

Newsletter - 67

August 2009



@CSMysore. For Private Circulation Only



The screenshot shows the homepage of the CSMysore website. At the top, it says "Google groups" and "CSMysore". Below that is a "Home" button and a navigation menu. The main content area features a "Welcome to" message and a list of bullet points:

- Local Members of the Professions and Statutory
- Those who have been associated with the Institute
- Those who have pursued or have been employed by the Institute
- Members of the Faculty of the Institute
- Readers of the Newsletter of the Institute
- All our well-wishers

Below the list, there is a section titled "E-Learning contracts the dimensions of knowledge" and a quote: "Let us Grow Together". At the bottom, it says "Mysore Chapter brings in eParivaar every year".

CSMysore eParivaar Celebrates

2nd Anniversary



Chapter Activities ...3

Readers' Voice...6

Articles

CSMysore celebrates 2nd Anniversary...4

IDay Celebration Report...5

De-notification of SEZ – a Simple undo?...7

Youngest CA,CS,CWA – Amar Kakaria...9

Source of Capital – The Private Equity...12

Columns:

Living Room: The Flow ...6

Book Review: The education of an accidental CEO...8

No Taxing Talk...8

Web Yatra: Cite HR...8

IT for Corp Professionals: Arduo PDF Merger...10

Observer: One India-One Law...11

Legal Roundup...13

Spectrum Space:

Where to get the MT? ...14

Did you know...14

Pick of the month...14

Editors:

CS. Dattatri H M, CS. Sarina C H, CS. Omkar N G,
CS. Rashmi M R, & 'Spectrum' Team

For past editions of eNewsletter click:

<http://www.icsi.edu/mysore> or

<http://www.esnips.com/web/icsimysore>

Mysore Chapter has its eParivaar "CSMysore". To join the eParivaar click:

<http://www.groups.google.com/group/csmysore>

Disclaimer: Views and other contents expressed or provided by the contributors are their own and the Chapter does not accept any responsibility. The chapter is not in any way responsible for the result of any action taken on the basis of the contents published in this newsletter. All rights reserved.



CS. Anshuman A.S.

Chairman, ICSI Mysore Chapter

Dear Readers,

Since last three years, July has been the month to celebrate the success of our students at National Level competitions. The trend of making a mark in the elocution competitions was started by CS. M.R. Rashmi in 2007 which was followed by Ms. Soundarya S. in 2008. This year, Ms. Madhuri Hegde has done our chapter proud by winning the National Level Elocution Competition held at New Delhi.

The team comprising Ms. Veena Bhat Devaru and Mr. Chinmaya A M are not far behind in their quest for excellence. For the third time in row, students of Mysore chapter have been selected to represent SIRC in the National Level Company Law Quiz at the competition held in Coimbatore.

I had the occasion to visit the Coimbatore Branch of SIRC during the month along with the team participating in the Company Law Quiz. Through this column, I thank the Coimbatore Branch for the warm welcome accorded to us. We have in principle, agreed to hold joint seminars with the Coimbatore Branch for development of the profession. I also had the privilege of spending a couple of hours with CS. N.V. Subramanyam, Past Chairman of SIRC, who was one of the visionaries instrumental in bringing Mysore Chapter into existence.

During the month, the Chapter participated in the Roto Gyan program organized by Rotary Club of Mysore West. I thank all the students of the chapter who have helped us in managing the stall at the exhibition.

* * *

Words worth Millions

"Never mind if your contribution is only a mite, your help only a little, blades of grass united into a rope will hold in confinement the maddest of elephants."

- Swami Vivekananda

Mysore Student wins 8th All India Elocution Competition

Ms. Madhuri Hegde, Foundation Student of Mysore Chapter of ICSI has been adjudged as the Winner of the 8th All India Elocution Competition held on 29th July 2009 at New Delhi. As you are aware, in 2007, Ms. Rashmi M.R. was the Runners up in 6th All India Elocution Competition and in 2008, Ms. Soundarya was adjudged the Winner of the 7th All India Elocution Competition.



Budget Conclave-2009

ICSI Mysore Chapter, SDM Institute for Management Development and CII, Mysore Zone hosted Budget Conclave 2009 on July 7, 2009. An eminent panel who shared their insights on the Budget comprised Dr. R. Narayanaswamy from IIM, Bangalore, C.K. Sabareeshan from Automotive Axles, Mysore, Dr. C.S. Thammaiah from JSS Centre for Management Studies, Mysore and CS. A.S. Anshuman, Chairman, Mysore Chapter of ICSI. The event was headed by Dr. N.R. Parasuraman, Dean, Academics and co-ordinated by Prof. Ullas Rao of SDM-IMD. Students of SDM-IMD presented a bird's eye view on budget 2009 with details of allocation made by the government towards various developmental and welfare schemes. The panel members, highlighting the economic and socially relevant aspects of the budget, panel opined that there are issues which remain to be seen as reality during the process of implementation.



Analysis of Union Budget 2009

The chapter organized a seminar on Budget 2009 on 9th July 2009. Mr. G. Shivdass, Advocate, Bangalore, addressed the gathering of eminent industrialists, professionals students.

Entrepreneurship Development Program

The chapter participated in the Entrepreneurship Development Program at SJCE-STEP, Mysore from 15th to 17th July 2009. The program had been conceptualized by drawing participants from various walks of life and training them in different aspects of starting their own industry. The chapter provided faculty support for training corporate law, accounting, cost accounting and management accounting to the participants.

