



## From the Chairman's Desk



Dear Friends,

Greetings to you all!

Wishing you all a very Happy Navaratri (Nadahabba)!!

The month of September, 2007 will be remembered for a long time to come!

The momentum gained on career counselling during previous months was not only maintained but further accelerated during September, 2007. The Team of Career counsellors under the able leadership of Mr. Anshuman were seen, and heard at places far and near. The aim of reaching to the Semi-Rural and Rural students proved highly effective. **The total number of career counselling conducted stood at 82 sessions till end September, 2007. The student registration for foundation course zoomed to 135 registrations!** The LEAP from usual level of 20-30 registrations till last year would be etched in our memory for all times to come!

As all members are aware, the registration is not the end of the task. It is the beginning of a new era. The responsibility now rests with we the members to ensure that proper arrangements for coaching and hand holding of the students at various locations like Mandya, Madikeri, Hassan, Chamrajanagar, Gundlupet, Kollegal, Virajpet, K.R Nagar, Srirangapatna, Nanjangud and several other places rests on us. It is now our turn to make arrangements for the proper guidance & coaching of students. May I request that each location be adopted by a team of two or three members. May I request the members to use their contacts in these locations for working out a strategy to provide coaching facilities at these places?

I request the members to get in touch with the Chapter office or Mr. Anshuman with their suggestions. The career counselling coupled with awareness due to Phone-in programs & visibility due to Investor awareness Programs have created a situation of high potential for the Chapter to grow and I am sure all the members and students would join in his journey.

CS. D D Bhat

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'Spectrum' Team

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New Column:

## IT for Corporate Professionals

Dear Readers,

Here is one more value addition from this month onwards. This is the column to introduce you various computer software tools and techniques which makes the day to day office work – easier than ever. Thanks to Mr. Amit Hegde for taking initiative. Yes, if you know a good soft tool, this forum welcomes you to introduce them to all other readers. A candle loses nothing by lighting another candle. Let's share knowledge and grow together.

### Acronis True Image - A data backup facility

- Amit Hegde B Com, MCA(Final)

Ever wanted to back-up your Windows installation so that you can recover your original installation in case your Windows crashes? Then “Acronis True Image 9.0” is the right software for you. (You can download it from [www.acronis.com](http://www.acronis.com))

In normal situations, a clean Windows Xp reinstallation will take at least 35 minutes. Once you are done with your installation you have to reinstall all your application softwares, alter default settings, install your printer etc. Some times you may have to register few softwares by calling the vendors which is again a tedious job. In all, the whole process will take half a day....!

Acronis True Image will help you do all these in flat 5 minutes (depends on the size of RAM and motherboard you have). Seems unbelievable? Read on to find out how you can do it.

It works on the principle of Ghosting. Ghosting is a term introduced by legendary software called “Norton Ghost”, which takes a snapshot of the hard disk partition. With Acronis True Image one can take back-up of whole disk partition or selected files. It can also be used to take snapshot of other storage devices such as a DVD or even a USB thumb-drive.

All the functions such as Backup, Recover, Clone Disk etc. are wizard driven and are very easy to follow. To take a backup of windows installation, click on the Backup from “Pick a Task” list. Once the backup is ready, your Windows installation is safe. Create a “Bootable rescue media” from “Tools” menu, which creates a bootable CD. This bootable CD can be used to recover the backed-up partition in case of Windows crash.

You can also use Acronis True Image to transfer all your data including Operating System files to a new hard disk. In this case use “Clone Disk” from “Pick a Task”. If you want to format and create partitions on a new hard disk, use “Add a new Disk”

So I hope, I have crash-proofed your computer. Just go ahead and use this nice tool.



## Web Yatra

Most of us have come across a situation when we had to search for our mobile-phone just because we could not find out where we left it....Some statistics says “Search” feature is the most used one on windows. This shows that there is a need for doing everything in an organized manner.

Let us head towards [www.lifeorganizers.com](http://www.lifeorganizers.com) which boasts itself as one-stop destination for home and office organization. The articles go into different categories such as Organize Your Home, Organize Your Finance, Organize Your Time and so on... Each of the above categories has sub categories which host tips and ideas on how to get rid of clutter and get organized.

The website mainly covers articles on planning our day today activities so that we can do more in less time. Main goal is to make life simpler by making us more organized.

You can also subscribe for a free newsletter which keeps you updated on new ways of getting organized.

So here we go.... Getting more organized with new and fresh tips just to be more productive...



## Intellectual Property Rights

# Intellectual Property & its branches

Lokesh.V

Sr. Officer – IPM, Innovation & New Product Development  
L&T Mysore

“Intellectual Property is the Oil of the 21st Century Look at the richest men a hundred years ago, they all made their money extracting natural resources or moving them around. All today’s richest men make their money out of Intellectual Property.”

- Mark Getty - Founder of Getty Images

The term ‘Intellectual Property’ is the property of human intellect, which has a commercial value. The intent and the object of intellectual property rights in general are to protect expressions of all ideas, information and knowledge. It is a comprehensive approach for the protection of valuable technology. It is fair and appropriate for the creator of such intellect item to reap benefits; incentives resulted in such intellectual property. By giving protection to such efforts, many invest their time, effort and intellectual thought, which result in growth of industry.

