Focus

A MONTHLY JOURNAL FOR CORPORATE EXECUTIVES & PROFESSIONALS

ICSI Delegation Meeting
His Excellency, Hon’ble Governor, Maharashtra

ICSI-WIRC Foundation Day
11th October

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11th October
Foundation Day

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11th October
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Dear All,

"Do not follow where the path may lead. 
Go instead where there is no path and leave a trail."

- Harold R. McAlindon

This month we organised various high profile programs and many more are in pipeline including co-hosting of ICSI National Convention. Let me present some of the major highlights of certain programs / events of ICSI-WIRC organised since my last communiqué.

✓ ICSI-WIRC Annual Regional Students’ Conference: ICSI-WIRC jointly with Nagpur Chapter organised annual regional students’ conference on 18th and 19th August at Nagpur. The Conference was a grand success with house-full of students, galaxy of speakers, launch of e-souvenir, paper presentations, quiz competitions and various other features. Hon’ble President and Vice-President of ICSI also graced the occasion. Heart-felt compliments to Nagpur Chapter for great efforts and organising a wonderful conference for students.

✓ National Seminar on Corporate Governance & Sustainability: As part of the 2nd ICSI Corporate Governance Week, year 2012, a high-profile seminar on corporate governance and sustainability was organised at NSE Auditorium, Mumbai. The Seminar was inaugurated by Shri Rajeev Agarwal, Wholetime Member, SEBI and Ms. Chitra Ramakrishna, Joint MD, NSE. S/Shri S N Ananthasubramanian, Vice President, ICSI, B Narasimhan, Chairman, Capital Markets Committee, ICSI and Atul Mehta, Program Director were also present. Eminent speakers included Dr. A K Khandelwal, Ms. Zia Mody and Shri S V Subramaniam. An ICSI-publication was also released at the seminar.

✓ ICSI-WIRC Joint Programs with Chapters: I am pleased to inform that during the period, two important residential programs were organised by ICSI-WIRC jointly with chapters, viz.:

- 2 days Residential Seminar at Silvassa hosted by Surat Chapter on ‘New Horizon for the Profession’ on 25th and 26th August. This seminar also provided an easy platform for the members and students of Silvassa, Vapi, Valsad and surrounding locations. Compliments to Surat Chapter and members from Vapi for organising a successful seminar within a short span of time.

- 2 days CS Conclave hosted by Goa Chapter on ‘Corporate Engineering’ on 1st and 2nd September. This Conclave was third in the series of such Conclave being organised every year by Goa Chapter. Shri S N Ananthasubramanian, Vice President, ICSI inaugurated the Conclave. Members’ directory was released at the Conclave. Compliments to Goa Chapter for organising topical and relevant Conclave year after year.
ICSI-WIRC MP State Conference: We are pleased to inform that the first State Conference of ICSI-WIRC is being organised in Bhopal, State of MP by ICSI-WIRC alongwith the Chapters of MP on 15th & 16th September on the theme ‘Business, Governance & State of MP’.

ICSI-WIRC Foundation Day Celebrations: I am pleased to inform that for the first time in recent past, ICS-WIRC would be celebrating its Foundation Day. I request all members to participate in the celebrations the details of which would be shared soon.

ICSI National Convention, 2012: ICSI National Convention would be hosted by ICSI-WIRC at Ambey Valley, Lonavla on 4th-6th October. I am pleased to inform that it has received overwhelming response and I do look forward to welcome you in the biggest program of our Institute.

ICSI examination results were declared on 25th August and I congratulate all the successful students who passed and wish all students good luck for their future examination and career.

Please do write at chairman.wirc@icsi.edu/cschairman.wirc@gmail.com Your suggestions and inputs would help achieve the overall objectives towards our theme of the year 2012 – “Educate, Empower & Execute”.

Best Wishes,

Cordially – Mahavir Lunawat

September 16, 2012
Dear Readers,

"The will to win, the desire to succeed, the urge to reach your full potential... these are the keys that will unlock the door to personal excellence."

- Confucious

In the fast changing regulatory framework, duties and responsibilities of professional are also taking new turn. Regulations and Statutes in every sphere changing, be it GAAR, Negative List of Service Tax which put umbrella on maximum services or SEBI Guidelines, SME Listing, MCA Notification, XBRL or most awaited New Companies Bills. In such a ever changing scenario, with the introduction of new reforms, Diversity is the first and most desirable skill expected from the professionals. Professionals should strive hard for attaining execution skills, as all possess skills and ideas but the thing which needs to be improved is “Implementation”. In the present dynamic environment, it would be apt to add in the famous saying “Nothing Dies faster than a Brilliant idea in a Closed Mind” with “It’s always better to prefer a Good Idea over Brilliant one, if that brilliant idea can’t be executed”.

Taking in to Consideration all these facts WIRC initiated the concept of “State Annual Conferences” where Business Environment, State regulations and statutes will be discussed and interactions with the State Regulatory Authorities will be arranged to provide a new platform to the professionals for entering into the unexplored fields of State Laws Advisory and Compliances. To have an insight on these vibrant issues, we have tried to cover the major updates for our readers.

Happy reading!!!

CS Amit Kumar Jain
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Multi-Level Marketing (MLM) business involves a strategy whereby the sales team earns not only for sales they generate themselves, but also for the sales of others they recruit, creating a cascade of distributors with multiple levels of compensation. MLM has been referred to as pyramid selling, network and referral marketing. The fact is that his business of MLM is not being regulate by any agencies. There are number of schemes in the market floated by these MLM, body corporates and also un-incorporated bodies. There have been any numbers of MLM scams that have been reported in the media. However, even the State Governments too have been slow to react to MLM frauds. Kerala has become the first state to set guidelines in September 2011 for MLM companies triggered by the Tycoon Empire International scam of about Rs. 1000 Crores. The guidelines include refund of money to a customer not satisfied by the product within 30 days; banning of membership fee; freedom to customers to examine samples prior to purchase; necessity for the company representative to carry a photo identity issued by a Government agency; availability of permanent grievances redressal mechanism; proper accounting; transparency etc.

The fact of the matter is that most of the MLM companies are taking the members of the general public especially those gullible lots with the lure of making them rich. However, the fact is that these customers of MLM schemes are taken for a ride and they soon lose their hard earned money. It is therefore necessary to have a single regulator whether it is RBI, SEBI or some other department of Finance to regulate the MLM businesses of these companies which have now spread from the business of sale of products to service sector.

Till such time that a regulator is put in place, it is the duty of the professionals viz. Company Secretaries and Chartered Accountants to bring to the notice of the Police and other authorities of such MLM business which they feel are actually cheating the customers of their hard earned money. In Maharashtra, the Economic Offence Wing is looking into such crimes including offences under Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act 1999 (MPID Act).

(S. M. AMEERUL MILLATH)
Regional Director (West)
Ministry of Corporate Affairs

“In dreams begins responsibility.” - William Butler Yeats
1. REGISTRATION OF CHARGES IS A MUST FOR TREATING A CREDITOR AS SECURED CREDITOR

A mere money decree passed by a Court of law does not entitle an unsecured creditor to be treated as a secured creditor. To claim status of a secured creditor, either charge is to be created by parties or charge has to be created by operation of law or by decree of Court. Appellant had advanced a loan to company-in-liquidation for allotment of Non-Convertible Debentures (NCD). On company’s failure to issue NCDs, appellant obtained a decree in its favour from Debt Recovery Tribunal (DRT). Official Liquidator rejected appellant’s claim as secured creditor on ground that appellant’s charge was not registered under section 125. Neither a charge was created by company-in-liquidation nor a charge was created by operation of any law or by decree of DRT. Mere because appellant was in possession of a decree for recovery, did not mean that appellant became a secured creditor.

- INDUSTRIAL DEVELOPMENT BANK OF INDIA V. THAPAR AGRO MILLS LTD. [2011] 108 SCL 348 (DELHI)

2. POWER OF HIGH COURT TO GRANT RELIEF UNDER SECTION 633(1)

High Court will have same power to relieve an alleged offender as Criminal Court has under section 633(1). Pursuant to an inspection under section 209A of books of account and other records of company, Registrar of Companies (ROC) issued eight show-cause notices against company and its said directors, i.e., Petitioners. Show-cause notices related to alleged failure to disclose facts or information and error in accounting. Petitioners filed instant application under section 633(2) for discharging them from offences alleged in show-cause notices. According to company disclosures were properly made and it adopted and applied an accounting standard which was thought by a professionally qualified auditor to be proper. On facts, it could not be said that directors and other officers of company who were Petitioners had ‘failed to take reasonable steps’ and, therefore, application was to be allowed by passing orders discharging Petitioners from offences alleged in show-cause notices.

- DHUNSERI PETROCHEM & TEA LTD. V. ROC [2011] 108 SCL 482 (CAL)

3. POWER OF COMPANY LAW BOARD TO ORDER EXTRA ORDINARY GENERAL MEETING TO BE CALLED UNDER SECTION 186

Power of Company Law Board (CLB) to order meeting to be called. Exercising power under section 186, CLB is not required to enter upon a consideration of various allegations and counter-allegations as regards management of company. Appellants were promoters of company ‘Z’. Respondent had acquired equity shares of ‘Z’. Its shareholding was 46.85 per cent of equity capital of ‘Z’. Appellant as well as Respondent had filed company petitions under sections 397 and 398. Both company petitions were pending before CLB. Respondent filed an application under section 186 seeking a direction for convening an extraordinary general meeting of ‘Z’ immediately to consider appointment of nominee directors on behalf of respondent on board of ‘Z’. CLB impugned order granted permission to respondent to convene extraordinary general meeting of ‘Z’. Since there were serious disputes among parties with regard to management of ‘Z’ and nominee directors of respondent were not there on board, CLB rightly directed convening of extraordinary general meeting in exercise of powers conferred under section 186. Since impugned direction was solely for purpose of ensuring that independent directors were appointed to board of ‘Z’ representing majority shareholders so that company’s affairs were regulated in best manner, there was absolutely no justifiable reason to find fault with such order.

- DR. JAYARAM CHIGURUPATI V. RANBAXY LABORATORIES LTD. [2011] 108 SCL 448/12 196 (AP)

4. POWER OF HIGH COURT TO GRANT RELIEF UNDER SECTION 633 (2) IN RESPECT OF ALLEGATIONS THAT ACCOUNTING STANDARDS WERE NOT COMPLIED WITH

Where most of allegations are technical in nature, relating to non-compliance of accounting standards, which have not affected the entire accounting procedure adopted by the company or in disclosure of the true affairs of the company, and the petitioners, who apprehend to be prosecuted for the alleged violations, have not only acted honestly but also have acted reasonably in maintenance of the account of the company, the petitioners are entitled to be excused under sub-section (2) of section 633.

- PRADIP KUMAR KHAITAN V. ROC [2012] 106 CLA 298 (ORL)

5. RESOLUTION OF BOARD OF DIRECTORS CANNOT BE VOIDED FOR NOT RE-DISCLOSING PERSONAL INTEREST IN A CONTRACT/ARRANGEMENT WHEN DISCLOSURE WAS MADE IN PREVIOUS MEETING WHICH IS ON RECORD - SECTION 299

Spirit of section 299 behind disclosure of interest by a director is to put other directors and company to notice of the interest held by any of the directors in the matter under consideration. Such disclosure is necessary of such interest or right which the other directors are not aware of. Where the directors are fully aware of the interest of directors concerned and the relevant information is already on record, the resolution cannot be voided merely for non-reiteration of the information in the format of formal disclosure which is mere empty formality.

- RAVI RAJ GUPTA V. HANSRAJ GUPTA 7 CO. [2011] 106 CLA 310 (DEL)

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“It takes a lot of courage to show your dreams to someone else.” - Erma Bombeck
Gift between two companies are dubious and not tax neutral under section 47(iii) as it requires ‘human agency’ - ORIENT GREEN POWER PTE. LTD., IN RE [2012] 24 taxmann.com 137 (AAR)

Additional depreciation is statutory allowance, can’t be limited to 50% by condition of usage of asset for 180 days - DY. CIT v. COSMO FILMS LTD. [2012] 24 taxmann.com 189 (DELHI - ITAT)

Lack of ‘proximity’ between service and sale contract brings fees for service contract within ambit of ‘FTS’ - HESS ACC SYSTEMS B.V., IN RE [2012] 24 taxmann.com 297 (AAR)

AAR outweighs ‘legal ownership’ over ‘beneficial ownership’ to exempt capital gains  - MOODY’S ANALYTICS INC., USA, IN RE [2012] 24 taxmann.com 41 (AAR)

No section 40(ba) disallowance if interest is paid to a trustee but trust eventually taxed as an AOP - ITO v. KODAGU ACADEMY FOR EDUCATION & CULTURE [2012] 24 taxmann.com 77 (BANG - ITAT)

The doors of residuary head is not open for income from unknown sources - ITO v. DULARI DIGITAL PHOTO SERVICES (P.) LTD [2012] 24 taxmann.com 31 (CHD - ITAT)

Transaction with AE can never be a comparable even if found to be at ALP - TECHNIMONT ICB (INDIA) (P.) LTD. v. ADDL CIT [2012] 24 taxmann.com 31 (CHD. - ITAT)(TM)

SC’s ruling in Sandvik Asia is erroneous, requires re-evaluation  - CIT v. GUJARAT FLOURO CHEMICALS [2012] 24 taxmann.com 338 (SC)

No section 194-I for parking and landing charges paid by airlines; Madras HC refused to follow rulings of Delhi HC - CIT v. SINGAPORE AIRLINES LTD. [2012] 24 taxmann.com 200 (MAD.)

Ship collided with iceberg; NR shipping company may be subjected to re-assessment even if covered under section 172 - EMIRATES SHIPPING LINE, FZE v. ASSISTANT DIRECTOR OF INCOME-TAX [2012] 23 taxmann.com 400 (DELHI)

Assessee need not segregate Cenvat credit to pay excise duty and service tax - JYOTI STRUCTURES LTD. v. CCE [2012] 24 taxmann.com 263 (MUM. - CESTAT)

Medical care not necessarily to be provided by doctors only to seek service tax exemption - CHRISTOPH-DORNIER-STIFTUNG FÜR KLINISCHE PSYCHOLOGIE v. TAX OFFICE [2012] 22 taxmann.com 187 (ECJ)
MINISTRY OF CORPORATE AFFAIRS

1. APPLICABILITY OF SERVICE TAX ON COMMISSION PAYABLE TO NON-WHOLE TIME DIRECTORS OF A COMPANY UNDER SECTION 309 (4) OF THE COMPANIES ACT, 1956.

General Circular No. 24/2012

Source: www.mca.gov.in

The Finance Act 2012 has introduced Service Tax which is applicable to anyone who provides a Service not covered under the negative/exempted list and if the value of annual revenue is more than Rs. 10 lakh. The Non-Whole Time Directors of the Company are presently not covered under the exempted list and as such, the sitting fee/commission payable to them by the company is liable to Service Tax.

If such service tax is paid by the Company, it will be deemed to be a part of remuneration under section 198 of the Act and would accordingly increase the remuneration amount of such Non-Whole-Time Directors. This remuneration could then exceed the limit of 1% profit [under section 309 (4)] of the company when the company has a Managing/ Whole Time Directors/ Managers or 3% of the profit [u/s 309 (4)] of the company if the company does not have a Managing/ Whole Time Directors/ Managers as the case may be. As per existing provisions of the Companies Act, 1956, this would require prior approval of Central Government u/s 309 and 310 of the Act.

