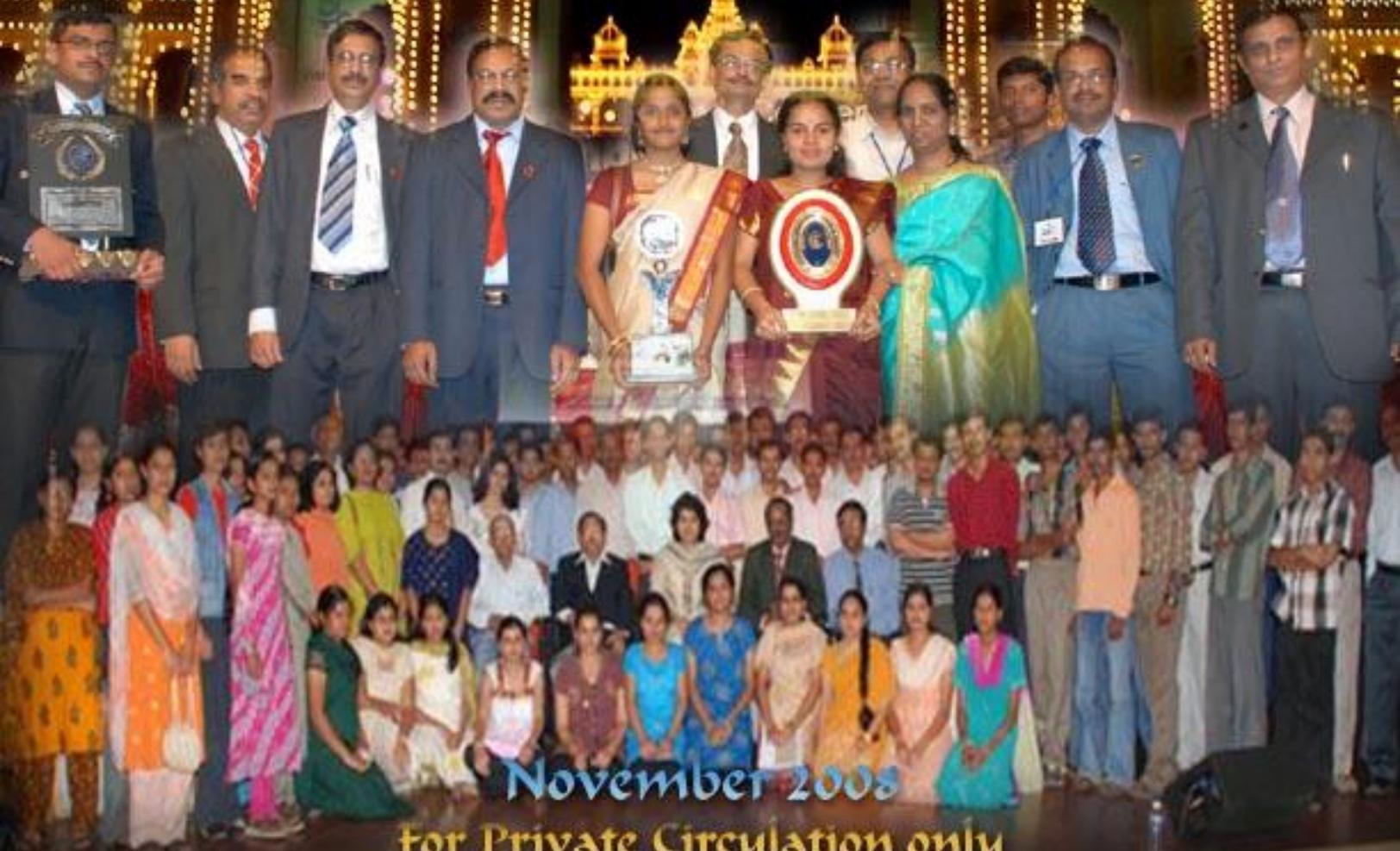




Newsletter - 58



November 2008

For Private Circulation only



From Chairperson's desk...

CS. Jayalakshmi Anshuman

CONGRATULATIONS TO TEAM MYSORE!

With the winning of the mother of all awards in its Category - the Coveted Best Chapter Award for the Year 2007, our Chapter has reached a new Peak. The NEVER SAY DIE attitude of our Team has now reaped rich dividends. I am sure that the winds of SUCCESS, which is blowing across us right now, will continue unabated and take us to new glories. Our students have again proved their mettle by winning the National Level Elocution Competition held in Hyderabad on October 23rd. With this our students have won all the National Level Competitions conducted by ICSI during this year. This should be the source of inspiration and motivation for the succeeding students who will be participating in such competitions in future.

It would be very remiss of me if I do not thank our well-wishers and friends both within the CS Community and outside. Their kind words and encouragement have always acted as a morale boost and kept our hopes and enthusiasm alive. I am sure this Spirit of Winning will continue to grow and spread amongst each and every team member of Mysore Chapter, thereby making WINNING A HABIT.

