central government needs to be passed through postal ballot.

1. Alteration in the object clause of memorandum.
2. Alteration of the Articles of association in relation to insertion of provisions defining private company.
3. Buy-back of own shares by the company.
4. Issue of shares with differential voting rights as to voting or dividend or otherwise
5. Change of place of registered office outside local limits.
6. Sale of whole or substantially whole of undertaking of a company
7. Giving loans or extending guarantee or providing security in excess of the limit
8. Election of a Director under proviso to section 252(1) of the act
9. Variation in the rights attached to a class of shares or debentures or other securities as specified under section 106.



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

**Team Genicon,
Chennai**

**CA. Ashit Shah,
Mumbai**



and expenditure on bonus share issue is not capital expenditure as there is no increase in the authorized capital of the company. - [ACIT Vs. Britannia Ind Ltd \(ITA No. 1789/Kol/2008\)](#)

Recording of dissatisfaction by TO is prerequisite on assessee's calculation of disallowance of expenses against exempt income, the CIT (A) allowed the assessee's appeal against the disallowance amount computed under Rule 8D of the Rules. - [DCIT Vs. Jindal Photo Ltd \(2011-TIOL-653-ITAT-DEL\)](#)

Advance consideration received from sister concern on sale of shares of subsidiary not taxable as deemed dividend. - [DCIT Vs. Regent Automobiles \(P\) Ltd. \(2011\) 12 Taxman.com 153](#)

CUSTOMS

Notifications/ Circulars

The OSPCA has been introduced by the central government on 4th October 2011. Under the terms of OSPCCA, importers and exporters will self-assess the duty payable in relation to all imports and exports. Later, the customs authorities can visit the premises of importer or exporter to check the correctness of the declaration made at the time of self-assessment.

[Customs Notification No. 72/2011 dated 04 October 2011](#)

The central government has included the Islamic Republic of Afghanistan in the list of countries which are eligible for concessional imports under the south Asian Free Trade Agreement. The import of specified goods from the Islamic Republic of Afghanistan to India will be eligible for benefit effective 12-10- 2011.- [Notn No. 96/2011 dt 12th Oct 2011.](#)

Case Law

The Chennai CESTAT has held that non-possession of an exemption certificate at the time of import, which is obtained later, cannot deny the benefit of exemption notification, as the delay in production of an exemption certificate is a procedural lapse. - [CC Vs. LM Glassfiber \(India\) Pvt. Ltd. \(2011-TIOL-1319-CESTAT-MAD\)](#)

The Mumbai CESTAT has held that the refunding of special additional duty cannot be denied where the certificate issued by the Chartered Accountant indicates that the incidence of SAD paid had not been passed on to the buyer.

[Equinox Solution Ltd. Vs. CC\(2011\) \(272\) ELT 310 \(Mumbai\)](#)

Mergers & Acquisitions

Case Law

The CIT(A) held that the subvention payment received by subsidiary from its parent company cannot be treated as a revenue receipt, it further observed that BHW had not claimed the payment as expenditure in its return of income and had also not received any tax benefit and the subvention income was paid to recoup the expected losses of the assessee. The payment was voluntary in nature and made by virtue of the parent-subsidiary relationship and not arising out of any business consideration. Thus, it was held that the payment was capital in nature and not taxable in the hands of the assessee.

[ACIT Vs. Deutsche Post Bank Home Finance Ltd. \(Deutsche\) \(TS-606-ITAT-2011 \(DEL\)](#)

Expenditure Incurred for the buyback of shares is revenue in nature, the CTI (A) observed that the company law provisions on share buybacks and the issue of bonus shares are comparable

Regulatory Developments

MCA has issued the Companies (Accounting Standards) Amendment Rules, 2011 amending the Accounting standard (AS) 11 relating to the effects of changes in foreign exchange rates to extend the relevant accounting periods from 31st March 2012 to 31st March, 2020. - [Notification Dated 29.12.2011 Companies \(Accounting Standards\) Amendment Rules, 2011](#)

MCA has issued the Companies (Accounting Standards) (Second Amendment) Rules, 2011 amending the Accounting standard (AS) 11 relating to the effects of changes in foreign exchange rates.