It has now been decided that any increase in remuneration of the Non-Whole Time Director(s) of a Company solely on account of payment of service tax on commission payable to them by the Company shall not require approval of Central Government u/s 309 and 310 of the Act.

Source: www.mca.gov.in

2. CLARIFICATION ON PARA 46A OF NOTIFICATION NUMBER G.S.R. 914(E) DATED 29.12.2011 ON ACCOUNTING STANDARD 11 RELATING TO “THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES.”

General Circular No. 25/2012

Source: www.mca.gov.in

The ministry has received several representations from industry associations that Para 6 of Accounting Standard-11 and Para 4(e) of AS-16 are posing problems in proper implementation of Para 46A of notification 914(e) dated 20.12.2011. In order to resolve the problems faced by the industry, it is hereby clarified that Para 6 of Accounting Standard-11 and Para 4(e) of the accounting standard-16 shall not apply to a company which is applying clause 46-A of Accounting Standard-11.

Source: www.mca.gov.in

3. FILLING OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT BY COMPANIES IN NON-XBRL FOR ACCOUNTING YEAR COMMENCING ON OR AFTER 01.04.2011.

General Circular No. 28/2012

Source: www.mca.gov.in

This Ministry had issued General Circular No. 21/2012 dated 02.08.2012 for extending time for filing E-form 23AC & ACA (non XBRL) as per revised schedule VI without any additional fee/ penalty upto 15th September, 2012 or within 30 days from the date their of AGM, whichever is later.

It is to inform you that with approval of competent authority, the filing of E-form 23AC & ACA (non XBRL), is now extended upto 15.10.2012 or within 30 days from the date of AGM, whichever is later.

SERVICE TAX

1. CLARIFICATION IN RESPECT OF LEVY OF SERVICE TAX ON CERTAIN VOCATIONAL EDUCATION/TRAINING/ SKILL DEVELOPMENT COURSES.

Circular No. 164/15/2012-ST

Source: www.servicetax.gov.in

1. Clarification has been sought in respect of levy of service tax on certain vocational education/training/ skill development courses (VEC) offered by the Government (Central Government or State Government) or local authority themselves or by an entity independently established by the Government under the law, as a society or any other similar body.

2. The issue has been examined. When a VEC is offered by an institution of the Government or a local authority, question of service tax does not arise. In terms of section 66D (a), only specified services provided by the Government are liable to tax and VEC is excluded from the service tax.

3. When the VEC is offered by an institution, as an independent entity in the form of society or any other similar body, service tax treatment is determinable by the application of either sub-clause (ii) or (iii) of clause (l) of section 66D of the Finance Act, 1994. Sub-clause (ii) refers to “qualification recognized by any law” and sub-clause (iii) refers to “approved VEC”. In the context of VEC, qualification implies a Certificate, Diploma, Degree or any other similar Certificate. The words “recognized by any law” will include such courses as are approved or recognized by any entity established under a central or state law including delegated legislation, for the purpose of granting recognition to any education course including a VEC.

“Like all dreamers, I mistook disenchantment for truth.” - Jean-Paul Sartre
Circulars and Notifications

CUSTOMS

1. 24X7 CUSTOMS CLEARANCE OPERATIONS - REGARDING.
   **Circular No. 22/2012-Customs**
   Source: www.cbic.gov.in

   In order to further facilitate importers and exporters, the Board has decided to begin on a pilot basis 24X7 Customs clearance with effect from September 1st, 2012 (1.9.2012) at identified Air Cargo Complexes and Seaports in respect of following categories of imports and exports:
   (a) Facilitated Bills of Entry where no examination and assessment is required; and
   (b) Factory stuffed export containers and export consignment covered by Free Shipping Bills.

2. The Air Cargo Complexes and Seaports identified for 24x7 Customs clearance are:

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3. It is clarified that in the case of exports, the 24x7 Customs clearance facility shall even extend to processing of Free Shipping Bills. At present, the Shipping Bills can be filed 14 days in advance in case of export by sea and 7 days in advance in case of export by air. Therefore, for smooth clearance of export goods the trade may be advised to file the Shipping Bills well in advance.

4. It is also clarified that 24X7 Customs clearance facility in respect of factory stuffed export containers that is presently available at specified Customs stations viz. Vishakhapatnam, Kolkata, Mundra, Okha, Sikka, Mangalore, JNPT, Mumbai, Paradeep, Gopalpur, Ennore and Chennai would continue to be operational. Besides, the normal round the clock boarding of vessels would also continue.

5. In this regard the Board appreciates that additional Customs staff will be required for the 24X7 Customs clearance facility to be provided w.e.f. 1.9.2012. It is, however, also seen that after introduction of self assessment the responsibility has shifted to the importers and exporters to make a correct assessment of Customs duty. Thus, the Customs can now focus more on consignments that are interdicted on basis of risk assessment for purpose of Customs assessment and examination. Further, as a result of self assessment, Board has decided to increase the level of facilitation (refer Circular No. 39/2011-Cus dated 2nd September, 2011) to 80% in case of Air Cargo Complexes and 70% in case of Seaports (and 60% in case of ICD/ CFS). Risk Management Division has also carried out necessary changes and facilitation level has been substantially enhanced with an average of approx. 70% Bills of Entry being currently facilitated. Thus, there has been a reduction in the requirement of Customs staff for purpose of routine assessment and examination. This allows the relocation of staff for various other items of work such as PCA, SIIB etc. to ensure compliance of legal provisions and correct payment of Customs duty. In the light of these developments the officers required for 24x7 Customs clearance operations of facilitated Bills of Entry on import side and factory stuffed containers and Free Shipping Bills on exports side should be deployed from within the available staff strength. This shall be ensured by all Chief Commissioners of Customs.

6. Customs clearance on 24x7 basis would require concurrence of Custodians and other stakeholders such as CHAs. Further, Customs duty payment is necessary to ensure 24X7 Customs clearance. Therefore, Board desires that Chief Commissioners should begin immediate consultations with other stakeholders including custodians to make necessary arrangements that allow 24X7 Customs clearance and physical delivery of goods.

7. In addition to above, Board is exploring the possibility of full fledged roll out of 24X7 Customs clearance for ALL import and export goods. This would certainly require additional manpower that cannot be met from the presently sanctioned strength. Therefore, all Chief Commissioners are also directed to work out the additional manpower requirement and intimate the same to the Board so that a consolidated proposal may be processed to enable 24X7 Customs clearance operations at all Customs stations.

8. Board desires that wide publicity by way of Public Notice / Trade Notice may be given to the scheme of pilot 24X7 Customs clearance facility as detailed in paragraph 2 above to be extended w.e.f. 1.9.2012. Also, a detailed fortnightly report on the extent to which the facility is being availed should be sent so as to reach Board positively by the 2nd and 17th of each month. The first such report is expected on 17th of September, 2012. The report should inter-alia contain details of documents filed (imports and exports separately) and number of containers/ packages imported or exported in aforementioned categories in normal working hours and in extended hours separately. The reports should be faxed to Board on Fax No.23093859 and e-mailed at uscsiii@nic.in.

2. APPLICABLE RATE OF CVD ON IMPORTED FERTILIZERS-REGARDING.
   **Circular No. 23/2012-Customs**
   Source: www.cbic.gov.in

   1. Representations have been received from trade as well as the field formations regarding the applicable rate of additional duty of customs (CVD) on Fertilizers when imported into India. Doubts have arisen in view of the fact that in Notification No. 12/2012-Customs, dated 17-03-2012, except for Serial Number 200(ii) [where the CVD rate of 1% is mentioned in column (5)] the entry in this column for all other Serial Nos. is “-” (dash). In terms of the Explanation II (b) of the said Notification, “-” appearing in column (5) means additional duty equal to duty of excise leviable on the goods as per
the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) read with any other notifications issued under sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), for the time being in force. Since, the effective rate of CVD has been prescribed in the case of fertilizers, through a notification issued under section 25 of the Customs Act, 1962, some field formations have sought to apply the effective rate of excise duty of 6% (with cenvat credit) for the purpose of charging CVD on this item.

2. The matter has been examined. Even though it is true that for many S. Nos. of notification no. 12/2012-Customs pertaining to goods falling under Chapter 31(S. Nos 196 to 199 and 201 to 205) the entry indicated in column (5) is ‘-‘, S. No. 200(ii) covering “All goods, other than those which are clearly not to be used as fertilizers” prescribes a CVD rate of 1% in column (5). It is relevant that the entry pertaining to basic customs duty indicated in column (4) against this S. No. is ‘-‘ implying thereby that the otherwise applicable rate of basic customs duty is to be charged. From a combined reading of other S. Nos. covering goods of chapter 31 and S. No. 200 (ii), it is evident that the benefit of concessional CVD of 1% is available to “All goods, other than those which are clearly not to be used as fertilizers” even if the benefit of concessional basic customs duty under any other S. No of the same notification is claimed. For instance, an importer claiming the benefit of concessional basic customs duty of 5% under S. No. 204 covering “Potassium sulphate containing not more than 52% by weight of potassium oxide”, would be eligible for the benefit of concessional CVD of 1% under S. No. 200 (ii) if the goods are to be used as fertilizers. However, to avoid disputes & place the matter beyond doubt, notification no. 46/2012-Customs dated 17th August, 2012 has been issued to expressly prescribe the effective rate of CVD against the relevant serial nos.

3. The above position may be brought to the notice of formations under your charge, for strict compliance, especially in respect of assessments for the period prior to 17th August, 2012.

3. MAKING E-PAYMENT OF CUSTOMS DUTY MANDATORY-REGARDING.

Circular No. 24/2012-Customs
Source: www.cbec.gov.in

1. Kind attention is invited to Board Circular No. 33/2011-Customs dated 29th July, 2011 wherein it was decided that by the Board that the date for mandatory E-payment of Customs duty shall be notified separately.

2. It has been decided to make e-payment of duty mandatory for importers registered under Accredited Clients Programme and importers paying customs duty of one lakh rupees or more per Bill of Entry with effect from 17.09.2012.

3. All Chief Commissioners of Customs are therefore advised to give wide publicity to enable trade to be ready in case any change in their software or any internal procedure for effecting E-payment is required. As a large number of taxpayers would be required to pay the taxes electronically, it is requested that importers, trade and industry may be provided all assistance so as to help them in adopting the new procedure.

4. Suitable Public Notices or Standing Orders may be issued to guide the trade / Industry and officers.

4. VERIFICATION MECHANISM AND MONITORING OF EXPORT OBLIGATION UNDER DUTY EXEMPTION/ REWARD SCHEMES-REGARDING.

Circular No. 25/2012-Customs
Source: www.cbec.gov.in

1. Reference is invited to Board’s Circular No. 5/2010-Cus dated 16.03.2010. Para 2(c) of the Circular provides that Customs authorities cause random address verification [for some of the authorizations issued under EPCG/ DIFIA/ Advance Authorization schemes registered at their port to check correctness of address shown in the authorization] preferably through jurisdictional Central Excise authorities, during validity of the authorization. As far as the EPCG Scheme is concerned, the provision in Para 2(c) of the Circular is in addition to ensuring submission of Installation Certificates (ICs) for capital goods imported and randomly checking correctness of ICs through Central Excise authorities, when the ICs have been issued by other than Central Excise authorities. The Commissioners would be ensuring that above requirements are followed.

2. The C&AG of India in Audit Report No. 22 of 2011-12 observed that authentication of licensee premises is an important check which makes it possible to verify at any time that imported goods are installed and operated at the declared location. In this connection the Audit has noted that utility bills containing the address can also be used for checks relating to installation and operation of the imported Capital goods.

3. Keeping the foregoing in view, Board has decided to prescribe that when address verifications or Installation Certificate verifications are requested by the Customs authorities in respect of EPCG authorizations, the Central Excise authorities should include, in their verification, a check of the periodical utility bills (containing the address) as one of the means enabling verification of installation/ operation/ licencee premises.

4. This Circular may be brought to the notice of all concerned by way of issuing standing order/ instructions/trade notice.

“Man is a genius when he is dreaming.” - Akira Kurosawa
SEBI AIF REGULATIONS – Whether this could lead to a change in private equity landscape in India

CS Rajeev Venugopal, Company Secretary, Mumbai

(Continued from August, 2012 Issue)

Are there any Investment and other conditions with respect to AIF?

■ AIF may raise funds from any investor whether Indian, foreign or non-resident Indians by way of issue of units.
■ Each scheme of the AIF shall have corpus of at least Rs.20 crore.
■ AIF shall not accept from an investor, an investment of value less than Rs.1 crore.
■ No scheme of the AIF shall have more than 1000 investors.
■ AIF shall not invest in associates except with approval of 75% of investors.
■ The AIF shall not solicit or collect funds except by way of private placement.
■ All AIFs shall have QIB status as per SEBI (Issue of Capital and Disclosure Requirement), 2009 (“ICDR Regulations”).
■ Category I and II AIFs shall be close-ended and shall have a minimum tenure of 3 years. However, Category III AIF may either be close-ended or open-ended.
■ Units of AIF may be listed on stock exchange subject to a minimum tradable lot of Rs.1 crore. However, AIF shall not raise funds through Stock Exchange mechanism.
■ Category I and II AIFs shall not be permitted to invest more than 25% of the investible funds in one Investee Company. Category III AIFs shall invest not more than 10% of the corpus in one Investee Company.

Any restrictions on Manager or Sponsor?

■ The Manager or Sponsor shall have a continuing interest in the AIF (For Category I and II) of not less than two and half percent of the corpus or Rs.5 crore, whichever is lower and (For Category III) of not less than five percent of the corpus or Rs.10 crore, whichever is lower, respectively.
■ The Manager or Sponsor shall disclose their investment in the Alternative Investment Fund to the investors of the AIF.
■ The removal of the erstwhile requirement in the draft AIF Regulations for the Manager to buy out the investments at the time of winding down the AIF is a welcome move. The key investment team of the Manager should also have adequate experience, with at least one key personnel having not less than 5 years of fund management experience, along with relevant professional qualifications.
■ Till now, the Manager was not saddled with any mandatory reporting responsibilities to the Investors. The Manager will now have to make detailed reports to its Investors specifically with respect to financial, risk management, operation, portfolio and transactional information regarding fund investments.
■ Valuation of investments will be required to be done at least once every six months, and a description of the valuation and methodology adopted, will need to be provided to the Investors.
■ Requirement to set up a dispute resolution procedure through arbitration or any other mechanism can be termed as a breath of fresh air.
■ A custodian will be required to be appointed if the fund corpus exceeds Rs.500 crores.

How does a VCF ‘feel’ under the AIF Regulations?

A VCF under AIF Regulations attracts certain restrictions, which include investment restrictions (investment of at least 66% of the corpus in equity or equity linked instruments), adherence to the negative list, etc. A PE fund may however not be subject to such restrictions and could albeit now invest even in debt instruments or in NBFCs. In the earlier regime, Funds which could not meet the restrictions under the VCF Regulations, were set up as unregistered ‘Private Equity Funds’ or a ‘Debt Funds’ which ultimately invested across various sectors and stages of investment. These Funds will now benefit from the new regime by being able to register themselves with SEBI and also consequently provide comfort to institutional investors who prefer to invest only in regulated Funds.

AIF Regulations vis-à-vis Investors: whether Investors stand to gain?