- ☐ If the machine is a substantial improvement over the existing ones, the new features or the new machine can be a subject matter of Patent.
- ☐ If the machine / article are made in a unique shape or appearance (not encompassing functional features) the shape or appearance can be a subject matter of Design Registration or Design.
- ☐ The brand name and logo can be a subject matter of Trademark.
- ☐ The user manual, service manual, advertising material can be subject matter of Copyright.
- ☐ The semiconductor chips that the machine employs can be protected under the Semiconductor Circuits & Topography of Integrated Circuit Act.
- ☐ The employees or subcontractors/service providers, involved with the project may be subjected to Trade secret confidentiality and non-competition in the same area, for a period of at least three years. We should also consider a contract as a kind of Intellectual property.
- ☐ The other components are Geographical Indication, Plant Variety Protection, Traditional Knowledge, Domain Name protection & Contracts

## Nuts and Bolts of Trademark Protection - 2

Raghavendra.S.Rao

Advocate and guest faculty in law, and Sr. Partner, Law Nest, Bangalore

### WHAT IS TRADEMARK?

A mark is a visual symbol in the form of a word, label, letters, numerals or a device, depicting pictures of animals, birds, human being, shape, packaging, colors etc. or a combination of these, applied to articles of commerce and trade. A mark ranges from name or logo of a brand or the colour or shape of the pack<sup>1</sup>. It guarantees unchanged quality of the product and it helps to advertise the product.

A Trademark is a distinctive sign of some kind which is used by a business to uniquely identify itself and its products and services to consumers, and to distinguish the business and its products or services from those of other businesses. A trademark is a type of industrial property which is distinct from other forms of intellectual property.

<sup>1</sup> Section 2(m) of The Trade Marks Act, 1999

## 6 Questions from Legal Angle

Ulhas S Bhat, CS  
Mangalore

### Designs

#### 1. Why to protect designs?

To protect new or original designs created to be applied or applicable to particular article to be manufactured by industrial process or means. Purchase of articles is influenced not only by their practical efficiency but also by their appearance.

Therefore the artisan, creator, originator of a design having aesthetic look should not be deprived of his bonafide reward by others applying it to their goods.

#### 2. What designs can be protected?

"Design" means any combination of shapes, patterns, colours etc which appeals to the eye. Designs are evident in the dress industry, especially in carpets, glasses, cups etc. Stamps, labels, tokens, cards, and the like can not be registered as once the ornamentation is removed the article referred ceases to exist. The design as applied to an article should be integral with the article itself. Protection is initially for 10 years – extendable for 5 more years only.

#### 3. What designs can not be protected?

A design which-

- ☐ is not new or original; or

- ☐ has been disclosed to the public prior to the filing date or
- ☐ is not significantly distinguishable from known designs or combination of known designs; or
- ☐ comprise or contains scandalous or obscene matter

#### 4. What are the Penal Provisions?

If anyone contravenes the copyright in a design, he is liable for every offence to pay a sum not exceeding Rs. 25,000/- to the registered proprietor subject to a maximum of Rs. 50,000/- recoverable as contract debt in respect of any one design. Registered designs are open for public inspection only after publication in the official gazette on payment of prescribed fee of Rs. 500/- on a request in Form -5.

#### 5. Who should apply?

The application for registration of design can be filed by the applicant himself or through a professional person (i.e patent agent, legal practitioner).

However, for the applicants not resident of India, an agent residing in India has to be employed.

#### 6. Who long the registration process takes?

The total time of a registered design is 15 years. Initially the right is granted for a period of 10 years, which can be extended, by another 5 years by making an application and paying a fee of Rs. 2000/- to the Controller before the expiry of initial 10 years period.

The proprietor of design may make application for such extension even as soon as the design is registered.

*Dear readers, please stay with us for some more information on Registration of Designs in next issue.*

Traditionally word marks, symbols or logos were registered as trademarks. Of the late, due to the technological revolution in communication and mass media and due to the increased levels of perception of an average consumer on brands, many business entities are rushing to register non-traditional marks, such as colour, smell, sounds, slogans, shapes etc, as trade marks. Trademark offices, examiners and courts are also encouraging these types of marks to be registered, if they are capable of distinguishing the goods or services and distinctive, they are being allowed to be registered as trade marks.

Under India Trademark Act emphasizes "trade mark" as a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours and used or proposed to be used in the course of trade between goods and services<sup>2</sup>.

There are many types of Trademark like Letter Mark<sup>3</sup>, Symbol Mark<sup>4</sup>, Brand<sup>5</sup>, Label & ticket<sup>6</sup>, colour combination<sup>7</sup>, Numerals<sup>8</sup>, Shape of Goods<sup>9</sup>, Packaging<sup>10</sup>, etc.,

#### WHAT IS NOT REGISTERED AS TRADE MARK

The trade marks not distinctive or not capable of distinguishing the goods or services of one person from those of another person, or it is of such nature as to deceive the public or cause confusion or if it likely to hurt the religious susceptibilities of any class or section of the citizens of India, or if it is scandalous or obscene matter etc., can be refused registration however no such refusal, if the mark has acquired distinctive character prior to registration<sup>11</sup>

In a landmark case<sup>12</sup> the Madras High Court had to decide whether the two pharmaceutical trade names "PIO" and "PIOZ" containing the API, Pioglitazone were deceptively similar. In holding that the two names were not deceptively similar, the Court stated that the word "PIO" has become PUBLICI JURIS<sup>13</sup> and that there could be no monopoly over the same. The rules regarding deceptive similarity take a special connotation with regard to pharmaceutical trade names.

