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EDITORIAL

CHARTERED ACCOUNTANCY PROFESSION - COMMITTED TO TRANSPARENCY AND FINANCIAL DISCIPLINE



CA Vinod Jain*

The profession of Chartered Accountants is growing leaps and bounds with large number of opportunities knocking at our doors; and still a larger number of actual professional opportunities have culminated into professional assignments bringing a new stream of reputation, responsibility and commitments of the profession as the custodian and watchdog of

transparency and financial discipline. The latest announcement of more than 7.5% GDP growth and more than 16% industrial growth are indicative of directions that Indian economy will become the 3rd largest economy in the world within the next 10 years.

Every growth opportunity comes with a big challenge. The profession of chartered accountants is also passing through challenging times. Satyam kind of aberrations have brought the challenges to the profession of Chartered Accountants to the fore. The Institute of Chartered Accountants of India, The All India Chartered Accountants' Society and each and every member of the profession of Chartered Accountants is deeply committed to transparency, financial discipline and corporate governance of the highest level.

The growth of the profession has brought in enemies of the profession into action. These enemies are both within and outside the profession and we as a professional community needs to fight with these enemies very strongly and with hard hand. The Chartered Accountants community also needs to ensure that the profession is distinguished from business. Our aim is not to increase the top line or bottom line of our profession in terms of financial figure.

The real achievement is reputation, recognition and excellence. This comes at a cost.

The delivery of professional service has to be handled in a highly professional manner and without fear and favour. We need to be committed to eradication of corruption,

transparency, complete financial discipline, proper documentation, adequate disclosure and adherence to basic corporate governance by educating our clients and the society. We do not dither towards a wrong path due to fear of losing professional assignments or by greed of

making fast buck or larger money. The most important being continued and well sustained professional reputation which will bring all that we need from our life as a profession. The opportunities of making adequate money are immense on the right path itself and we need to ensure that all Chartered Accountants as a community remain committed to the right path.

It is also important to ensure that no loose talks or loose communication or false allegations are percolated in the

society and wherever we encounter certain people resorting to such methodology creating unwarranted menace, we need to control them and tame them to the right direction. In case we have any major issues which may have impact on the profession's reputation, the same should be discussed open heartedly with the top leadership with a positive bent of mind; the leaders of profession too need to be honestly committed to bring a rightful solution or at least work sincerely in resolving such issues.

Shri Vivekananda rightly said "Great Things can be done by Great Sacrifices only".

The Institute of Chartered Accountants of India, The All India Chartered Accountants' Society and each and every member of the profession of chartered accountants is deeply committed to transparency, financial discipline and corporate governance of the highest level.

* Mr. Vinod Jain, FCA, FCS, FICWA, LL.B., DISA (ICA), Chairman, INMACS Management Services Limited and Convenor, National Economic Forum (NEF). vinodjain@inmacsindia.com, vinodjainca@gmail.com, 9811040004



LATEST IN FINANCE

1.0 GUIDELINES ON THE BASE RATE

RBI has released guidelines on the base rate which will replace the BPLR system with effect from April 1, 2010. Banks may determine their actual lending rates on loans and advances with reference to the Base Rate. Determination of the Base Rate will be based on:

- cost of deposits
- adjustment for the negative carry in respect of CRR and SLR
- unallocatable overhead cost for banks such as aggregate employee compensation relating to administrative functions
- profit margin

The actual lending rates charged to borrowers would be the Base Rate plus borrower-specific charges, which will include product-specific operating costs, credit risk premium and tenor premium.

All categories of loans should henceforth be priced only with reference to the Base Rate. The Base Rate system would be applicable for all new loans and for those old loans that come up for renewal.

Banks are not permitted to resort to any lending below the Base Rate. Accordingly, the current stipulation of BPLR as the ceiling rate for loans up to Rs. 2 lakh stands withdrawn.

Interest rates on loans under the DRI scheme will continue to be fixed without reference to the Base Rate. The Reserve Bank will separately announce the stipulation for export credit.