■ The AIF Regulations also seek to empower Investors by giving them certain rights in the Fund. For instance, the consent of investors shall be required for bringing about any alteration to the AIF, winding up the AIF and such other rights as more particularly provided under the table below:

“A man who dares to waste one hour of time has not discovered the value of life.” - Charles Darwin
SEBI AIF REGULATIONS – Whether this could lead to a change in private equity landscape in India

<table>
<thead>
<tr>
<th>Threshold for investor approval</th>
<th>Matter</th>
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<tbody>
<tr>
<td>2/3rd by value</td>
<td>■ A material alteration to the AIF’s strategy.</td>
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<td></td>
<td>■ An extension of up to two years of the tenure of a close ended AIF.</td>
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<tr>
<td>75% by value</td>
<td>■ In-specie distribution of assets of AIF at any time, including on winding up of the AIF (subject to conditions specified in the PPM / Contribution Agreement of AIF)</td>
</tr>
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<td></td>
<td>■ Early termination / winding up of the AIF.</td>
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<td>■ Approving an investment by the AIF in an associate.</td>
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<td></td>
<td>■ Extending the period for valuation of the investments of a Category I AIF and Category II AIF to one year.</td>
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AIF Regulations can potentially increase the investor participation as the AIF Regulations shall brings down the financial costs borne by investors and increases access to funds by new distribution channels. The investment options, as available to investors will, thus, will face increased regulation by SEBI which shall lead to minimizing the apprehension of risks.

What the AIF Regulations shall further do is to infuse enhanced levels of transparency by imbibing proper checks and balances by stipulating the requirements of regular reporting, valuation requirement, disclosure of conflict of interest provisions and such other disclosure requirements.

WAY FORWARD

Investments in the AIFs are not completely free from risks as the returns on the investments especially from avenues such as hedge funds shall solely rely on the performance of the investee companies. Moreover, the AIF Regulations provide multiple set of options with a view to invest their hard earned money which should lead to market efficiency and new fillip to investor protection along with ensuring adequate supervision by the regulator. However, the steep entry requirement for a potential investor could be liberalised further.

The interesting and rather a long waited thing is that the purview of the AIF Regulations have now extended to debt and other complex products thereby acknowledging the growing level and of investor awareness and the wide diversity of investors with varying risk appetites.

Also, the provision for grandfathering of the existing VCF under the VCF Regulations is another bright spot.

Category I AIF is exempted from the provisions of SEBI Insider Trading Regulations in respect of its investments in companies listed on SME platform or SME exchange.

As far as the tax pass through status to AIFs is concerned, there is no clarity as to whether the much desired ‘pass-through’ will be available to other categories of AIF other than Category I, for which the AIF Regulation specifically clarify the eligibility under section 10(23FB) of the Income Tax Act, 1961. The assured pass-through is almost a must and right on top of the expectations from the Industry. The exemption, from such levy, payments made by a “venture capital fund” to a “venture capital undertaking”, an exemption which, given the lack of clarity, may now apply only to Category I AIFs.

Also, exemption from post listing of lock-in in the investee companies as granted only to Category I AIFs.

As of now, it seems that the AIF Regulations are a step in the right direction. They will increase Investor confidence and monitor funds which till now have been unregulated. On the flip side, Fund Managers may need to chalk out their investment strategy and plans well in advance in order to determine the right category for registration, since the AIF Regulations may not give them enough flexibility to change the registration at a later date. The unprecedented level of compliances to be undertaken by the Manager of AIF, as provided under the AIF Regulations will in all likelihood increase the organizational expense, which may go on to reduce the return to the Investors.

Further, the AIF Regulations provide for listing of the units of AIFs. However, Indian AIF investors may not be prepared to give up ready returns during the fund’s tenure and take liquidity risk through listing of units.

From a fund sponsor’s perspective, the restrictions imposed on the funds could discourage sponsors from setting-up new funds. For instance, there is a provision that the manager or sponsor of the fund must have a continuing interest of at least 2.5% of the corpus or Rs.5 crores OR 5% of the corpus or Rs.10 crores, whichever is lower.

In spite of the above concerns, at a time when the global and the Indian equity markets are not at their premium, the option of investing in AIFs seems a rather lucrative one and one can only hope that the introduction complex but matured products would only go in lead to the maturity of our markets and needless to add empowered and awakened investor class. Whether the AIF mechanism shall completely transform the PE and VC universe and could this new piece of regulations bring in a dawn of new age including a flicker of hope for the Indian economy……… Only time will tell!!!

“All life is an experiment. The more experiments you make the better.” - Ralph Waldo Emerson
BSE Ltd. strengthens its Derivatives segment

Established as "The Native Share & Stock Brokers' Association" in 1875, BSE Ltd is the first stock exchange in Asia. Over the past 137 years, BSE has facilitated the growth of the Indian corporate sector by providing an efficient capital-raising platform. The benchmark Index - BSE Sensex is acknowledged as the pulse of Indian markets and is tracked by investors across the globe.

India is one of the most successful developing countries offering a vibrant market for exchange traded derivatives. The strengths of the modern development of India’s securities markets are based on nationwide market access, safe and secure electronic trading, and a predominantly retail market.

There is an increasing sense that the equity derivatives market is playing a major role in shaping price discovery in a developing economy like India. Factors such as increased volatility in financial asset prices, growing integration of national financial markets with international markets, development of more sophisticated risk management tools have been driving the growth of financial derivatives worldwide and also fueled the growth of derivatives in India. The financial derivatives market in India has witnessed a remarkable growth both in terms of volumes and numbers of traded contracts since its introduction in 2000.

In September last year, the country’s premier bourse BSE Ltd launched a campaign to create lasting and self-sustaining liquidity in its derivative segment. Known as Liquidity Enhancement Incentive Programmes (LEIPS), the campaign aims at creating sustainable liquidity in the bourse’s derivatives segment.

The BSE derivatives segment has witnessed a remarkable improvement in the liquidity after the launch of LEIPS campaign. The participation of broker members has continuously increased and the exchange now has over 440 registered members. The latest exchange data reveals that active participation from the broker members has been increasing on a day-to-day basis resulting in better average daily trading volumes at the BSE Derivatives segment.

In May 2012, BSE Ltd was recognized as the fifth largest exchange for index options trading globally by The World Federation of Exchanges (WFE). In June 2012, trading volumes in a single day crossed INR 65,000 crores, which has positioned BSE Ltd amongst the global leaders in the Derivatives trading.

The participation in the BSE Derivatives segment has been broad-based and liquidity has increased significantly. BSE Ltd has been able to expand the overall size of the derivatives market in the country with its pro-investor approach and a state-of-the-art trading platform empowered with latest technology and facilities.

BSE offers a superior trading platform to its members with latest facilities such as Fast trade on Web (FOW), a low-cost internet-based multi-asset trading platform that reduces the infrastructure cost of members and introduction of new real-time-risk-management-system (RTRMS) and multi-asset collateral management software.

As a result of new regulatory frameworks being put in place in the last few years, cross-exchange algorithmic trading, Smart Order Routing (SOR), unrestricted access to exchange co-location facilities and improved order-handling capacity and turnaround speeds are all helping to improve the equities market. BSE is seeing growing participation from new participants deploying these various forms of algo trading. Displayed liquidity on the BSE order book, and in many cases the quality of the BSE quote, has consequently improved.

In March this year, leading exchanges of the BRICS emerging market bloc announced a joint initiative to expose investors to products in these dynamic economies. Known as ‘BRICSMART’, this initiative allows investors to access the BRICS markets through the benchmark equity Index Derivatives. The BRICSMART cross-lists the benchmark equity indices (including India’s SENSEX) on other exchanges that comprise BM & FBOVESPA, MICEX-RTS, BSE Ltd, Hong Kong Exchanges & Clearing Limited and the Johannesburg Stock Exchange. BRICSMART is an ideal way for more investors to gain exposure to the BRICS bloc of emerging economies, with its increasing economic power. Investments in these economies are in demand, as the BRICS countries and financial markets are expected to become increasingly relevant in the coming decade.

BSE Ltd. has regularly introduced new features to make the derivative segment more lucrative to the investors. The change in the expiry date to the last Thursday of every month was designed for the convenience of the investors. Market participants have benefited from BSE timely initiatives.

BSE has always striven to improve the quality of its services and the standard of efficient and effective market processes. With global best practice being incorporated in its technology, operations and product initiatives, BSE Ltd’s Futures and Options segment is set to take a new leap and realign the Indian equity derivatives marketplace.

“\textit{I love life because what more is there.}” - Anthony Hopkins
While presenting the Annual Finance Budget in February this year, the Finance Minister introduced General Anti Avoidance Rules (GAAR) and immediately shivers went through the Stock Markets.... Foreign Investors started backing away and shying from the India growth story... GAAR started being discussed and debated and its impact analysed at all forums. A cloud of uncertainty spread across the country ..... The Government woke up, hurriedly set up a Committee to review these much debated proposed rules, and immediately issued draft Guidelines to provide for their proper implementation. Resultantly GAAR was deferred up to April 2013.

GAAR ????

The General Anti Avoidance Rules (GAAR) is a codification of the proposition, that while interpreting the tax legislations, “Substance” should be preferred over the “Legal form”. The fact that the Transactions are legal does not mean that they are acceptable. Where there is no business purpose, except to obtain a tax benefit, the legal form gains a secondary position as against the real substance of the transactions.

In India, the question of substance over form has many times arisen in the implementation of tax laws. Although some courts have held that the real form of transactions have to be considered and legal form dispensed with, some others have held that the legal form has to be given sanctity. There are a few specific anti-avoidance provisions, but the general anti-avoidance is dealt with only through judicial decisions in specific cases. As against this, most countries in the world have codified the “substance over form” doctrine in the form of General Anti Avoidance Rules (GAAR).

When GAAR?

- Taxpayer has entered into an arrangement and the main purpose of the arrangement is to obtain a tax benefit,
- Arrangement has been entered into, in a manner not normally employed for bona fide business purposes and it has created rights and obligations which would not normally be created between persons dealing at arm’s length,
- Arrangement lacks commercial substance, in whole or in part, includes round trip financing; an ‘accommodating party’, elements that have the effect of offsetting or cancelling each other, a transaction which is conducted through one or more persons and disguises the nature, location, source, ownership or control of funds; or an expectation of pre-tax profit which is insignificant in comparison to the amount of the expected tax benefit.

If GAAR invoked?

If GAAR is invoked, the Commissioner is empowered to declare the arrangement as an “Impermissible Avoidance Arrangement” and determine the tax consequences of the taxpayer as if the arrangement had not been entered into.

Draft GAAR Guidelines:

The basic criticism of a statutory GAAR is that it provides a wide discretion and authority to the tax administration. This could result in excessive tax to the tax payers. To avoid the indiscriminate applications of GAAR, it is necessary to provide guidance of these provisions.

The Chairman, CBDT has constituted a Committee under the Chairmanship of the Director General of the Income Tax (International Taxation) to give recommendations for formulating the guidelines for proper implementation of GAAR Provisions and to suggest safeguards to curb the abuse thereof.

After exhaustive deliberations and broad based discussions, the Committee has issued the first draft of the GAAR Guidelines. These Guidelines constitute a set of recommendations which are subject to further debate and review, before the final draft is issued by 30th September this year.

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“Married or unmarried, young or old, poet or worker, you are still a dreamer, and will one time know, and feel, that your life is but a dream.” - Donald G. Mitchell
GAAR

1) Monetary Threshold:
The Draft Guidelines propose that only an arrangement or arrangements where the tax benefit through the arrangement(s) in a year exceeds a prescribed limit will be covered by GAAR.

2) Statutory forms:
To have consistency of approach in the procedures for invoking GAAR and to provide for adequate safeguards to ensure that principles of natural justice are not violated and there is transparency in the procedures, statutory forms have been prescribed for the following:

   i) Reference by the Assessing Officer to the Commissioner.
   ii) Reference by the Commissioner to the Approving Panel.
   iii) Return of reference by the Commissioner to the Assessing Officer.

3) Time limits:
To have absolute certainty about the time limits during which the various actions under GAAR are to be completed, time limits have been prescribed. The time limit prescribed for the Commissioner of Income Tax to make a reference to the Approving Panel is 60 days from the receipt of the objection from the Assessee.

   In case the Commissioner accepts the Assessee’s objection and is satisfied that GAAR is not applicable, the Commissioner shall communicate his decision to the Assessing Officer within 60 days of the receipt of the Assessee’s objection.

   No action under GAAR shall be taken by the Commissioner after a period of six months from the end of the month in which the reference was received.

4) Approving Panel:
It is proposed that the Central Board of Direct Taxes shall constitute a Approving Panel consisting of not less than 3 members, out of which one member of the panel would be an officer of the level of Joint Secretary or above from the Ministry of Law and the others being the Income Tax Authorities of the rank of Commissioner and above.

   The first Approving Panel shall be situated at Delhi and thereafter CBDT shall review the number of Approving Panels required on the basis of the workload.

5) GAAR Circular:
For the purpose of explaining GAAR and for better understanding thereof, a detailed note shall be included in the circular, as given in Annexure-D of the draft guidelines.

6) Dear Foreign Institutional Investors (FII’s):
To provide special provisions for the Foreign Institutional Investors, the following recommendations are made:

   Where a Foreign Institutional Investor (FII) chooses not to take any benefit under an agreement entered into by India, and subjects itself to tax in accordance with the domestic law provisions, then, GAAR shall not apply to such FII or to the non-resident investors of the FII.

   Where an FII chooses to take a treaty benefit, GAAR may be invoked in the case of the FII, but would not in any case be invoked in the case of the non-resident investors of the FII.

7) Retrospective/Prospective operations of GAAR:
Certain apprehensions have been raised regarding the retrospective/prospective operation of GAAR. It is therefore clarified that:

   The provisions of GAAR will apply to the income accruing or arising to the taxpayers on or after 01.04.2013 only.

8) Interplay between SAAR and GAAR:
Concerns have been raised that there could be interplay between the Specific Anti-Avoidance Rules (SAAR) and General Anti-Avoidance Rules (GAAR), therefore the following has been proposed:

   While SAARs are promulgated to counter a specific abusive behavior, GAARs are used to support SAARs and to cover transactions that are not covered by SAARs. Under normal circumstances, where specific SAAR is applicable, GAAR will not be invoked. However, in an exceptional case of abusive behavior on the part of a taxpayer where specific SAAR is applicable, GAAR may also be invoked.

“My dreams were all my own; I accounted for them to nobody; they were my refuge when annoyed - my dearest pleasure when free.” - Mary Wollstonecraft Shelley
9) Connected person:

“Connected person” would include the definition of “associated enterprise” given in section 92A, the definition of “relative” in section 56 and the “persons” covered u/s 40A(2)(b) of the Income Tax Act.

10) Impermissible Part:

Where only a part of the arrangement is impermissible, the tax consequences of “Impermissible Avoidance Arrangement” will be limited to only that part of the arrangement and the whole arrangement shall not be covered.

11) Illustrative examples:

The terms “Misuse or abuse”, “bona fide purpose” and “lacks commercial substance” have been explained by illustrations. This list as given in Annexure –E of the Draft Guidelines is only an indicative list and not an exhaustive one.

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“Myths are public dreams, dreams are private myths.” - Joseph Campbell
With the introduction of Negative List of Service Tax under Notification 25/2012-of The Finance Act, 2012. w.e.f. July 1, 2012, almost all the services except those in negative list (section 66D) and exempted services (Notification No. 25 2012-ST dated 20.06.2012) have become eligible to service tax.

Thus, services performed by a Director of a company fall within the ambit of taxable services w.e.f. 1.7.2012 and are now liable to Service Tax. The remuneration they get for attending board meetings shall be subjected to Service Tax.

However, Central Board of Excise and Customs has recently amended the provisions of reverse charge under section 68(2) read with Rule 2(j)(d) (EE) of Service Tax Rules so as to provide that Service Tax on Services rendered by the directors shall be payable by the companies under the reverse charge mechanism.

