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EDITORIAL

CA PROFESSION TOWARDS GREATER OPPORTUNITIES

The economic growth in India is bringing new challenges and opportunities for the profession of Chartered Accountants. The regulations and laws governing Indian corporates and businesses are changing dramatically and significantly to achieve global standards including:

- Introduction of Direct Tax Code Bill to replace the Income Tax Act and Wealth Tax Act.
- Replacement of Excise laws, Service Tax and VAT by the new Goods and Services Tax (GST) law, hopefully by 1st April, 2010.
- Presentation of The Companies Bill 2009 before the Parliament
- Convergence of Accounting Standards with IFRS by 1st April 2011
- A new accounting standard for SME's on the lines of IFRS-SME standard being considered.
- Existing Auditing and Assurance Standards are being fully replaced by new "Standards on Auditing (SA)" on the lines of International Standards.

Besides the above, the services of Chartered Accountants are getting more and more recognition including:

- New opportunities under LLP Act.
- Recognition of Chartered Accountants for Valuation.
- Special Audit under Excise Law
- Audit under Service Tax Law

> **The number of practicing Chartered Accountant Firms as well as Chartered Accountants in practice has actually reduced by about 20% in last 5 years. This clearly bring out a big demand and supply gap and this can be converted to great opportunity by adequate planning and strategy by the profession as whole.**

- Recognition of ICAI qualification in England, Australia, Canada and provision of larger international services by developed world.

The aforesaid list is only to name a few. The opportunities in value added services, increasing regulatory compliances and reliance on Chartered Accountants by all legislations are opening several new doors of professional development which is a matter of great pride for all of us. But it will surely be the harbinger of newer challenges too.

> **The Chartered Accountants in practice and more particularly good CA firms with adequate knowledge and skill are greatly in short supply. We need to rely on our strength as a profession and leverage the same.**

Increasing Challenges

The increasing opportunities are also bringing new challenges including:

- The Chartered Accountants in practice and more particularly small and medium practicing firms are receiving larger number of assignments; but the professional fee being paid by the clients currently is not commensurate to the efforts and quality being put in by the Chartered Accountant Firms.
- The professional CA firms are not able to attract and retain good talent to enable them to meet the increasing expectations of the clients and to harness increasing opportunities.
- Some of the small and medium CA firms have already geared up to strengthen their infrastructure including organisation structure, office premises, computers, software and other facilities. The concept to allocate adequate capital towards infrastructure is still to percolate to the thoughts of all Chartered Accountants in practice.

contd. on pg. 3

LATEST IN FINANCE

1.0 COLLATERAL FREE LOANS UPTO Rs 5 LAKH TO MSEs - MANDATORY GUIDELINES

Reserve Bank of India (RBI) had issued a circular RPCD.SME&NFS. BC No. 84A /06.02.31(P) /2008-09 dated January 20, 2009 regarding extending collateral free loans upto Rs. 5 lakh sanctioned to the units of Micro and Small Enterprises (MSEs) sector (both manufacturing and service enterprises), as defined under MSMED Act, 2006. RBI has received enquiries as to whether these guidelines are advisory or mandatory in nature. In view thereof, RBI has clarified that these guidelines are mandatory and banks must not obtain collateral security in the case of loans upto Rs. 5 lakh extended to all units of the MSE sector.

RBI/2009-10/129, RPCD.SME&NFS.BC.No.16/06.02.31(P) /2009-10 24.8.09

2.0 STRICT RULES FOR GOVT TO ACQUIRE LAND

The Supreme Court has ruled that the Government has to mandatorily issue a "declaration" for acquiring public land within a year after the "preliminary notification" had been issued, as otherwise, the acquisition proceedings would become illegal. Under Section 4 of the Land Acquisition Act, 1894, the Government has to first issue a "preliminary notification" informing the public about its proposal to acquire the public land in question. Thereafter, under Section 6 of the Act, it has to issue a separate "declaration" about its intent to acquire the land. But under Section 6, it is clearly stated that such a declaration must be mandatorily made within a year of the issuance of preliminary notification.