[Notification Dated 29.12.2011 Companies \(Accounting Standards\) \(Second Amendment\) Rules, 2011](#)

CENVAT

Notifications/ Circulars

CBEC has released the Central Excise (Fifth Amendment) Rules, 2011 to amend the Central Excise Rules, 2002. Accordingly, has deleted the second proviso to the rule 12(1).

[Notification No. 32/2011-\(N.T\) Dated 30.12.2011 Central Excise \(Fifth Amendment\) Rules, 2011- w.e.f 31st day of January, 2012](#)

Case Law

The Mumbai CESTAT has held that the CENVAT credit on short receipt of input cannot be denied if the shortage is within the permissible limit of tolerance as per the Standards of Weights and Measures Act, 1976. - [Jalan Dyeing & Bleaching Mills Vs. CCE \(2011\) \(271\) ELT 312 \(Mum\)](#)

The Bangalore CESTAT has held that the clearance to SEZ Developer from DTA will be treated as export for the purposes of Rule 6(6) of the CENVAT Credit Rules, 2004 with retrospective effect from 10th September 2004. - [Sujana Metal Products Limited Vs. CCE \(2011-TIOL-1173-CESTAT-Bangalore\)](#)

The Punjab and Haryana HC has held that duty paid on inputs in excess of the due amount is available as a CENVAT credit unless the excess duty has been refunded to the supplier.

[V G Steel Industry Vs. CCE \(2011\) \(271\) ELT 508 \(P & H\)](#)

Service Tax

Notifications/Circulars

Due date for filing half yearly ST Returns for the period April 2011 to September 2011 is further extended to 6th January 2012. - [\[Order No. 3 / 2011 - Service Tax Dated 29-12-2011\]](#)

Applicability of ST on transport of goods by rail is further extended from 1st April 2012. - [Notn 49/2011 Dt 30-12-2011]

New Service tax refund procedure is prescribed for exporters of goods (other than SEZ units / Developers) through Indian Customs EDI Systems (ICES). - Notn No. 52/2011 - Service Tax - Dated 30-12-2011 & Circular No. 14/2011 - Dated 16-12-2011]

Case Law

Appellants a manufacturing company providing residential quarters to its employees along with security services voluntary. Hon'ble High Court observed that there is no connection between the security service provided by the manufacturer in the residential quarters maintained for the workers as having any direct or indirect relation in the activity of manufacture of the final product and hence such activity can not be termed within the sweep of expression of "input service" as provided in rule 2(l) of the Cenvat Credit Rules, 2004. - [Gujarat Heavy Chemicals Ltd. - Tax Appeal No. 328 of 2010 (Guj-HC)]

If there is a bonafide mistake in calculation of service tax and same is made good by the Assessee, though the same had been paid after pointing out by the visiting team of the department, penalty can not be imposed under section 78.

[Bajaj Travels Ltd. - Tax Appeal No. 06 & 07 of 2009 (Del - HC)]

Appellant were awarded contract to collect Octroi on behalf of Municipal Corporation and have to credit 2% of the amount of contract every week for 50 weeks, irrespective of the amount of octroi collection. Any excess collection over and above what was liable to be paid to the Municipal Corporation in every week could be retained by the appellant towards their remuneration. Revenue demanded levy of service tax on this amount as Cash Management under Banking and Financial Services. The Hon'ble High Court clarified that, in the absence of any inclusive definition available in the statute, it could not be said that the petitioners would fall within the mischief of the provision. Accordingly, Hon'ble Tribunal had waived the pre-deposit.

[Mega Enterprises - (2011) 22 STR 191 (Tri-Mumbai)]

Appellant had incurred expenses towards training of their employees who had undertaken training from outside India and then reimbursed such expenses to each such employees. Revenue contended that such payment of training fees would attract service tax pursuant to Section 66A. Hon'ble Tribunal had observed that it is factual position that the coaching has been availed by the employees in their individual capacity and payment thereof made by the employees to the coaching centre directly. The employer has reimbursed the coaching fees to the employees only. From the above, it is clear that the employer has not made any payment to such coaching centre which is basic requirement of the Board circular to levy service tax liability. Accordingly, appeal filed by revenue was rejected.