But now we have a mammoth task ahead of us - that of sustaining this Winning Streak. This requires the co-operation and co-ordination of the entire team in all ventures undertaken by the Chapter. I am sure that each and every one of us will continue to render their unstinted support to the Chapter activities.

Jai Hind! Jai Mysore Chapter!



Mail from Chairperson - SIRC

I am delighted to note that the Mysore Chapter has won the Best Chapter Award for the year 2007 under E Grade.

Please pass on my best wishes to all the members of the Managing Committee, staff of Mysore Chapter, students, Shri S Badrinaryanan, who was till recently the Chairman of the Chapter and to Shri DD Bhat, Chairman of the Mysore Chapter during 2007.

The Mysore Chapter is already creating a history. Its students have excelled in the competitive events organized by the Institute both at the regional as well as national levels. This only shows as how the students are taken care by the Members of the Mysore Chapter, especially in shaping their intellect and sharpening their skills. This mentoring approach deserves all appreciation. Members of the Mysore Chapter with missionary zeal had transformed the Chapter over the years and it has reached the pinnacle of its glory. I wish that the Chapter grow from strength to strength in the years ahead.

With regards,

A V Syamala

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Editors:

CS. Dattatri H M

CS. Sarina C H

CS. Omkar N. G. &

'Spectrum' Team



Mysore Chapter bags Best Chapter Award in E Grade for the year 2007

Report by: Subodh M R CS Inter, Mysore



ICSI Mysore Chapter is declared “the best Chapter” among Grade E chapters across the country and was presented a Certificate to that effect at the recently concluded 36th National Convention held at Goa.

What made Mysore Chapter win this award...? Here is a glimpse of the activities and events that took place in the year 2007:



- As on 31st December 2007, the total student strength of the chapter is 565 with 235 new registrants.
- A record number of 81 career guidance sessions in 39 institutions covering more than 7000 students during the year.
- Oral Coaching Classes for Foundation & Intermediate Students.
- Special lecture series for Mofussil students for June 2008 Examination.
- 58 Study Circle meetings.
- Mysore Chapter conducted 12 programs which included seminars and workshops during the year.
- A record number of 7 Investor Awareness Programs were held by the Chapter during the year.
- Chapter organized series of programs in Mysore Akashavani and UMN TV.
- The passing percentage of the students in December 2006 Examination was 37.5, 45 & 72.7 for Foundation, Intermediate & Final respectively & in June 2007 Examination was 57, 47 & 86 for Foundation, Intermediate & Final respectively.
- Chapter has kept its website www.icsi.edu/mysore completely updated.
- Chapter is running its own eParivaar CSMysore: <http://www.groups.google.com/group/csmysore>
- Chapter's eNewsletter has been a great success. The e-newsletter reaches more than 14000 professionals across the country and has received lot of appreciation from its readers.

This year we have witnessed the success our students in various competitions conducted by the SIRC and Head Office.

- Ms. Rashmi M R has stood First at the SIRC level of the Elocution Competition and Second at the National Level.
- Ms. Pracheta M. and Mr. Kamal Kumar have stood First at the SIRC Level of Company Law Quiz and Second at the National Level. Mr. Srinivas M.D. and Mr. Venkatesh Prasad have stood third at the SIRC level of the Company Law Quiz.
- Ms. Pracheta M. and Mr. Rakesh S. have stood First at the National Level of the Moot Court Competition. Mr. Harish B.N. and Mr. Abhishek Bharadwaj secured the prize for third best memorial at the National level. Ms. Pracheta M. was adjudged the best speaker at the finals.

Chapter has constituted its own awards for meritorious students.

- “Padma Chakravarthy Memorial Award” instituted by Adarsh Charitable Trust consists of Cash prize of Rs. 1,000 each to students scoring high in CS examination.
- “S. N. Harish Memorial Award” was presented to the “Most Deserving Student” by S.N. Harish Memorial Trust. The award consists of Cash prize of Rs. 5,000.
- The chapter awarded cash prizes to the successful students in various competitions held by the Institute.

Message from the first Chairman of the Mysore Chapter:

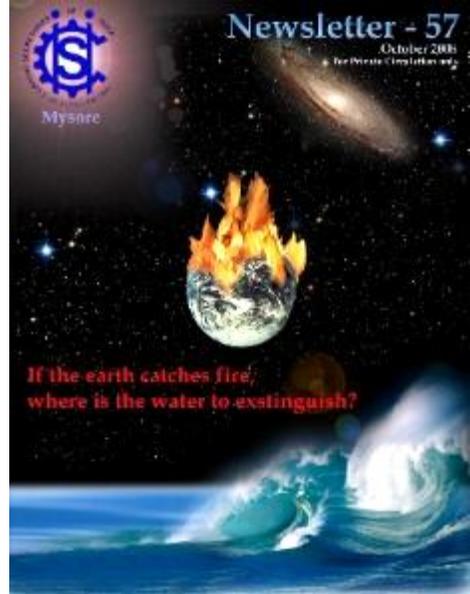
Congratulations to you all in the ICSI Mysore chapter for the spectacular achievement and wish you, members and students continued success.