Following are the provisions relating to taxability of Director’s services and liability to pay Service Tax on such services.

1. **Director under section 2(13) of the Companies Act, 1956:**

   According to Section 2(13) of the Companies Act, 1956, 'Director' includes any person accepting the position of the director, by whatever name called, i.e., he should be a member of the Board of Directors of the company. If he is not a board member but designated as Director in any functional capacity, he is not a Director of Company under Section 2(13).

2. **Position of Director in the Company:**

   A Director is not a servant of any master. He is the controller of the Company’s affairs. They are Professional people who were hired by the Company to direct its affairs. Although a Company is a legal entity, it cannot act by itself but can do so only through its Directors, thus establishing a relationship of principal and agent. Moreover, Directors are in fiduciary position vis-à-vis the Company and, to that extent, they are also deemed to be trustees of the properties and assets of the Company.

3. **Services of the Director on the Board of Company are taxable:**

   Technically individual Directors are collectively called as board of directors, the board exercises its power u/s 291 and 292 of the Companies Act, 1956. The board is responsible to shareholders. Individually directors provide services to the company but are collectively responsible as a board under the Companies Act to the company / its shareholders. The scheme of Service Tax stipulate levying of tax on directors on the services rendered by them to the company in their individual capacity. The company also compensates to the individual board members and not to the board as a single unit. The board of directors cannot be asked to pay Service Tax as a body of individuals or association of persons.

4. **Type of Directors covered under Service Tax**

   A company directors are of the following types –
   1. Promoter Director
   2. Whole time Director (Joint MD, Deputy MD etc.)
   3. Managing Director (MD & CEO)
   4. Executive Director
   5. Foreign Director
   6. Nominee Director (Banks, Government, Finance partners, Private equity representatives, Collaborators etc)
   7. Independent / Non-official Directors

   The directors (generally whole time / managing / executive directors) who are under contractual employment with the company and receive salary or remuneration from the company will not be covered as they shall be considered as employees of the company. All such directors who are not in employment with the company shall be considered as providing services to the company which shall attract Service Tax.

5. **Whole-time director under Service Tax**

   Section 65B(44) defines 'Service' which means any activity for consideration carried out by a person for another but excludes a Service provided by an employee to an employer in the course of employment. In case of whole-time Directors, it is a contractual employment and is governed by the provisions of the Companies Act, 1956 which also require Government's approval in certain cases. As such, they fall outside the scope of section 65b(44) of the Finance Act, 1994 (as amended).

6. **Liability of Service Tax Of Director Who Attends And Participates In The Board Meeting**

   The mode of rendering the service does not govern the scope of Service Tax. The services rendered by director by any means shall be liable for Service Tax.
7. **Directors under employment of the company:**

All directors are not employees of the company, but where they are in service or employment of the company, they will be treated as an employee. If a director is also in employment of the company, he would be certainly an employee and entitled to claim the rights given to employees as such but his rights relating to directorship are distinct and separate.

8. **Meaning of designated partner of a Limited Liability Partnership (LLP) under Service Tax.**

Though as per the LLP Act, 2006, LLP is considered as a body corporate, for the purpose of Service Tax, LLP shall be considered as a firm only in terms of Rule 2(1)(cd) of Service Tax Rules which defines partnership firm to include a LLP. In Income Tax also, LLPs are assessed as firms.

9. **Whole-Time Directors under Negative list or any Exemption:**

Whole-time directors are neither covered under negative list nor are included in mega exemption notification. Their services are not covered in the scope of ‘service’ itself by virtue of specific exclusion in the definition of service u/s 65B(44) of the Finance Act, 1994 (service provided by employee to employer).

10. **Service tax applicability on services provided by directors / governing body members / members of non-corporate entities.**

Such services may also be liable to levy of Service Tax. Examples could be director of a scientific institution or director of a hospital, director of institutes like IIM, AIIMS, IITs or trustee of a trust. In such cases, directors or trustees will be liable to pay Service Tax and Service Tax will not be payable under reverse charge as reverse charge applies to ‘company’ only.

11. **Type of charges liable to Service Tax.**

Since all the services provided by directors in their capacity of Directors shall be covered under scope of Service Tax, the gross charges payable to them by the company shall be liable to Service Tax. It may be in the form of any one or more of the following –

- Sitting fee
- Commission
- Bonus
- Share in profit
- Benefit in form of ESOPs etc.

12. **Sitting fee paid to directors for attending board meetings or committee meetings only are taxable.**

All amounts paid as remuneration except salary to directors shall be liable to Service Tax, whether for attending board meetings or committee meetings or for any other service rendered in the capacity of a director. If an employed director gets sitting fee for attending the meeting, it may be liable to Service Tax as Department is likely to view it that way. There is need for clarification on this issue.

13. **Type of amounts received by directors from the company will not attract Service Tax.**

The following amounts received by the directors from the company will not attract Service Tax as such amounts does not represent service provided by directors-

i) Interest on loan by director to company

ii) Dividend on shares

iii) Other professional charges on account of services not rendered as a director (in professional capacity)

14. **No liability to Service Tax for reimbursement of expenses incurred by the director.**

Directors are considered to be agent of the company and as such expenses are reimbursed to them as an agent. Moreover, taxability shall be subject to the valuation rules and criteria of ‘pure agency’ shall have to be satisfied.

15. **Service Tax liability for services provided by directors who are not in employment of the Company.**

Service Tax is payable under reverse charge by the companies who receive services from their directors who are not in employment in terms of Rule 2(i)(d) (EE) of Service Tax Rules and Entry No. 5A of Notification No. 30/2012-ST dated 20.06.2012 (as amended by Notification No. 45 and 46/2012-ST dated 7.8.2012)

16. **Applicability of Reverse Charge only to Individual Director.**

“Oh, I was never a businessman. I was a visionary, a dreamer.” - Jim Bakker
Only individuals can become directors as per Section 253 of the Companies Act, 1956. No body corporate, association or firm shall be appointed director of a company and only an individual shall be so appointed. However, individuals can be nominees of any company, association or any other entity including Government.

17. Service Tax in respect of services rendered by a Foreign Director.

Like in case of any Indian director, the services of any foreign director are also liable to Service Tax which shall be discharged by the company itself under reverse charge mechanism.

18. Tax liability in case of Indian Director of a Foreign Company attends a meeting abroad.

In case where any Indian person is a Director of a foreign company and meeting is held outside India, in such case, there will be no Service Tax liability as place of provision of service shall be in non-taxable territory, besides service recipient being located outside taxable territory. Place of Provision of Services Rules, 2012 shall have to be kept in mind.

19. Tax liability in case of a nominee director nominated by any other agency / company in representational capacity.

A director may be appointed either in an individual capacity or to represent an entity (including government) who has either invested in the company or is otherwise authorized to nominate a director. When a director receives payment in his personal capacity, the same is liable to be taxed in the hands of the director. However, where the fee is charged by the entity appointing the director and is paid to such entity, the services shall be deemed to be supplied by such an entity and not by the individual director.

20. Tax liability in case of a Government nominee director.

In the case of Government nominees, the services shall be deemed to be provided by the Government and liable to be taxed under the exclusion sub- (iv) of clause (a) of section 66D of the Finance Act, 1994 i.e. support services by Government to business. Such services are liable to be taxed on reverse charge basis.

21. Percentage of Service Tax is payable under reverse charge by the company.

Entire amount (100 percent) of Service Tax shall be payable by the company under reverse charge mechanism.

22. Taxability of director's services between July 1, 2012 and 6 August 2012.

During the period from 1.7.2012 to 6.8.2012 (both days inclusive), the liability to pay Service Tax has to be discharged by the concerned director himself and not by the company. However, he / she shall be eligible for threshold exemption of Rs. 10 lakh in terms of Notification No. 33 / 2012-ST dated 20.06.2012.

23. Tax registration of Directors for the relevant period of July – August 2012

If their services are eligible to Service Tax, they should obtain Service Tax registration which is a preconditions for payment of Service Tax.

24. Tax registration for the company who required to pay service tax on director’s services.

Companies shall have to register themselves under service tax before making payment of service tax on services provided by directors under reverse charge mechanism.

25. Raising a bill for the services rendered by the director.

Any service provider providing taxable services should raise a bill, invoice or challan. However, in case of directors, a practical way could be that company itself prepares and get the invoice signed by the concerned director while making payment in ordinary course. This will ensure compliance as well as facilitate allow-ability Cenvat Credit, if any. However, Service Tax payment challan shall also be a valid document for claiming Cenvat credit.

26. Payment to directors shall be considered as input service and Cenvat credit claimed.

Services rendered by the directors to the company should be considered as input services and Service Tax paid by the company should be eligible for Cenvat credit subject to Cenvat Credit Rules, 2004.

27. Increase in remuneration of director solely as a result of application of Service Tax on commission shall not require Central Government’s approval

Under the scheme of Service Tax, though taxable services are rendered by the directors, the burden of payment of Service Tax has been shifted on the companies on whose board, such directors serve. In certain cases which are already at the top of the ceiling, payment of Service Tax by company will result in exceeding the monetary limit of 1 percent or 3 percent of net profit, as the case may be. Ministry of Corporate Affairs (MCA) has vide General Circular No. 24/2012 dated 9.8.2012 clarified that for the financial year 2012-13, any increase in remuneration solely as a result of application of Service Tax on commission shall not require Central Government’s approval (though deemed to be a part of remuneration as per Income Tax) u/s 309 or 310 of the Companies Act, 1956. It may be noted that this relaxation is only for the financial year 2012-13 and only applies to non-whole time director’s remuneration.

“One of the most adventurous things left us is to go to bed. For no one can lay a hand on our dreams.” - E. V. Lucas
“The Sensex is a daily diary of the Indian dream.”

RAMESH S. DAMANI
CMD, RAMESH S. DAMANI FINANCE PVT. LTD.

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Issue in the public interest by BSE Investors' Protection Fund
Introduction

Commercial Paper (CP) was first introduced in India in 1990 with a view to enable highly rated corporate borrowers to diversify their sources of short-term borrowings. Commercial paper is an unsecured and discounted promissory note issued to finance the short-term credit needs of large institutional buyers. Banks, corporations and foreign governments commonly use this type of funding.

Who can issue CP

- Corporates, Primary Dealers and all-India financial institutions that have been permitted to raise short-term resources under the umbrella limit fixed by the Reserve Bank of India (RBI) are eligible to issue CP.

- A corporate would be eligible to issue CP provided:
  
  (a) the tangible net worth of the company, as per the latest audited balance sheet, is not less than Rs.4 crore;
  (b) the company has been sanctioned working capital limit by bank/s or FIs;
  (c) the borrowal account of the company is classified as a Standard Asset by the financing bank/institution.
  (d) Should have a valid credit rating for the issue of CP from Credit Rating Agencies as may be specified by RBI from time to time.
  (e) The rating should be current and not due for renewal at the time and during the currency of issue of Commercial paper.

Denominations

CP can be issued in denominations of Rs.5 lakh or multiples thereof. Amount invested by a single investor should not be less than Rs.5 lakh (face value).

Rating Requirement

All eligible participants shall obtain credit rating for issuance of CP from any one of the following credit rating agencies (CRAs).

- the Credit Rating Information Services of India Ltd. (CRISIL),
- the Investment Information and Credit Rating Agency of India Ltd. (ICRA),
- the Credit Analysis and Research Ltd. (CARE),
- (d) the FITCH Ratings India Pvt. Ltd.
  
  (e) and such other CRAs as may be specified by the RBI from time to time, for the purpose. The minimum credit rating shall be ‘A2’

The issuers shall ensure at the time of issuance of the CP that the rating so obtained is current and has not fallen due for review.

Maturity

CP can be issued for maturities between a minimum of 7 days and a maximum of up to One year from the date of issue. The maturity date of the CP should not go beyond the date up to which the credit rating of the issuer is valid.

Limits and the Amount of Issue of CP

1) CP can be issued as a “stand alone” product. The aggregate amount of CP from an issuer shall be within the limit as approved by its Board of Directors or the quantum indicated by the CRA for the specified rating, whichever is lower.

2) A Financial Institution can issue CP within the overall umbrella limit prescribed in the Master Circular on Resource Raising Norms for Financial Institutions, issued by DBOD and updated from time-to-time.

3) The total amount of CP proposed to be issued should be raised within a period of two weeks from the date on which the issuer opens the issue for subscription. CP may be issued on a single date or in parts on different dates provided that in the latter case, each CP shall have the same maturity date.

4) Every issue of CP, including renewal, should be treated as a fresh issue.

Role and responsibilities of IPA:

1) Only a scheduled bank can act as an IPA for issuance of CP.

2) IPA should have Demat accounts such as CP allotment’, CP redemption’. Without exclusive such Demat accounts, smooth transfer of CP from IPA to investors and vice versa would not be possible.

3) IPA would ensure that the issuer has the minimum credit rating as stipulated by RBI and the amount mobilised through issuance of CP is within the quantum indicated by CRA for the specified rating or as approved by its Board of Directors, whichever is lower.

“Only things the dreamers make live on. They are the eternal conquerors.” - Herbert Kaufman
4) The IPA shall hold custody of certified Copies of Credit Rating certificate, Letter of Offer of CP, Board Resolution authorizing issuance of CP, make necessary noting on the original CRA letter, 

5) Obtain one time confirmation from the Issuer that they are eligible to issue CP as per the norms fixed by RBI, in terms of net worth, working capital facilities sanctioned by banks, classification of their liabilities with the financing banks and institutions. Report the issue to RBI in the prescribed format within 3 days of the completion of the issue, issue a letter (IPA Certificate) to all the subscribers of the CP prescribed format.

Investment in CP

CP may be issued to and held by individuals, banking companies, other corporate bodies, Non-Resident Indians and Foreign Institutional Investors. However, investment by FIIs would be within the limits set for them by Securities and Exchange Board of India (SEBI).

Mode of Issuance

- CP can be issued either in the form of a promissory note or in a demat form through any of the depositories approved by and registered with SEBI.
- CP will be issued at a discount to face value as may be determined by the issuer.
- No issuer shall have the issue of CP underwritten or co-accepted.

Payment of CP

The initial investor in CP shall pay the discounted value of the CP through a crossed cheque to the issuer through IPA. On maturity of CP, the holder of CP will have to get it redeemed through the depository and receive payment from the IPA.

Procedure for Issuance

1) The Issuer will issue a Letter of Offer, either for a specific issue or for a series of issues, containing disclosure of information and brief particulars of the issue. In case the Letter of Offer is common to all issues, the master document should be updated for each issue.

2) The Issuer may fix a discount rate for issue of CP, or invite bids from prospective investors. The CP may also be issued at a negotiated price. There may be a single investor or multiple investors.

3) The Issuer will make available to the IPA requisite documents, at least one day prior to the value date of the first deal under the same series. It will also submit a single promissory note for total Face Value of the CPs to be issued duly stamped and executed. The stamp duty payable by the issuer on CP is based on the period for which the Commercial Paper is issued.

4) As soon as the CP is subscribed, the Issuer exchanges Deal Confirmation Note with the investors.

5) The Issuer (through DP Registrar) gets the ISIN created with NSDL/CDSL and credits the CP into DP account of IPA, which account may be designated as ‘CP Allotment A/C’ after receiving appropriate instructions from IPA.

6) The Issuer provides a list of allottees to the IPA, with particulars of their DP accounts, as contained in the Deal Confirmation Note.