As the drugs are prescribed by Registered Medical Practitioners and dispensed by qualified pharmacists, the chances of confusion arising out of two products being deceptively similar are considerably reduced. To this extent, some similarity is allowed.

-----Footnotes-----

<sup>2</sup> See Section 2(zb)(i)(ii) Trademark Act,1999.

<sup>3</sup> The identity created out of letters forms can have its individual distinctiveness. Eg., GE, EBM, LG.

<sup>4</sup> It is an expression of organizational individuality and is intended to give a strong, lasting impression.

<sup>5</sup> This enables the customers to distinguish the goods of one manufacture or trade from similar goods of another.

<sup>6</sup> A composite mark consisting various features including devises, words printed on a paper and attached to the goods. Ticket is a lable attached to goods by flex etc.,

<sup>7</sup> limitation as to colour is provided under S. 10 of Trademark Act, 1999, according to 10(1) A trade mark may be limited wholly or in part to any combination of colours and any such limitation shall be taken into consideration by the tribunal having to decide on the distinctive character of the trade mark.(2) So far as a trade mark is registered without limitation of colour, it shall be deemed to be registered for all colours.

<sup>8</sup> Combination of numerals also can be used as a trademark, Eg, 555 cigarettes.

<sup>9</sup> Shape creates a friendly attitude and backing of customer. S.2 (q) of Act,1999 "package" includes any case, box, container, covering, folder, receptacle, vessel, casket, bottle, wrapper, label, band, ticket, reel, frame, capsule, cap, lid, stopper and cork.

<sup>10</sup> Irrespective of its form or shape, package of a product attract costumers. e.g. Pepsi-Cola bottle.

<sup>11</sup> Section 9 of Trademark Act, 1999 prescribes Absolute grounds for refusal of registration vide S9(1)to(3).

<sup>12</sup> USV Ltd. v. Systopic Laboratories Ltd., 2004 (1) CTC 418.

<sup>13</sup> A Latin term meaning "of public right"

# Legal Round-up

Compiled by **Omkar N G,**  
AT&S India, Nanjangud

## Income Tax

### ➤ Provision made towards warranty without proper basis is a contingent liability

The assessee had made provision towards unexpired warranty and claimed deduction. The AO found that the actual expenditure was much less than the provision made and disallowed the excess amount treating it as contingent in nature.

On appeal, the ITAT held that since the assessee did not have any basis for making the provision, the provision made towards warranty would be in the nature of contingent liability, not allowable as deduction.

*Srinivasa Computers Ltd v. ACIT [2007] 107 ITD 357 (Chen.)*

### ➤ Premium received on share capital not includible in "capital employed"

The assessee, a public limited company, included premium received on share capital while calculating "capital employed" for the purpose of claiming deduction for preliminary expenses. The AO disallowed the deduction on the grounds that premium on share capital was not includible in "capital employed".

The Delhi High Court upheld the position adopted by the Department since share premium was reflected as "Reserves and Surplus" in the books of the assessee and "capital employed" for the purposes of section 35D does not include the reserves and surplus of the assessee.

*Berger Paints India Ltd v. CIT [2007] 292 ITR 658 (Del)*

### ➤ Expenditure on replacement of machinery is revenue expenditure

The assessee, a Pvt Ltd company, claimed expenditure on replacement of machinery as revenue expenditure. However, the AO disallowed the said amount and treated it as capital expenditure. The Madras High Court relying on its own judgment in the case of Loyal Textile Mills Ltd. [2006] 284 ITR 658, held that the replacement of machinery was an allowable revenue expenditure since there was no acquisition of a new asset, much less capital of any enduring advantage.

*CIT v. Saravana Spinning Mills P. Ltd. [2007] 292 ITR 655 (Chen)*

### ➤ Penalty u/s 271(1) (c)

Held by the Hon`ble Court that, neither the

## Chapter News:

### CS COURSE AT FM 100.60 IN NAVILUGARI

An innovative program to popularize the CS Course and the Profession through All India Radio was undertaken by the Chapter during the month. A series of 5 minute capsules were recorded in local language giving details of the course and the profession by CS. Dattatri H.M. for broadcasting in the NAVILUGARI program of All India Radio (FM 100.60). NAVILUGARI program is the most popular program of the channel. The capsules were broadcast every day at around 8.50 AM from 17th September 2007 to 21st September 2007. Each episode ended with a simple question about the profession or the course. Listeners were given a different phone number every day to inform the right answer of the question. The names of the persons answering the question correctly were announced in the program the next day.

This method generated wide interest in the program. It gave an opportunity to the callers to get their doubts clarified. The callers were provided suitable career guidance. The program has generated numerous queries and resulted in quite a few registrations.