Thanks for remembering me and telling me of this proud achievement.

A.R.G. Subramaniam

In 2007, Ms. CS. Preeti Malhotra, President - ICSI and CS. Diraviam, Chairman of SIRC visited the chapter.

The 48th edition of the Newsletter was released on 16th December 2007 by Ms. Preeti Malhotra, President - ICSI at a function organized by Mysore Chapter.



Green Edition was indeed a commendable effort.

*I compliment you and your **able team** for bring out such an innovative newsletter, full of relevant and meaningful contents.*

I know, to bring out such newsletter is always a demanding and daunting task, which requires lots of team effort and coordination. Kudos! Please keep it up.

CS. Hitender Mehta, Chairman, ICSI-NIRC

Excellent job. Suitable and good photographs. Sweet and short articles. We will try to follow some of the guidelines or tips to be eco friendly. Kindly convey my hearty congratulation to one and all who have participated or contributed in this Green news bulletin.

CS. B V Dholakia

I appreciate your concern for the environment and your efforts in bringing out a special edition on the topic. The photographs and articles too are good. Keep up your path breaking ways!

CS - D. R. Shressha

Excellent! Let more editions of this sort come out! I too will participate. We can see your great effort in this edition.

Omguru Prakash

Congrats on the theme based newsletter! Great work .

B Hemantha

My sincere suggestion is that we should organise such special issues with more members participation so that the *Mysore chapter eNewsletter is role model for entire professional institutes* to move into eNewsletter to earlier concept of paper magazines. We can also innovate make cd series of this newsletter to our professionals at reasonable prices. Finally well done ICSI Mysore chapter team and editorial team of eNewsletter. I wish eNewsletter team to grow multifold and also to serve our professional community in a big way.

A. Rengarajan

The Green Edition is truly a 'Green' one, with apt pictures & articles. Article "Earth protects itself if we protect it" is very nice. Quick Green Tips, Book Review are like cream toppings on the cake. As a whole, 'Green Edition' is 'AMAZING'. Truly worth a preserve! Special mention & appreciation for the graphic designing and layout of the Newsletter!

Anand Wadadekar, CS. Monika Bhardwaj

Once again proved that Mysore chapter is best. I was going through 'Harvard Business Review (HRB)' magazine for the month of Sep 08 and noticed that they also covered same topic . So, Mysore chapter / newsletter is coming close to HRB standards! Keep it up.

CS. M Krishna

The newsletter has brought out wonderfully highlighting the green issues. This will certainly much useful and helpful for the readers. I am 100% sure, individuals would be taking initiatives what they could contribute at their levels. *Me and my family stopped using the plastics bags, plastic cups long bag even from India*

(switched over to paper bags) - started wearing car seat belts though not mandatory for our own safety purposes - initiated action for our child to wear helmets while driving two wheelers etc and at individual level lot many things could be done.

The newsletter is brought out nicely with many related issues and it is only the beginning and we can do lot many things and take our country towards the green revolution in a long way. Wonderful job done by you and your team and I am very much proud of Mysore chapter which always initiate lot many things. Keep it up.

CS. R Balakrishnan, Manama Bahrain

Indeed commendable...keep it up... In nut shell... hats off...for contents and new beginning...

Piyush Parikh

I have read with great interest the E Bulletin of the Mysore chapter. I compliment you for your efforts.

CS. Kalidas

It is a very good special issue and voices the concern of the professional like CS to the environmental issue and I think such models can be followed in other chapters of ICSI throughout India.

Delep Goswami, FCS

I have gone through the News Letter and *have circulated among my colleagues also*. The theme based news letter is an innovative idea which may start a new trend of theme based news letters in future. The editorial board deserves all the compliments for this novel idea.

CS. D D Bhat

Personally, after reading the same, I felt very happy for the collation of various articles on the Green edition by each individual, their enthusiasm & interest shown in protecting the environment & also conservation of greenery.

CS. Gowri Shankar

Congratulation on publishing Green Edition of The News letter. The Cover page is fantastic and the Articles are also very informative. Many Thanks for your effort.

CS Vijay Ojha

Appraising Ideas & Translating into an IP*

Lokesh.V DME,M.Com,PGDBA, PGDIPRL,AMIMA
IP Management, Strategic Planning and Initiatives L&T Ltd, Mysore Campus



Eureka! It is the magical word exclaimed by Archimedes, when experienced the effect of buoyancy. For inventors the word 'EUREKA' personifies the joy of exploring newer dimensions or creating a new application.

Invention is best defined as a practice that paves, the way for the beginning of new era in the concerned area of application. For example Delphi's innovation by integration,

wherein a console [US Patent Application No.11/928,474] was developed for a particular automobile model. The console integrates the electronic functions and all the control modules. The features offered by the new console are:

- Improved driving safety
- Reduction in complexity
- Easy on-board operation

The evolution of the integrated console has created new standards as far as electronic functional integration in automobiles is concerned. One can look as an Inventor about the merits of an idea to evolve into an innovation. Here the self-evaluation of an idea is imperative to determine its worthiness. Therefore we presume that the inventor of the console is entrusted with the responsibility of evaluating the invention. We inventors may find ourselves in a fiddly situation, when we are asked to evaluate our brainchild.