Banks are required to exhibit the information on their Base Rate at all branches and also on their websites. Changes in the Base Rate should also be conveyed to the general public from time to time through appropriate channels. Banks are required to provide information on the actual minimum and maximum lending rates charged to major categories of borrowers to the Reserve Bank on a quarterly basis.

(RBI/2009-10/ Feb., 2010 Ref.No.MPD.BC. /10.14.01/2009-10 Magha, 1931(S)

2.0 RBI NOT AMUSED ABOUT HOME LOAN TEASER RATES

India's banking regulator, the Reserve Bank of India (RBI), has expressed concern about banks offering home loans with teaser rates – schemes where monthly installments rise after the initial years.

The central bank's worries stem mainly from the fear that borrowers may find it tough to repay loans once

interest rates go up after the first couple of years when the rates are fixed. According to RBI, banks shall ensure that borrowers are well aware of the implications of such rates and the appraisal takes into account the repaying capacity of borrowers when the rates become normal.

3.0 RBI ISSUES NORMS FOR SUBORDINATED DEBT

The Reserve Bank of India (RBI) issued guidelines in subordinated debt to retail investors. The apex bank has also cautioned banks on several issues. According to RBI, banks should not use its fixed deposit rate as the benchmark for floating rate instruments.

4.0 SEBI CHAIRMAN WARNS AGAINST LEVERAGED DERIVATIVES

Chairman of Securities and Exchange Board of India (SEBI), C B Bhave criticised market intermediaries that devise innovative products, which were nothing but ways to conceal high leverage. Bhave's comment come soon after the Reserve Bank of India (RBI) recently expressed concerns about complex structured products like synthetic securitisation and credit derivatives.

5.0 CRR RAISED 75 BASIS POINTS; BANKS SAY NO IMPACT ON INTEREST RATES

The Reserve Bank of India launched an assault on inflation by increasing the Cash Reserve Ratio (CRR) 75 basis points to 5.75 per cent. While sounding upbeat on economic growth, the central bank has kept the door open for an increase in interest rates even before the annual policy statement in April.

6.0 WARY OF ROUND-TRIPPING, SEBI LOCKS OUT 50 FUNDS

The Indian Capital Market Regulator has shut its doors on several foreign funds amid concerns that they may turnout to be vehicles for round-tripping of money by local residents. The Securities and Exchange Board of India (SEBI) is taking a closer look at the structure of new investors as well as those seeking renewals following misreporting of transactions by blue-chip foreign institutional investors (FIIs) like Barclays and Society Generale.

7.0 PRIVAT SEZs TOLD TO RESERVE 10% SPACE FOR SMALL-SCALE UNITS

Small- Scale units may now get a better deal in allocation of space in private special economic zones. The centre has now said that minimum 10 per cent of the space in IT/ITES SEZ may be reserved for SSI /IT/ITES units. All other SEZs were asked to allocate 10 per cent space for SSI units.



AUDIT

1.0 COMPLIANCE WITH FDI NORMS-HALF YEARLY CERTIFICATE FROM STATUTORY AUDITORS OF NBFCs

NBFCs having FDI whether under automatic route or under approval route have to comply with the stipulated minimum capitalisation norms and other relevant terms and conditions, as amended from time to time under which FDI is permitted. As such these NBFCs are required to submit a certificate from their Statutory Auditors on half yearly basis (half year ending September and March) certifying compliance with the existing terms and conditions of FDI. Such certificate may be submitted not later than one month from the close of the half year to which the certificate pertains, to the Regional Office in whose jurisdiction the head office of the company is registered.

(RBI/2009-10/304 DNBS (PD),CC. No 167/03.10.01/2009-10 Feb. 04, 2010)

2.0 ICAI BARS 2 AFTER HOLDING THEM GUILTY IN GTB CASE

The Institute of Chartered Accountants of India found two CA's guilty for professional misconduct in the Global Trust Bank (GTB) collapse case and have recommended that their names should be struck off the members roll for differing periods.