### STUDENTS INTERVIEWED BY TV CHANNEL:

An interview of our students Ms. Pracheta, Ms. Rashmi, Mr. Kamal and Mr. Rakesh compeered by CS. Dattatri was telecast on 16th September 2007 at 10.00 AM by UMN channel. The program highlighted the achievement of these students in the national level competitions in the recent past. The occasion was used by the chapter not only to motivate the existing students to compete in such chapter activities but also to popularize the course amongst the youth.

### EXTENSIVE CAREER COUNSELLING

Taking forward its tally of 20 career counselling sessions in 14 Institutions till August 2007, the chapter conducted 55 career counselling sessions in 24 institutions during the month of September 2007 covering 4650 students. During the current year, the chapter has conducted 75 career counselling sessions in 38 institutions covering 6475 students. The chapter started the counselling in Mysore colleges and moved out to nearby towns and cities like Gundlepet, Chamarajnagar, Hassan, Mandya, T. Narasipura, Kollegal, Mandya, Madikeri, Hunsur, K.R. Nagar, Gonikoppal and Virajpet covering the districts of Mysore, Chamarajnagar, Hassan, Coorg and Mandya. The counselling was followed by one or more visits to the institutions by representatives of the chapter for post counselling follow up and registrations. Many members and students participated in the counselling programs.

### STUDY CIRCLE MEETINGS

On all five Sundays of September 07, study circles conducted on topics Company Accounts, Underwriting Commission, Accounting for Amalgamation and Reconstruction, Consolidation of Accounts, Prospectus and Drafting Resolutions & Corporate Taxation

## OBITUARY

"We regret to inform that Mr. Kamal Kumar student of Mysore Chapter was bereaved of his mother Smt. Menna Bai (45) who died on 17<sup>th</sup> October 2007 in a road accident at Mysore. While we pay our heartfelt condolences, we pray to almighty to give the family the strength to bear this untimely loss. May the departed soul rest in piece"

assessee nor the Department proves anything about the loans therefore concealment was not proved and penalty u/s 271(1)(c) is not justified in law.

*C.I.T. Vs. T.M. Abdul Azeez and Co. 05/07/2007[2007] 293 ITR 384 (Mad)*

### ➤ Revision under section 263

Held by the Hon`ble Court that, an order cannot be treated as an erroneous order prejudicial to the interest of the revenue unless the view taken by the A.O. is unsustainable in law. Therefore exercise power under section 263 is not justified in law.

*C.I.T. Vs. Mepco Industries Ltd. 02/11/2006 [2007] 294 ITR 121 (Mad)*

### ➤ Capital Or Revenue Expenditure

Held by the Hon`ble Court that, explanation 1 of section 32(1) does not apply in a case of construction on the land which is taken on lease by the assessee, assessee did not acquire a capital asset but had put up a construction of the building only for business advantage. Therefore entire construction cost was admissible as revenue expenditure

*C.I.T. Vs. TVS Lean Logistics Ltd. 27/07/2007[2007]293 ITR 432 (Mad)*

### ➤ Section 69A

Held by the Hon`ble Court that, section 69A applies only if assessee is found to be owner of money or things found and neither possession nor the ownership is proved by slips. Therefore addition is not justified in law.

*C.I.T. Vs. Ravi Kumar 16/07/2007 [2007] 294 ITR 78 (P&H)*

### ➤ Depreciation

To determine the 'actual cost' of an asset, entire expenditure incurred for purposes of bringing into existence needs to be considered. The assessee company was in the process of setting up the project for manufacture of glass. It claimed that all the expenses incurred prior to commencement of business were for the purposes of bringing into existence the various assets and putting them in working condition and therefore, had to be capitalized and added to the cost of assets for purpose of allowing depreciation. The AO held that the expenses incurred on entertainment, guest house and gifts were not related to bringing assets into existence and disallowed them.

On appeal, the ITAT held that expenditure on gifts could not be held as incurred for the purposes of bringing assets into existence. However, with regard to entertainment expenses and guest house expenses, it was held that these expenses had been incurred during the course of setting up the new project and had direct nexus with the setting up of the new project, and hence were to be

# Investor Secretary

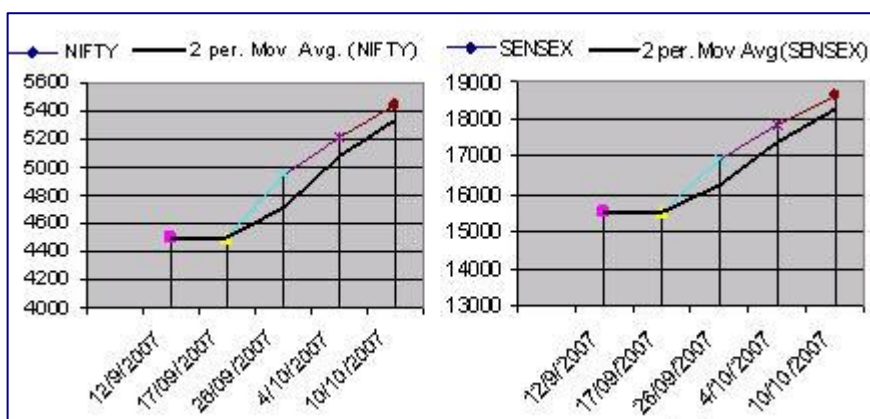
Sreeraj M, CS Final, Mysore

Dear All!

