



December 2006

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From Chairman's desk.....

Dear Friends,



Happy new year to you all!!

Election for the Central Council and SIRC Team is over. Mysore witnessed 68% of voting. By the time you are reading this edition, results may be out. Congratulations to the new team in the center as well as SIRC.

Election for the new committee for the chapter will be held on 30th of December 2006. Preparations are on.

Which ever may be the team in the forefront; all members of the Mysore chapter were always contributing to the cause of the profession. And this will continue.

*Students are seriously attempting the exams. This is the year in which chapter conducted Study Circle on **all Sundays of the year**. Congratulations to 'Spectrum' – students' Team. Study circles are helping students of Mysore Chapter by bringing them together and by keeping up their spirit high in achieving the best out of them.*

From January 2007 onwards again new dreams will unfold to take the chapter into newer heights. I remember reading a quote on our chapter message board: "Dream is not something you see during sleep... It is that which doesn't let you sleep until you achieve it". Very true.

Let all great dreams come true to all of us in 2007. Wish you all the best.

D D Bhat

Chairman, Mysore Chapter

*Life's most persistent and urgent question is,
What you are doing for others?*

Martin Luther King

NEWS & Legal Updates



Scheme for e-Filing

Central Government has framed a scheme namely, 'Scheme for filing of statutory documents and other transactions by companies in electronic mode' in order to provide corporate and other entities and individuals, easy and secure on-line services including filing of statutory data and registration throughout the country and to enable companies to carry out various transactions with the offices of the Registrars of Companies, Regional Directors and the Central Government in the electronic mode. This has been issued by Ministry of Company Affairs and is published in the Gazette of India, Extraordinary, Part II, Section 3(ii) on 26th October 2006.

Certification of Net worth

All active members including Representative members of Cash segment, Limited Trading members & Trading and/or Clearing members of the Derivatives segment of the Exchange are hereby informed that henceforth the Exchange shall accept the Networth certificate from the members if certified either by a Chartered Accountant or a Practising Company Secretary duly submitted on their letter head and also containing the membership no, & seal of the Chartered Accountant or a Practising Company Secretary.

The provision contain in this notice will be applicable with immediate effect for submission of Networth certificate as on March 31, 2006 and thereafter for submission of networth certificate as on September 30, and March 31 every year.

BSE Notice No. 20061031-21 October 31,2006

INCOME TAX

Return of Fringe Benefits in Gujarat

The CBDT, in exercise of powers conferred under section 119 of the Income tax Act, 1961, extends the due date for filing of return of fringe benefits required to be furnished by 31st October, 2006 to 31st December, 2006 in the case of employers liable to furnish return of fringe benefits

under section 115WD of the Income tax Act in the state of Gujarat.

Income Tax Order No: 153/177/2006-TPL (20-Oct-06)

SEBI Upadtes

Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges

SEBI has notified the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006. The Regulations are notified under section 4B (8) of the Securities Contracts (Regulation) Act, 1956. The Regulations shall be applicable to all recognised stock exchanges in respect of which the scheme for corporatisation and / or demutualisation has been approved by SEBI. These Regulations specify the manner in which the public shareholding in recognised stock exchanges may be increased.

SEBI Press Release PR No.257/2006

Dispatch of account statement by Mutual Funds:

Mutual Funds, at present, dispatch the account statements to the unit holders under Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP)/Systematic Withdrawal Plan (SWP) on monthly/quarterly/half yearly basis, as may be applicable. But due to increase in the number of investors opting for SIP/STP/SWP, the statement of accounts that each Mutual Fund has to send every month has increased.

Therefore Mutual Funds may, henceforth, dispatch the statement of accounts to the unit holders under SIP/STP/SWP once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter. In case of specific request received from investors, Mutual Funds shall provide the account statement to the investors within 5 working days from the receipt of such request without any charges.