7) The IPA, as soon as the banker’s cheques etc are received from investors, transfers the CP to respective Demat accounts. Funds are deposited in the Issuer’s account with IPA. The IPA also delivers the IPA letter to the investors on the same day.

8) On value date, upon the receipt of the stated consideration by way of banker’s cheque/ payorder etc, the IPA will pass on delivery instructions to its DP to transfer the securities to investors account as per Issuers consolidated letter.

Process of Redemption

The holders of CPs upon maturity, will be required to approach their respective DPs and have to give delivery instructions to DP to transfer the demat security represented by specific ISIN be transferred to the CP redemption account of the IPA as available on the IPA certificate. The transfer should be done before 3.00 p.m on one working day before the maturity date so as to get sufficient time for the IPA to process the papers and arrange to effect the payment on the due date of the CP. The holder should also communicate to the IPA with a copy of the delivery instruction it had given to its DP and intimate the place at which the payment is requested. IPA is obliged to pay at a place where CP would have been payable without any charge. If payment is requested at any other place, the charges mutually agreed upon would be payable by the holder.

Upon the receipt by the IPA of the credit of CPs (the Demat CPs) in “CP Redemption Account” on or before maturity date, IPA on maturity date, would arrange to pay to holder by way of Banker’s cheque/high value cheque, etc. as the case may be, the Face Value of the security, subject to the availability of funds in, the CP Account of the Issuer. After the payment of the CP to the holder of the CP, IPA would direct the Registrar to extinguish the securities quoting the ISIN.

“A man sooner or later discovers that he is the master-gardener of his soul, the director of his life.” - James Allen
THE ABACUS - AN INGENIOUS ARTIFACT BY WALL STREET CASINO

CS Rishikesh Vyas, Mumbai

This write-up is an attempt to canvas the financial merchandise named CDO and how it become the herald of one of the greatest financial depression humanity has seen. It tries to hint the atmosphere and the role of ethics in financial institutions, who will always try to find ways to maximize profits, but how far are they will go and the kinds of repercussions involved? Whether it’s just a financial problem or whether it’s to do with morality. This write up has been fashioned to mollify some of the momentous thoughts which had occurred leading up to this write up.

PRIMER - CDO DNA?

Collateralized Debt Obligation (CDO) is a credit derivative that creates fixed income securities with widely different risk characteristics from a pool of risky assets. The coupon and principal payments of these securities are linked to the performance of the underlying pool. These fixed income securities are known as tranches and are divided into senior, mezzanine and subordinated/equity tranches. Each of these tranches has a different level of seniority relative to the others. A CDO is usually formed by a bank or other financial firm by setting up an entity corporation specifically for the CDO that is located offshore in locations that don't tax entities. A trustee, usually a bank, is chosen to manage the CDO and issues monthly reports on the debt composition of the CDO to its investors after the debt is established. The CDO manager buys asset-backed securities for collateral, then sells commercial paper, which is short-term debt, to other financial institutions. The commercial paper is based on the top-rated tranches, which may constitute up to 90% of the CDO. Often, CDO managers have agreements with one or more banks to buy the commercial paper if there are no takers in the market place. Because of the complexity of CDOs, rating agencies charge up to three times more money for rating CDOs than for rating bonds.

ABRACADABRA – THE ABACUS DEAL DIGEST

In 2006, the housing market in the United States was booming and because of the great success of the housing market and the opportunity it provided to Wall Street companies to profit, a new index was established namely the ABX mortgage securities which was similar to the regular stock exchange index, except that it was designed to allow traders to bet on the likelihood that the housing market would go up or down. The ABX exchange acted as the main platform for speculations on the American housing market, including Goldman’s synthetic CDO Abacus 2007-AC1, the financial product detailed in this case. Near the end of 2006, Goldman’s mortgage unit was unsure about which direction they thought that the U.S. housing market was going to take. But Goldman executives decided in December 2006 to take a negative stance on the mortgage market due to worries about a housing bubble, although this stance was not disclosed publicly. Even before Goldman chose an official position in regards to the housing market, the investment bank had already started to use CDOs to place bets against mortgage securities as a way to protect against a fall in housing prices. By now, virtually every trader in Goldman took short positions on the ABX index, and over the next few months, rid themselves of any subprime mortgage securities.

Abacus, one type of the CDOs created by Goldman in response to the housing bubble, allowed investors to bet for, or against the mortgage securities linked to the deal. John A. Paulson of the hedge fund Paulson & Company had also taken a negative position on the housing market. He had identified 123 RMBSs that the hedge fund expected to decline in value in the near future and approached Goldman Sachs to structure a synthetic CDO based on these risky securities selected by his hedge fund. The result of these negotiations was Abacus. Paulson intended to short i.e. bet against the CDO, wagering that the housing prices were going to decrease, but in order to complete the transaction, Goldman and Paulson still required a party willing to ‘gamble’ on the ‘long’ i.e. opposite side. Goldman Sachs knew that the German bank IKB would potentially buy the exposure that Paulson was looking to short, but only if the mortgage securities were selected by a third party. Thus, Goldman and Fabrice Tourre, a vice president at Goldman and manager of the Abacus CDO, approached ACA Management LLC that their firm serve as the “Portfolio Selection Agent” for the CDO transaction sponsored by Paulson.

THE SEC COMPLAINT TOUCHING GOLDMAN

In April 2010, ACA, through the SEC, filed a civil lawsuit against Goldman Sachs and Fabrice Tourre, who was instrumental in creation and distribution of the investment. The official claims filed by the SEC against Goldman were that Goldman Sachs:
OTHER EMERGING AREAS
THE ABACUS - AN INGENIOUS ARTIFACT BY WALL STREET CASINO

Employed devices, schemes or artifices to defraud;
Obtained money or property by means of untrue statements of material facts or omissions of material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
Engaged in transactions, practices or courses of business, this operated or would operate as a fraud or deceit upon purchasers of securities.

The SEC also claimed that synthetic CDOs such as Abacus “contributed to the financial crisis by magnifying losses associated with the downturn in the United States housing market”.

GOLDMAN’S DEFENSE
In response to the SEC lawsuit, Goldman submitted two main documents in their defense in which they contested that the proposed recommendation by the SEC that an enforcement action be brought against Goldman is completely unwarranted.

1. As with all synthetic CDOs, by definition, parties must take both long and short positions.
2. Goldman asserted that the contention that they ‘tricked’ their clients into purchasing an investment ‘designed to fail’ was comical as “all participants were highly sophisticated institutions that were knowledgeable about subprime securitization products and had both the resources and the expertise to perform due diligence and analyze the portfolio”.
3. Furthermore, Goldman claimed that they made all information regarding Abacus available, and that it was accurately disclosed.
4. Additionally, Goldman reported that there was no evidence that could suggest that the portfolio would have performed any differently or that the economic outcome of the participants would have changed “had Paulson’s role and interest been more transparent”.
5. Finally, Goldman clarified to the SEC that, as a broker-dealer acting “as an intermediary on behalf of a client, they had a duty to keep information concerning its client’s (Paulson’s) trades, positions and trading strategies confidential”. They had absolutely no duty to disclose Paulson’s involvement in the process by which ACA selected the portfolio.

THE FINAL OUTCOME
In July 2010, the Abacus controversy came to a somewhat unsatisfying close. Goldman was handed a fine of $550 million by the SEC with a warning that “half-truths and deception” would not be tolerated. Despite accepting the fine, Goldman made it clear that they did not admit to the damaging allegations. However, Goldman stated that they should have done so not because it was unlawful to do otherwise, but because it would have reflected higher business standards.

Finally what about usefulness of these CDOs?
In looking at securities one simple question should be asked - Is there an economic reason to have this transaction? And if the answer is ‘no,’ what does this transaction do? Synthetic CDOs don’t pass his test, these transaction don’t really accomplish, other than to move money around? Moving money around is not an economically productive event, further they also fail the test on three vital parameters of judging the usefulness of financial innovation, i.e. Access, Convenience and Productivity/GDP. At the end, like all things there is a mix of good and bad financial innovations, individually and collectively, these innovations have improved access to credit, made life more convenient, and in some cases probably allowed the economy to grow faster. But some innovations are poorly designed, while others are misused and contributed to the financial crisis and amplified the downturn of the economy.

Conclusion
Contemporary issues in business ethics are often complex and require significant depth and breadth of analysis. The Abacus case is a scenario which raises many questions concerning the value of financial instruments such as CDO to the society and the duty and responsibility of a corporation to their client. It has been demonstrated that moral philosophy can significantly aid in the analysis of various ethical issues in the market, by offering a critical point of view. Although the results of an analysis will drastically vary depending on the type of philosophical analysis utilized, each analysis provides clear and distinct conclusions regarding the case in question. There is a tension between businesses pursuing profits and acting ethically. Although issues of morality do arise in the markets, such as that being discussed in this write up, business ethics, morality, and profits need not be so divided. In order to be successful, business professionals ought to apply ethical principles directly to their businesses. When businesses understand the value of business ethics to corporate decision making, they are more likely to be able to earn the trust of their clientele, attract new customers, assure their shareholders, and thus, increase profits. At last it is normal to cogitate that finance should add to something new to the economy and should not be subterfuge of a fancy casino game.

“Only the dreamer shall understand realities, though in truth his dreaming must be not out of proportion to his waking.” - Margaret Fuller
# COMPLIANCES FOR THE MONTH OF OCTOBER

**CS Hemant V. Pandya, Practising Company Secretary, Mumbai**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Things you need to do</th>
<th>Sections / Rules / Clauses prescribing the activities to be done</th>
<th>Acts / Regulations / Circulars under which the Sections / Rules / Clauses is covered</th>
<th>Due Date before which you need to comply the activity</th>
<th>You need to submit this to</th>
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<tr>
<td>1</td>
<td>Pay excise duty on the goods removed from the factory or warehouse for the previous month</td>
<td>Rule 8(1)</td>
<td>Central Excise Rules, 2002</td>
<td>October 5</td>
<td>Excise Authorities</td>
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<tr>
<td>2</td>
<td>Pay excise duty on the goods removed from the factory or warehouse for the previous month (E-payment)</td>
<td>Rule 8(1)</td>
<td>Central Excise Rules, 2002</td>
<td>October 6</td>
<td>Excise Authorities</td>
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<tr>
<td>3</td>
<td>Submit monthly return for receipt of inputs &amp; capital goods for the preceding month in Form No. E.R.2</td>
<td>Rule 9(7) &amp; Rule 12</td>
<td>CENVAT Credit Rules, 2004 &amp; Central Excise Rules, 2002</td>
<td>October 10</td>
<td>Supritendent of Central Excise</td>
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<tr>
<td>4</td>
<td>Submit monthly Central Excise E.R.1 Return (E.R. 2 return for 100% EOUs / units in FTZ / SEZ)</td>
<td>Rule 12 (1) / 17 (3)</td>
<td>Central Excise Rules, 2002</td>
<td>October 10</td>
<td>Excise Authorities</td>
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<td>5</td>
<td>Submit monthly return by manufacturer of final product (N.A. for SSI)</td>
<td>Rule 9(7)</td>
<td>CENVAT Credit Rules, 2004</td>
<td>October 10</td>
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<tr>
<td>6</td>
<td>Submit return containing information of principal input for the preceding month in Form No. E.R.6</td>
<td>Rule 9A</td>
<td>CENVAT Credit Rules, 2004</td>
<td>October 10</td>
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<tr>
<td>7</td>
<td>Submit monthly Return for availment of CENVAT Credit for preceding month in Form No. E.R.11</td>
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<td>October 10</td>
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<tr>
<td>8</td>
<td>Quarterly Return of CENVAT Credit by First Stage Dealer/Second Stage Dealer for the quarter ending September in prescribed formats</td>
<td>Rule 9</td>
<td>CENVAT Credit Rules, 2004</td>
<td>October 15</td>
<td>Supritendent of Central Excise</td>
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<tr>
<td>9</td>
<td>Deposit duty on goods cleared during a calendar month, where an assessee is availing of the exemption under a notification based on the value of clearances of goods from factory or warehouse, in a Financial Year</td>
<td>Second Proviso to Rule 8(1)</td>
<td>Central Excise Rules, 2002</td>
<td>October 15</td>
<td>Excise Authorities</td>
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<tr>
<td>10</td>
<td>Monthly payment of excise duty for the preceding month SSI Units</td>
<td>Rule 8</td>
<td>CENVAT Credit Rules, 2004 &amp; Central Excise Rules, 2002</td>
<td>October 15</td>
<td>Excise Authorities</td>
</tr>
<tr>
<td>11</td>
<td>Deposit duty on goods cleared during a calendar month, where an assessee is availing of the exemption under a notification based on the value of clearances of goods from factory or warehouse, in a Financial Year (E-payment)</td>
<td>Second Proviso to Rule 8(1)</td>
<td>Central Excise Rules, 2002</td>
<td>October 16</td>
<td>Excise Authorities</td>
</tr>
<tr>
<td>12</td>
<td>Monthly payment of excise duty for the preceding month SSI Units (E-payment)</td>
<td>Rule 8</td>
<td>CENVAT Credit Rules, 2004 &amp; Central Excise Rules, 2002</td>
<td>October 16</td>
<td>Excise Authorities</td>
</tr>
<tr>
<td>13</td>
<td>Submit Central Excise Quarterly Return, where an assessee is availing of the exemption under a notification based on the value of clearances in a financial year OR manufacturing specified readymade garments (instead of submitting monthly return)</td>
<td>Proviso to Rule 12(1)</td>
<td>Central Excise Rules, 2002</td>
<td>October 20</td>
<td>Excise Authorities</td>
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<tr>
<td>14</td>
<td>Submit quarterly return where a manufacturer is availing exemption under a notification based on value or quantity of clearances in a financial year</td>
<td>Rule 9(7)</td>
<td>CENVAT Credit Rules, 2004</td>
<td>October 20</td>
<td>Supritendent of Central Excise</td>
</tr>
</tbody>
</table>

“All the art of living lies in a fine mingling of letting go and holding on.” - Henry Ellis
<table>
<thead>
<tr>
<th>Date</th>
<th>Task Description</th>
<th>Relevant Section(s)</th>
<th>Relevant Act(s)</th>
<th>Authority</th>
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<tbody>
<tr>
<td>15 September 2012</td>
<td>Quarterly Return for first stage dealer and second stage dealer for the period July to September in Form No. ER-3</td>
<td>Rule 9(7) Cenvat Credit Rules, 2004</td>
<td>October 20</td>
<td>Suprintendent of Central Excise</td>
</tr>
<tr>
<td>16 October 20</td>
<td>File half yearly return in Form ST-3 or ST-3A in triplicate along with a copy of TR-6 for Challan (if credit is insufficient) for the months in the previous half year from April to September</td>
<td>Section 70 read with Rule 7 The Finance Act, 1994 read with The Service Tax Rules, 1994</td>
<td>October 25</td>
<td>Suprintendent of Central Excise</td>
</tr>
<tr>
<td>17 October 20</td>
<td>Submission of half yearly return [April to September (by the output service provider)] in Form ST-3</td>
<td>Rule 9(9) Cenvat credit Rules, 2004</td>
<td>October 31</td>
<td>Suprintendent of Central Excise</td>
</tr>
<tr>
<td>19 October 20</td>
<td>Submit return for previous quarter or half year in case of provider of output service availing CENVAT credit in the prescribed form (P.S. No form is prescribed)</td>
<td>Section 70 read with Rule 9(9) The Finance Act, 1994 read with The Cenvat Credit Rules, 2004</td>
<td>October 31</td>
<td>Suprintendent of Central Excise</td>
</tr>
<tr>
<td>18 October 20</td>
<td>Submit return for previous quarter or half year in case of input service distributor availing CENVAT credit, giving details of credit received and distributed during previous half year [April to September (ST-3 Form)]</td>
<td>Section 70 read with Rule 9(10) The Finance Act, 1994 read with The Cenvat Credit Rules, 2004</td>
<td>October 31</td>
<td>Suprintendent of Central Excise</td>
</tr>
</tbody>
</table>