In September, the markets paved to be wary. The benchmark SENSEX smacked the 18000 levels. Even though the markets surged, the stocks that took part in the rally were very narrow. The markets were very choppy and it left very little an option to think and act.

Buying interest was very concentrated on few stocks and thus led to this rally. Stocks of Reliance Group were the star performers. A lot of FII buying is taking place and I feel this is the time to be more cautious on the stocks FII's are betting on. The reason being, if at all there is any crash in future, these will be the worst affected stocks.

As on 10th October 2007, SENSEX closed with 18654 points and the NIFTY with 5441.45 points.



### Future Outlook:

The technical analysts are of the view that the markets can rally over 19400 – 19500 points by the end of the year or might be 20000 to 23000 too.

At present the "POWER SECTOR" is looking good and I do feel like tasting a pinch of it. Even "METAL STOCKS (COPPER)" can be considered now with a long term perspective. I feel the valuations of the stocks in this Sector are attractive and are awaiting an explosion. IT Majors are a jaded lot and are waiting for a turnaround. The interesting thing in this sector is that IT Midcaps are the performers and a close watch can be had on this sector.

### Tan's Portfolio (Status as on 10<sup>th</sup> October 2007)

Sl	Name of the Stock	Purchase Price	Stock Exchange	Current Market Price (as on 11/10/07)	Returns (In %)
1	Accel Frontline	53	NSE	75.40↑	42.26%
2	Alchemist	9.00	BSE	73.45↓	-18.33%
3	Arvind Mills	50.00	BSE	66.55↑	33.10%
4	Ashok Leyland	38.00	NSE	41.20↑	8.42%
5	Sree Ashta Vinayak Cine Vision	294.00	NSE	409.25↑	39.20%
6	Atlanta	233.70	NSE	301.00↑	28.80%
7	Essar Oil	52.85	NSE	58.35↑	10.41%
8	KEI Industries	87.00	NSE	83.30↓	-4.25%
9	Kesoram	484.70	NSE	577.65↑	19.18%
10	Ramco System	150.00	BSE	151.50↑	1.00%
11	Timex Watches	29.80	BSE	33.20↑	11.4%
12	Welspun India	64.00	NSE	65.05↑	1.64 %
			<b>TOTAL RETURNS</b>		<b>172.83%</b>

considered for determining the 'actual cost' of the assets.

*Floatglass India Ltd v. JCIT [2007] 107 ITD 426 (Mum)*

➤ **No Depreciation on assets used prior to commencement of business**

The assessee claimed full depreciation in respect of furniture, equipments and building on the ground that even prior to commencement of business, those assets were used for purposes of business. The AO disallowed the claim on the ground that the business was commenced only in March of the relevant previous year and the assets were put to use for less than six months and hence assessee could claim only 50% of the depreciation.

On appeal, the ITAT held that the depreciation on assets could be claimed only after the business is commenced and accordingly, it could not be said that the assets were used for business for the whole year.

*Floatglass India Ltd v. JCIT [2007] 107 ITD 426 (Mum)*

➤ **Scope and application of Sec 23(1)(c)**

The assessee company had filed its return of income for the assessment year 2003-04 declaring a loss. The assessee had purchased a property and during the relevant assessment year the property remained vacant.

The AO chose to assess the income from house property by adopting the Annual Let out Value (ALV) on the basis of monthly rent receivable / received by the assessee's sister concern for the other identical flat owned by it in the same building.

The ITAT held that the expression 'property is let' in clause (c) of section 23(1) does not mean that the property should have been actually let in the relevant previous year or during any time prior to the relevant previous year, but means 'intended to be let out'. The property in question, being intended to be let out and despite efforts made, remaining vacant for the whole of the relevant previous year, its annual value had to be worked out as nil under section 23(1)(c).

*Premisudha Exports (P) Ltd v. ACIT [2007] 110 TTD 89 (Mum)*

➤ **Income from letting out of property**

The assessee, a partnership firm was carrying on the business of developing, constructing and running commercial complexes as business centres. It filed a return of income offering its income as income from business or profession. This income included the rental receipts as well as consideration for the provision of services. The AO treated the above income as income from house property and charged a higher amount to tax. On appeal, the Madras High Court restored

Mr. Tan is planning to rejig his portfolio. He sells all the stocks in the old portfolio and creates the following portfolio: **(Purchased on 10<sup>th</sup> October 2007)**

1. **iGate Global Solutions** (NSE) purchased @ Rs.340.35
2. **Sasken Communication Technologies**(NSE) purchased @ Rs.319.65
3. **Bharat Forge**(NSE) purchased @ Rs. 294.10
4. **India Nippon Electricals** (NSE) purchased @ Rs.149.35
5. **Taj GVK Hotels & Resorts** (NSE) purchased @ Rs. 142.35
6. **Vakrangee Software** (NSE) purchased @ Rs.180.70
7. **McDowell Holdings** (NSE) purchased @ Rs.225.50
8. **Energy Development Company** (BSE) purchased @ Rs.75.75

**Disclaimer:**

*Trading and investment in stock market is risky and volatile. All the contents (and views) in this article is for informational purposes and is not a recommendation or an offer or solicitation of an offer to any person with respect to the purchase or sale of the stocks discussed in this article. The author may be trading/investing in, or have positions in the securities mentioned. The author is not responsible for profit or loss incurred by anybody. Please do your home work before investing.*



**Reading 'Geetha' again and again...**

An old Farmer lived on a farm in the mountains with his young grandson. Each morning Grandpa was up early sitting at the kitchen table reading his Bhagavath Geetha. His grandson wanted to be just like him and tried to imitate him in every way he could.