Moot Court

The chapter level competition to shortlist the participants to represent the chapter in the 7th All India National Moot

Court Competition was held on 19th July, 2009 and 26th July 2009. Mrs. Bollamma A.M., Principal, Sharada Vilas Law College and Dr. Bhemesh M.N., Practicing Advocate, Mysore were the judges. Mrs. Bollamma A.M., Principal, Sharada Vilas Law College and CS. Madhwesh K. were the judges. The event was coordinated by CS. Pracheta M. and Ms. Pavithra P. The students will now participate in the Regional Round of the 7th Moot court Competition at Chennai from 14th to 16th August 2009. Following two teams were formed:

Team A	Team B	Role
Kavitha Rao	Santhosh Kumar	Mooter
Madhuri Hegde	Shwetha Nadig	Mooter
Soundarya S.	Vijayalakshmi	Researcher
Sowmya S.	Kumarpal M. Jain	Researcher

Company Law Quiz

On 26th July 2009, the chapter organized a preliminary written round of Company Law Quiz at 10.30 AM at the chapter premises wherein Ms. Veena Bhat Devaru and Mr. Chinmaya A.M., both final students of the Chapter were selected to represent the chapter in the Regional round of Company Law Quiz to be held at Coimbatore on 8th August 2009.

Roto Gyan

The chapter participated in ROTO GYAN, a career fare organized by the Rotary Club of Mysore West to promote multi-disciplinary knowledge of various career options available to students. The program held on 23rd to 25th July 2009 was highly successful. More than 12000 students visited the stalls during these three days. Brochures of the course were distributed to the students and their queries answered. Provision was made for career guidance session of one hour duration. It was a good experience for the chapter which participated in such an event for the first time.

Study Circle Meetings

The chapter conducted study circle meeting for students on 5th, 12th, 19th and 26th July, 2009. Various Professional Program students and members like, Mr. Kiran T., Mr. Rakesh S. and Ms. Vijayalakshmi M. Karur answered the queries of foundation and executive students.

CSMysore eParivaar celebrates 2nd Anniversary



What is that, which grows when shared? Yes, it's Knowledge. An elite group of people from the city of Mysore associated with Company Secretaryship decided to spread this message and in the course enable everyone to reap its benefits.

This group with the vision 'Let us grow together' began with a handful of members on **15th August 2007**, today has over 500 members! And still growing too!!

Over a period of two years, this group has matured beyond being like any other E-Group; it is very affectionately adorned as eParivaar by its members. All members of this E-family are united over a single objective of 'Quenching the thirst for knowledge'.

CSMysore as experienced by eParivaarians...



**CS. Pradeep Mehta – MD(F) & CS,
AT&S India Pvt Ltd, Mysore**

I am not a great lover of in-house magazines, circulars and e-groups because my experience has been that they are launched with great fanfare, two or three issues are released, the enth level comes down and they die natural death.

Frankly speaking, I had similar apprehension about this initiative as well. However, you guys proved me wrong. What differentiate the CS Mysore eParivaar are the enthusiasm of the members and the spirit of 'learning together'. It is this spirit, which has taken the CS Mysore eParivaar so far and will take it to the new heights.

It is a great source of reference to both the young members and oldies like me. I wish I had similar source of information when I was struggling during the early part of my career. It serves both as a reference point and a kind of refresher on many issues.

...Continued in next page

Today the group has professionals from all fields relating to business be it accounts, finance, costing, HR, law, taxation and so on and so forth. We the members of E-Parivaar believe that knowledge should have no barriers, geographical or otherwise. We have experienced the virtual presence of E-Parivaar just at the click of the mouse!

Unique feature about this E-Parivaar is the release of '**Monthly Information and Discussion Compilation**', which provides the highlights of the month in a single file.

A meeting of the members of E-Parivaar was held on 30th November 2008 who discussed on highly qualitative issues and thought that it was time to add and expand the Parivaar activities.

Another feather to the cap was the formation of a **Review Committee** to take up the task of research for the unanswered queries and publish answers for them. This ensures that there is not a single query which is posted to the group but not answered!! Do you need a better reason than this to join us? Like tiny drops of water make a mighty ocean, members joining this E-Parivaar have made it a mighty ocean of knowledge.

Come join us to make it mightier and experience the joy of sharing!!

Continued from previous page...

It is easy to make grand plans about the future of this initiative but I would love to see the same format for some time and evolve based on the needs of the members. The most important thing is to keep up the spirit.

My sincere thanks and gratitude to all who have helped each other in this journey. ***Let's grow together!***

OnlineQuiz@CSMysore Only

On the occasion of 2nd anniversary, CSMysore conducted first of its kind online Quiz on 14th August 2009. CS. Gopalakrishna Hegde, Chairman SIRC of ICSI declared the winners of the online Quiz:

Mr. Anand Wadadekar from Pune emerged winner.

Mr. Vivek Hegde from Bangalore stood second.

Ms. Ratnamala Hegde, Mr. Raja Kartik and Ms Shilpa Budhia - all from Bangalore shared third place.

"The first thoughts that passed in my mind when the idea of CSMysore eParivaar was communicated to me for the first time was, it is brain child of people like Mr. Dattatri H.M we knew that it is only going to grow but never have an end.



"My views about association with the eParivaar are all updates are immediately posted in eParivaar, Members are very eager to respond to the queries and It removed all barriers of location. The path ahead for eParivaar is that it should open a website to see all the updates on line. "

**CS. M. Krishna - Financial Controller,
AT&S India Pvt Ltd, Mysore**

"It is wonderful and memorable event for CSMysore. This portal is very attractive and one of the best knowledge sharing portal. Let us celebrate in full honour."