[Maersk India P. Ltd. (2011) 22 STR 187 (Tri -Mumbai)]

Appellant had received advance to execute the work of construction from their client and accordingly deposited service tax on such advances. Later on, the said contracts were cancelled by their client, accordingly the advances received by the respondents were returned to their clients. Accordingly, the appellant sought refund of the amount paid as service tax by them against the said advance for which no service has been rendered to their client; same was rejected by the adjudicating authority, saying that the refund claim is barred by limitation. Hon'ble Tribunal observed that such payment of tax should not be treated as deposits and appellant is entitled for refund claim without invoking provisions of Section 11B of the Central Excise

Act, 1944. - [Pratibha Construction Engineer - 2011 (22) STR 182 (Tri - Mumbai)]

VAT, Sales Tax and Entry Tax Notifications/Circulars

Input tax credit has been allowed on all eligible purchases made during the tax period effective 1st October 2011. Earlier, input tax credit was allowed only on eligible purchases offered for sale during the tax period. - Notn. F 14(6)/LA-2011/ICLAW/193 dt 28.09.2011

Recharge vouchers for the pre-payment of cellular phone talk-time and service charges have been exempted from VAT retrospectively with effect from 1st April 2006.

Madhya Pradesh VAT (Amendment) Ordinance, 2011

Case Law

The Gujrat HC has held that in the absence of a notification extending the applicability of the CST Act to the exclusive economic zone of India, Bombay High does not form part of any state or UT or India. - Larsen and Toubro Ltd. Vs. UOI (2011-VIL-46-GUJ)

Sale of SIM Cards, recharge coupon vouchers, value-added services, etc. cannot be considered as sale goods.

The State of Andhra Pradesh Vs. Bharat Sanchar Nigam Ltd (2011-VIL-49-AP)

FEMA & RBI

Notifications/Circulars

Held, This Court observed that submission made by Respondent No 3's counsel that SEBI had not jurisdiction over them for the reason that it was a privately held company and was not traded in the Securities market and therefore no investigation could have been ordered against them had no merit. The SEBI by the impugned order had directed investigation into the allegations leveled by the Complainant against Petitioner about breach of SEBI (Disclosure and Investor Protection) Guidelines, 2000 read with relevant provisions of the Companies Act and in relation to the disclosure of information required to be made in the red-herring prospectus by the Petitioner. The involvement of Respondent No.3 in the said investigation was only to ascertain whether or not at the relevant time the Petitioner was liable to make a disclosure with regard to Respondent No.3, which was not made. It was not that SEBI had directed investigation against Respondent No.3.

DLF Ltd Vs. SEBI (Decided on 03/01/2012) MANU/DE/0002/2012

IPR

Case Law

Held, The Plaintiff who was the registered proprietor of the trademark had terminated the license. Thus, Defendant No.1 has no right to continue to use same and such use tantamount to infringement within meaning of Sec. 29 of the Trademark Act. Defendant No.1 could not even use the said trade mark as its trademark or name of its business concern or part of the name of the business concern in view of Sec 29(5) which provides that a registered trade mark is infringed by a person if he uses such registered trade mark as his trade name or part of his trade name or name of his business concern or part of the name of his business concern dealing in goods or services in respect of which trademark is registered. Thus, the Plaintiffs were entitled for a grant of permanent injunction. - Morgardshammar AB Vs. India Pvt Ltd and Anr (Decided on 02/01/2012) MANU/DE/0008/2012



US poultry industry calls for WTO trade consultations with India

The USA Poultry & Egg Export Council and the National Chicken Council have called for the WTO to begin mediating consultations with the government of India regarding India's longstanding prohibition on the import of U.S. poultry. India has a ban on poultry imports from any country that has reported any incident of avian influenza, irrespective of its pathogenicity.