One day the grandson asked, "Grandpa! I try to read the Bhagavath Geetha just like you but I don't understand it, and what I do understand I forget as soon as I close the book. What good does reading the Bhagavath Geetha do?"

The Grandfather quietly turned from putting coal in the stove and replied, "Take this coal basket down to the river and bring me back a basket of water."

The boy did as he was told, but all the water leaked out before he got back to the house. The grandfather laughed and said, "You'll have to move a little faster next time," and sent him back to the river with the basket to try again.

This time the boy ran faster, but again the basket was empty before he returned home. Out of breath, he told his grandfather that it was impossible to carry water in a basket, and he went to get a bucket instead. The old man said, "I don't want a bucket of water; I want a basket of water. You're just not trying hard enough," and he went out the door to watch the boy try again.

At this point, the boy knew it was impossible, but he wanted to show his grandfather that even if he ran as fast as he could, the water would leak out before he got back to the house.

The boy again dipped the basket into river and ran hard, but when he reached his grandfather the basket was again empty.

Out of breath, he said, "See Grandpa, it's useless!"

"So you think it is useless?" The old man said, "Look at the basket." The boy looked at the basket and for the first time realized that the basket was different. It had been transformed from a dirty old coal basket and was now clean, inside and out.

"Son, that's what happens when you read the Bhagavath Geetha. You might not understand or remember everything, but when you read it again and again, you will be changed, inside and out. That is the work of Krishna in our lives."

the case to the AO holding that the rental receipts were to be bifurcated into income from house property and income from services provided (against which the relevant expenditure could be claimed), the latter being chargeable under the head income from other sources/income from business or profession.

*A.R.Complex and A.R.Plaza v. ITO [2007] 292 ITR 615 (Chen)*

## Miscellaneous

### ➤ Right to Emergency Care:

The Supreme Court has ruled that all injured persons especially in the case of road traffic accidents, assaults, etc., when brought to a hospital / medical centre, have to be offered first aid, stabilized and shifted to a higher centre / government centre if required. It is only after this that the hospital can demand payment or complete police formalities. In case you are a bystander and wish to help someone in an accident, please go ahead and do so. Your responsibility ends as soon as you leave the person at the hospital. The hospital bears the responsibility of informing the police, first aid, etc.

*23/02/2007 Case No.: Appeal (civil) 919 of 2007*

## RBI & FEMA

### ➤ ECB prepayment limit enhanced

RBI has, by its circular dated September 26, 2007, enhanced the existing limit for prepayment of ECB from US\$ 400 million to US\$ 500 million. In light of the same, banks may allow prepayment of ECB up to US\$ 500 million under the automatic route subject to compliance with the minimum average maturity period as applicable to the loan.

### ➤ Overseas investment limits enhanced

RBI has, by its circular dated September 26, 2007, enhanced the ceiling for total overseas investment of an Indian party in all its joint ventures and / or wholly owned subsidiaries abroad engaged in any bona fide business activity from 300% to 400% of the net worth of the Indian party as on the date of its last audited balance sheet. The 200% net worth limit which was applicable to registered partnership firm has also been enhanced to 400%.

Further, listed Indian companies are now permitted to invest upto 50% of their net worth as on the date of the last audited balance sheet in (i) shares; and (ii) rated bonds / fixed income securities, rated not below investment grade by accredited / registered credit rating agencies, issued by listed overseas companies, under the portfolio investment scheme. Previously, listed Indian companies were permitted to invest up to 35% of their net worth as on the date of its last

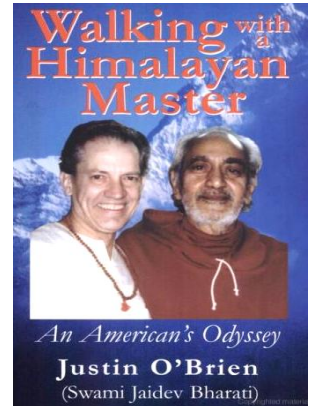
# Book Review

## Walking with a Himalayan Master

CS Nimmoo Kinger PCS, Mysore

I had heard of **Walking with a Himalayan Master** years ago, but hadn't been able to get hold of the book. Sometimes, books come to you when you are ready for them, specially books like **Autobiography of a Yogi**, books of **Brian Weiss**, **The Celestine Prophecy**, and of course, this one!

I started reading this book 2 days ago, and haven't been able to put it down; reading it late into the night. Late nights are rare with me; but this book refuses to be put down!