CS. A. Rengarajan, Lucas, Chennai

"CSMysore eParivaar is simply incomparable. I really feel privileged to be member of CSMysore eParivaar and find the deliberations par excellence. I wish all the best to the eParivaar members and greet the team for their efforts in this regard."

CS. B. Raj Sachdeva - PCS, New Delhi

"CSMysore eGroup has always been one of my favourite groups for sharing the information. eParivaar is definitely a forum we look forward every time for help. When I first heard the thought of terming this eGroup as 'eParivaar' and its members as 'eParivaarians', it excited me since considering the members as 'Parivaar' is such a nice feeling that gives a sense of belongingness. The term 'eParivaar', I think, has been seldom used by any other existing online forums. We find the eParivaar very matured, knowledgeable and understanding and always willing to extend a hand of support in needy times.

I would like to specially mention about the initiative of Mr. Madhwesh Acharya to compile the interactions done in a particular month and circulate the same to all and also come up with first 3 Highest Contributors.

I feel, the way ahead from here can be, by introducing some initiatives on terming some members as 'Experts', who can be contacted for getting any urgent or complex queries resolved. Also may be we can have something for students, like Career Counseling experts. May be we can also formulate a permanent information database like Bare Acts, etc.

I believe, 'Good deeds never go waste'. We will always be there and proud to call ourselves as a part of this eParivaar."

Anand Wadadekar, Pune

63rd Independence Day celebrations at Mysore Chapter



Today the members and the students of Mysore chapter celebrated the Independence Day at the Chapter premises. Three kids Aditi Rai (3), Aditya (3) and Vikas (4) hoisted the national flag.

The tune of national anthem enthralled patriotism among everyone. Foundation student Sanket spoke on the importance of independence. Students sang various patriotic songs.

The celebration was followed by India-centered movie show.

I thoroughly enjoy reading your eNewsletter, the moment it lands into my system - the wide varieties of topics you cover is the key to interesting reading pleasure it offers, I feel. I could realize the commendable efforts put in by each of your team mates. Congrats and keep going.

B. Chandrasekaran

CS - Royal Orchid Hotels Limited, Bangalore

A truly professional approach in selection of topics and impressive presentation, keep up the good work.

CS Sales Koshy

New Delhi.

I have recd the eNewsletter of Mysore Chapter on my mail. I could not resist myself in complementing you and congratulating the Editorial team for bringing out such a colorful & informative eNewsletter. Your publication and circulation of eNewsletter over mail will definitely motivate many other chapters to follow the path.

CS Narayan Sharma

Guwahati, Assam

Excellent efforts ... the contents are well reserched. Much appreciate ...the efforts BY fellow professional .

CS Raj K. Tripathi

VP - Compliance, Societe Generale Bank, Mumbai

I have been following up your newsletter for quite sometime now and I find each edition better than the previous one in contents, coverage and involvement of all sections (particularly students) of ICSI PARIVAR. My compliments to all the members of the editorial team for the excellent work being done with full dedication and devotion.

G P Madaan

Past Chairman NIRC (2005)

Thanks for the interesting eNewsletter of such a high quality.

J S Paul

Sr VP& Co Secretary - Nicco Corporation Ltd, Kolkata

THE FLOW

Anthony de Mello, SJ

When it became clear that the Master was going to die, the disciples were depressed.

Said the Master smilingly, "Don't you see that death gives loveliness to life?"

"No. We'd much rather you never died. Whatever is truly alive must die. Look at the flowers; only plastic flowers never die."

For certain is death for the born, and certain is birth for the dead; Therefore over the inevitable Thou should not grieve.

The Bhagavad Gita



Thanks for sending me the eNewsletter. It is really informative. I would like to get the updates every month. It is really helpful in keeping one updated.

Simantini Deochake

Executive -Commercial & Secretarial

I am really grateful to receive a copy of 65 ICSI Mysore Newsletter. This Newsletter is extremely enriched with variety of topics and I find it very useful for a professional.

Srikumar Chatterjee

Company Secretary- West Bengal State Electricity Transmission Co. Ltd, Kolkata.

Good News letter! Congratulations!!

Mahesh A. Athavale

Partner , Kanj & Associates, Pune

Thank you for sending me your newsletter which is very much informative for the professionals. Congratulations to your team members who have done an excellent home work.

K R Radhakrishnan. FCS 5715

Deputy Manager - Secretarial, The New India Assurance Co Ltd., H.O, Mumbai.

Thank a lot for sending me its copy, hope in future also I'll get the same.

CS. Ashish Srivastava

Congrats. Well done. Very good presentation and very informative e-news letter. It is been forwarded to WIRC council members to inspire them about this initiative.

CS Snehal Shah, PCS,

Mumbai

(letters to be contd in the next edition.)

Living Room





De-notification of SEZ – a simple undo?

K Vijayshyam Acharya, B Com, LLB, ACS, CA, Bangalore

It was not very long ago that the Board of Approval (BOA) for Special Economic Zones (SEZ) regularly witnessed jostles and floods seeking approvals. However, it is understandable that business cycles have their flows and ebbs; booms and recessions are a part of economic life. The noise around SEZs has receded. Lack of demand and liquidity has made SEZ developers seek cancellation, scrapping or de-notification of their erstwhile ambitious projects. It is understood that though there are no specific provisions for de-notification in the SEZ Act or Rules, the power to notify includes the power to de-notify as well and the BOA can decide accordingly. The only condition for de-notification, as it appears, is that all benefits availed from the Government are to be paid back. Does this imply that the monetary value of such benefits received is a fair measure of the physical, technical, economic, strategic and other efforts which have gone into notification of an SEZ?