In the above case of Automobile Console, the invention was pertaining to futuristic auto electronics. The inventor presuming the role of an evaluator must give attention to some of the following factors:

- Compatibility
- Level of Complexity
- Ease of use

- Driver safety
- Uniqueness
- Value to the customer

By initiating the self-evaluation, the inventor would determine whether patents or any other means of disclosures are available in the concerned area of application. To accomplish this task more significantly the inventor needs to explore through the public databases like Google patent search etc or several other paid databases. Once it is found to be novel and has a potential for commercialization a suitable protection could be sought.

Compatibility: The inventor could study that the console has been customized to suit the requirements of an automobile and not in the other makes of the same. Hence the inventor may rate compatibility at bare minimum.

Level of complexity: Since the integrated console makes use of only one CAN [controller area network] serial bus, it scores healthily in the areas of operational complexity and operational speed.

Ease of Use: The console is equipped with an anti-glare touch screen, simple operational interface, easy to use controls developed through interactive software which makes device handling simpler.

Safety: As any thing related to safety of user or an equipment, it has a future prospectus of turning into a standard in the industry.

Uniqueness: The features include centrally mounted touch screen, which allows intuitive selection of car climate, navigation system, communication system, CD-loader etc., which can be controlled by the user using a touch screen. This integration reduces complexity, assembly or service time.

Clarity: The flow of the use and user friendly front end with fool proof methodologies would bring in more clarity to the product.

Ultimately 'Value to the Customer' product that has been customized to suit the requirements of the user with an added value for the price, finds the place automatically in the market. Considering the above insights, will help the Intellectual property management team to take up swift decision on protecting it in various forms of Intellectual Property *, here in the above example more importantly for a patent filing.

IPR News

(Compiled by CS. Madhwesh,
Mysore)

Pakistan, India to take up basmati issue

Pakistan and India have decided to hold talks to settle issues pertaining to joint registration of basmati rice under Geographical Indication (GI).

07.11.08

http://www.thenews.com.pk/daily_detail.asp?id=145228

China defends efforts to protect IPR

China defended its efforts to protect IPRs, urging Washington to take into account its difficulties as a developing country in tackling copyright breaches.

<http://afp.google.com/article>

Ex-Intel bloke charged with IP theft

Biswamohan Pani of Worcester, Massachusetts was charged on 05th November 2008 with stealing more than \$1 billion worth of trade secrets from Intel.

<http://www.fudzilla.com>

US court verdict on process patent stirs debate in India

<http://economictimes.india.com>



The Vision Drive!

Today, if some one says that we cannot create an activity center with out financial sponsors, we cannot shape up champions with out excellent training facilities; we cannot get recognised at national levels with out support from hundreds of members; for them Mysore chapter has given the answer!

Mysore is having little more than 20 members and little more than 200 active students located in the city. Chapter is being run in a small place with bare minimum facilities. Mysore is a place with a handful large business houses thus limiting the financial resources.

Surpassing all these shortcomings, Mysore Chapter has achieved the best chapter award for the year 2007!

Mysore has won all the three national championships organized by ICSI in the year 2008!

Mysore Chapter has won the hearts of thousands of professionals across the country!!

But how?

The members at Mysore Chapter are committed towards the vision "Students are the future of the profession".

Activities at Mysore are more life oriented than examination. All round personality development is considered the key for strong future of the profession. Apart from academics and

soft skill students are made aware of commitment towards nature and the future.

In Mysore, students organise almost every program under guidance from members. Students make the checklist, divide the activities among themselves, coordinate and conduct the events. They make presentations; many times, they decide the kind of activities they want.

Please see the difference between setting an annual program chart & completing it for having set it, and setting student-centric program chart and crossing milestones in the journey towards the vision. Former is for the Records and latter is dedicated to the accomplishing the Vision. Former is good; no doubt, action is million times better than inaction. However, unlike former, which keeps us just busy for now, the latter shapes up our future. Therefore, action to move towards the vision is million times better than just action.

We hope more and more chapters take the cue from Mysore Chapter and concentrate on the overall development of future professionals.

We dream of a day when the nation would recognize the profession of Company Secretaries' as "the monumental contributor in nation building".

Message from R Sridharan, Past Chairman - SIRC

It is happy moment personally to me that the Mysore Chapter had won the Best Chapter under E Grade. I still vividly recall the spectacular show put up by the students of the Mysore when they had carried out mock board meeting during a session at the Students Regional Conference in the year 2005, when I was the Chairman of SIRC. From then on, the students of the Mysore bring laurels to the Chapter and it looks to me that they have monopolized by winning every event over the years. Here I could visualize crucial role being played by the Managing Committee of the Mysore Chapter in shaping the students. My compliments for the dynamism, creativity and professionalism, which are clearly evident in the programs organized by the Mysore Chapter. Of course, the Mysore Chapter had already known for the quick response and it is quite serious about carrying on the tasks entrusted to it by the Institute, especially augmentation of student registration



Kindly convey my best wishes to all the members of the Managing Committee and to the students of the Mysore Chapter.