The 'Himalayan Master' is Swami Rama and the story about him is told by Justin O'Brien, his close and ardent disciple. Altho' the blurb says that the book is an autobiography of the author, and his training by a unique Himalaya master; I see it as a biography of Swami Rama. It is a spiritual memoir, giving a rare glimpse into the life and teaching of the century's extraordinary yoga master. The time-honoured guru-shishya relationship is beautifully detailed and the Master's teachings are embodied, contributing to the experience and growth of the reader as well. The 'story from inside' of how a spiritual master works is very lovingly delineated by a disciple who is truly blessed by his guru.

The book is indeed a must for all those who are interested in the spiritual path.

## Words worth millions...

- ☞ "Don't believe the doubted one and don't doubt the believed one"
- ☞ "Don't say you know everything and don't tell everything you know"

## Spectrum Space

### Spectrum this month . . .

Hello friends,

This month witnessed a record number of career counseling programmes initiated by the Mysore chapter, and the members of Spectrum involved actively in achieving the same. The career counseling was extended to reach towns such as Mandya, Hunsur, Kollegal, Holenarsipur, Hassan etc.

Also, the study circles were conducted with the same zeal on all the Sundays. We planned the study circles targeting the December 2007 examinations and divided the time slots for each group of intermediate and final. We focused on Consolidation of Accounts, Annual General Meeting, Amalgamation and Merger etc and much more. We look forward for great results in this session too!!!



audited balance sheet in (i) shares of listed foreign companies, which are listed on a recognized stock exchange and having shareholding of at least 10% in Indian companies listed on a recognized stock exchange in India (which condition has now been removed); and (ii) rated bonds / fixed income securities issued by overseas companies, under the portfolio investment scheme.

RBI has, by its circular dated September 26, 2007, amended the Liberalised Remittance Scheme for Resident Individuals ('Scheme') to enhance the existing limit of remittance of US\$ 100,000 for any permitted current or capital account transactions or a combination of both per financial year under the Scheme to US\$ 200,000 per financial year.

#### ➤ No reciprocal 10% shareholding

With effect from September 26, 2007, even the requirement of a reciprocal 10% shareholding in Indian companies has been done away with.

#### ➤ Overseas Investment by Venture Capital Funds (VCFs)

Domestic Venture Capital Funds registered with SEBI, desirous of making investments in off-shore Venture Capital Undertakings may approach SEBI for prior approval. No separate permission from Reserve Bank is necessary for such VCFs.

(A.P. (DIR Series) Circular No. 50/2006-07-RB, dt. 4-5-2007)

#### ➤ Liberalisation of Overseas Investment by Mutual Funds

As announced in the Annual Policy Statement for the year 2007-08 (para 135), with a view to providing greater opportunity for investment overseas, the aggregate ceiling for overseas investment by Mutual Funds registered with SEBI, has been increased from US \$ 3 billion to US \$ 4 billion with immediate effect.

(A.P. (DIR Series) Circular No. 53/2006-07-RB, dt. 8-5-2007)

## News of Use

#### ➤ Exporters to get extra drawback sans fresh documents

In a move that will expedite payment of pending drawback amount to exporters, the finance ministry has agreed to provide additional duty drawback announced in June this year without insisting on submission of fresh documents.

Since there are 10 lakh drawback claim from April to July, insisting on supplementary

We believe in growing together. Hence, we have huge plans of involving students outside Mysore in our activities. We will keep you informed of all our activities, and here's hoping that you contribute too.

Till we meet you again next month, enjoy your studies and prepare well for the coming examinations!!!!

- **Spectrum Friends**

## DIN - IN A NUTSHELL

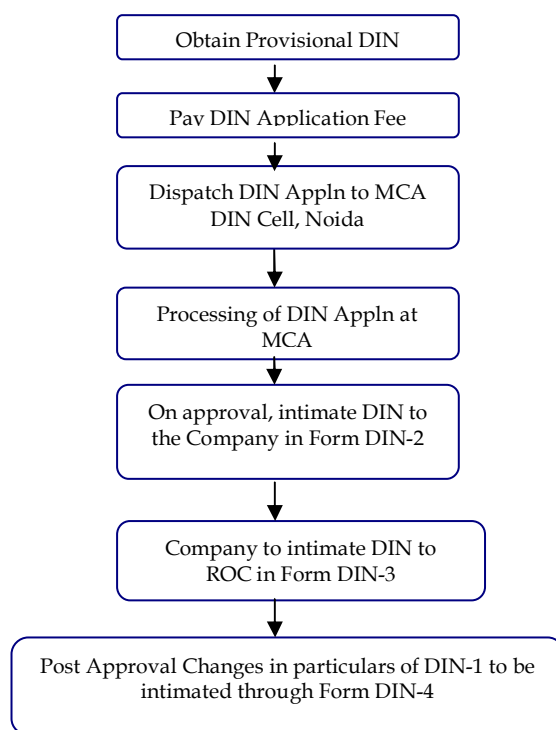
**Sreeraj M, CS Final, Mysore**

Director Identification Number (DIN) is a unique identification number introduced by the Companies (Amendment) Act, 2006 vide Sections 266A to 266G for an existing director or a person intending to become the director of a company. In the scenario of e-filing, DIN will be a prerequisite for filing of certain company related documents.