IMD/CIR/12/80083/2006 November 20, 2006

SEBI passes disgorgement order in "IPO Manipulation" case

In continuation of the interim order dated April 27, 2006 relating to "IPO Manipulation", Shri G. Anantharaman, Whole Time Member, SEBI has passed an interim order dated November 21, 2006 ordering both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and eight (8) Depository Participants namely Karvy Stock Broking Ltd., HDFC Bank Ltd., Khandwala Integrated Financial Services Pvt. Ltd., IDBI Bank Ltd., Jhaveri Securities Pvt. Ltd., ING Vysya Bank Ltd., Pravin Ratilal Share & Stock Broking Ltd. and Pratik Stock Vision Pvt. Ltd. to jointly and severally disgorge an amount of Rs.115.81 crores within a period of six (6) months from the date of passing of the order. The order further states that "all parties are at liberty to seek contribution/indemnity from any party which they believe is liable to a greater extent.

SEBI Press Release dtd November 21, 2006

Case Laws:

Petition for winding up when proceedings are pending under SICA

[Ref: Section 433(e) of the Companies Act, 1956 and Section 22(1) of BIFR]

A winding up petition was filed by the petitioner to wind up respondent company for dues towards listing fees etc., which had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act (the Act) and that the respondent was declared as a sick industrial company. It was contended that in view of registration of reference under the SICA, the provisions of Section 22(1) of the Act came into play and the proceedings of winding up did not lie and were liable to be dismissed. The petitioner, however, contended that the proceedings should be kept pending and stayed until the proceedings under the SICA were concluded.

It was decided by the Allahabad High Court that the petitioner had not applied to BIFR for permission to file winding up petition against the Company and as such the present application did not lie. The petition was accordingly dismissed with liberty to the petitioner to either apply to BIFR for permission to file a company petition to wind up the company or await the conclusion of proceedings under the Act.

U.P. Stock Exchange Association Ltd. v. Vegepro Foods and Feeds Ltd., (2006)

RBI NOTIFICATIONS:

TDS on interest payable under Senior Citizens Savings Scheme, 2004:

RBI Notifies that Agency banks should not make any deduction of tax at source where depositor is filing Form 15H or Form 15G or a certificate under Section 197(1) of Income Tax Act 1961, as the case may be.

RBI/2006-07/171 (10-Nov-06)

Facilities to NRIs/PIOs and Foreign Nationals Liberalised

IT is notified that, with a view to further liberalise the procedure and provide greater flexibility, the lock-in period of 10 years for remittance of sale proceeds of immovable property has been dispensed with. Accordingly, AD Category - I banks may, now allow remittances out of balances in NRO accounts including sale proceeds of immovable property provided the amount does not exceed USD one million per financial year (April-March). Other terms and conditions will remain unchanged.

RBI Notification No: RBI/2006-07/180 (16-Nov-06)

Ceiling on Overseas Investments by Mutual Funds Enhanced

It is notified that, with a view to providing greater opportunity to invest overseas, the extant ceiling on overseas investments by Mutual Funds, registered with Securities and Exchange Board of India (SEBI), have been enhanced. Accordingly, the aggregate ceiling for overseas investment by Mutual Funds, registered with SEBI, is increased from USD 2 billion to USD 3 billion with immediate effect. All other terms and conditions and operational guidelines as issued by SEBI will remain unchanged.

RBI Notification No: RBI/2006-07/179 (16-Nov-06)

Foreign Trade Policy (FTP)

Issue of Bank Guarantee on behalf of service importers

RBI notifies that with a view to further liberalise the procedure for import of services, AD Category-I banks are now permitted to issue guarantee on behalf of their customers importing services, subject to the conditions mentioned herein.

A.P. (DIR Series) Circular No. 13 (17-Nov-06)

Ceiling on Overseas Investments by Mutual Funds Enhanced:

With a view to providing greater opportunity to invest overseas, the extant ceiling on overseas investments by Mutual Funds, registered with SEBI, have been enhanced. Accordingly, the aggregate ceiling for overseas investment by Mutual Funds, registered with SEBI, is increased from USD 2 billion to USD 3 billion with immediate effect. All other terms and conditions and operational guidelines as issued by SEBI will remain unchanged.