Words worth Millions...

"You learn from your failures. Others learn from your success".

Learning from....

Mr. C K Sabareeshan B.Sc. ACA, ACS
Company Secretary & Chief Financial Officer
Automotive Axles Limited, Mysore



Interacted by T. Kiran, CS. Rashmi, & Navya



Apart from being one of the corporate leader in Mysore, Mr. C K Sabareeshan has lead ICSI Mysore Chapter activities in various capacities from 1996 onwards. He has been the think tank and backbone for Mysore Chapter. Here is an interaction with him on the occasion of Mysore Chapter achieving the "Best Chapter" status.

...oOO

Sir, Could you share glimpses of your career?

I started my career in 1979 with a mining company in Bellary for about 4 years. Initially, I was an accountant and then looked into the secretarial and administration matters as well. Later I worked with a Joint venture company in Palghat in Kerala where I got some path breaking exposure. With experience in Mining sector, foundry and pharmaceutical sector, *I realized that we can fit in anywhere and that shows the flexibility our profession has.*

Then I moved to another JV with Tata Industries and Kerala Government in the year 1993. I learnt a lot about marketing, quality control and identifying customers and promoting the products. In 1994, I moved to Automotive Axles Ltd, which was then a near sick company.

The reason for opting a sick company would bring out my core competence and there would be spice in the job. This is probably the best job I have had because of the amount of exposure. I got to manage the ISO 9001 quality systems, involvement in technical aspects of business.

How has CS profession grown over the years?

Our profession is much more broad based than it used to be earlier. The perception about our profession has also widened. Earlier, the people had fear but today it has been transformed into respect for us.

This is because they have realized the value addition that our profession could bring in solving problems, giving solutions and so on.

What do you think the new entrants to the profession concentrate more on to face career better?

Communication skills. Be it oral or written communication to a shareholder, regulatory agencies or revenue authorities - the language, the punctuation have lot of significance. The syllabus though has a paper on this aspect is able to provide inputs only from academic perspective. Management Training of 15 months is good enough. Inclusion of some case studies about management will definitely do some more good. Whether as part of Training or otherwise inclusion of management activities should be made. Such activities will enable better thought process.

What do you think is the secret of your success?

First thing would be luck. I strongly believe that someone up there wants you to grow.

The reason I am saying this is because I have seen some of my peers or my colleagues who are no way less intelligent but have not been able to grow.

What is your advice to all of us in terms of when to take the first job, when to look for a change, which sector to pick and so on?

This question is very difficult to answer. There is no single answer to this. It largely depends on what your goal is. You should love your job and not your company. Probably, if it were to be me, I would be very choosy about my first job. But once I decide I would stay there for quite some time.

The next job change should be to a higher level, which should challenge your capabilities.

Chapter has been doing great. Actually, the chapter getting the Best Chapter award, I was not surprised at all. The chapter has been functioning brilliantly. If we have to ensure the same to be continued in the years to come, the DNA has to be passed on.



“Today, the industry has recognized that Company Secretary is much more than a compliance officer. It is well accepted that cost of compliance is far less than Cost of non-compliance. More than compliance, the aspect of concern is that of business risk which has to be minimized and towards which we are expected to move.”

Do you believe in spirituality?

Spirituality is more about perception. Symbolically we celebrate all festivals because ultimately it is a question of faith.

I ensure my children learn all the aspects and I ensure they actually do it. The social aspect of festivals, we have dropped down a lot, for example, for Diwali we don't burn crackers. Whatever money we have, we give it for charity. Also being associated with Rotary Club, we do the same.

According to me, meaning of spirituality is that we should be able to help those who need it. It need not be in a big way, whatever possible from us could be done.

What are your interests?

Music. It helps me relieve from stress. I like reading books on management.

Who is that you look up to, your role model?

Mr. Narayana Murthy. *He does not lose his humility no matter what happens to his financial wealth or anything else.* He is really an adorable person. In fact, I had the fortune of meeting him in a program in Mysore and listening to him speak. Each word of his was backed by so much of knowledge. He is an example that an Indian can indeed take on the world. He is really a selfless, philanthropic & a simple person. He is the icon for me. They make their greatness flow. Of course one has to grow to that level and then be simple.



web yaatraa

CA Raghuvveera C.S., B.Com, ACA, ACS

www.iasplus.com

ICAI has announced its intention to converge Indian accounting standards with International Financial Reporting Standards (IFRS) by 2011. All the Companies are gearing up for a smooth transition to IFRS by 2011. To comply with IFRS one needs to have comprehensive information about IFRS. The [iasplus.com](http://www.iasplus.com) is one such websites which provides comprehensive information about IFRS.

Some of the information available on this site are:

- ◇ Daily news about financial reporting globally
- ◇ Summaries of all standards, Interpretations and proposals
- ◇ Model IFRS financial statements.
- ◇ Links to nearly 200 global IFRS-related websites.
- ◇ E-learning modules for each IFRS.
- ◇ Complete history of adoption of IFRS in Europe and information about adoptions of IFRS elsewhere around the world
- ◇ Updates and development in National accounting standards.