### Points to be taken care before filing Form DIN-1

1. The name in Form DIN-1 should correspond in toto with the documentary proof provided
2. Don't use Prefixes like Mr/Ms/Kumari/Shri or Late etc
3. The residential proof like electricity bill, telephone bill etc shall not be more than 2 months old.
4. The attesting authority shall stamp the photo and the entire documentary proof.
5. Identity proof attached shall be unexpired.
6. In case of foreign directors if no proof as mentioned is available a certificate signed from the Consulate of the Indian Embassy where the person is residing can also be submitted.

### Procedure (In Brief)



### Some Facts on DIN :

1. Ratan Tata has the DIN 00000001 approved as on 12<sup>th</sup> May 2006.
2. DIN-2 and DIN-3 need not be submitted for Directors appointed after 30<sup>th</sup> June 2007. Only Form 32 need to be filed.
3. Even Secretary information needs to be included in DIN-3.
4. It is not mandatory for Foreign Directors to provide proof of father's identity.
5. DIN is not mandatory for Directors of Foreign Company having branch offices in India.

### Filing Form 32 where Director has died and DIN is not available

This is with regard to filing of form 32 for cessation of directors due to death, who were appointed prior to 1<sup>st</sup> July, 2007 and had not obtained approved DIN

documents would have meant exporters submitting 50 lakh more documents. Processing such huge volumes of documents would have taken time, Mr Agarwal said. Therefore, DEA suggested that the customs department should fine-tune its computer system to calculate the additional entitlement arising out of the government's export package.

*The Economic Times October 8, 2007*

### ➤ Money spent on website content not to be taxed

From now, money spent on the content of websites will be exempt from tax. A division bench of the Mumbai Income-tax Appellate Tribunal (ITAT) passed this order on an appeal filed by Sedgwick Parekh Health Management, now known as United Healthcare India, the Indian arm of a global healthcare major.

Company argued that it is revenue expenditure as website content changes from time to time and this was an interactive website where company's experts were answering people's questions on health and nutrition. Hence there was no capital asset coming into existence, Mr Shah argued.

The division bench of the ITAT agreed and allowed the expenditure on the website, holding that it was not capital in nature as the expenditure was on services rendered by different professionals in running the website in a functional manner. These expenses have not been incurred for setting up the "income earning apparatus" of the company but for "running and maintaining" the income earning apparatus. This is the first time the issue of taxability on the content of website has come up before the Income-tax Appellate Tribunal.

*The Economic Times, October 8, 2007*

### ➤ Easier QIPs for well-known corporates: SEBI

SEBI has decided to place qualified institutional placements (QIPs) on the fast track. Companies can now raise funds without getting documents vetted, M Damodaran, chairman, SEBI, said at a FICCI meet in Mumbai. The primary market advisory committee of SEBI has cleared a package of proposals to ease issuances of QIPs. The new rules are expected to come into effect by the end of the month after the board formally approves the proposals, Damodaran said.

The fast-track QIP proposal is largely based on the well-known seasoned issuers (WKSIs) model followed by the Securities and Exchange Commission of the US. The regulator has also decided to scrap entry load for open-ended mutual funds if investors are applying directly to the fund houses or put in online applications.

1. Please send an email to [appl.helpdesk@mca.gov.in](mailto:appl.helpdesk@mca.gov.in) furnishing following details under heading - 'Form 32 - death case, No DIN'
  - a) Name of the company (in which the individual was a director)
  - b) Name of the deceased Director
  - c) Date of birth
  - d) Date of appointment as Director
  - e) Date of filing of Form 32 for appointment
  - f) Date of death (along with certified copy of death certificate issued by competent authority)
  - g) e-mail address of the company
2. Upon receipt of email, MCA Helpdesk will check and consider the information submitted and if found satisfactory, MCA Helpdesk will intimate the status/ outcome of the ticket to the stakeholder. If MCA Helpdesk needs additional information from the stakeholder, he will send an email to the Company accordingly.
3. Upon receipt of approval email from MCA, stakeholder will be required to file the form directly with the concerned ROC along with - signed form 32, necessary attachments, and a copy of approval e-mail and proof of payment of filing fee, with the respective ROC office. Filing Fee will be paid through 'Pay Miscellaneous Fee' option on MCA portal.
4. ROC will process / approve the form, scan the physical form 32 along with its attachments and upload the same in the electronic records of the company through 'On Demand Scanning' option.
5. ROC will update the relevant records/ data of the company accordingly.

## In lighter vein...



**While waiting for her first appointment in the reception room of a new dentist, Jeannie noticed his certificate, which bore his full name. Suddenly, Jeannie remembered that a tall, handsome boy with the same name had been in her school class some 40 years ago.**

**Upon seeing him, however, Jeannie quickly discarded any such thought. "This balding, gray-haired man with the deeply lined face was too old to have been my classmate" she thought.**

**After he had examined Jeannie's teeth, she asked him if he had attended the local secondary school.**

**"Yes," he replied.**

**"When did you graduate?" Jeannie asked.**

**The dentist answered, "In 1963."**

**"Why, you were in my class!" Jeannie exclaimed.**

**The dentist looked at Jeannie closely and then asked,**

**"What did you teach?"**

### Disclaimer

*The information contained in this newsletter is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate. No one should act on such information without appropriate professional advice.*