3.0 IRDA UNVEILS DISCLOSURE NORMS

In a step towards initial public offer (IPO) guidelines for insurance companies, the Insurance Regulatory and Development Authority (IRDA) has come out with final public disclosure norms, to be effective from March 2010.

4.0 FIRMS OPT FOR THIRD PARTY OUTSOURCED INTERNAL AUDITS

Nearly a year after the mega Satyam Computer scam, the approach of many large firms towards audit fee has changed, with many even preferring to outsource internal audits. This has come about with independent directors insisting on third party audits.

5.0 SEBI ORDERS OPERATIONAL AUDIT OF CREDIT RATING AGENCIES

The Securities and Exchange Board of India (SEBI) has said all credit rating agencies (CRAs) will have to get internal audit done every six months. It shall cover all aspects of operations and procedures, including the investor grievance redressal mechanism.

6.0 PWC AUDITOR GETS BAIL IN SATYAM SCAM

The Supreme Court has granted bail to Price Waterhouse auditor, T Srinivas, an accused in multi-crore Satyam scam, on the ground that the bulky chargesheet running over 55,000 pages could lead to a long-drawn trial in the case and the accused was lodged in jail for over a year.

7.0 ACCOUNTING FRAUDS AND HOW YOU CAN DETECT THEM / SOME TIPS

➤ REVENUE MANIPULATION

Change in operating cash flow as a percentage of EBITDA

If this ratio is deteriorating over time, then it raises concerns over the company's revenue recognition policy.

Change in other income as percentage of investments

If there is a significant reduction in the yield over time, then it raises concerns over the company's revenue recognition policy, as some part of the other income might have been booked as revenues thereby resulting in higher revenue growth.

➤ EXPENSE MANIPULATION

Change in depreciation rates

If there is a significant change in the depreciation rate over time then it raises concerns regarding manipulation of expenses to boost profitability.

Change in other expenses as percentage of revenues

If this ratio is deteriorating over time then it raises concerns over the company using "low visibility line items" to massage earnings and extract cash from the company's books

➤ CASH MANIPULATION

Loans and advances as percentage of net worth

If this ratio is high then it raises concerns about the company's cash management policy, as some portion of cash may be taken out of the company by lending it to seemingly unrelated companies.

Loans and advances to related parties as percentage of net worth

If this ratio is high then it raises concerns over the company's cash management, as cash from the company's books might have been taken out to fund the directors' personal business endeavours.



IFRS

1.0 TRANSITION TO IFRS

On 22 January 2010, the Ministry of Corporate Affairs issued an Announcement, which confirms the manner in which IFRS convergence will be achieved in India. This landmark announcement is an important trigger in the path of achieving IFRS convergence in India. There will be a separate set of IFRS converged accounting standards. These IFRS converged standards will be issued by the ICAI by March 31, 2010 and will be notified by the regulators by April 30, 2010. Banks and insurance companies will not be covered by this convergence plan and a separate plan will be determined for these entities by February 28, 2010.

The Core Group of MCA formed for evolving a roadmap for IFRS transition in India. Companies covered in respective below mentioned phases will prepare an opening balance sheet in accordance with IFRS converged standards as under:

Phase	Company size	IFRS transition date
I	<ul style="list-style-type: none"> ●Companies with net worth of over Rs. 1,000 crore ●Companies in Sensex and Nifty List, or ●Companies whose securities (whether equity or other securities) listed on overseas Stock Exchanges 	Financial year beginning April 1, 2011
II	<ul style="list-style-type: none"> ●Listed and unlisted companies with a net worth more than Rs. 500 crore but less than Rs. 1000 crore 	Financial year beginning April 1, 2013
III	<ul style="list-style-type: none"> ●All listed companies with a net Worth of less than Rs. 500 crore 	Financial year beginning April 1, 2014
IV	<ul style="list-style-type: none"> ●SMEs and unlisted companies with Net worth of less than Rs. 500 crore 	As of now, no clarification issued by MCA

TAXATION

1.0 CBDT EXTENDS TIME LIMIT FOR ITR-V FORM

The Central Board of Direct Taxes (CBDT) has extended the time limit for filing of ITR-V, which is the form relating to income tax returns filed electronically (without digital signature). For returns to be filed on or after April 1, 2009, the CBDT has extended the time limit to March 31, 2010, or within a period of 120 days from the date of uploading of the electronic data, whichever is later. An official release said that the ITR-V form should continue to be sent by ordinary post to Post Bag No 1, Electronic City Post Office, Bengaluru—560100.