A.P. (DIR Series) Circular No.11 (16-Nov-06)

External Commercial Borrowings (ECB):

With a view to liberalising the ECB guidelines, it has been decided that henceforth, corporates can avail ECB of an additional amount of USD 250 million with average maturity of more than 10 years under the approval route, over and above the existing limit of USD 500 million under the automatic route, during a financial year.

A.P. (DIR Series) Circular No.17 (04-Dec-06)

CENTRAL EXCISE:

SSI Exemption extends to account books, registers, writing pads etc.,

Now SSI exemption extends to Account Books, registers, writing pads and file folders even if brand name or trade name of any other person is used for manufacturing the same.

Notification No. 45/2006-C.E., dated 21.11.2006

CUSTOMS:

Human remains - Procedure for customs clearance:

Bangalore Customs has prescribed procedures to be followed when human remains (dead bodies) are brought from abroad. The airlines are required to intimate once the concerned flight departs so that necessary steps are taken at the airport for immediate clearance. The Asst. Commissioner has been instructed to personally monitor movement of human remains from time of receipt till clearance.

Service Tax:

Service tax collection has jumped 63.73% to touch Rs. 13356 crore till September as compared to Rs. 8158 crore in the year-ago period. The revenue for the month of September this year was Rs. 2584.72 crore as compared to Rs. 1603 crore in the same month last year, an official release said on 15.11.2006

The Free Press Journal, Mumbai, dated 16.11.2006

Top 10 Job Interview Mistakes

Guide for fresher...

1. **Not taking the interview seriously:** The biggest error you can make is to assume that, because you've gotten this far, the job is in the bag.
2. **Dressing down:** How you present yourself during your initial meeting with a potential employer is very important, and your physical appearance can speak volumes to someone who is meeting you for the first time. Even if you know that the firm allows employees to wear jeans, don't sabotage yourself by showing up to the interview in casual clothing.
3. **Not showing why you're the best choice.** Be familiar with the job description of the position you're interviewing for so you can illustrate how your experience, abilities, and strengths are in line with the company's needs. Many potential employers want to know why they should hire you specifically. Make it clear to them.
4. **Being too modest.** This is not the time for humility, so sing your praises! Don't be afraid to talk up everything you've accomplished, whether in school or in previous companies. This is your time to shine.
5. **Talking too much.** Be careful not to talk over the interviewer. This meeting should be a two-way conversation. Sit calmly and listen carefully, answering questions thoughtfully.
6. **Focusing on the funds.** Don't start talking about money too soon into the interview. Focusing on your salary requirements and previous salary history right off the bat may cause you to reveal too much. While the topic of salary will certainly come up, follow the interviewer's lead. He or she may be saving that topic for a later conversation.

(Continued in page 6)

Euthanasia - Mercy or Brutality?

Rashmi M R ACS Final

There are more than three million species on this earth. However there is one fact in common “the instinct to live” and man is no exception to this. Life is one of the most precious gifts that we enjoy the moment we are born. We have the right to decide what to do, when to do, and so on. Now imagine if someone decides an aspect of your life without your approval. We would definitely not tolerate anybody interfering in our lives. But would it not be better for someone to make a decision ensuring your benefit when you are not able to analyze what is good and what is not?

Euthanasia is the use of deliberate medical means, usually lethal injection, to cause death. It is generally used on chronically ill animals to give them a peaceful death. Now there is a debate about whether the same has to be applied to ailing patients.

The issue of euthanasia is in the news again with the death of two people in Rajasthan by resorting to fast until death, referred as ‘Santhara’ by the Jain community. This practice is considered as a means to attain salvation. Public Interest Litigation has been filed in the Rajasthan High Court in this regard.