3.0 RUPEE EXPORT CREDIT - INTEREST RATE SUBVENTION

Reserve Bank of India (RBI) master circular requires banks to pass on the benefit of 2 % / 4 % interest subvention completely to the eligible exporters upfront and submit the claims to RBI for reimbursement, duly certified by the independent auditor. As per RBI, banks are advised to ensure strict adherence to the extant instructions and initiate corrective measures to ensure strict compliance to the guidelines.

RBI/2009-10/121, DBS.CO.IPC.BC.3/12.01.001/2009-10 August 14, 2009

4.0 50% CAPITAL SUPPORT TO MSMEs

Export Import Bank of India (Exim Bank) has opened a special funding window for Micro, Small and Medium Enterprises (MSMEs) planning to export their products. The development bank has also mobilized the Grassroots Business Fund, a US-based not-for-profit organization, to offer seed capital to MSMEs for building export units. The special funding window has been created recently to support export marketing initiative taken up by MSMEs. Exim Bank will reimburse 50% of the project cost. The corpus of the new facility has not been specified yet. The bank will offer export marketing finance to MSMEs as a grant. The facility would boost the sector, which has been the Government's focus for quite some time.

5.0 FINANCE FOR HOUSING PROJECTS

While granting finance to specific housing/ development projects, banks are advised to stipulate as a part of the terms and conditions that:

- the builder / developer / company would disclose in the Pamphlets / Brochures etc., the name(s) of the bank(s) to which the property is mortgaged.
- the builder / developer / company would append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers / magazines etc.
- the builder / developer / company would indicate in their pamphlets / brochures, that they would provide No Objection Certificate (NOC)/ permission of the mortgagee bank for sale of flats/ property, if required.

Banks are also advised to ensure compliance of the above terms and conditions and funds should not be released unless the builder/developer/company fulfils the above requirements.

RBI/2009-10/131, DBOD.No. Dir (Hsg). BC.31/ 08.12.001/2009-10 27.8.09

6.0 ENHANCEMENT OF MINIMUM NOF FOR PDs

Reserve Bank of India (RBI) has decided to increase the minimum Net Owned Funds (NOFs) for stand-alone Primary Dealers (PDs) from Rs. 50 crore to Rs. 150 crore. The revised NOF requirement for the stand-alone PDs, which intend to undertake other permissible activities, is enhanced to Rs.250 crore from the existing level of Rs. 100 crore.

RBI/2009-10/144, IDMD.PDRD.No. 1097/ 03.64.00/2009-10 2.8.2009

7.0 ACCEPTANCE OF DEPOSITS PROHIBITED

RBI has with immediate effect prohibited Miscellaneous Non-Banking Companies (MNBCs) from accepting deposits from public except from the shareholders, subject to the directions issued by the RBI. Any deposit accepted and held by the MNBCs other than from its shareholders as on date shall be repaid on maturity and shall not be eligible for renewal.

contd. from pg. 1

CA PROFESSION TOWARDS ....

- Training and up-grading the knowledge and skill for self as well as for articled trainees are becoming complex and demanding, but at the same time inevitable too.

Professional Fee - Need Strategizing

It is important to substantially upgrade the quality of our delivery as Chartered Accountants and at the same time it is important that adequate professional fee is charged by all Chartered Accountants for the professional work being undertaken by them. The cost of meeting essential expense on up-gradation has to be by a corresponding increase in revenues. It may be noted that the economy is growing at a continuous pace of more than 8% for last 6-7 years and is likely to regain the same momentum in foreseeable future. The flow of requirements for professional services is going to increase further intensively.

The number of practicing Chartered Accountant Firms as well as Chartered Accountants in practice has actually reduced by about 20% in last 5 years. This clearly bring out a big demand and supply gap and this can be converted to great opportunity by adequate planning and strategy by the profession as whole.