Just login and get acquainted with IFRS and related issues!!!!

IT for Corporate Professionals

Column by **Amitkumar Hegde** B Com, MCA(Final)



Super Finder 1.5.2.0

By FSL - FreeSoftLand

Organizing your files neatly with meaningful names is an art. Because finding a file hidden in a maze of folder hierarchies is never easy. Even though we follow an organized way of string all our files, we end up using the "Search" facility provided by windows most of the time!

Here is a better way to search your files rather than Microsoft's inefficient search feature.

Download Super Finder, a freeware and install it.

Once you start using Super Finder, you will realize that its authors have given it the right name! Super finder allows you to search files by setting lot many criteria. For example if you want to get all .xls files which are modified within a particular date and time range, you need to scratch your head if it has to be done with windows search facility.

But with Super Finder it is as easy as pie! You can also set many other criteria such as include hidden files, minimum file size, exclude file list and so on.

Point your browser to <http://fsl.sytes.net/ssearch.html> to download this utility.



Law for Merger and Acquisition- A Critical Review

CS. U Padma Shenoy, Company Secretary, CSS Technergy Limited, Hyderabad

The recent years has seen a considerable increase in the Merger and Acquisition (M&A) activity across the Indian Corporate Sector. India Inc., has emerged as the most strategic market for M&A for foreign players. Indian Corporate bigwigs too are eyeing on major players on a global level. At the end of the day, India, Inc., stands to be the largest gainer.

The M&A activity in India is governed by numerous cumbersome laws and regulations leaving ample space for misinterpretation. Even the largest of the Investment Banks lives in the fear of overlooking any of the basic rules of compliance and attract negative coverage in the media.

Recently, the Indian Income Tax Act, 1961 entered the Guinness book of world records for registering maximum number of amendments. The amendments to the Income Tax Act, 1961 is so cumbersome and unclear that it leads to many interpretations. In one of the high-profile cases a local tribunal erred in interpreting the judicial decision of a higher court and as a result the company had to file and re-file the tax applications. In the meantime, the permissions granted by other regulatory authorities lapsed and the company had to repeat the exercise resulting in enormous wastage of time and money.

Cases such as the above keep out the foreign players from being the strategic players in the M&A activity in India. The long list of compliance requirements, which calls for liaising with various regulatory bodies, drags whole process for six to seven months.

Overview of the Regulations

A broad overview of such compliance requirements includes the following:

The Ministry of Corporate Affairs: Regulates compliance under the Companies Act, 1956. The Ministry is governed and still dwells into law that was enacted five decades earlier and maintains a long list of documents for every small change in the nature of company and its management.

Rules of Taxation: Draws the power from the Indian Income Tax Act, 1961. The slabs for taxing the capital gains and treatment for accounting entries during M&A are very complicated. Ensuring compliance with all the listed provisions, sub-clauses, and amendments is a Herculean task.

SEBI: Regulates the Indian Stock Markets and draws power from the SEBI Act to ensure proper functioning of the Stock market. Ketan Parekh made a fortune by cheating the investors in a big way under the nose of the very watchful SEBI. During M&A activity, it becomes extremely necessary for the participating companies to comply with the SEBI rules with considerable time being devoted to be safe from "intelligent" people like Harshad Mehta and Ketan Parekh.

Competition Commission: Took over the 'traditional' MRTP Commission but Competition Commission is still in the budding stages and is always the target for carrying out trial and error process in a move to ensure healthy competition in the Indian Corporate Sector.

FEMA: Enactment that regulates Foreign Exchange in India with FIPB and the RBI being the regulatory Authorities. The regulated cap for foreign investment is highly volatile. In a recent case, a medical equipment company of US wanted to set up its base in India. Mid-way through the process the company realized that it missed out on the long list of reserved items in the SSI category. The company intended to make equipments made of stainless steel for use in the dental clinic, which is a reserved item for SSI. The company applied for exemption and the Ministry is yet to respond

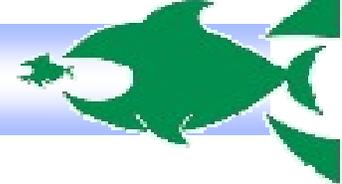
Indian Stamps Act: Compliance with act is a difficult task for foreign investors as each State has its own set of enactment for Stamp duties. The Stamp-duty regulations change at regular intervals and the companies have to assess the deal regularly to be safe for mistaken under-valued registration of the deal. In certain cases, there are huge differences in stamp value between two states within Indian Territory.

Apart from the ones discussed above, there are several Labour Laws, Sales Tax, Custom Duties, etc. that require clearance at every stage. Compliance with sector specific regulators such as TRAI for Telecom industry and IRDA for Insurance sector, add up to the woes.