There was a boy named Mahesh who was suffering from many ailments. His cradle was in fact his grave. He was just a dead body but with a difference that it was in fact breathing. Imagine the mental trauma of the parents and the other family members. The parents with a heavy heart pleaded to let their son die but in India euthanasia is illegal.

There was another person named Venkatesh who was chronically ill. He chose the right to die not to escape suffering but to ensure that his organs be donated to

persons in need of them. The court rejected his plea and when the end came it were only his eyes that got donated. It is really a pity that he died amidst thousands of people who are dying unable to find donors for heart and other vital organs. With the rejection of the plea by the court, we in fact lost many more lives than one.

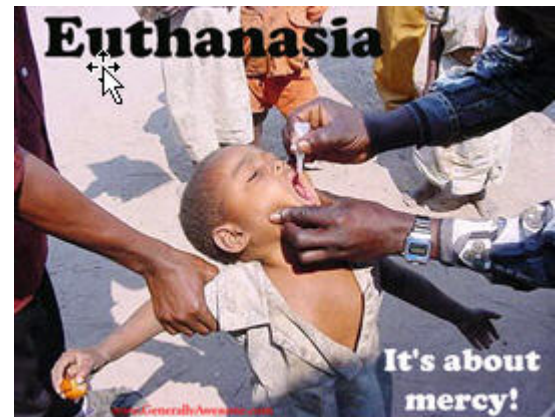
Looking at the other face of it, there are many aspects beyond man. We find so many instances where

people in the state of coma have miraculously come back to life. Can you imagine a situation if euthanasia was in fact granted in this case? Even a small ray of hope of someone coming to life is in fact lost forever. Moreover, this is a world of greed and selfishness and in this world the misuse of the right of euthanasia is very much a possibility.

In this world we see the so-called Doctors - The Life Savers engaging in selling human organs for monetary benefits. With the sanction of power to grant euthanasia it can be like the law of the state “providing weapons for a legal murder.”

Viewed from the ethical point, all religions and holy books propagate that life is worth, only when it is meaningful. What is the use of a living being, which only troubles all others associated with it? If it is the morality which hinders this move then just think, will any of us starve to death just because we are actually killing the plants for our food?

In nature, euthanasia is actually in force but this right rests with the creator. The decision whether or not to legalize euthanasia is a matter of utmost importance. Either a mere ‘yes’ or ‘no’ will definitely create a lot of difficulties and hence requires a well thought out decision.



Wikipedia says....

Euthanasia (from Greek: good **death**) is the practice of terminating the life of a person or an animal because they are perceived as living an intolerable life, in a painless or minimally painful way either by lethal injection, drug overdose, or by the withdrawal of life support. Euthanasia is a controversial issue because of conflicting religious and humanist views.



Wooden Bowl



A frail old man went to live with his

son, daughter-in-law, and a four-year old grandson. The old man's hands trembled, his eyesight was blurred, and his step faltered. The family ate together nightly at the dinner table. But the elderly grandfather's shaky hands and failing sight made eating rather difficult. Peas rolled off his spoon onto the floor. When he grasped the glass often milk spilled on the tablecloth. The son and daughter-in-law became irritated with the mess. "We must do something about grandfather," said the son. I've had enough of his spilled milk, noisy eating, and food on the floor. So the husband and wife set a small table in the corner. There, grandfather ate alone while the rest of the family enjoyed dinner at the dinner table. Since grandfather had broken a dish or two, his food was served in a wooden bowl. Sometimes when the family glanced in grandfather's direction, he had a tear in his eye as he ate alone. Still, the only words the couple had for him were sharp admonitions when he dropped a fork or spilled food. The four-year-old watched it all in silence.

One evening before supper, the father noticed his son playing with wood scraps on the floor. He asked the child sweetly, "What are you making?" Just as sweetly, the boy responded, "Oh, I am making a little bowl for you and mama to eat your food from when I grow up." The four-year-old smiled and went back to work. The words so struck the parents that they were speechless. Then tears started to stream down their cheeks. Though no word was spoken, both knew what must be done. That evening the husband took grandfather's hand and gently led him back to the family table.