Centre Rules Out Lowering STT

The Centre has made it clear that it does not propose to lower the securities transaction tax (STT). Recently, the capital market division in the Finance Ministry had seriously considered cutting or removing STT after receiving suggestions from various stock exchanges. Stock exchanges had also asked the Finance Ministry to do away with STT, stating that such a move would help boost investments in the stock market.

Alternate Minimum Tax (AMT) on LLPs Will Continue in DTC

AMT on Limited Liability Partnerships (LLPs) and concessional rate of tax on dividend received from overseas subsidiaries of Indian companies will continue even in the proposed Direct Taxes Code. In the DTC Bill introduced last year, the alternate minimum tax (AMT) for LLPs was not included. Besides, there was also no provision for the concessional 15% tax on dividend received by an Indian company from its foreign subsidiary.

100% FDI allowed in Single Brand retailing

The Department of Industrial Policy and Promotion (DIPP), Government of India (GOI) has permitted up to 100% Foreign Direct Investment (FDI) in Single Brand Product Retail Trading under approval route vide Press Note 1 of 2012 dated 10.01.2012. The much hyped decision on allowing up to 51% in Single Brand Retail under automatic route and up to 51% in Multi Brand Retail did not get the nod of Ministry.

The above increase in foreign participation is aimed at attracting investments in production and marketing, improving the availability of such goods for the consumer, encouraging increased sourcing of goods from India, and enhancing competitiveness of Indian enterprises.

WTO members urged to salvage Doha negotiations

World Trade Organization (WTO) Director General Lamy urged WTO members to pledge to work to salvage the faltering Doha Development Round of trade talks and ensure the multilateral trading system does not become irrelevant.

149 anti-dumping cases against China highest among foreign nations

India has initiated 149 anti-dumping cases against China, which accounted for over half of such actions taken by the country against foreign nations. The Directorate General of Anti-Dumping and Allied Duties (DGAD) under the Commerce Ministry investigates complaints made by the domestic industry about alleged dumping of goods in the country that has caused injury to indigenous manufacturers. The DGAD has so far initiated anti-dumping investigations in 272 cases, involving various countries since 1992. Out of these, 149 cases involve China. At present, 77 anti-dumping measures are in force against China.

India Inc's interest paying ability at 5-yr low

CRISIL Research said that the ability of India's top 500 companies to service debt has dipped to a five-year low due to high interest rates and a drop in operating profits. CRISIL's study covered 420 companies, excluding banking and financial institutions and state-owned oil marketing companies. During the September quarter, interest cost for Indian companies rose 36 percent on year, CRISIL said. At 8.5 percent, the repo rate (RBI's lending rate) is at its highest since July 2008 after the RBI raised rates 13 times between March 2010 and October 2011, in a tightening cycle that is widely seen to be ending.

India to demand removal of US countervailing duties on steel

The Government of India is likely to press for removal of "wrongfully" imposed penal duties on Indian steel by the US at the India-US trade policy forum meeting in Washington in the coming days. India is preparing suitable responses to US allegations that it is "hiding" its industrial subsidies from the World Trade Organisation and flouting international trade norms by making local content requirement mandatory for its solar projects.

Inauguration of ICSI House @ Mysore: Expressions

My hearty congratulations to the team Mysore Chapter for their successful establishment of Chapter's own dream office. It is a milestone in the history of Mysore Chapter. The silent efforts of the team and the vibrant leadership provided by CS. Anshuman and CS. Srilatha T.G., the Chairperson of the Chapter which has resulted in getting a new own building for the Chapter stand as a testimony for the co-operation of all the members of the Chapter.

More than anything else, the fact that the individual contribution of the Chairperson is not only benevolent but also philanthropic in the sense that it will be very useful particularly for the students pursuing our course. The Chapter gets more prestige as the Union Cabinet Minister for Corporate Affairs, H'ble Sri. Veerappa Moily inaugurated the building. This is another milestone in the history of ICSI Mysore Chapter as this is the first Chapter building that is inaugurated by the golden hands of our Minister. Perhaps, Mysore Chapter may develop to the level of the regional offices at Mumbai, Calcutta, Chennai and the All India Institute ICSI, New Delhi. We wish all the success.