Without taking sides, it can be said that the violence or opposition to SEZs in Nandigram, Singur, Goa and Mumbai are, an indication that, to say the least, the stakes involved in SEZs are high. The humungous time, resources and efforts put into an SEZ are, more often than not, at the cost of starving other investments without sops. The benefits to SEZs – exemptions of income tax, service tax, Customs duty, Central Sales Tax, VAT, Stamp Duty, Electricity Tax, Octroi, Turnover Tax, Cess and the like are substantial enough to say, in a different vein, that the Commerce Ministry's pride is the Finance Ministry's envy.

Such general considerations apart, even the initial step of notification of an SEZ involves significant planning, coordination and labour. The arduous tasks of identifying sizeable contiguous stretch of land preferably with proximity to ports and airports and with nearby availability of right quantity and quality of human resources, balancing environmental issues with economic growth, ensuring

availability of water and electricity, managing land acquisition issues, leveling the land, putting up proper boundaries or fencing, reorganization of the powers of Labour and other Authorities – and much more, goes into an SEZ before it actually avails the monetary or tax benefits under the SEZ Act. In many a case, procurement of land has been a prime criteria causing much resentment, absorbing untiring efforts of all involved. Fertile lands have been acquired for SEZs rendering agriculturists landless and agricultural workers jobless, though this may, admittedly, stand small in proportion to the expected benefits from SEZs. There are instances of a High Court and even the

Supreme Court being moved for speedy completion of land acquisition for SEZs. After all this, is it justified, if the Developer walks away from the SEZ project stating that the plot is anyway vacant, no construction activity has commenced and all benefits received till date are being surrendered?

It is not that Government officials did not understand that some SEZs would fall by the wayside. Systemic corrections are a part of any economic process. SEZs, though non-inclusive by virtue of being demarcation specific in

nature, are certainly in public interest; but should there not be some reprimand and punishment, at least by way of a penalty or a fine, for not carrying public interest forward? Take a small example – land for many SEZs has been acquired from farmers on the promise that they will be provided fulfilling employment upon commencement of the SEZ operations. Upon de-notification, what do such farmers do for a living, with neither employment nor cultivable land?

A policy of notification, easy de-notification and subsequent re-notification can have more consequences. Recently, it was reported that a SEZ Developer not only sought de-notification, **but also waiver of benefits availed**, claiming that the amount is not huge and that the Developer is facing financial problems!!

Establishing SEZ is a Herculean task. Many a times, it involves rendering agriculturists landless and agricultural workers jobless.

Upon de-notification, what do such farmers do for a living, with neither employment nor cultivable land?

Book Review

CS. Shilpa Budhiya,
GMR Group, Bangalore



The Education of an Accidental CEO

by David Novak



This book is filled with David Novak's street-smart wisdom. David Novak is the Chairman & CEO of YUM! Brands, Inc., home to KFC, Pizza Hut, Taco Bell, Long John Silver's and A & W All American Food. In this book, he narrates his journey of life. He sold encyclopedias door to door, worked as a hotel night clerk, advertising copy writer with the hopes of maybe one day becoming a creative director. Instead, he became head of the world's largest restaurant company. Never being to school, he learnt his lessons from the greatest teachers - "EXPERIENCE" and other people at work. The book highlights what he discovered about motivating people and building winning teams and running a global company of nearly one million people and above all staying true to yourself. He is an ideal for many CEO's and also common masses who strive for their goal.

Tax Saving Investments - A discussion Part 3

So far... Every investment plan is associated with two aspects: Risk and Return. The criterion for each investor is to get the best return at the minimum risk. There are some risks free investment options PF and some Risky category. Let us know some risky investments in this issue.

Tax Saving Mutual Fund: Tax Saving mutual funds are subject to highest Risk as they are usually 100% exposed to Equity. The return is completely dependant on the Share Market. The lock in Period is 3 years. Pledging of Units is not allowed. Usually a return of 10-20% can be expected.

ULIP: Unit Linked Insurance Policy is the combination of Life insurance and Mutual fund investment. The premium paid under the Policy is fully exempted. The policy Provider allocates part of the premium for investment in share market. Here the Policy provider works as the Fund manager for the Policy holder in return, it deducts various charges from the premium amount paid by policy holder. Some companies deduct a large part of the 1st year premium e.g . 20%, 25% or 30% by way of charges, and in the

No Taxing talk!

CS. Priti Astarag Patnaik



succeeding year at a reduced rate. The benefit to the policy holder is the Insurance coverage for certain year and a margin return (6% to 10%) on the investment made by way of Premium. While compared to Tax Saving Mutual funds in terms of Return the ULIP does not seem to be beneficial.