We would like to give certain suggestions:

- Be selective of your clients and choose them carefully.
- Be selective about the assignments to be undertaken so as to ensure adequate focus on highly profitable assignments rather than spending quality time invariably on low paying, lowly remunerative assignments.
- Specialise in one focus area besides offering wide services
- Settle the professional fee in advance along with scope of services.
- Regularly raise bills for all services howsoever small it may be. No professional services should be rendered free of cost or at low cost except as a part of the strategy.
- Learn to say 'NO' to the clients and the professional work, not meeting our expectations.
- Regularly increase the fee in a moderate manner (15% to 20%) every year or at least every alternate year. In those cases where the fee is very low as compared to the time and efforts involved, a substantial increase should be sought, otherwise we may consider expressing politely and professionally, our unwillingness to conduct the professional assignment. The clients will definitely come back in at least 75% of the cases, if our quality is up to their expectations.

The Chartered Accountants in practice and more particularly good CA firms with adequate knowledge and skill are greatly in short supply. We need to rely on our strength as a profession and leverage the same.

The Chartered Accountants in practice need to keep pace with Chartered Accountants in industry and the remuneration in industry can act as a benchmark for calculating cost and pricing of our professional services.

Be Competitive

The Indian market is very price sensitive and it is important to ensure reduction in cost of delivery by using technology and better business processes and by strategizing professional delivery including using technology tools so that the margin can be increased substantially and we can remain competitive and useful for industry, service sector and other businesses.

LATEST IN FINANCE

8.0 HOUSING FINANCE - COOPERATIVE BANKS

- The maximum quantum of housing loan that can be granted to an individual borrower by a State / Central Cooperative Bank stands revised to Rs. 20 lakh. However, in case of a bank having a net worth of Rs. 100 crore and above [as per the assessment made in NABARD's latest inspection report], the limit will be Rs. 30 lakh.
- The aggregate of housing loans outstanding on any day against individuals, institutions, and societies should not exceed 10 % of total loans and advances of the bank as on March 31 of the preceding year. However, this limit can be exceeded to the extent of funds obtained for the purpose from the higher financing agency and refinance from the National Housing Bank.
- It is clarified that housing loans would not include finance to commercial real estate sector as it has already been advised vide RBI circular No. RPCD.CO.RF.BC No.109/07.38.01/2008-09 dated May 25, 2009.
- For repairs, additions, alterations etc. to the existing houses, the maximum amount of loan per individual borrower stands revised to Rs. 1 lakh.

RBI/2009-10/120, RPCD CO.RCBD. BC. No.15 /03.03.01/2009-10 13.8.09

NEW DIRECT TAX CODE – HIGHLIGHTS

The Govt. of India has issued a draft direct tax code bill to come in force as finally passed from 1st April 2011. A summary is as follows:

I. Tax Rates

The Direct Tax Code ('DTC') proposes to generally reduce the tax rates. The proposed rates are summarized in the following table:

Status of Taxpayer	Tax Rates as per Income Tax Law		Tax rates proposed by Direct Tax Code	
Individual	Up to INR 160,000*	NIL	Up to INR 160,000*	NIL
	INR 160,001 to 300000	10%	INR 160,001 to 1,000,000	10%
	INR 300,001 to 500,000	20%	INR 1,000,001 to 2,500,000	20%
	Above INR 500,000	30%	Above INR 2,500,000	30%
Domestic Company	30%		25%	
Foreign Company	40%		25%	
Branch Profit Tax	Not Applicable		15%	
Firm	30%		30%	
Wealth Tax	1% for net wealth in excess of INR 3 Million		• 0.25% for net wealth in excess of INR 5 Million (No threshold for private discretionary trusts) • Most of wealth tax exemption to be withdrawn.	