However, in cases where email acknowledgement for ITR-V form is not received by the taxpayer from the CPC, Bengaluru, then the taxpayer may send another duly signed ITR-V form by speed post to the centralised processing centre in Bengaluru.

2.0 ADVANCE AGAINST DEPRECIATION IS NOT RESERVE, RULES SC

The Supreme Court has held that Advance Against Depreciation (AAD) is 'income received in advance' subject to adjustment in future for Income Tax purposes and not 'reserve'. Allowing the appeal in the case of National Hydroelectric Power Corporation vs. Commissioner of Income Tax, the Supreme Court explained that AAD is a 'timing difference' and it is not carried through profit and loss account. Therefore, Section 115JB, clause (b) of the Act is not applicable. The court further stated that since the amount of AAD is reduced from the sale of electricity, there is no debit in the profit and loss account. The amount did not enter the stream of income for determination of net profit at all.

3.0 COMPUTATION OF CAPITAL GAINS ON PCDs

The Supreme Court allowed the appeal, Navin Jindal Vs Assistant Commissioner of Income Tax, deciding the issue whether the loss on renunciation of right to subscribe to Partly Convertible Debenture (PCDs) is short-term capital loss or long-term capital loss in the light of Section 48(2) of the Income Tax Act. A number of assesseees in a similar situation argued that it was shot-term capital loss, while the revenue authorities maintained that it was long-term capital loss. The



Supreme Court ruled that nature of the loss in the concerned transactions should be considered as short-term loss.

4.0 HC STAYS ORDER FOR ORACLE INDIA'S TAX AUDIT

The Delhi High Court stayed the Government's order directing a special audit of tax returns filed by information technology company Oracle India. A division bench comprising justices BD Ahmed and Siddharth Mridul stayed the order passed by the Income Tax Department on December 29, 2009, directing for a special audit of the returns filed by the company for 2006-07.

5.0 NO PAN CARD MAY COST 20% MORE TAX

Tax at higher of the prescribed rate or 20% will be deducted on all transactions liable to TDS, where the PAN of the deductee is not available, and the new provision will become applicable with effect from April 1, 2010.

6.0 NOTICE MUST IF BLOCK I-T RETURNS REJECTED

The supreme court has ruled that it is mandatory for the Income Tax Department to issue notice within the prescribed time limit of one year where the assessing officer in repudiation of the block return filed by the assessee proceeds for an inquiry.

If an assessment is to be completed under section 143(3) read with section 158-BC (Income Tax Act), notice under section 143 (2) should be issued within one year from the date of filing of block return. Omission on the part of the assessing authority to issue notice under section 143(2) cannot be a procedural irregularity and the same is not curable and, therefore, the requirement of notice under section 143(2) cannot be dispensed with.

7.0 ADVANCE FBT PAID TO BE ADJUSTED AGAINST I-T

The Central Board of Direct Taxes (CBDT) has decided that any instalment or advance tax paid in respect of fringe benefits for assessment year (AY) 2010-11 would be treated as advance income-tax paid by the assessee for AY 2010-11.

8.0 I-T SYSTEMS OVERHAULED TO COUNTER TAX EVASION

The finance ministry has overhauled its income tax intelligence wing in order to speed up investigation of

cases of Rs.10 lakhs and above and stop new methods of tax evasion. Commissioners of Income Tax (CITs) of the Central Information Branch (CIB) will now report to the intelligence wing headquartered in the national capital.

9.0 CBDT PANEL TO SET SAFE HARBOUR NORMS

The Central Board of Direct Taxes (CBDT) has set up a committee to formulate rules for the safe harbor provisions- a set of rules that would enable the income tax (I-T) authorities to accept the transfer pricing returns without scrutiny.