For the remainder of his days he ate every meal with the family. And for some reason, neither husband nor wife seemed to care any longer when a fork was dropped, milk spilled, or the tablecloth soiled. Children are remarkably perceptive. Their eyes ever observe, their ears ever listen, and their minds ever process the messages they absorb. If they see us patiently provide a happy home atmosphere for family members, they will imitate that attitude for the rest of their lives. The wise parent realizes that every day that building blocks are being laid for the child's future.

Let us all be wise builders and role models. Take care of yourself, and those you love, today, and everyday!

Top 10 Job Interview Mistakes

(continued from page 4)

7. **Trash talking.** Even if you hated your former boss or felt you were treated unfairly by your previous employer, a job interview is not the place to launch into a litany of complaints. Don't go there. If you were laid off or fired from a previous position, be prepared with an explanation that puts a positive spin on the circumstances.
8. **Failing to ask questions.** Your résumé may be impressive on paper, but employers also appreciate a candidate who can ask several intelligent questions during an interview. Prepare at least 3 or 4 questions in advance to ask the interviewer. Interviews are an exchange of information, and not having questions to ask can reveal a lack of preparation.
9. **Lack of enthusiasm.** This is your first and sometimes only chance to showcase your personality. Don't walk in announcing how you're having a bad day. Be polite and upbeat. Show your enthusiasm for both the job and the opportunity to interview for it. And don't forget to thank the person at the end of the interview!
10. **Forgetting the follow-up.** Make sure to send a handwritten thank-you note or polite email to the interviewer expressing gratitude for his or her time and consideration. And while you don't want to start calling the company on a daily basis, a phone call checking in a week after the interview is perfectly acceptable.

A New Earth by Eckhart Tolle

Nimmoo Kinger,
PCS, Mysore



I couldn't resist buying Eckhart Tolle's new book, *A New Earth*. I had read and re-read his *The Power of Now* several times and to find that *A New Earth* was his first full length novel in 8 years was exciting. The book starts with a beautiful description of the appearance of the very first flower on earth, the beginning of enlightenment of plants.

Tolle embarks on a deep dissection of the ego, and what man can and cannot achieve with it. He looks at our attachment to material things and persons and leads into the perennial question of *WHO I AM*. It is the discovery and experience of the Self and the Being that is the essence of this book

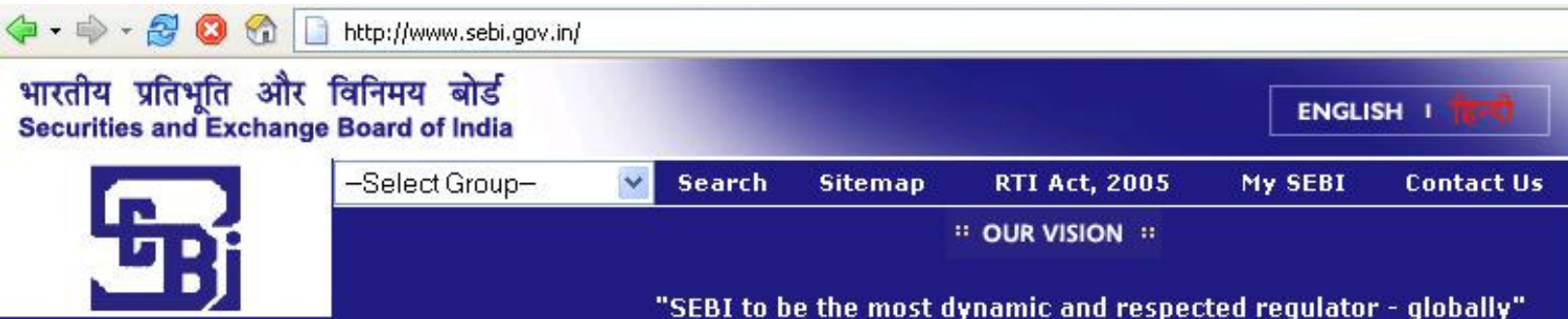
Here are some of the nuggets in the book: "Life will give you whatever experience is most helpful for the evolution of your consciousness. How do you know this is the experience you need? Because this is the experience you having at this moment."