** INR 190,000 for women taxpayers and INR 240,000 for senior citizens*

II. Taxation of Companies

- There is no change in Dividend Distribution Tax (DDT).
- The MAT liability will now be based on the 'gross assets' of the company instead of the 'book profit'. This will be 0.25% of 'gross assets' in the case of banking companies and at 2% for other companies. No tax credit will be allowed.

III. Scope of Total Income and computation provisions

a) Residential Status

- The existence of partial control and management of business in India would make a company/other assessee resident in India.

b) Scope of Total Income

- The DTC seeks to continue to apply residence-based taxation to residents i.e. global taxation and source-based taxation to non-residents.
- indirect transfer of capital asset situated in India will deemed to accrue or arise in India.
- 'previous year' and 'assessment year' replaced with the unified concept of 'financial year'.

c) Computation of Total Income

- The Total Income of the taxpayer will be the aggregate of 'Total Income from ordinary sources' and 'Total Income from special sources'. The special sources (specified in a separate Schedule) generally reflect items like Royalty, Fees for Technical Services (FTS), investment income etc. All other sources of income will be ordinary sources.

d) Computation of income from house property

- Standard deductions of 30% of annual value will be reduced to 20% of gross rent, and no deduction for interest expenditure will be permitted in respect of self occupied property.

e) Computation of income from business

- All assets will be classified into business assets and investment assets. The business assets will be further classified into business trading assets and business capital assets.

- The profits from business will be computed by deducting business expenditure from all accruals and receipts derived from or connected with business assets, whether trading or capital. While the income from all investment assets will be taxed under the head 'capital gains'.
- Business expenditure will be classified into 3 mutually exclusive categories (i) Operating expenditure (ii) Permitted financial charges (iii) Capital allowances.
- The weighted deduction of 150% for in house scientific research and development by a company is proposed to be extended to cost of building.
- Loss on sale of business capital assets will be treated as an intangible asset on which depreciation will be allowed on amortized basis.

f) Computation of Capital Gains

- The income from transactions in all investment assets i.e. other than business assets, will be taxed under the head 'capital gains'.
- The Securities Transaction Tax (STT) will be abolished and benefit of 10(38) will also be no longer available.
- The base date for determining cost of acquisition under the Long Term Capital Gain will be shifted to 1 April 2000 from 1st April 1981
- The cost of acquisition / improvement of assets will be deemed as 'Nil', where cost is not determinable for any reason.

IV. Incentive for savings

- Deduction in respect of savings proposed to be hiked to Rs3 lakh from current Rs 1 Lakh
- All Long Term Savings schemes to move to an EET regime of taxation

V. Tax Incentives

- Profit-based tax holiday incentives will be replaced with investment-based incentives. The period consumed in recovering all capital and revenue expenditure will be the period of tax holiday.

VI. Business reorganization

- The successor entity, in the form of amalgamation, demerger, corporatization of firms/ proprietary concerns, will be entitled to the benefit of accumulated losses of the predecessors upon fulfillment of certain conditions.

VII. Anti-Abuse provisions

i. Transfer Pricing

- Under the DTC, a taxpayer will need to report specified International Transactions directly to the Transfer Pricing Officer (TPO) as against the current practice of reporting to the Assessing Officer (AO).
- Scope of the definition of 'associated enterprises' will be widened by fixing the threshold at 10% holding as against 26%.

ii. General Anti Avoidance Rules (GAAR)

- The CIT may invoke GAAR and declare an arrangement as an impermissible avoidance arrangement i.e. he may disregard the arrangement, any party involved or reallocate/ re characterize the income or transaction or disregard the entire arrangement as if it had not been entered into, if it is entered into for obtaining a tax benefit like round-tripping, transaction through an intermediary, self-canceling transactions etc. The onus will be on the taxpayer.

VIII. Relief from Double Taxation

- Neither the DTC nor the tax treaty will have a preferential status and in case of a conflict between the two, the legislation introduced at a later in point of time shall prevail.