10.0 DUPLICATION OF BLANK CDs CAN BE TERMED AS MANUFACTURE

In a major relief to software companies, the Supreme Court has held that the duplicating process which renders a blank compact disc (CD) fit for use can be termed as manufacture for claiming income tax benefits.

INDIRECT TAXATION

1.0 CENTRAL SALES TAX MAY CONTINUE FOR NON-GST ITEMS

It is likely that the CST levy will continue for non-GST items. This implies that CST may go only for those items that will come under the proposed GST system. The Centre and the States have agreed that crude, ATF, motor spirit and high speed diesel will continue to be outside GST net.

So, inter-state sales of these products will continue to attract CST. Both the center and States are yet to take a call on the treatment of inter-state branch transfer and consignment sale in a GST regime.

2.0 APEX COURT TURNS DOWN GOVT. PLEA OVER SERVICE TAX ON SHIPOWNERS

The Supreme Court held that services received by vessels and ships outside India prior to April 18, 2006, from persons who are not residents of India or are outside India cannot be taxed.

In view of Section 66A, offshore services cannot be subject to service tax prior to April 18, 2006, the high court said, adding that before enactment of Section 66A, there was no authority vested by law in the revenue to levy service tax on a person who was resident in India and received services outside India.



3.0 PROBLEMS FACED BY EXPORTERS IN AVAILING REFUND OF EXCESS CREDIT

Rule 5 of CENVAT Credit Rules, 2004 provides that accumulated credit on input services in case of exports can be refunded to the exporter subject to stipulated conditions. But, exporters of services (mainly the call centres or the BPOs) are facing difficulties in getting refund under the said notification. Reasons for rejection and corresponding clarification:

- **REASON:** Use of different phrases in rules and notification
- **CLARIFICATION:** There cannot be different yardsticks for establishing the nexus for taking of credit and for refund of credit. Even if different phrases are used under different rules of CENVAT Credit Rules, they have to be construed in a harmonious manner. The following test can be used to see whether sufficient nexus exists. In case the absence of such input/input service adversely impacts the quality and efficiency of the provision of service exported, it should be considered as eligible input or input service.
- **REASON:** One-to-one co-relation between inputs and outputs and scrutiny of voluminous record
- **CLARIFICATION:** In Budget 2009, the scheme was simplified by making a provision of self-certification [Notification No. 17/2009-ST] where under an exporter or his Chartered Accountant is required to certify the invoices about the co-relation and the nexus between the inputs/input services and the exports. The exporters are also advised to provide a duly certified list of invoices. For details about procedure and limits & person authorized to sign the declaration, refer full circular.
- **REASON:** Quarterly refund claims
- **CLARIFICATION:** There should not be any objection in allowing refund of credit of the past period in subsequent quarters. It is possible that during certain quarters, there may not be any exports and therefore the exporter does not file any claim. However, he receives inputs/input services during this period.
- **REASON:** Incomplete invoices
- **CLARIFICATION:** In case of incomplete invoices,

the department should take a liberal view in view of various judicial pronouncements by Courts. In the case of refund under Rule 5, (i) so far as the nature of the service which has been received by the exporter can be ascertained; (ii) tax paid therein is clearly mentioned; and (iii) other details as required under rule 4(a) are mentioned, the refund should be allowed if the input service has a nexus with the service/goods exported as discussed earlier. In any case, the suggested Chartered Accountant's certificate should clearly bring out the nature of the service and this will assist the officer in taking a decision.

4.0 SEZ ACT NEEDS OVERHAUL

The Central Board of Excise and Customs (CBEC) has recommended an overhaul of the Special Economic Zone (SEZ) Act 2005 saying it has detected gross violations of duty and tax concessions causing it to suffer a revenue loss of Rs. 1,75,000 crore to date. Broadly, the CBEC report has sought the removal of numerous exemptions, drawbacks and concessions that have turned SEZs into tax-avoidance conduits for importers and exporters without any genuine business to back them.