"The ego isn't wrong; it's just unconscious."

"Emotion in itself isn't unhappiness. Only emotion plus an unhappy story is unhappiness." This is exactly what I experienced in the Landmark forum I participated in, the previous weekend. Once our stories about our experiences were delinked from our experiences, there was joy and lightness. An experience of consciousness.

This is a book I will be reading all over again several times.

Web gatra



This website of Securities and Exchange Board of India is comprehensive about the various happenings of the secondary markets. It contains not only the text of all the SEBI rules and regulations but also the circulars and press releases. It caters to the requirements of professionals as well as to the students from the academic point of view. The most highlighting feature of this website being the FAQ's which are incorporated in it. The site map enables the visitor to search for the required information at the minimum possible time. The legal rulings of the SAT, committee reports and so on make it a complete ready reckoner. It provides flash news regarding the various happenings of the securities market.

In a nutshell, it is a single stop website to answer all your queries right on your desktop.

**“Forgiveness is a sweet scent that a flower gives,
when it is crushed”**

Spectrum this Month...

Hello Friends,

November month had intensely focused study circles. With the exams around, we had our own apprehensions about facing the exam. To facilitate and enable us perform well, we had a session on the “Do’s and Don’ts” pertaining to exams. This session was well received by students and they seemed to know the secret to crack professional exams. Following 2 sessions were on Taxation, one pertaining to the Income Tax and the other to Excise Laws. In a nutshell it is exam fervor everywhere.

Thatz all from our side.

***Wishing you all the
very best for the
exams!!***

***Wishing u all Happy
and a Prosperous
New Year 2007
ahead!!***

Spectrum friends

GREY MARKET

M R Rashmi ACS Final

We know black market. But what is this grey market?

This is a market where a “new” product is bought and sold outside the manufacturer's authorized trading channels.

Unlike those on the black market, grey market goods are not illegal. Instead, they are being sold outside the normal distribution channels by those which may have no relationship with the producer of the goods. Frequently this form of parallel import occurs when the price of an item is significantly higher in one place than another. This situation commonly occurs with cigarettes and electronic equipments such as cameras. Entrepreneurs will buy the product where it is available cheaply, often at retail but sometimes at wholesale, import it legally to the target market and sell it with margins but which is still below the normal market price there. The existence of the grey market is an example of the economic practice called arbitrage.

For example, if a store owner is an unauthorized dealer of a certain high-end electronics brand, the product is considered to be sold in the grey market. If the product is illegal, it would be selling on the "black market". It is generally difficult or even impossible to track and verify the precise numbers of grey market sales.

In the context of securities markets, grey market has a different meaning. It refers to the buying and selling of securities to be issued in the future and, therefore not yet circulating. This typically occurs some days before an auction of government bonds or bills and that trading is subject to the effective issue of those securities. Sometimes this is taken as a forecast of the prices that markets expect for future issues.

The unofficial trading of a company's shares, usually before they are issued in an initial public offering (IPO) is a typical example of grey market. The grey market is an over-the-counter market where dealers may execute orders for preferred customers as well as provide support for a new issue before it is actually issued. This activity allows underwriters and the issuer to determine demand and price the securities accordingly before the IPO.

Of late the SEBI has sought public comments on the discussion paper which highlights the problem of securities issued in De-mat form by listed companies in excess of listed capital/issued capital, measures taken in the past to address the concerns and the need for further preventive steps, proposed amendments to SEBI (Depositories and Participants) Regulations, 1996 to prevent the excess De-mat and to prevent grey market operations in IPO's.