CS Natarajan S. FCS 1943

It is an honour to be writing for the renowned Mysore Chapter of ICSI on the occasion of its inaugural of the ICSI House, which is no less than a powerhouse when it comes to the best talents in our country. Company Secretary has become a distinguished course with the increasing focus on Corporate Governance which in turn has come to define a firm compliance structure with legal, social and ethical equations. The CS fraternity has a valuable network in the Chapter and couldn't have successfully evolved into one of the most sought after, challenging and satisfying professional course without the pioneering and unflinching support of Mysore Chapter. I wish continued success and a bright future.

Dr. U.D. Choubey, Director General, SCOPE, New Delhi

It is a momentous occasion for the Chapter, members and the students of Mysore. I understand and appreciate that at the background lies the tremendous amount of hard work, persistence and perseverance which each of you have committed to the cause. It is said 'man proposes God disposes'. Here, the proposal and disposal are more than matched. I consider that it is truly a divine disposition that a centre of learning is being established during your tenure. I feel that each of you are indeed blessed to be part of this great endeavour. My best regards to all and again best of luck for a great future ahead for the Chapter!!

CS. A.R. Vishwanathan

I am sure that Team Mysore, led by successive chairmen has taken the Mysore Chapter to this laudable position and I am delighted to note that the dream of all chairmen is becoming reality under your able leadership. Let the new building bring new glory to the profession.

Vikas Khare, Member, Central Council



I am indeed extremely happy for you and your team for such a remarkable achievement and Mysore Chapter has become an eye-opener for all of the other Chapters of ICSI in the country. We on behalf of the Kochi Chapter appreciate the effort put in, the timelines maintained and moreover the inauguration was in itself the icing on the cake - having the Union Minister himself. We convey our best wishes for our own Chapter at Mysore and are convinced that Mysore Chapter will continue to deliver better in the coming days.

CS. Asish Mohan, Treasurer ICSI Kochi

I scanned through all the pictures of the opening of the new Building of Mysore Chapter. You guys truly did a phenomenal job in reaching this stage. Hearty congratulations to the entire team and all the best for your future endeavours. Looking at your enthusiasm, it appears this is just the beginning and there are miles to go before you sleep. I am also a regular reader of your newsletter and it is indeed very informative. More than anything else, it is the continuity of your initiatives which differentiates you from the rest. All the best again!

CS. Rikhab Chand, Bangalore

My hearty congratulations on acquiring new building for Mysore Chapter. Your name will be ever remembered for generations to come. Photos are excellent. Wishing you and the Chapter all the success.

CS. P. Chiranjeevulu, Chairman, ICSI Hyderabad Chapter

I missed to be there on the golden moment. It was pleasant surprise to see so many coming down there to grace the occasion. I appreciate your efforts to bring out this nice building in a record time with the all-round support of your team there. I also take this opportunity to recall the efforts of Mr. and Mrs. Anshuman. and several others in bringing out such nice possession.

CS. P. Jagannatham, Hyderabad

Hearty Congratulations to you & the entire team. You (collectively) have done a great job! It looks like a total corporate touch office. Thanks for sharing the photos taken during the inauguration of ICSI House at Mysore. I felt as if I have personally attended the Function.

CS. K. Narayana Swamy, Bangalore

CS K. Gopalakrishnan

CS. A. Visweswara Rao, AVRao & Associates

CS. S. P. Kamath

CS V. Karthick, PCS-Bangalore

CA. Anilkumar G, Kerala

Makarand Lele, Partner, MRM Associates, Pune

CS. Ashutosh Kumar, Ranjeet Pandey & Associates

CS. C.Subramaniam, Vice-Chairman, ICSI Coimbatore Chapter

CMA. CS. KRISH Narayanan

CS. Ashique, Secretary, ICSI Calicut Chapter

J. Krishnamurthy, Past Chairman, SIRC