Each Ministry issues a Press Note/ circular or notification, which may not be in tune with those issued by other relevant Ministry. This increases the chances of landing in a situation where compliance to the notification from one Ministry might end-up in non-compliance to the notification

The Indian Law mandates a waiting period of 210 days as against the 30 days waiting period in the US. The long list of compliance requirements, which calls for liaising with various regulatory bodies, drags whole process for six to seven months. An efficient single window clearance system can resolve many issues related to clearances from various authorities and a dedicated body to provide such service to M&A activity can help improve the situation.





from another Ministry. Additionally, there exists clarification or corrigendum, which complicates the issue further. The requirement for approval from High Courts in addition to the approval of stakeholders, make the complete M&A activity in India a long-thought process.

Cause and Comparison

The governing laws in India were drafted during the early days of Independence when India was not even an industrial nation lest being the emerging economic super power, to suit the then prevailing conditions. India Inc., has come a long-way during these years and has transformed into one of the leading players in the global corporate sector. The sad part is that the “good old” governing laws are getting obsolete in many cases.

Yes, there are such laws and regulations in other countries too. But the process time is shorter and easier in countries like US, UK, China and Japan. Most of the countries follow a single-window concept to provide all the necessary clearances. Also, any amendments to the law are made only after assessing the total impact on all other related laws.

The Indian Law mandates a waiting period of 210 days after the Merger plan is reported to the government before

completing the deal as against the 30 day waiting period in the US. The US law also provides for reducing the waiting period if there are no competitive problems and the parties request an early termination; such a provision is not available in the Indian law.

Required Initiatives

J J Irani Committee Report proposed upgrading the Companies Act three years ago; however it is yet to see the light. There have been many instances where the Company Law is in conflict with the Listing Agreement and there is an urgent need to address such overlapping issues.

An efficient single window clearance system can resolve many issues related to clearances from various authorities and a dedicated body to provide such service to M&A activity can help improve the situation.

Further liberalization of Indian economy is required to ensure smooth transitions during M&A activity. This can be achieved by abolishing sectoral caps and approval of FIPB for share swap. A single slab for Stamp duty across the country and simple tax procedures with reduced tax incidence would attract more foreign investment.



Sreeraj M CS Qualified, Bangalore

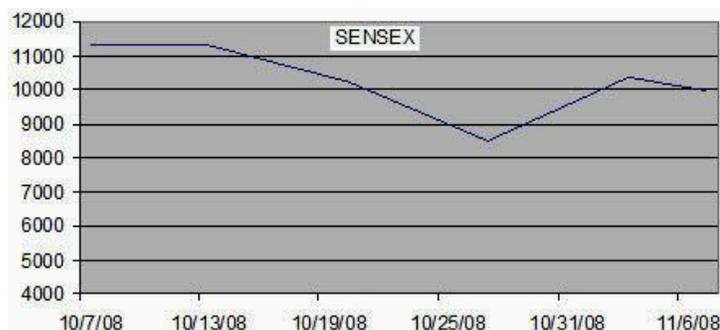
Investor Secretary- 13

After all the mayhem in the markets recently, I do have some reasons to believe that the worst is over viz. the fall in commodity prices, and continuing fall in crude prices etc. As usual, the valuations are very attractive at these levels. There may not be such attractive valuations in future unless there is a depression the global economy. In the week ended 7th November (Friday) 2008, the indices gained for the second successive week in the wake of renewed buying interests among mutual funds and retail investors.

The interesting fact is that when the DOW and NASDAQ were having testing times last week, Indian bourses ended with gains. It seems like the interest cuts by the Bank of England and the European Central Bank did not hurt the sentiments in Indian Bourses. RBI’s cut in the key rate and cash reserve ratio would infuse liquidity into the system which might pave as action points for deciding the path of the indices. It seems like the markets are on a consolidation phase. The sectors to watch out for are engineering, capital goods and banks.

Tan’s Portfolio

Sl.	Name of the Stock	Purchase Price 08/05/08	Market Price 10/11/08	Returns (In %)
1.	Garware Wall Ropes	108.15	54.30↓	-49.79%
2.	Vimta Labs	82.20	22.25↓	-72.95%
3.	Neocure Therapeutics	22.65	9.85↓	-56.51%
4.	Sterling Tools	69.20	40.10↓	-42.15%
5.	Finolex Cables	69.90	24.65↓	-64.74%
6.	Prism Cement	41.70	22.90↓	-45.08%
7.	Assam Company	27.20	16.60↓	-60.19%
TOTAL RETURNS				-44.58%



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INCOME TAX

Interest paid to foreign co on convertible debentures

In a move that could set a precedence for numerous court cases on TDS on interest payments on loans in foreign currency, AAR has ruled that the interest paid to a foreign company on convertible debentures constitutes the foreign company's income and is taxable in India.

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CENVAT

Dutiability & Classification

Installation of work stations

The Tribunal has held that the activity of installation of work stations, partitions and wall paneling etc. at site results in the emergence of an immovable structure and hence no excise duty is payable.

Teekays Interior Solutions (Pvt) Ltd. Vs CCE (2008 (88) RLT 712)

Nonalignment between HSN & Tariff

SC: Where the entries in the HSN and the Tariff are not aligned, reliance cannot be placed on the explanations given in the HSN.