Term Life Insurance: In Term Policy, the Policy Holder does not get back any Return. All premium paid is taken by the Policy Provider as charges, but the Insurance coverage is more in terms of Policy Term and Sum Assured compared to ULIP. Further, premium under The Term Life Insurance Plan is quite lesser than ULIP. However the whole amount paid as premium under the Term Plan do not qualify for tax exemption depending on the type of the Term Plan. So, one can diversify the amount of proposed investment in a combination of investment in Tax saving mutual fund and Term Life Insurance plan, instead of investing in ULIP . In that way both the return for the invest and insurance coverage will be higher. **(Concluded)**



Web Yaatra

Veena Bhat, B.Com, CS (Final)



Are you looking for information and updates on Human Resource Management or HR Administration or Personnel Development or Motivation or Recruitment? Here is one point solution for all HR related matters... Just log on to www.citehr.com . Yes, this site provides complete and valuable information on HR matters, labour law updates and also recent articles on the Human Resource Management. Site also provides all kinds of HR Forms, formats and questionnaires. If we have any query on HR related subject, just post it in the site. There are over 5 lakh registered members to answer/provide their feedback on our query. Registration for this site costs nothing, its free. The advantage of registration is we can post queries, answer others question and download attachments posted by other members. As you all are aware, Human Resource is a very vast area/subject. Site provides information on many more aspects of Human Resource management. Just register, surf and tell us what else you found very useful in this website. We await your update on this site.



Youngest CA, CS, CWA- Amar Kakaria

Anand Wadadkar, M.Com, M.A (Eco), MBA, DIT, Pune
 Author can be reached at: anandwadadkar@gmail.com



A meritorious student throughout, Pune's Mr. Amar Kakaria has been named the 'Youngest CA, CS, CWA' in India by The Limca Book of National Records in 2007. Here is an interaction with this genius. Before that, please take a glimpse of his achievements:

- All India 5th Merit Rank in the CWA Finals (June 2002)
- All India 3rd Merit Rank in the CWA Inter (June 2001)
- All India 2nd Merit Rank in the CS Final (June 2001)
- All India 16th Merit Rank in the CS Inter (June 2000)
- Highest score in Advanced Accountancy in S.Y. B.Com in Pune University. (100 %).
- All India 32nd Merit Rank in CA Foundation (May 1997)
- Merit certificate & award under National Scholarship Scheme for meritorious performance in H.S.C. & S.S.C.
- Consolation Prize in Maharashtra Talent Search Exam.
- 3rd Merit Rank in Maharashtra State High School Scholarship examination.

How does finding a place in the 'Limca Book of National Records' make you feel?

I am very happy that it has provided me with an opportunity to meet the expectations of my parents and make their dream come true.

Any specific reason you chose to study commerce over engineering, science, etc?

I always had a preference for commerce, particularly in the capital markets. I used to regularly go through investment journals like Dalal Street/Economic Times during my school days. This liking resulted in having a preference for commerce over other streams.

How did you make the decision to do all three professional courses?

I had not thought of doing all three courses initially. I was planning to complete my CA and then start my own practice. However, on completion of CA Inter and graduation in the same academic year, I thought of getting into Company Secretary ship course along with CA final so I could acquire advanced knowledge of corporate laws and secretarial matters. Fortunately, in 2000, at the age of 21, I completed my CA final and CS inter simultaneously. Since, age was still on my side, I decided to try ICWA with the CS final in order to join the coveted 'Triple Crown' club. Indiacom Limited, my then employer, assured me that study leave would be granted for the CS/ CWA exams.

How did you manage your time? Did you have any study techniques?

I had taken three months study leave for the CA final exams and three weeks each for the CS final and CWA final exams. I had relied on study modules/ suggested answers given by

all three institutes for most of the subjects and used Bare Acts for Taxation/ Corporate Laws. I studied one subject at a time in reverse order, so that I finished studying the first paper at the end. It helped my memory during the first few papers, which in turn boosted my confidence for the remaining papers. Further, I had also made effective use of the publication, 'Scanner', which helped me understand weightage given to each of the topics and decide my strategy accordingly. However, I had studied all the topics in their entirety without leaving anything to chance.

What are your suggestions for students who face failures in these examinations?

Failure is very difficult to digest for every human being. I have tasted failure twice. I would advise students to do a SWOT analysis and work on to improve their scores.

One must have a positive attitude and should never give up. However, in the event of recurring failures, students should approach a career counselor / teacher to get appropriate guidance for deciding their future action plan.

How can students update their knowledge base besides the course modules?

All three institutes publish monthly journals/ newsletters for the benefit of the students, which provide an array of useful information on professional topics, latest amendments, recent case-laws, etc. Further, the students can also join knowledge sharing forums, yahoo groups, etc to get solutions to their queries and remain updated.

Being qualified in all the three professions, how do you intend to help your juniors/ students if any?

I used to be an 'ICSI Career Counselor' in 2006 wherein my focus was to increase awareness about Company Secretary Course amongst the students in Mira - Bhayander region. I am / was co-opted member on few committees like Research & Publications, Placement, CPE, etc of WIRC of ICAI / ICSI which helps me to interact more closely with budding members / students. Besides this, I am also active member of few knowledge sharing portals like CAclubindia, Feeleminids, etc. wherein I get an opportunity to deal with fellow professionals / students from various parts of country and address their queries, if any.

Do you really feel that a person qualified as CA / CS / CWA, needs to pursue Management course?

Though I have not undergone any formal management studies, I had got the privilege of working with some of the best management graduates during my employment with L&T and TATA Group. Though, everyone has his own niche space in the corporate world, formal management education can help to improve their analytical and problem solving skills, besides making him a good leader.

In many recruitment advertisements for a finance position, employers mention CA or MBA Finance as educational eligibility. Are these two equivalents?

Due to technological advancement, job profile has not remained static nowadays, and qualification in relevant only at the time of entry in the organisation. Afterwards, only your performance can build your career.

Quite a few large organisations have been frequently rotating MBAs and CAs across various functions in Finance & Accounts departments to groom them as future business leader who can take more responsibility. Same trend is going to continue in future and would be followed by remaining corporates as well. Hence, you may consistently find more number of advertisements for CA or MBA Finance in the days to come.