CORPORATE LAW

1.0 REAL ESTATE FIRM GETS RIGHT TO NAME

The Delhi high court dismissed the petition of a US company seeking injunction against a Gurgaon real estate company which have similar names in the case, Century 21 Real Estate LLC vs Century 21 Main Realty Pvt. Ltd. The high court remarked there was no balance of convenience in favour of the US firm to grant injunction. It was not a case where the US firm was going to suffer any irreparable loss or injury. It has no business in India and it has no office in India. Except making an application for registration of trade mark and keeping trademark registered so as to block the trademark, it had done no work in India. "Blocking of trademark and blocking of trade name are not looked upon kindly by the courts. It has become a practice to block important domain names, important trade names so that others cannot use it despite the fact that the person himself may not use it, the high court said.



2.0 ONLY FIRST NOTICE ON BOUNCED CHEQUE VALID

The Supreme Court has ruled in the case of Tameshwar Vaishnav vs. Ramvishal Gupta that if the payee or the holder of the cheque does not file a complaint of dishonour within the prescribed time, he cannot issue a second notice and then file a complaint again. Notice with respect to a cheque can be issued only once. The deadline or limitation starts from the date of the first notice. Later notices do not matter, the judgement stated while interpreting Sections 138 and 142 of the Negotiable Instruments Act. According to the Act, the notice of the dishonor of a cheque due to insufficiency in the account should be sent to the drawer of the cheque within 30 days of the dishonor. If the drawer of the cheque does not pay within 15 days thereafter, the holder of the cheque may file a criminal complaint.

3.0 ABSENCE OF WRITTEN CONTRACT SHOULDN'T HAMPER DISPUTE SETTLEMENT

The Supreme Court has ruled that the absence of a signed contract between the parties should not come in the way of arbitration for resolving the disputes. The intention of the parties forming such a contract is to be considered in order to decide the issue of arbitration, said Apex Court rejecting the plea of Vedanta Aluminium.

The apex court allowed the plea of Dubai-based minerals trading company, Trimex International EZE, seeking arbitration to resolve its dispute with Vedanta Aluminium, a subsidiary of London Stock Exchange-listed Vedanta Resources.

Once the contract is concluded orally or in writing, the mere fact that a formal contract has to be prepared and initialled by the parties would not affect either the acceptance of the contract so entered into or implementation thereof, even if the formal contract has never been initialled.

4.0 SKYLINE' TERMED GENERIC

The Supreme Court ruled that "Skyline" is not a specific word on which a company can make a trade mark claim, as it has become a 'generic' name. In India 117 companies including software firms are using the word as part of their name. In the US there are 10 educational institutions with the same name as the

first word. In the UK also there are two such institutions

5.0 SC OVERTURNS HC RULING IN CHEQUE DISHONOUR CASE

The Supreme Court ruled that in cheque bouncing cases, the right to give evidence of affidavit, as provided to the complainant under section 145 of the Negotiable Instruments Act, is not available to the accused for expeditious decision in such mounting cases which are choking the administration of criminal justice system in the country.

6.0 WINDING-UP PETITION DISMISSED

The Delhi High Court has dismissed the petition of the British Company, European Metal Recycling Ltd, for winding up of a Delhi company for non-payment of 'debt'. The high court rejected the demand stating that the amount claimed by the British company might be disputed and therefore did not amount to 'debt' as interpreted by Indian courts. Therefore the winding up petition was not maintainable.

CAPITAL MARKET

1.0 SEBI MANDATE

Market regulator Securities and Exchange Board of India (SEBI) made it mandatory to furnish a copy of PAN card for transfer of shares in physical form.

2.0 SEBI NOD TO YEN, EURO & POUND

Securities and Exchange Board of India (SEBI) allowed exchanges to introduce currency futures in three more currencies - euro, yen and pound.

3.0 SEBI EXTENDS STOCK LENDING BORROWING TENURE

The Securities and Exchange Board of India (SEBI) has extended the tenure of contracts for stock lending and borrowing (SLB) up to a maximum period of 12 months, as it tries to revive the comatose segment.