Camlin Ltd. Vs CCE 2008 (230) ELT 193)

Valuation

Goods intended to be exported

The Tribunal: Goods intended for export outside India are required to be valued on the basis of transaction price and the provisions relating to MRP based valuation are not applicable to such cases.

Indo Nissan Foods Ltd. Vs CCE (2008 (230) ELT 143)

CENVAT Credit

Conversion of the EOU to a DTA

The CENVAT Credit Rules have been amended to provide for admissibility of CENVAT credits of excise duties paid on capital goods upon conversion of the EOU unit to a DTA unit.

Notification No. 35/2008 dated 24-09-2008

SERVICE TAX

Canteen service is an input service

The Larger Bench of the Tribunal has held that canteen services provided in the factory premises qualifies as an input service on which CENVAT credit is admissible.

CCE Mumbai Vs GTC Industries Ltd. [2008-TIOL-1634]

Business auxiliary services' excludes 'manufacture'

The Tribunal: The definition of 'business auxiliary services' excludes activities amounting to 'manufacture'.

PSL Corrosion Control Services Ltd Vs CCE [2008(16) STT 320]

Lease agreement

The Tribunal: Where the lease agreement did not envisage transferring of assets at the end of the tenure and where the effective control and risks in the property remained with the lessor, the said agreement did not satisfy the test of financial lease and was hence not liable to service tax under the taxable category of 'banking and financial service'.

CCE Vadodara Vs G.E. Industries (P.) Ltd. [2008 16 STT 431]

CUSTOMS

Refund of the ADC in lieu of Sales tax/VAT

The CG has issued a detailed circular clarifying various procedural issues concerning the refund of the Additional Duty of Customs in lieu of Sales tax/VAT.

Customs Circular No. 16/2008 dated 13/10/2008

Non adjustment of refunds

The Tribunal- Department cannot adjust the sanctioned refund amount of the assessee against pending demands in appeal before the appellate authorities.

Poonam Trading Company Vs. CC (2008 (229) ELT 627)

Provision beneficial to the importer

The Tribunal: Where there are two different provisions applicable to imports, the one which is beneficial to the importer is to be adopted.

Akhil Bhartiya Samjathan Sansthan Vs. CC (2008 (229) ELT 699),

Classification

Imported goods as part of machineries

The Tribunal: In order to classify imported goods as parts of a machine under Chapters 84 or 85 of the CTA, a direct nexus between the part and the principal machinery, without involvement of any intermediate machine, is necessary.

DCW Ltd. Vs. CC (2008 (230) ELT 370)

Classification based on principal function of the item

The Tribunal: Classification of an item under the Customs Tariff shall be determined based on the principal function of the item and not its complementary function.

Associated Electronic & Electrical Industries (Bangalore) P. Ltd. Vs. CC (2008-TIOL-1661)

Valuation

CVD on ready-made garments

Ready-made garments (Chapters 61 and 62) would be chargeable to CVD on their transaction value, in the absence of their inclusion in the list of goods notified for assessment for excise duty on the basis of the declared Maximum Retail Price (MRP).

Customs Circular No. 17/2008 dated 21/10/2008

Know-how and royalty fee paid to foreign collaborator

The Tribunal: Technical know-how fee and royalty paid to a foreign collaborator is to be included in the transaction value of the goods if such fee is related to the imported goods and is a condition of sale of the goods.

*Roots Multiclean Ltd. Vs. CC (2008 (229) ELT 539),
MGM Entertainments Pvt. Ltd. Vs. CC (2008 (159) ECR 124) and General Motors India Pvt. Ltd Vs. CC (2008 159) ECR 158)*

Transaction Value and Market survey

The Tribunal has held that transaction value cannot be enhanced on the basis of market surveys.

CC Vs. Guide Optical Co., (2008-TIOL-1700)

Valuation in case of re-import

The Tribunal: Where imported goods are exported for repair or replacement and subsequently re-imported, they are required to be valued as per the procedure laid down in the exemption notification and not as per Rule 5 of the erstwhile Customs Valuation (Determination of Value of Imported Goods) Rules, 1988.

BSES Kerala Power Ltd. Vs. CC (2008 (88) RLT 291)

FTP

DEPB benefit on supplies to SEZ

DEPB Scheme is extended to supplies made by units in DTA to SEZ developers / co-developers and units established therein, on or after 10.02.2006, for which consideration is received by the DTA unit in INR.

M.C. & I. (D.C.) Notification No. 42 (RE-2008)/ 2004-09 dated 18/09/2008

Installation certificate

The CG has issued detailed guidelines for issuance of installation certificates for the capital goods imported/ procured locally under EPCG Scheme.

M.F. (D.R.) Circular No. 14/2008, dated 26/09/2008

Notification v/s Circular

SC: The scope, effect and conditions of a statutory notification cannot be altered in any manner by a circular issued by CBEC.

Sandur Micro Circuits Ltd. Vs. CC (2008 (88) RLT 23)