What according to you, apart from academics is required in a person to be successful in his career?

The person must have a positive mindset to get success in all parts of life including career.

What is your message for aspirants of CA, CS, CWA?

India is expected to witness a sustained growth over the next 25 years. Obviously, there's always going to be an increasing demand for qualified professionals.

The only thing you need to have is a focused approach with an urge to excel. Go ahead with full confidence, and success will definitely be yours.

To whom you give credit to your success?

Desire to Excel, Faith of Parents, Support of Family, Guidance of Teachers, Co-operation of Friends.



IT For Professionals

B G Sunil Kumar, B.Com, CS Final



PDF is a common format that has been used widely in both home and office environment but sometimes you may have to deal with its inconvenience of editing and for Professionals like CS/CA/CWA it's been a hard task during Annual Filing when you need to attach so many documents as one file i.e., Boards Report & Auditors Report or P&L A/c & BS, even bigger task when these documents are in so many pieces and that is how some of the online services and paid software comes useful with. In case you are not truly satisfied with any of them, here is another free utility that you can consider. Named as ArduoPdfMerger, it is a free PDF merger and splitter that simplifies the editing process without the need for you to stay connected for merging and splitting capabilities.

Once install and launch the software utility, you will be brought to a simple GUI. Over here, most of the functions are self-explanatory with simplified icons that allow users to add, delete, and move up or down any files or entries in the list. Users can simply browse for any PDF files and there are two pre-processing options with one that allows the files to be split into individual page to ease up the merging process.

As usual, the final modification files can be stored in destination folder predefined during the setup process. After completion, just click on 'Process' button and it will execute the conversion immediately. Currently Arduo PDF merger is still in alpha stage and consumed around 1.4MB of your hard disk space in Windows system, it is quite useful especially when you are dealing a lot with PDF files edition in your daily work.

Corrigendum

In Edition 66, "Winmend" was introduced. The author of the article was Mr. Sunil Kumar B G from Mysore and not Mr. Amit Kumar. Our apologies for this error. - Editor

To download this free utility click this link: http://www.arduosoft.com/arduopdfmerger/ArduoPdfMerger_1.0_alpha.exe

One India – One Law

When I say 'One India' what might come to your mind is the BSNL scheme 'One India- One Rupee', a novel slogan for a commercial idea.

CS. H M Dattatri, CM - Legal & CS, Essilor India, Bangalore

Trade is acting as accelerator for this melting. Every other entrepreneur has expanded the trade beyond their respective states.

Can we, corporate professionals raise a slogan "One India - One law"?

In India, Constitution of India empowers the legislature to enact laws under three lists - Central list, State list and concurrent list. Central government can frame laws on subjects in the central list, states on state list and both will have concurrent rights over subjects in the concurrent list. Further, states have delegated certain law making powers to its municipalities and corporations.

This is the basic reason why law is different every 50 miles in the country. Apart from administrative reasons, the decentralization has its historical reasons. India, when it adopted the constitution, was a federation of many provinces with different systems, styles and backgrounds. Therefore law could not be equal to the whole country on many aspects. In one of its classical judgment relating to fundamental rights, I remember Supreme Court stating that - "treating unequal equally is not equality". One hat does not suit every head. Law can be different for a section of people if that section forms a class in itself.

Delegation and decentralisation are the success mantras for administration and management of the country. Most successful saga of gram panchayat system in India could be a classical example. Delegating to states and states further delegating the authority to municipalities can not be disputed at all. However, the concept of one law does not come in the way of delegation and decentralisation. Instead, it helps and supports it.

"One India - One law" may look like a new idea. But it is the desire of the people of India. Why do I say so?

The historical reasons are fading out very fast. The cultural differences are vanishing. With people movement pan India, different lifestyles, systems and cultures across the country are melting in an unimaginable speed. One single life style - unfortunately something that resembles western style - is getting imbibed into the breath of all countrymen.

Education is getting more and more uniform as parents are chasing central level syllabus across the country as a matter of pride.

The issues like labour matters (partially in state list) are gaining complete similarity across the country.

VAT is one movement going on across India to unify all trade taxes across the country. Taking advantage of this, why not trade laws are made uniform across the country and bring in unique reforms and procedures for all trade laws across the country? **Is it not the right moment to think about one single registration with one single id for each commercial establishment** and avoid hundred registrations under hundred acts like Companies Act, labour laws, environmental laws to Municipality regulations, fire department, police department etc.

Take my words - it will bring down drastically the wastage of money, manpower and resources and helps every one to concentrate on core issues.

Is this practical? Yes absolutely. **It only requires demand from the trade fraternity through organisations like ICSI, ICAI, ICWAI, FICCI, CII etc. And who is the beneficiary - all businessmen, professional, government and country at large.**

It can be implemented by putting a reputed non- govt agency to prepare proper and full fledged e-Application set that should be submitted by all commercial establishments be it a company, shop, firm, factor or what ever. Professionals can certify the applications. Uploaded information will be available to all related departments across the country. **One single annual e-filing shall replace annual filings under various enactments.** Irrespective of number of branches, this filing shall be one for each entity.

This way, entities need not spend heavily on statutory registrations and filings, professionals get more scope, government can use its manpower for technical analysis and tracking/cracking of defaulters, rather than spending resources on day to day regulation of business entities. Such a change requires consent of all state governments, whereupon central government can form the law. The expenses of maintaining and securing the centralized data base shall be shared by all state governments.

Who will bell the cat?