### INCOME TAX RELATED COMPLIANCE

<table>
<thead>
<tr>
<th>Date</th>
<th>Task Description</th>
<th>Relevant Section(s)</th>
<th>Relevant Act(s)</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 October 7</td>
<td>Deposit TDS from salaries for the previous month in Challan No. 281</td>
<td>Section 192 Income Tax Act, 1961</td>
<td>October 7</td>
<td>Designated Bank / Income Tax Authorities</td>
</tr>
<tr>
<td>2 October 7</td>
<td>Deposit TDS on interest on Securities, Dividends other than dividends referred to in Section 115C, Interest other than interest on Securities, Winnings from Lotteries &amp; crossword puzzles, Winnings from Horse Races</td>
<td>Section 193, Section 194 to Section 194BB Income Tax Act, 1961</td>
<td>October 7</td>
<td>Designated Bank / Income Tax Authorities</td>
</tr>
<tr>
<td>3 October 7</td>
<td>Deposit TDS on Contractor's Bill / Rent Advertising / Professional Service Bill deducted in the previous month</td>
<td>Section 194C to Section 194J Income Tax Act, 1961</td>
<td>October 7</td>
<td>Designated Bank / Income Tax Authorities</td>
</tr>
<tr>
<td>4 October 7</td>
<td>Deposit TDS on payment to non-resident, Foreign company being holder of mutual fund units, Units held by an offshore fund, Income from foreign currency bond, Income of FIIs from securities, Payment of Tax Collected at Source</td>
<td>Section 195, Section 196 A to 196 D and Section 206 Income Tax Act, 1961</td>
<td>October 7</td>
<td>Designated Bank / Income Tax Authorities</td>
</tr>
<tr>
<td>5 October 31</td>
<td>Issue TDS Certificates in Form 16A to vendors (with respect to TDS deducted in previous month)</td>
<td>Section 203 Income Tax Act, 1961</td>
<td>October 31</td>
<td>Income Tax Authorities</td>
</tr>
<tr>
<td>6 October 31</td>
<td>Forward copies of declaration in Form 60/61 received from 1 April, 2008 to 30th September, 2008 (not on opening bank account) to CIT(CIB)</td>
<td>Section 139A Income Tax Act, 1961</td>
<td>October 31</td>
<td>Commissioner of Income tax(Central Information Branch)</td>
</tr>
<tr>
<td>7 October 31</td>
<td>Furnish copy of audited account of each approved programme by The National laboratory, University-Indian Institute of Technology or specified person</td>
<td>Section 35(2AA) Income Tax Act, 1961</td>
<td>October 31</td>
<td>Director General (IT Exemptions)</td>
</tr>
<tr>
<td>8 October 31</td>
<td>Furnish copy of audited account of each approved facility by the Company</td>
<td>Section 35(2AA) Income Tax Act, 1961</td>
<td>October 31</td>
<td>Secretary, DSIR</td>
</tr>
<tr>
<td>10 October 15</td>
<td>Submit Statement of tax collection at source and tax deducted at source during July 1, 2008 to September 30, 2008 in Form 27EQ</td>
<td>Section 201(3), 206C(3) Income Tax Act, 1961</td>
<td>October 15</td>
<td>Income Tax Authorities</td>
</tr>
<tr>
<td></td>
<td>Financial/Compliance Requirement</td>
<td>Section/Rule</td>
<td>Legislation</td>
<td>Due Date</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------</td>
<td>--------------</td>
<td>-------------</td>
<td>----------</td>
</tr>
<tr>
<td>11</td>
<td>Quarterly Return of TDS in Form 24Q</td>
<td>Section 192 read with Rule 31A</td>
<td>Income Tax Act, 1961</td>
<td>October 15</td>
</tr>
<tr>
<td>12</td>
<td>Banking Companies to furnish return of interest payment without TDS for quarter July to September in Form No. 26QAA</td>
<td>Section 206A(1) &amp; Rule 31AC</td>
<td>Income Tax Act, 1961 &amp; Income Tax Rules, 1962</td>
<td>October 31</td>
</tr>
<tr>
<td>13</td>
<td>Payment of Securities Transaction Tax for the previous month (Challan No. ITNS 283)</td>
<td>Section 100</td>
<td>Income Tax Act, 1961</td>
<td>October 7</td>
</tr>
<tr>
<td>18</td>
<td>Submit Return of Wealth</td>
<td>Section 14</td>
<td>Wealth Tax Act, 1957</td>
<td>October 31</td>
</tr>
</tbody>
</table>

**FINANCE ACT & SERVICE TAX RELATED COMPLIANCE**

<table>
<thead>
<tr>
<th></th>
<th>Action</th>
<th>Section/Rule</th>
<th>Legislation</th>
<th>Due Date</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pay Service tax collected during the previous month by persons other than individuals, propoters and partnership firms in G.A.R-7</td>
<td>Section 68 read with Rule 6</td>
<td>The Finance Act, 1994 read with The Service Tax Rules, 1994</td>
<td>October 5</td>
<td>Service Tax Authorities</td>
</tr>
<tr>
<td>2</td>
<td>Pay Service tax collected during the previous quarter by individuals, propoters and partnership firms in G.A.R-7</td>
<td>Section 68 read with Rule 6</td>
<td>The Finance Act, 1994 read with The Service Tax Rules, 1994</td>
<td>October 5</td>
<td>Service Tax Authorities</td>
</tr>
<tr>
<td>3</td>
<td>Pay Service tax collected during the previous month by persons other than individuals, propoters and partnership firms in G.A.R-7 (E-payment)</td>
<td>Section 68 read with Rule 6</td>
<td>The Finance Act, 1994 read with The Service Tax Rules, 1994</td>
<td>October 6</td>
<td>Service Tax Authorities</td>
</tr>
</tbody>
</table>

**THE MAHARASHTRA STATE TAX RELATED COMPLIANCE**

<table>
<thead>
<tr>
<th></th>
<th>Action</th>
<th>Rule</th>
<th>Legislation</th>
<th>Due Date</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Submit monthly/quarterly/half yearly return and payment of tax for the previous month/quarter/half year in form 209 by Dealer to whom a certificate of Entitilement has been granted for availing incentives by way of exemption</td>
<td>Rule 18</td>
<td>The Maharashtra Value Added Tax Act, 2005 and Rules thereunder</td>
<td>October 1</td>
<td>Sales Tax Authorities</td>
</tr>
<tr>
<td>2</td>
<td>Submit monthly return and pay tax for the previous year exceeds Rs. 1 Lakh</td>
<td>Rules 17 / 18 and 41</td>
<td>The Maharashtra Value Added Tax Act, 2005 and Rules thereunder</td>
<td>October 25</td>
<td>Sales Tax Authorities</td>
</tr>
<tr>
<td>3</td>
<td>Submit six monthly return and pay tax liability who are retailer &amp; who opted for composition of tax</td>
<td>Rules 17 / 18 and 42(1)</td>
<td>The Maharashtra Value Added Tax Act, 2005 and Rules thereunder</td>
<td>October 25</td>
<td>Sales Tax Authorities</td>
</tr>
<tr>
<td>4</td>
<td>Submit quarterly return (if tax liability during the previous year exceeds Rs. 36 thousand but is upto Rs. 1 Lakh)</td>
<td>Rules 17 / 18 and 41</td>
<td>The Maharashtra Value Added Tax Act, 2005 and Rules thereunder</td>
<td>October 25</td>
<td>Sales Tax Authorities</td>
</tr>
<tr>
<td>5</td>
<td>Submit monthly return of Professional Tax if tax liability is Rs. 20 thousand or more in Form No. III (Return-cum-challan)</td>
<td>Rule 11 (3) (c)</td>
<td>The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and Rules thereunder</td>
<td>October 31</td>
<td>Profession tax Authorities</td>
</tr>
<tr>
<td>6</td>
<td>Credit Professional Tax deducted in the previous month in Form III</td>
<td>Rule 17</td>
<td>The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and Rules thereunder</td>
<td>Within 15 days of such deduction</td>
<td>Profession Tax Authorities</td>
</tr>
</tbody>
</table>
### COMPANY LAW RELATED COMPLIANCES

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Section</th>
<th>Act</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Payment of monthly Provident Fund dues (Corporate) for previous month in prescribed challan</td>
<td>418</td>
<td>Companies Act, 1956</td>
<td>October 15</td>
</tr>
<tr>
<td></td>
<td>(i) Post Office Saving Bank Account or (ii) Special Account with SBI or any Scheduled Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Letter to Auditors for confirmation of their Appointment in Annual General Meeting</td>
<td>224</td>
<td>Companies Act, 1956</td>
<td>Within 7 days from date of AGM held (October 7, if AGM is held on September 30)</td>
</tr>
<tr>
<td></td>
<td>Auditors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>File Annual Accounts in Form 23AC, 23ACA</td>
<td>218</td>
<td>Companies Act, 1956</td>
<td>Within 30 days from AGM. (30th October, if AGM is held on 30th September 2009)</td>
</tr>
<tr>
<td></td>
<td>Registrar of Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### ECONOMIC, INDUSTRIAL & LABOUR LAW RELATED COMPLIANCES

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Paragraph</th>
<th>Act</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pay monthly Provident Fund dues (non-corporate)</td>
<td>38</td>
<td>Employees' Provident Funds Scheme, 1952</td>
<td>October 15</td>
</tr>
<tr>
<td></td>
<td>Provident Fund Authorities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>File monthly return for employees leaving in form No. 1/ joining in form No. 5 during the previous month i.e. May</td>
<td>20(2) read with Paragraph 3(1) &amp; (2)</td>
<td>The Employees Pension Scheme, 1995 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)</td>
<td>October 15</td>
</tr>
<tr>
<td></td>
<td>Provident Fund Commissioner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>File monthly return in Form no. 2(F) of employees entitled for membership of Insurance Fund</td>
<td>10</td>
<td>The Employees Deposit Linked Insurance Scheme, 1976 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)</td>
<td>October 15</td>
</tr>
<tr>
<td></td>
<td>Provident Fund Commissioner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>File monthly return in Form no. 3(F) for members of Insurance Fund leaving service during the previous month i.e. April</td>
<td>10</td>
<td>The Employees Deposit Linked Insurance Scheme, 1976 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)</td>
<td>October 15</td>
</tr>
<tr>
<td></td>
<td>Provident Fund Commissioner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>File monthly return in Form no. F4(PS) of members joining service during the month</td>
<td>10</td>
<td>The Employees Deposit Linked Insurance Scheme, 1976 (For exempted establishments under Employees Provident Fund and Misc. Provisions Act, 1952)</td>
<td>October 15</td>
</tr>
<tr>
<td></td>
<td>Provident Fund Commissioner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Notice of Change relate in respect of total number of employees qualifying for higher fees as prescribed in Schedule-II Within 15 days after the expiry of the quarter to which the changes take place and in respect of other changes in the original statement furnished within 30 days after the change has taken place in Form E</td>
<td>8</td>
<td>Shop &amp; Establishment Act, 1947</td>
<td>October 15 (Within 15 days after the expiry of the quarter to changes take place)</td>
</tr>
<tr>
<td></td>
<td>Concerned registering</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Pay ESI contribution for previous month i.e. September</td>
<td>31</td>
<td>Employee State Insurance Act, 1948 Employees State Insurance (Gen) Regulations,</td>
<td>October 21</td>
</tr>
<tr>
<td></td>
<td>ESIC Authority</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Submit monthly return of Provident Fund for the previous month in Form No. 12A</td>
<td>38</td>
<td>Employees' Provident Funds Scheme, 1952</td>
<td>October 25</td>
</tr>
<tr>
<td></td>
<td>Provident Fund Commissioner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Submit return of declaration in Form 3 &amp; 1-A</td>
<td>14</td>
<td>Employees State Insurance (General) Regulations, 1950</td>
<td>Within 10 days from the date of receiving the relevant papers</td>
</tr>
<tr>
<td></td>
<td>ESIC Authority</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Issue Notice for payment of Gratuity and Notice for Inadmissible claim in Form L&amp;M</td>
<td>8</td>
<td>Payment of Gratuity Act, 1972</td>
<td>Within 15 days of receipt of application</td>
</tr>
<tr>
<td></td>
<td>Applicant employee or legal heir</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### RBI (NBFC) RELATED COMPLIANCES

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Paragraph</th>
<th>Act</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>File return of exposure of capital markets in Form NBS-6</td>
<td>22</td>
<td>NBFC-D Prudential Norms Directions, 2007</td>
<td>October 7</td>
</tr>
<tr>
<td></td>
<td>RBI</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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“Do not dwell in the past, do not dream of the future, concentrate the mind on the present moment.” - Buddha
| 2 | File a monthly return in prescribed format (NBC-ND) | Circular No. DNBS (RID) CC No. 57/02.02.15/2005-06 | Department of Non-Banking Supervision, RBI | October 7 | RBI |
| 3 | File liquidity return in Form NBS-3 (by NBFC) | Para 2 & 3 | RBI (NBFC) Returns Specifications, 1997 | October 15 | RBI |
| 4 | To file a quarterly return on frauds outstanding, if any, in Form FMR - 2 (NBFC) | Circular No. DNBS (PD) CC No. 59/03.10.42/2005-06 | Department of Non-Banking Supervision, RBI | October 15 | RBI |
| 5 | Submit a case wise progress report on frauds involving Rs. 1 Lakh and more, if any, in Form FMR-3 (NBFC) | Circular No. DNBS (PD) CC No. 59/03.10.42/2005-06 | Department of Non-Banking Supervision, RBI | October 15 | RBI |
| 6 | Submit copy of Annual Report | None | Department of Non-Banking Supervision, RBI | Within 15 days from AGM, (15th October, if AGM is held on 30th September 2009) | RBI |
| 7 | File (Assets Liability Management) ALM-I, ALM-II, ALM-III (NBFC - D) | Circular No. DNBS (PD) CC No. 15/02.01/2000-01 dated 27.06.01 | Department of Non-Banking Supervision, RBI | October 31 (within a month of the closure of half year ended September 30) | RBI |