IX. Penalties

- The basic condition for levy of penalty would be willful underreporting of the tax base. Failure to file tax return by the due date and assessment of the tax base at an amount higher than the amount disclosed in the tax return shall be presumed to be willful under-reporting of the tax base.

INTEREST RATE FUTURES LAUNCHED

Trading in Interest Rate Futures (IRFs) was relaunched in the country after a gap of over six years. With this, the National Stock Exchange (NSE) became the first to launch trading in the segment ahead of the Bombay Stock Exchange (BSE), which has also been permitted by the capital market regulator to host the segment.

SERVICE TAX

1.0 SERVICE TAX ON RAILWAY FREIGHT WITHDRAWN

In a clear anti-inflationary move, the finance ministry has rolled back the proposal to impose a 10.3% service tax on goods transported by the railways.

2.0 COKE WINS LANDMARK SERVICE TAX CASE

In a judgement that stands to benefit contract manufacturers like fast moving consumer goods (FMCG), pharmaceutical and cosmetic majors, the Bombay High Court has ruled that beverage major Coca- Cola could avail of tax credit on the service tax it pays for advertising and promotions.

3.0 INTEREST LIABILITY IS TRIGGERED IF CENVAT CREDIT IS WRONGLY TAKEN THOUGH NOT UTILIZED

The Central Board of Excise and Customs has clarified that liability to interest would arise where CENVAT credit is wrongly taken but reversed by the taxpayer even before utilization.

Rule 14 of the CENVAT Credit Rules, 2004 ('CENVAT Rules') provides for recovery of credit taken or utilized wrongly along with interest. In the case of CCE vs Maruti Udyog Limited [2007 (214) ELT 173 (P&H)], the High Court had held that the taxpayer is not liable to pay interest where credit was taken but not utilized. The Special Leave Petition ('SLP') against this order was dismissed by the Hon'ble Supreme Court.The Board observed that the High Court decision in Maruti Udyog Limited was delivered in the context of erstwhile Rule 57-I of the Central Excise Rules, 1944 ('Erstwhile Rules') and that the dismissal of the SLP by the Supreme Court was not a judgment. The Board clarified that interest shall be recoverable when credit has been wrongly taken, even if it has not been utilized, in terms of the wordings of Rule 14 of the CENVAT Rules.

Circular No. 897/17/2009-CX

CORPORATE LAW

1.0 MCA TO ENSURE LLPs AREN'T LIMITED BY LAW

The Ministry of Corporate Affairs (MCA) wants other ministries, state governments and sectoral regulators to recognize Limited Liability Partnerships (LLPs) after over 100 entities registered under the LLP Act.

TAXATION

1.0 NEW CLAUSE 17A IN FORM NO. 3CD

A new clause 17A read as "Amount inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006" has been inserted by the Central Board of Direct Taxes in Form No.3CD in Appendix II of the Income-tax Rules, 1962 .Accordingly, the tax auditor is required to state the amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Notification No. 36/2009 dated 13-4-2009

2.0 EDUCATIONAL INSTITUTE TO BE PROVIDED TAX BENEFITS

Educational institutes having multiple objectives, including imparting education, cannot be denied the benefit of income tax exemption, the Delhi High Court has ruled.

Under the relevant case, the Bench rejected the argument of the Income Tax Department that Jaypee Institute could not be registered under the Act as it was also providing extramural studies, extension programme and field outreach activities, besides imparting education.

3.0 TAX BOARD ORDERS SCRUTINY OF FIRMS TAKING AS-11 RELIEF

The Central Board of direct Taxes (CBDT) has advised its field formations to scrutinize all cases in which companies have amortized foreign exchange losses under the one time discretion allowed by the Government through an amendment to Accounting Standard 11 (AS 11).