Source of Capital - The Private Equity



CS. U Padma Shenoy

Company Secretary, Totem Infrastructure Limited, Hyderabad

Author can be reached at : upadmashenoy@gmail.com

The investment by Private equity partners in the Indian corporate sector is gaining momentum in spite of the turbulent economic scenario. Though in its nascent stages, Private Equity (PE) investment has assumed the status of mainstream source of capital. While India Inc is gearing to share its financial stake in the otherwise family-run enterprises, analysts raise fears that the quick exit of PE partners from these investments would leave companies high and dry.

PE investment was highly opposed in the 1970's where the business tycoons developed the flip by taking over a company, attack wages and jobs to 'cut away fat', then sell back to the market in a three to five year cycle. The most common use of this system for profit stems where management teams buy out publicly listed companies and take them off the stock market as private entities. The practice reached its zenith in the 80s when major takeovers were attempted by firms for their practice of taking healthy companies, selling their assets, firing much of the workforce and then selling back a shell to the public markets. The PE market died down in the 90s, as mega-mergers placed many of the big players beyond the reach of even major private equity groups and confidence dimmed in the risks of investing during an economic downturn. However in the last 4-5 years, where several major funds buy in to reach for larger targets, the economy has witnessed some of the biggest companies in the world targeted by the PE players.

PE investments have played a visibly positive role in generating employment opportunities especially in BPOs. PE can also drive a company into good governance, bringing in transparency and professionalism across industry. The PE partners usually induct their representative at Board level to assist the management in executing the strategies. They also enable entrepreneurs achieve success that may otherwise have been beyond reach by providing resources over and above money.

The broad framework of PE deal:

1. **Time Frame:** Though time factor is flexible, a typical PE transaction takes roughly about 3 months to conclude.

2. **Monetary Aspects:** Money can be availed through any other form of funding. But, money alone cannot catalyse the working of the organisation.
3. **Mutual Interest:** The PE deal has to be aligned with the interest of the Promoter, execution capability, mutual comfort and the like.
4. **End Utility:** The PE partners should be ensured of Performance linked convertible to bridge the expectation gap, if any.
5. **Success Factor:** Success of PE Fund is dependent on success of the venture. PE funds make sure that their star entrepreneur are helped with all the resources and learning which can be mustered by the fund to help him realise his dream.
6. **Agreement:** Shareholders and Subscription agreement is the crux ensuring inclusion of the following:
 - Minority protection rights
 - Rights and obligations
 - Force majeure
 - Exit proviso
 - Tag along rights, etc
7. **Exit of PE partner:** The PE partners prefer IPO as the exit route but other exit routes such as trade sale are often practiced. This is because, PE funded companies enjoy higher PE multiple at listing, than their contemporary non PE funded companies.

Conclusion: PE funds raise money from high net worth individuals, financial institutions, etc. for a period of seven-ten years and then invest in opportunities as and when they arise, either in early-stage, maturing or even public companies. The work involves valuing the companies and deciding how much of the company stake is actually worth, what the company's growth prospects are, etc. Structuring the transactions for tax-efficiency and industry-specific reasons is also part of the job.

Post-stake taking, day-to-day monitoring and growth plans are monitored by the fund, with a senior person taking a seat on the company's board. Since the target is also to exit the investment in a few years and return money to investors, the deal teams also constantly monitor the capital markets for suitable times to do an Initial Public Offering or find a strategic investor to sell to.





Customs

Case Law: Manufacture/Dutiability

Repacking of goods from bulk to retail packs does not amount to manufacture.

CCE Vs. Aero Pack Products (2009 (92) RLT 817)

Repair of old transformers does not amount to manufacture.

CCE Vs. Karnataka Vidyuth Karkhane Ltd. (2009 (239) ELT 165)

Case Law: Valuation

Charges for installation of computers cannot be included in their assessable value and consideration for an activity charged to service tax cannot be included in the value of excisable goods.

HCL Infosystems Ltd Vs. CCE (2009 (166) ECR 50),

CENVAT/MODVAT

Refund of CENVAT Credits is permissible in case of closure of a manufacturing unit.

Rama Industries Ltd. Vs CCE [2009 (20) STT 525]

CENVAT credit cannot be denied on the ground that they have been availed 3 to 7 years after receipt of inputs.

Coromandel Fertilizers Ltd. Vs. CCE (2009 (239) ELT 99)

No CENVAT credit is required to be reversed on inputs which are rejected during the assembly process.

CCE Vs. Kyungshin Industrial Motherson Ltd. (2009 (239) ELT 121)

No requirement to reverse credit attributable to inputs used for job work: Where common inputs are used for job work as well as for manufacture of dutiable final products, there is no requirement to reverse credit attributable to inputs used for job work.

CCE Vs. Mahalaxmi Seamless Ltd. (2009-TIOL-1033-CESTAT)

Inputs used for maintenance of plant and machinery are eligible for CENVAT credit.

CCE Vs. Bharat Aluminium Co. Ltd. (2009 (166) ECR 140)

Refund of unutilized CENVAT credits under CENVAT Credit Rules is admissible to the extent it is attributable to exported products.

ACE Techniks Vs. CCE (2009 (239) ELT 92)

Cash refunds of pre-deposits made from the CENVAT credit account are permissible: Cash refunds of pre-deposits made from the CENVAT credit account are permissible where the factory of the manufacturer was closed and there was no scope of utilization of such pre-deposits.