**SEBI RELATED COMPLIANCES**

| 1 | Submit a quarterly report for grievancy of the beneficial owners related to depository services | Regulation 53B read with NSDL Circular No. NSDL/JS/029/2003 | SEBI (Depositories and participants) Regulations, 1996 | October 7 | Depositories |
| 2 | Submit quarterly certificate on demat / remat of shares during the previous quarter | Regulation 54(5) read with NSDL Circular No. NSDL/9G/015/99 | SEBI (Depositories and participants) Regulations, 1996 | October 7 | Depositories |
| 3 | The asset management company shall submit to the trustees quarterly reports on its activities and the compliance with these regulations. | Regulation 25 | SEBI (Mutual Funds) Regulations, 1996 amended 2000 | July 15 (Tentative) | Board / Stock Exchange |
| 4 | A quarterly portfolio statement, including changes from the previous periods, for each scheme. | Regulation 58 | SEBI (Mutual Funds) Regulations, 1996 amended 2000 | July 15 (Tentative) | Board / Stock Exchange |
| 5 | Secretarial Audit Report of reconciliation of total admitted capital with depositories and total issued and listed capital for the previous quarter | SEBI Circular No. DFCC/FTTF/Cir-16/2002 | Regulation 55 A of the SEBI (Depositories and Participants), Regulations, 1996 | October 31 | Stock Exchanges |
| 7 | Obtaining annual disclosure of shareholdings from Directors, Designated employees and their dependants | Regulation 13(3) | SEBI (Prohibition of Insider Trading) Regulations, 1992 | within 2 days of receipt of intimation of allotment or acquisition of shares | Compliance Officer of the Company |
| 8 | Quarterly Certificate regarding paid up-listed-dematerialized share capital (Reconciliation Audit) | Regulation 55A | SEBI (Depositories & Participants) Regulations, 1996 | October 31 | Stock Exchanges / NSDL/CDSL |
| 9 | Any change in Director or their interest | Regulation 25 | SEBI (Mutual Funds) Regulations, 1996 amended 2000 | October 31 (Tentative) | Board / Stock Exchange |
| 10 | Submit copy of six month audited report | Regulation 58 | SEBI (Mutual Funds) Regulations, 1996 amended 2000 | October 31 (Tentative) | Board / Stock Exchange |
| 11 | Furnish Internal Audit report every quarter | Rule10.3.1 of NSDL Bye-laws & Rule 16.3.1 of CDSL Bye-laws | NSDL/CDSL Bye-laws | Upon end of the quarter | NSDL/CDSL |

**LISTING AGREEMENT RELATED COMPLIANCES**

| 1 | Submit Quarterly Corporate Governance Compliance Certificate | Clause 49 (VI) (ii) | Listing Agreement | October 15 | Stock Exchanges |
| 2 | Submit shareholding pattern as at the end of previous quarter | Clause 35 | Listing Agreement | October 21 | Stock Exchanges |
| 3 | Furnish unaudited quarterly financial results in the prescribed format | Clause 41 | Listing Agreement | November 15 | Stock Exchanges |

“Don’t go around saying the world owes you a living. The world owes you nothing. It was here first.” - Mark Twain
<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Date</th>
<th>Day</th>
<th>Venue</th>
<th>Programme</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7-Oct-12</td>
<td>Sunday</td>
<td>Kandivali</td>
<td>Kandivali Study Circle Meeting</td>
<td>To be decided</td>
</tr>
<tr>
<td>2</td>
<td>13-Oct-12</td>
<td>Saturday</td>
<td>To be decided</td>
<td>Full Day Seminar</td>
<td>IPRs - Copyright, Trademarks &amp; Patents</td>
</tr>
<tr>
<td>3</td>
<td>14-Oct-12</td>
<td>Sunday</td>
<td>A V Hall, Don Bosco High School, L.T. Road, Vazira Naka, Borivali (West), Mumbai - 400091</td>
<td>Borivali Study Circle Meeting</td>
<td>To be decided</td>
</tr>
<tr>
<td>4</td>
<td>19-Oct-12</td>
<td>Friday</td>
<td>AV Hall, 1st Floor, New SNDT, Cama Lane, Ghatkopar ( W), Mumbai- 400 077</td>
<td>Ghatkopar Study Circle Meeting</td>
<td>To be decided</td>
</tr>
<tr>
<td>5</td>
<td>20-Oct-12</td>
<td>Saturday</td>
<td>To be decided</td>
<td>Full Day Seminar</td>
<td>Non-Banking Financial Companies (NBFCs)</td>
</tr>
<tr>
<td>6</td>
<td>21-Oct-12</td>
<td>Sunday</td>
<td>Reena Mehta College of Commerce &amp; Management Studies, Near Flyover, 150 Feet Road, Opp. Maxus Mall, Bhayandar(W), Dist. Thane - 401101</td>
<td>Bhayander Study Circle Meeting</td>
<td>To be decided</td>
</tr>
<tr>
<td>7</td>
<td>26-Oct-12</td>
<td>Friday</td>
<td>AC Auditorium, 1st Floor, ICSI- WIRC Premises, Jolly Makers Chamber No. 2, Nariman Point, Mumbai 400021</td>
<td>Study Circle Meeting</td>
<td>SEBI (ESOP &amp; ESPS) Guidelines</td>
</tr>
<tr>
<td>8</td>
<td>27-Oct-12</td>
<td>Saturday</td>
<td>To be decided</td>
<td>Full Day Seminar</td>
<td>Raising of Funds in International Markets - ECB, FCCB, GDRs etc.</td>
</tr>
<tr>
<td>9</td>
<td>28-Oct-12</td>
<td>Sunday</td>
<td>Sardar Vallabhbai Engineering College, Bhavan’s College Campus, Near Navrang Cinema &amp; Vrindavan Restaurant, Andheri (West), Mumbai</td>
<td>Andheri Study Circle Meeting</td>
<td>To be decided</td>
</tr>
</tbody>
</table>
### WIRC NEWS

#### FULL DAY SEMINAR

<table>
<thead>
<tr>
<th>Date</th>
<th>11th August , 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Pritam Hotel, 32, Dharam Putra, Pritam Estate, Kohinoor Road, Dadar (East), Mumbai- 400 014</td>
</tr>
<tr>
<td>Topics</td>
<td>Secretarial Audit And Secretarial Standards</td>
</tr>
</tbody>
</table>
| Chief Guest / Speakers | Guest of Honour: Shri C. V. Sajeevan, Ministry of Corporate Affairs  
Shri S. D. Israni, Advocates & Solicitors  
Shri Keyoor Bakshi, Practicing Company Secretary & Past President, ICSI-WIRC  
Shri Prakash Pandya, Practicing Company Secretary |
| Delegates          | 82 |

#### FULL DAY SEMINAR

<table>
<thead>
<tr>
<th>Date</th>
<th>18th August , 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>WIRC of ICSI, AC Auditorium, 1st Floor</td>
</tr>
<tr>
<td>Topics</td>
<td>“Revised Schedule VI &amp; XBRL Concepts, Terminology &amp; Practical demonstration on preparation of Instance Document”</td>
</tr>
</tbody>
</table>
| Chief Guest / Speakers | Mr. Vijay Sahni, FCS, Director, Webtel Electrosoft Pvt. Ltd.  
Mr. Ankit Varshney, Chartered Accountant |
| Delegates          | 76 |

#### BORIVALI STUDY CIRCLE MEETING

<table>
<thead>
<tr>
<th>Date</th>
<th>12th August 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>A V Hall, Don Bosco High School, Borivali (West), Mumbai</td>
</tr>
<tr>
<td>Topics</td>
<td>“Taxation Aspects in Mergers and Acquisitions”.</td>
</tr>
<tr>
<td>Chief Guest / Speakers</td>
<td>Mr. Janak Bhatiya and Mrs. Jagruti Sheth, Partners - S. H. Bhatiya &amp; Associates, Chartered Accountants</td>
</tr>
<tr>
<td>Delegates</td>
<td>76</td>
</tr>
</tbody>
</table>

#### BHAYANDER STUDY CIRCLE MEETING

<table>
<thead>
<tr>
<th>Date</th>
<th>19th August, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Reena Mehta college of commerce &amp; management studies, near fly-over, 150 feet road, opp. Maxus Mall, Bhayander (W), Dist. Thane - 401101</td>
</tr>
<tr>
<td>Topics</td>
<td>“Managerial Remuneration And Appointment”</td>
</tr>
<tr>
<td>Chief Guest / Speakers</td>
<td>Shri Ram Mallar, (Ex. Executive Vice President And General Council of Johnson &amp; Johnson,)</td>
</tr>
<tr>
<td>Delegates</td>
<td>79</td>
</tr>
</tbody>
</table>

#### DADAR STUDY CIRCLE MEETING

<table>
<thead>
<tr>
<th>Date</th>
<th>4th August 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Essar House, Mahalaxmi, Mumbai.</td>
</tr>
<tr>
<td>Topics</td>
<td>“Managerial Remuneration And Appointment”</td>
</tr>
<tr>
<td>Chief Guest / Speakers</td>
<td>Shri Ram Mallar (Retired Executive Director, Johnson &amp; Johnson)</td>
</tr>
<tr>
<td>Delegates</td>
<td>63</td>
</tr>
</tbody>
</table>

#### FULL DAY SEMINAR

<table>
<thead>
<tr>
<th>Date</th>
<th>25th August , 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>WIRC of ICSI, AC Auditorium, 1st Floor</td>
</tr>
<tr>
<td>Topics</td>
<td>SEBI Regulations, Listing Agreement And E-Voting”</td>
</tr>
</tbody>
</table>
| Chief Guest / Speakers | Guest of Honour: Shri J. N. Gupta, Founder & Managing Director, Stakeholders Empowerment Services  
Shri Yogesh Chande, Advocate  
Shri J. J. Bhat, Advocate  
Mis. Shailashree Bhaskar, Ex. DGM, SEBI  
Shri Nitin Ambore, Vice President, NSDL |
| Delegates          | 76 |

*“Every man dies. Not every man really lives.” – William Wallace*
### NEWS & EVENTS

#### KANDIVALI STUDY CIRCLE MEETING

<table>
<thead>
<tr>
<th>Date</th>
<th>Sunday, 5th August, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Kandivali Recreation Club, Kandivali (West), Mumbai - 400067</td>
</tr>
</tbody>
</table>
| Topics        | 1) Capital Market and Listing of SME on BSE Stock Exchange  
                2) Presentation on “e-voting” Empowering Investors |
| Chief Guest / Speakers | 1) Mr. Ashishkumar Chauhan – Interim CEO of BSE  
                              2) Mr. Anand Tirodkar & Ms. Prajakta Ghugal - Business Development, Central Depository Services (India) Limited |
| Delegates     | 87                        |
| Other features| CS Pramod S. Shah was the Programme Coordinator.  
                          1) Mr. Ashishkumar Chauhan addressed in detail the important feature of the Capital Market and Listing of SME on BSE Stock Exchange.  
                          2) Mr. Anand Tirodkar & Ms. Prajakta Ghugal addressed with PowerPoint Presentation about the new concept of e-voting in terms of Amendment to the Equity Listing Agreement – Platform for e-voting by Shareholders of listed entities and also made online presentation and online demo of the e-voting process to the members. |

#### KANDIVALI STUDY CIRCLE MEETING

<table>
<thead>
<tr>
<th>Date</th>
<th>Sunday, 2nd September, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Kandivali Recreation Club, Kandivali (West), Mumbai 400 067</td>
</tr>
<tr>
<td>Topics</td>
<td>“Towards Financial Independence”</td>
</tr>
<tr>
<td>Chief Guest / Speakers</td>
<td>Mr. Umang Thaker and Mr. Shailesh, Corporate Relationships- Financial Planning -Edelweiss Investment Advisors Limited</td>
</tr>
<tr>
<td>Delegates</td>
<td>80</td>
</tr>
</tbody>
</table>
| Other features| Mr. Deodatta Pandit was the Programme Coordinator.  
                          Mr. Umang Thaker and Mr. Shailesh addressed in details the Important Features and Factors of Financial Planning with Power Point Presentation. |

#### ICSI AHMEDABAD CHAPTER

#### STUDENT’S CONFERENCE

<table>
<thead>
<tr>
<th>Date</th>
<th>Saturday 04th August, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Tagore Hall, Paldi, Ahmedabad</td>
</tr>
<tr>
<td>Topics</td>
<td>Various</td>
</tr>
</tbody>
</table>

#### STUDY CIRCLE MEETING

<table>
<thead>
<tr>
<th>Date</th>
<th>Friday, 24th August, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>ICSI Ahmedabad Chapter</td>
</tr>
<tr>
<td>Topics</td>
<td>IMPACT OF SERVICE TAX AMENDMENTS IN NEGATIVE LIST REGIME</td>
</tr>
<tr>
<td>Chief Guest / Speakers</td>
<td>CA AMISH J. KHANDHAR , Practicing Chartered Accountant</td>
</tr>
<tr>
<td>Delegates</td>
<td>97</td>
</tr>
<tr>
<td>Other features</td>
<td>PCS Committee Chairman CS Rutul Shukla welcomed the Participants and introduced the Speakers and gave Vote of Thanks.</td>
</tr>
</tbody>
</table>

#### STUDY CIRCLE MEETING

<table>
<thead>
<tr>
<th>Date</th>
<th>Thursday, 30th August, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>ICSI Ahmedabad Chapter</td>
</tr>
<tr>
<td>Topics</td>
<td>Corporate Governance &amp; Corporate Social Responsibility</td>
</tr>
</tbody>
</table>

“Everything has been figured out, except how to live.” - Jean-Paul Sartre
NEWS & EVENTS

Chief Guest / Speakers
Mr. Gurpreet Singh And Ms. Kalagi Shah

Delegates 55

Other features
SCM was organized during ICSI 2nd Corporate Governance Week from August 27 to August 31, 2012.

RAIPUR CHAPTER

FOUNDATION DAY CELEBRATIONS AND STUDENTS’ CONFERENCE

Date 12th August, 2012

Venue GT Star, VIP Road, Raipur (C.G.).

Topics “Educate, Evolve and Empower”, Sub-Topics: “Corporate Governance Corporate Quiz Contest

Chief Guest / Speakers CS Mahavir Lunawat, Chairman of WIRC, Mumbai and CS Rajiv Bajaj, Chairman of NIRC, New Delhi and CS Amit Jain, Regional Council Member from Bhopal, CS Y.C. Rao, Secretary of Raipur Chapter CS Sonam Agrawal, CS S.K. Batra

Delegates 150

Other features S / Shri Kamesh Verma, Sonia Keblion, Sneha Agrawal, Akansha Pithalia, Sweta Jain, Sagar Shrivastava and Nitesh Dubey, Amit Gangwani, Neha Gyanchandani, Sweta Jain, Sapna Jain, Monika Lath, Nitin Agrawal prize distribution to all the participants and All India Topper in CS Final Examination from Ambikapur Ms. Shruti Goyal was felicitated along with Rohit Agrawal, Khushboo Panjwani, Ratan Jansari, Dolly Agrawal, Neha Harish Gyanchandani who have passed all the modules of CS Final Examination in December, 2011. Mrs. Madhu Kamra, Mrs. Mohini Malewar, Mr. Purushottam Mishra, Mr. Santosh Rai, Ms. Neelam Singh and Mrs. Dolly Keshwani Foundation Day celebrations concluded with cheerful and vibrant cultural programme comprising of dances & songs performed by the students and members in the evening.

INDEPENDANCE DAY CELEBRATION

Date Wednesday, 15th August, 2012

Venue ICSI Ahmedabad Chapter

Topics Cultural Programme

“Everything in life is luck.” - Donald Trump
**SECOND CORPORATE GOVERNANCE WEEK & RESULTS**
**JUNE, 2012**

<table>
<thead>
<tr>
<th>Date</th>
<th>26.08.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Hira Arcade, Pandri, Raipur</td>
</tr>
<tr>
<td>Topics</td>
<td>Corporate Governance &amp; Felicitation to Students</td>
</tr>
<tr>
<td>Chief Guest / Speakers</td>
<td>CS Y. C. Rao</td>
</tr>
<tr>
<td>Delegates</td>
<td>40</td>
</tr>
</tbody>
</table>

**Chief Guest / Speakers**
- CS Rajiv Bajaj
- CS Mahavir Lunawat And CS Amit Jain were also present. The event concluded with cultural programme.