4.0 HC RESERVES VERDICT ON BSE CARD DEPRECIATION

The Bombay High Court (HC) has reserved its judgement in an appeal filed by the Income Tax (I-T) Department against Bombay Stock Exchange (BSE) brokers who have claimed depreciation on their stock exchange membership cards while calculating tax liabilities. The I-T department's case was that the cards are not the property of the cardholders, but a privilege given to them. Also, it was not capable of diminishing in value due to wear and tear and cannot be depreciated. But brokers argued that it was a license for the firms to carry on their trading activities. It was a commercial right and the firms were entitled to claim depreciation for this intangible asset under the I-T Act.

CAPITAL MARKET

1.0 SEBI ASKS COs TO PAY ASBA FEE TO BANKS

In a move to promote Application Supported by Blocked Amount (ASBA), Securities and Exchange Board of India (SEBI) has clarified that in a public issue, companies will pay a commission to the bank, in addition to the broker, for facilitating this process. ASBA is an arrangement for retail investors where the money does not leave the public issue applicant's bank account till the shares are allotted to that person.

2.0 IPO INDEX WITH 45 FIRMS LAUNCHED

The Bombay Stock Exchange (BSE) has launched an index that will track the value of newly listed companies for a period of up to two years after listing. To start with, it will comprise 45 companies that were listed in the past two years. The base date of the BSE IPO Index is May 3, 2004 and the base value 1,000 Points.

3.0 SEBI BARS AUSTRAL COKE FUND RAISING

The capital market regulator Securities and Exchange Board of India (SEBI) has barred Austral Coke and Projects Ltd. from raising further funds from the capital market till further orders. An investigation by the income tax department on the residential and business premises of Austral Group revealed that the company has shown bogus purchase and sales worth Rs. 553 crore and Rs. 495 crore, respectively, in the accounts books of the company.

4.0 AMENDMENT TO SEBI (DIP) GUIDELINES, 2000 - RIGHT ISSUE PROCESS

Securities and Exchange Board of India (SEBI) has reduced the time period taken for finalization of basis of allotment in the rights issues to 15 days from the earlier period of 42 days from the date of closure of the issue. In view of this, it has been decided to amend clause 8.19 of the SEBI (DIP) Guidelines 2000 to provide that the issuer company can utilize the issue proceeds only after the basis of allotment is finalized.

SEBI/CFD/DIL/DIP/38/2009/08/20/August 20, 2009

5.0 INVESTORS NOT TO BE SADDLED BY NOC CLAUSE

The Securities and Exchange Board of India has directed mutual fund (MF) industry body, Association of Mutual Funds in India (AMFI), to ensure that MF investors wanting to switch distributors are not asked to get a No-Objection Certificate (NOC) from his existing distributor. The regulator feels such a requirement tantamount to restrictive trade practice.

6.0 SEBI FOR PARITY IN EXIT LOAD AT PORTFOLIO LEVEL

Securities and Exchange Board of India (SEBI) has clarified that mutual funds should comply with charging the same exit load to all classes of unit holders.

7.0 SEBI UNVEILS INTEREST RATE FUTURES GUIDELINES

Securities and Exchange Board of India (SEBI) has issued guidelines for trading in interest rate futures, as per which the10-year Government securities can be traded on bourses, a development that will deepen the debt market. According to the guidelines, the contract size for the futures trading would be Rs. 2 lakh with a maximum maturity period of 12 months. The contracts cycle would consist of four fixed quarterly contracts expiring in March, June, September and December. The notional coupon rate for such trade would be 7% to be compounded every six months.

8.0 US FUNDS LAUNCH FIVE INDIA ETFs

American fund houses have launched five more India-funds (ETFs) to tap the growth potential of Asia's third-largest economy that defied the global recession to post an impressive growth rate of 6.7% last financial year.

9.0 SIGNS OF REVIVAL - MSCI INCREASES

The MSCI World Index has increased 12% in the past month and according to President Barrack Obama, last week's unexpected drop in the US unemployment rate is an indication that the worst may be over.