CCE Vs. Talforge Pvt Ltd (2009 (239) ELT 172)

Others

Interest is not payable on suo moto reversals of excess credits availed

United Telecoms Ltd. Vs. CCE (2009 (92) RLT 615)

CCE Vs. Mamta Silk Mills Pvt. Ltd. (2009 (167) ECR 35)

Service Tax

Service tax on four new services effective from 1st September 09: Legal advice and consultancy, transport by rail, transport by inland waterways and cosmetic surgery proposed in the Finance Bill 2009 will be effective from 1st September 09.

(Press Trust of India, New Delhi, July 27, 09)

Notification

Services provided for management, maintenance and repair of roads have been exempted from service tax.

(Notification No. 24/2009 dated 27 July 09)

Case Law

Constitutional validity is necessary for the levy of service tax on hire purchase and lease transaction

UOI Vs Madras Hire Purchase Association [2009-TIOL-338-HC]

Bottling and packaging activities are integral and not isolative to manufacturing activities.

Maa Sharda Wine Traders Vs UOI [2009 (15) STR 3(MP)]

Transfer of technology is not subject to service tax.

CCE Vs Indore Composite Pvt. Ltd. [2009 (15) ECR 91]

Powder coating, blending, drilling, etc. undertaken on job work not taxable as business auxiliary services.

Auto Coats Vs CCE (ST) [2009 (92) RLT 932]

A manufacturer is entitled to credit of service tax paid on erection and commissioning services rendered by another service provider

CCE Vs Alidhara Textool Engineers Pvt. Ltd. [2009 (92) RLT 807]

Sales Tax

Case Law

A transaction to qualify as sale in the course of import there must be an inextricable link between the import and the sale/ purchase occasioning the import of such goods into India: No privity of contract between the Indian customer and foreign supplier is essential as long as this link can be established from the underlying documents.

BPL Telecom Limited Vs. State of Kerala [(2009) 23 VST 264]

Supply of photo identity cards to the Chief Electoral Officer ("CEO") is not eligible to sales tax

Orissa Small Industries Corporation Limited Vs. State of Orissa [(2009) 23 VST 55]

Hire charges received on leasing of boards /hoardings is not subjected to sales tax.

State of Andhra Pradesh Vs. Prakash Arts [(2009) 34PHT 34]

The mere use of a computer exclusively for a particular customer during a particular time of the day, as part of a service contract is not liable to Sales tax: Does not constitute transfer of the right to use the said computer to the customer.

Commissioner of Sales Tax Vs. Rolta Computer and Industries Private Limited [(2009) VIL 31 HC]

The interstate movement incidental to the implementation of the contract will qualify as inter-State sales though there is no express covenant to that effect.

Commissioner of VAT, New Delhi Vs. State of Haryana and Another [(2009) 23 VST 10 (CSTAA)]

Where to get Management Training: With a PCS or at a Company?

The month of August is here and so are the results!! At this time, this is one common question which lingers in a students' mind: where shall I go for management Training – to a Practising Company Secretary of to a company? Here in the first set of views from the experts to enable you to decide:



"Undergoing training with a company and a PCS, both have pros and cons. Before deciding you have to consider:

If you like it to be at a company, check whether the company is a listed company or not; Is it part of a group? ; Scope of activities; Compliances under the Companies Act and other laws; whether it has a structured training schedule; the compensation expected.

If it is with PCS, check for scope of the services offered by PCS; diverse areas of operations.

My unbiased view on the question is that **you should join PCS for training which would give the exposure in handling a number of clients and also under different enactments.** You will be able to learn both the interpretation of law and acquire drafting skills."

CS. G V Srinivasa Murthy, PCS,
Past Chairman, ICSI – Bangalore Chapter



"Up to completion of Executive program you should not think about the training but read the subjects thoroughly. **I suggest, you should work with PCS only,** because you will get exposed to MCA21, drafting, FEMA, PF, ESI, Trademarks, incorporation, compounding of offences, merger & amalgamation, winding up, etc

It is true that all PCSs may not provide all the aforesaid exposure. Missing item would be listing compliance and co-coordinating with Top level management in the corporate hierarchy. To acquire those skills, you can work for a few months in the secretarial department of listed company.

After acquiring knowledge and experience in the above areas, I am certainly sure that you will be able to uphold the dignity of the Profession."

CS. Ganapathi, PCS,
Secretary – ICSI- Bangalore Chapter

"The student has to make his choice about his career before taking a decision about training.

Training with PCS: You can make this choice if you like to start your practice or like to continue your career as only a company secretary in a company. This option will enable you to get expertise in the corporate laws and the practical aspects involved.

Training at Company: You can make this choice only when you like to continue your career other than as a PCS. It will give you exposure to team work and corporate culture and also add more portfolios like taxation, legal etc., in addition to corporate laws.

Considering the current situation of rapid growth of Indian industry both the options are very remunerative."

CS. M Krishna,
Financial Controller, AT&S India Pvt Ltd

More on the topic by members and students in next month's edition.



Did U Know?

On the occasion of 63rd Independence Day celebrations, here are some interesting facts:

- India had the first world university at Nalanda, students from across the world used to learn here and spread the true sense of Vedas across the world.
- Until 1896, India was the only source of Diamonds
- Sanskrit is the most suitable language for computer software - a report in Forbes magazine, July 1987.
- January 30 is celebrated as 'National Gandhi Remembrance Day' in UK
- Madame Tussaud's wax museum in London and New York have wax statues of Mahatma Gandhi

Pick of the month

True or false: "All Ordinary businesses require ordinary resolution"

False. Though generally it is true, only exception to this rule is Section 224A which provides for appointment of auditors of some companies by a special resolution.