4.0 SC UPHOLDS SEBI'S POWER TO SUMMON

The Supreme Court has dismissed the appeal challenging Securities & Exchange Board of India's order imposing penalty on a firm for non compliance of the summons is sued by the market regulator in connection with the irregularities.

5.0 SEBI BARS SOCGEN FROM ISSUING PNs

Markets regulator Securities and Exchange Board of India (SEBI) has barred Society Generale, a foreign institutional investor (FII) registered with it, from issuing fresh offshore derivative instruments (ODI) or participatory notes. The move comes after the regulator found that SocGen had wrongly reported the end beneficiary in 14 of the 45 transactions in which it had issued ODIs.

6.0 SC WON'T ASK SEBI TO RECONSIDER OFFENCE COMPOUNDING PLEA

The Supreme Court said that any direction to the Securities and Exchange Board of India (SEBI) to reconsider the plea for compounding of offences will open up a floodgate of litigations against the market regulator.

7.0 SEBI MOVE ON DERIVATIVES' LOT SIZE TO BRING STABILITY

Securities and Exchange Board of India (SEBI) has

standardized the lot size for derivatives contracts on individual securities under eight different price bands. The move, according to market participants, will provide stability to lot sizes of individual securities.

8.0 SC REJECTS SHANKAR SHARMA PLEA AGAINST SEBI ORDER

The Supreme Court held that if Securities and Exchange Board of India (SEBI) unearth any artificial trading at any point of time, it is justified in passing prohibition order.

FEMA

1.0 RBI NOTIFIES RELAXATION IN REMITTANCE NORMS

The Reserve Bank of India has notified relaxation in remittance norms regarding salary earned by foreign nationals employed in India by a foreign company or an Indian citizen employed by a foreign company outside India. These individuals, according to the RBI, may open, hold and maintain a foreign currency account with a bank outside India and receive the whole salary payable to him for the services rendered to the office / branch / subsidiary / joint venture in India of such foreign company, by credit to such account, provided that income tax chargeable under the Income Tax Act, 1961, is paid on the entire salary as accrued in India.

2.0 EXPORT AND IMPORT CURRENCY

As part of providing greater flexibility to the resident individuals travelling abroad (other than to Nepal and Bhutan), the existing limit of Rs. 5,000 per person, have been enhanced to Rs. 7,500 per person.

(RBI/2009-10/297 A. P. (DIR Series) / Circular No. 30/A.P. (FL/ RL Series) Circular No.06/February 01, 2010)

FINANCIAL INDICATORS

	Current Rate* (in %)	Month Ago (in %)
3 Month LIBOR	0.27	0.25
3 Month MIBOR	4.74	4.36
SENSEX	16153	17423
NIFTY	4827	5210
Gold (per 10 gm)	16310	17030
Silver (per kg)	25270	28400
Crude (USD/bbl)	74.13	79.74
Rs. vs USD	46.46	45.40
Rs. vs Euro	64.02	65.86

* as on 12th February, 2010.

(Sources: Bloomberg, NSE, MCX)

● **Contact details** : Dharampal (9968960264) / Chhaya (9873230416) All India Chartered Accountants' Society - CFO World 422, Okhla Industrial Estate, Phase-III, New Delhi-110020. Ph: 26223712, 26228410, 26226933 E-mail: aicas.cfo@gmail.com / cfoworld@gmail.com ● **EDITOR**: Pankaj Gupta, LLB, FCS E-mail: pankajguptafcs@gmail.com ● **PUBLISHED & PRINTED**: At New Delhi by Satish Chandra, Administrative Officer, on behalf of All India Chartered Accountants' Society, 4696, Brij Bhawan, 21A, Ansari Road, Darya Ganj, New Delhi-110 002 Phone 23265320, 23288101 E-mail : aicas.cfo@gmail.com Printed at: EIH Ltd., Unit : Printing Press, No. 7, Sham Nath Marg, Delhi-110054. Views expressed by contributors are their own and the Society does not accept any responsibility.

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