10.0 GERMANY AND FRANCE EXIT RECESSION

In a development which surprised analysts, economists, central banks and their own Governments, the economies of Germany and France moved out of recession with both reporting that their GDP grew up 0.3% quarter-on-quarter in April to June 2009, instead of a drop of about -2%.

ACCOUNTING

1.0 CORE GROUP TO HELP CONVERGE ACCOUNTING STANDARDS WITH IFRS

The Ministry of Corporate Affairs (MCA) has formed a core group to converge India's Accounting Standards with the International Financial Reporting Standards (IFRS) to enhance comparability and reporting transparency of India Inc's Financial Statements

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INSURANCE

1.0 IRDA CORPORATE GOVERNANCE NORMS

Insurance Regulatory and Development Authority (IRDA) has issued the final guidelines on corporate governance for the insurance sector, focusing on key areas such as control functions, board of directors, governance structure and disclosures. According to IRDA guidelines on disclosure requirements, insurers should provide quantitative and qualitative information on their financial and operating ratios, namely, incurred claim, commission and expenses ratios. The disclosure should have actual solvency margin vis-à-vis the required margin, policy lapse ratio by the life insurers and any other matters.

2.0 IRDA EXTENDS DEADLINE FOR COLLECTING PANs

The Insurance Regulatory and Development Authority (IRDA) has extended the deadline to September 1, 2009 for collecting the Permanent Account Number (PAN) from people purchasing insurance policies in which annualized premiums exceed Rs. 1 lakh.

3.0 SURVEYOR REPORT NOT TO BE REJECTED WITHOUT VALID REASON

The Supreme Court has said that in order to assess the damage claim, the insurance companies cannot appoint surveyor after surveyor to get a tailor-made report. If the report of the damage surveyor is not acceptable, the insurance companies have to give valid reason(s) for rejecting such a report.

The court said, scheme of section 64-UM of the Insurance Act, 1938 particularly its sub-sections (2), (3) and (4) would show that the insurer cannot appoint a second surveyor just as a routine matter. If for any valid reason the report of the surveyor is not acceptable to the insuree, it must specify cogent reasons, without which it is not free to appoint second surveyor or surveyors till it gets a report which would satisfy its interest. Alternatively, it can be stated that there must be sufficient ground to disagree with the findings of surveyor/surveyors. There is no prohibition in the Insurance Act for appointment of second surveyor by the insurance company, but while doing so, they has to give satisfactory reasons for not accepting the report of the first surveyor and the need to appoint second surveyor.

UNAUTHORIZED LOAN PROVIDERS – NEED FOR CAUTION

The Reserve Bank of India (RBI) has cautioned the public to verify the credentials before dealing with entities promising various loans, saying there were cases where such entities disappeared after taking the processing fees. RBI has noticed that certain entities are issuing advertisements offering loans at a very low rate of interest.

AUDITING

1.0 MAINTENANCE OF SLR

Government of India Cash Management Bills will be treated as Government of India Treasury Bills and accordingly shall be treated as Statutory Liquidity Ratio (SLR) securities.

RBI/2009-10/46, RPCD.CO.RRB.BCNo.17/03.05.28(B)/2009-10 4.9.09

FINANCIAL INDICATORS

	Current Rate* (in %)	Month Ago (in %)
3 Month LIBOR	0.30	0.45
3 Month MIBOR	4.81	4.54
Inflation (WPI) **	-0.12	-1.58
SENSEX	16264	15020
NIFTY	4830	4458
Gold (per 10 gm)	15785	14640
Silver (per kg)	26189	23076
Crude (USD/bbl)	69.29	68.94
Rs. vs USD	48.51	48.35
Rs. vs Euro	70.87	68.33

* as on 12th September, 2009.
** for the week ended August 29 & July 25, 2009 resp.

(Sources: Bloomberg, NSE, MCX)

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