**GOA CHAPTER**

<table>
<thead>
<tr>
<th>Date</th>
<th>August 10, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>S. Timblo Hall, Gcci Bldg., Panaji, Goa</td>
</tr>
<tr>
<td>Topics</td>
<td>Fdi, Odi &amp; Acquisition of Immovable Property by Non-Residents</td>
</tr>
<tr>
<td>Chief Guest / Speakers</td>
<td>Mr. V. K. Parvatikar, Agm, Mr. A. N. Subramanya, Manager And Ms Brenda Rodrigues, Asst. Manager (Reserve Bank of India, Foreign Exchange Dept. Goa)</td>
</tr>
<tr>
<td>Delegates</td>
<td>52</td>
</tr>
</tbody>
</table>

**Other features**
- JOINT PROGRAMME WITH THE GOA CHAMBER OF COMMERCE AND INDUSTRY

**SERVICE TAX**

<table>
<thead>
<tr>
<th>Date</th>
<th>July 7 &amp; 8, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue</td>
<td>S. Timblo Hall, Gcci Bldg., Panaji, Goa</td>
</tr>
<tr>
<td>Topics</td>
<td>1. Concept of Negative List of Services and Exempt Services, Tax Liability Under Reverse Charge Mechanism and Joint Charge 2. Service Tax Audit 3. Valuation of Taxable Service, Abatements, Composition Scheme, Taxable Territory and Place of Provision of Service Rules</td>
</tr>
<tr>
<td>Chief Guest / Speakers</td>
<td>CA Badrinath, CA Manguesh Kinare, ADV Bharat Raichandani, CA Parimal Kulkarni</td>
</tr>
<tr>
<td>Delegates</td>
<td>130</td>
</tr>
</tbody>
</table>

**Other features**
- JOINT PROGRAMME WITH THE GOA CHAMBER OF COMMERCE AND INDUSTRY

“Fortunately analysis is not the only way to resolve inner conflicts. Life itself still remains a very effective therapist.” - Karen Horney
### Topics

**IMPORTANT ASPECTS WHILE FINALISING FINANCIAL STATEMENTS**

**Chief Guest / Speakers**
CA Kiran Kunte, Practising Chartered Accountant

**Delegates**
45

### CAMPUS INTERVIEWS FOR TRAINING FOR STUDENTS CLEARING EXECUTIVE LEVEL OF PROGRAM

**Date**
24th August 2012

**Venue**
Lakaki Hall, Maharatta Chamber of Commerce, Industries & Agriculture, Pune

### LOCAL ROUND OF MOOT COURT COMPETITION

**Date**
4th August 2012

**Venue**
Cummins Foundation Hall, Pune Chapter OF ICSI, 23, Mukund Nagar, Pune – 411 037

**Delegates**
One team participated

### FELICITATION OF STUDENTS PASSING VARIOUS LEVELS OF ICSI EXAMINATIONS CONDUCTED IN THE MONTH OF JUNE 2012

**Date**
25th August 2012

**Venue**
Cummins Foundation Hall, Pune Chapter OF ICSI, 23, Mukund Nagar, Pune – 411 037

**Topics**
Felicitation of Students passing various levels of ICSI Examinations conducted in the Month of June 2012

**Program/Activity**
Members present at the felicitation were awarded at the hands of CS Pawan Chandak, Chairman Pune chapter. All students shared their experiences about studies and expressed their thoughts.

**Date**
25th August 2012

**Venue**
Cummins Foundation Hall, Pune Chapter OF ICSI, 23, Mukund Nagar, Pune – 411 037

**Topics**
Role of Company Secretary as Compliance Officer

**Chief Guest / Speakers**
Mr. G. P. Kulkarni, Company Secretary

**Delegates**
40

### Other Programs

**Program/Activity**
2nd Corporate Governance Week
27th August to 31st August 2012

**Theme**
“Good Governance for Sustainability”

**Date**
27th August 2012

**Venue**
Cummins Foundation Hall, Pune Chapter OF ICSI, 23, Mukund Nagar, Pune – 411 037

### Program/Activity

**Hill Climbing as A Health Awareness Program and Tree Plantation as A Sozial Awareness Activity**

**Date**
28th August 2012

**Venue**
Hill climbing on PARVATI
Tree Plantation at HANUMAN TEKADI

### Program/Activity

**Competitions for Students & Members of ICSI**

**Date**
29th August 2012

**Venue**
Pune Chapter OF ICSI, 23, Mukund Nagar, Pune – 411 037

**Topics**
SLOGAN WRITING – “Good Governance & sustainability”
POSTER PAINTING – “Green Initiatives”
ESSAY WRITING - “Good Governance & sustainability”

**Program/Activity**
“Zero Print Day” – “Green Day”

**Date**
30th August 2012

**Venue**
Pune Chapter OF ICSI, 23, Mukund Nagar, Pune – 411 037

**Other features**
Celebration of a “Green Day” at Pune chapter of ICSI, and an Appeal was made to all members to follow the same and also to share their Green ideas with the Pune chapter

**Program/Activity**
CSR Awareness Meet & Emerging Areas on CSR

**Date**
31st August 2012

**Venue**
Navalmal Firodiya Hall, MCCIA, S. B Road, Pune

**Topics**
1. Corporate Social Responsibility & emerging areas
2. CSR, Good governance & Sustainability

**Speakers**
1. Mr. Uday Bhaskarwar, Founder of Thinking Hut conducted the session on CSR
2. Ms Simantheeni Khot, Global Head, Suzlon Foundation conducted the session on CSR, Good governance & Sustainability

**Other features**
This was a Joint Program with the Maharatta Chamber of Commerce of, Industries & Agriculture, Pune; wherein around 40 Participants were present.

*“He who has a why to live can bear almost any how.” - Friedrich Nietzsche*
HEALTH TIPS OF THE MONTH

Diet in Diabetes

MRS. ZAMURRUD M. PATEL, P. G. D. (Dietetics) RD Consultant Dietician

What is Diabetes?
Diabetes mellitus, usually called diabetes, is a disease in which your body does not make enough insulin or cannot use normal amounts of insulin properly. Insulin is a hormone that regulates the amount of sugar in your blood. A high blood sugar level can cause problems in kidneys, heart, eyes & many parts of your body.

Helpful Hints for Diabetic Patients
• Control your Blood Sugar (Diabetes)
• Get Regular check - up
• Take your medicines regularly
• Avoid Sugar/Honey/Jaggery
• Avoid Sweets/Mithia/Chocolates/Ice-creams/Soft Drinks
• Have fruits, avoid fruit juices
• Have natural food like vegetables, fruits, nuts and cereals
• Avoid fried and processed food
• Exercise regularly
• Watch your weight

Diabetic Recipes
1. Spinach Rolls
Ingredients
Spinach - 75 gm
Carrot - 30 gm
Onion (chopped) - 30 g
Paneer - 10 g
Green Chilli - 1 No. (chopped)
Amchur powder - ½ tsp
Oil - 3 gm
Bread crumbs - 5 gm
Salt to taste.
Method
Keep aside- 2 spinach leaves, wash chop and cook the remaining spinach. Add the washed carrot to it. Heat oil, add onions and add amchur, green chilli and salt to it. Add the spinach and carrot mixture. Add paneer and bread crumbs. Shape into 2 rolls. Place roll in spinach leaf and wrap the leaf around it. Steam them and serve with a toothpick. Serve hot with tomato chutney.
Calorie - 115 Kcal
Protein - 2 gm

2. Shahi Kheer
Ingredients
Rice - 15 g
Skim milk - 150 ml (1 cup)
Pineapple - 2 slice
Dates - 2
Method
Boil the rice till soft cooked. Boil the milk and add the soft cooked rice. Cook on a low flame for some more time. After cooling, add chopped pieces of pineapple and crushed dates. Refrigerate for 1 hour. Decorate with pineapple pieces and serve.
Calorie - 180 Kcal
Protein - 6.5 gm

SAY CHEESE !!!!

Cartoon

OH, OH... I WONDER IF THE BOSS NOTICED I HAVEN'T DONE A THING ALL DAY...

HMMM... I WONDER IF THE WORKERS NOTICED I HAVEN'T DONE A THING ALL DAY...

Smile Please

Government’s view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.

“Here is the test to find whether your mission on Earth is finished: if you’re alive, it isn’t.”
- Richard Bach

September, 2012
Large rewards only result from taking comparably large risks. If you're ruled by fear, you'll never take enough risks and never achieve success you deserve.

If I've learned anything in this life, it's that the actions that scared me the most at the time--leaving a cushy corporate job to freelance, asking my beautiful wife for a first date, and adopting our two kids--have also paid off the most. That doesn't mean these moves aren't hard at the time, but I've managed to retrain my brain to get past the momentary fear and push toward the payoff. Here are four ideas that I've made an integral part of my thinking:

1. **Value Courage Over Security**

   Repeated surveys have shown that most people value "security" over just about everything else in their lives. People will put up with jobs that they hate, marriages that make them miserable, and habits that are killing them (think "comfort food") simply to feel more secure.

   To conquer fear, you must consciously dethrone "security" as the thing that you value most in your life and replace it with the active virtue of "courage." You must decide, once and for all, that it's more important for you to have the courage to do what you must to succeed, rather than to cling to the things that make you feel safe.

2. **Differentiate Between Fear & Prudence**

   Most fears are irrational and unreasonable. For example, you might be afraid to make an important call because if the call doesn't go well, you'll have to face the fact that you "failed." Or you might be afraid to confront a co-worker who acts like a bully, or to start your own business because you're not certain you've got what it takes.

   It's these irrational fears that hold you back and keep you from being more successful.

   That said, there are other kinds of fear that are actually just simple prudence. For example, you might be afraid to drive aggressively because you might cause an accident. Or you might be afraid to be arrested if you sell a product that kills people.

Prudence is a good thing. Just make sure you aren't pretending to be prudent--when you're just trying to avoid taking reasonable business risks, for instance, or putting yourself on the line to do what's necessary.

3. **Treat Fear as a Call to Action**

   If what you fear is outside of your control (like an economic downturn), write down a specific plan of the exact steps that you'll take in order to adapt, if and when it happens. Once you've completed that task, put the plan aside and have the courage to forget about it. You've done what you can; it's time to move on.

   But if what you fear is inside your control--some action that you're afraid to take, that is--take a few moments to prepare yourself, then do the thing that's scary.

   I mean now. Not tomorrow; not next week. Right now, before you read the rest of this post. Call that person. Write that email. Create a business plan. Do it now!

4. **Reframe Fear Into Excitement**

   Finally, tune in to the aspect of fear that's really fun. Think about the last time you rode a roller coaster: You probably felt plenty of fear, but you were also having a great time.

   Let's face it, a life without fear--and without the courage to overcome fear--would be pretty bland and insipid.

   A personal note: I want to add that there was a time in my life when "security" was so important to me that I was willing to tolerate being truly miserable. I won't bore you with the details, but let's just say that it was only when I changed my thinking (using the formula above) that my life came together.

   Today, I'm actually really excited whenever I discover something that I'm afraid to do, because I know that something wonderful is going to happen--provided I summon the courage to take action!
ICSI observes corp governance week

A FPI BUSINESS DESK

The essence of corporate governance lies in promoting and maintaining integrity, transparency, and accountability as the higher echelons of management. To create awareness, propagate the best practices of corporate governance and enhance corporate responsibility in social fabric, the Institute of Company Secretaries of India (ICSI) observed its 2nd ICSI Corporate Governance Week from 27th August to 31st August across the country.

Five mega programmes were organised across the country. Besides, Mumbai, Kolkata, New Delhi, Bhopal, Agartala, Tirupur, and Visakhapatnam. The programmes included seminars and awareness drives on various aspects of corporate governance.

Mr. L. N. Mishra, President, ICSI, Rajeev Agarwal, Whole Time Member of Securities & Exchange Board of India (SEBI), and B. Narasiraman, Chairman Capital Markets Committee, ICSI released ICSI publications on corporate governance.

Mr. L. N. Mishra

Mr. L. N. Mishra (Retd.) has been the Chairman of the Board of SEBI (2006-2011). He is also a Member of the Armed Forces Tribunal (2005-2006). He has been a Member of the National Security Council (2005-2011).

On 31st August, the ICSI Foundation programme was held at the hotel Shangri-La, New Delhi.

Mr. L. N. Mishra"
"I have a simple philosophy: Fill what's empty. Empty what's full. Scratch where it itches." - Alice Roosevelt Longworth
Mehta & Mehta, a leading Company secretaries firm, is looking for a dynamic & result oriented Company Secretary with 2-3 years of experience at their Mumbai office.

The candidate should have a good practical knowledge of secretarial, legal, finance, FEMA and related fields. The interested candidates are requested to send their resume's on rupali@mehta-mehta.com

---

**CS Quiz**

The Article of Association of the company states that a Director shall not vote in respect of the contract in which he is interested. In a resolution put up for the approval of the shareholders, can a director exercise his voting right in favour of the contract in which he is interested?

Amit Kumar Jain, Editor
ICSI-WIRC’s FOCUS
WIRC Premises No.13, 56 & 57, Jolly Maker Chambers No.2, First Floor, Nariman Point, Mumbai - 400 021.

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“A man who carries a cat by the tail learns something he can learn in no other way.” - Mark Twain
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ICSI - WIRC Photo Gallery

ICSI-WIRC Annual Regional Student’s Conference hosted by Nagpur Chapter on 18th & 19th August

Pradip Channe, Amit Jain, M.R.Bhat, Dr. Ved Prakash Mishra, Nesar Ahmad, R. Ravichandran, Mahavir Lunawat

SEMIPAN ON “Financial and Legal Due Diligence” held on Saturday, 4th August

G. Hariharan Sharad Abhyankar Suhas Tuljapurkar Harshul Shah Sanjay Buch

Bhayander Study Circle Meeting on “Managerial Remuneration And Appointment” on 19th August

Uma Mondal and Ram Mallar

Borivali Study Circle Meetings held on 12 August

Maulin Salvi, Jagruti Sheth, Janak Bathiya, Nirav Gala

Pune Chapter org. CSR Awareness meet & emerging areas on CSR under CG week on 31.8.2012

Regional Student’s Conference hosted by Raipur Chapter and Chapter Foundation Day held on 12.8.2012 at Raipur

Raipur Chapter

ICSI-WIRC Jointly with Surat Chapter organizes Two Day Residential Seminar on New Horizon for the Profession held on 25th & 26th August at Silvassa


Y.C. Rao, Rajiv Bajaj, Mahavir Lunawat, Amit Jain, S.K. Batra & Sonam Agrawal Releasing Souvenir

SEMINAR on “Revised Schedule VI & XBRL” held on 18th August

Lighting up of lamp by dignitaries

Pramod Shah, Sanjay Gupta, Ankit Varshney, Vijay Sahni

Meeting of Chairman WIRC & Raipur Office Bearers with Mr. Brij Mohan Agrawal, Chhattisgarh Education Minister.
SERVICE TAX TODAY
A FORTNIGHTLY ANALYTICAL JOURNAL ON SERVICE TAX
WITH FOREIGN CASE LAWS

TAXATION OF HEALTH/MEDICAL CARE SERVICE

- Taxability of service provided by persons qualified to be doctors but not registered as doctors
- Is telephone/TV facility to patients and provision of beds/meals to attendants exempt?
- Is medical certificates or reports for purposes of damages under personal injury litigation exempt?
- Taxability of conducting medical examinations by insurance companies
- Taxability of provisions of goods/medicines at the time of provision of health care
- Genetic affinity examinations carried out by a doctor as a court appointed expert in a paternity suit not exempt
- Analysis and storage etc. of ‘cord stem cells’ by a bio-bank not exempt
- Making expert report on a person’s state of health for eligibility of claim to disability pension is not exempt

Taxability of remuneration paid/payable by a firm to its partners

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