Dear Members,

The BSE Sensex crossed 10,000 on 6th February 2006. The government has projected a GDP growth of over 8% this year and also expects the same to continue over the next 2-3 years. At these levels, though most analysts have advised investors to exercise caution before putting funds in all and sundry stocks, they are still optimistic about further growth of the economy. The real estate market is also witnessing high growth with prices touching new highs every day. This high growth has resulted in more and more businessmen expanding capacities and entrepreneurs putting up new projects.

Due to this growth, the market for professional services is also growing fast. This obviously augurs well for Chartered Accountants who are well equipped to meet this growing demand for their services. To cope with this growth, Chartered Accountants need to expand the scope of services they can render and their aim should be to offer multiple services under one roof. The target for most Chartered Accountants should be therefore to be able to provide services in addition to the traditional tax/audit areas. This will also be a good opportunity for Chartered Accountants to restructure their practices to provide the best services to their existing clientele. BCAS has organised various programmes other than those for the traditional tax/audit areas to equip members to obtain knowledge in these emerging areas of professional practice.

The Budget and Finance Bill for 2006-07 is scheduled to be presented on 28th February. The government is also expected to table the new Companies Bill in the budget session. Let us hope that there is enough debate on the proposals (including in the Parliament) and that adequate thought goes into the final legislation that is passed.

With best wishes,

Himanshu Kishnadwala

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**Lecture Meetings**

Venue: 4th floor, IMC, Churchgate, Mumbai-400020.

**Day & Date**: Wednesday, 22nd February 2006

**Speaker**: Mr. Pinakin Desai, Chartered Accountant

**Subject**: Issues in Corporate Taxation

**Day & Date**: Saturday, 4th March 2006

**Time**: 5.00 p.m.

**Speaker**: Mr. S. E. Dastur, Sr. Advocate

**Subject**: Finance Bill, 2006

**Venue**: Yogi Sabhagriha, near Swaminarayan Temple, Dadar (CR)

**Day & Date**: Thursday, 16th March 2006

**Speaker**: Mr. Vikram Nankani, Advocate

**Subject**: Service Tax Provisions of the Union Budget 2006-07

(Please note the change in date)

**Day & Date**: Wednesday, 5th April 2006

**Speaker**: Mr. Rajan R. Vora, Chartered Accountant

**Subject**: Deductions under chapter VIA with special reference to S. 80HHC and S. 80IB(10)

*Fellowship over a cup of tea at 5.45 p.m.
Lecture Meeting at 6.15 p.m.*
Half-day workshop on TDS from International Transactions

International Taxation Committee is pleased to announce a half-day workshop on TDS from cross-border payments. Due to increasing interaction between Indian and global businesses, and the complexity of the issues involved, the subject of withholding tax on payments to non-residents is of paramount importance to all professionals. The rigours of lack of proper compliance can be appreciated from the fact that u/s.40(a)(i) of the Income-tax Act, it could result in total disallowance of the payments made, apart from other penal consequences. With the Indian economy being the flavour of the month, the year, and possibly the decade, and with stupendous amounts of investments, both by way of FDI and Portfolio Investment being planned by global majors in all kinds of industries, no professional — whether in practice or in industry — can afford to ignore this subject. This interactive workshop is specifically designed to assist the members — in practice and in industry — to have a ringside view of the practical issues and controversies on the subject from a battery of experts having hands-on experience. The details of the workshop are as follows:

Day & Date: Friday, 24th February 2006
Time: 2.30 p.m. to 6.00 p.m.
Venue: Audio Visual Centre, Jai Hind College, 4th floor, ‘A’ Road, Churchgate, Mumbai-400020.
Fees: Rs.400 for Members; Rs.600 for Non-Members (including Rs.20 as contribution to BCAS Foundation)

Subject | Speaker/Trustee
--- | ---
(1) TDS from payment of Royalties & Fees for Technical Services | Mr. Hitesh Gajaria (Chartered Accountant)
(2) Brains Trust Session (Questions/Answers) | Mr. M. P. Lohia (IRS, Former CIT)
 | Mr. T. P. Ostwal (Chartered Accountant)
 | Mr. Nitesh S. Joshi (Advocate)

Participants are requested to send their queries for the Brains Trust Session to the BCAS office/Convenors.
Registration restricted to 125 members on first-come, first-served basis.
Enrolment form is printed on page 8.

Let no one be ashamed to say yes today if yesterday he said no.
Or to say no today if yesterday he said yes. For that is life.
Never to have changed — what a pitiable thing of which to boast!
— Johann Wolfgang Goethe
Workshop on Insurance and Mutual Fund Products — Advisory Perspective

‘A stitch in time saves nine’ or ‘Make hay while the sun shines’. These proverbs are applicable to our life. You earn today, save today and invest wisely, that is the secret of happy retirement.

With an increasing life span and a reduction in the retirement age limit, analysis of various retirement plans has become crucial.

For such plans, insurance and mutual funds are two major investment avenues.

Insurance — be it Life or Non-Life — comes with different options, each taking care of a specific facet.

Term insurance, whole-life plan or unit-linked plan — each plan has different risks and different investment parameters.

Each insurance plan offers different riders, which can be considered for different objectives.

Similarly, different options with different mutual funds — be it sector specific fund or index fund or debt fund or liquid fund.

It is also equally necessary to know when to invest in mutual funds and when to exit. It is interesting to learn how one should calculate the ROI on such mutual funds and impact of the entry/exit loads on such ROI.

It may be worth to know whether it makes sense to invest in IPOs of mutual funds?

We, as consultants are constantly posed with these questions in the midst of many companies offering designer products. Evaluation of tax implications initiates just preliminary analysis. To make oneself aware of availability and finer aspects of different products, and legal, financial and tax implications thereof, a half-day workshop has been organised. The details are as follows:

**Day & Date:** Saturday, 18th March, 2006

**Time:** 9.00 a.m. to 1.00 p.m.

**Venue:** BCAS Conference Room, 7, Jolly Bhavan, 2, Marine Lines, Mumbai-400020.

**Fees:** Rs.300 inclusive of course material, snacks and Rs.20 as contribution to BCAS Foundation (for members) Rs.350 (for non-members)

**Faculty:**

<table>
<thead>
<tr>
<th>Mr. O. C. Singh</th>
<th>Insurance Products — Options and Analysis</th>
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<tr>
<td>Vice-President, Tata AIG, Broker Relations</td>
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</table>

| Mr. S. Ganesh, Chartered Accountant, Senior Vice-President (Sales and Marketing) with UTI Mutual Fund | Mutual Funds — Options, Evaluation and Analysis of Products including Key Man Insurance |

Enrolment restricted to 100 participants.

Enrolment form is printed on page 8.

Recent additions to the BCAS Library

<table>
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<tr>
<th>Sr. No.</th>
<th>Author</th>
<th>Edition</th>
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<tr>
<td>1</td>
<td>Model Tax Convention on Income and on Capital</td>
<td>1st Ed., 2006</td>
</tr>
<tr>
<td>2</td>
<td>Indian Accounting Standards &amp; GAAP (Vol.I &amp; II) with CD</td>
<td>Dolphi D’Souza 4th Ed., 2005</td>
</tr>
<tr>
<td>3</td>
<td>Corporate Laws</td>
<td>Taxmann 2006</td>
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<td>4</td>
<td>Foreign Exchange Management Manual with CD</td>
<td>2006</td>
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<tr>
<td>5</td>
<td>Direct Taxes Law &amp; Practice</td>
<td>Dr. Vinod K. Singhania 34th Ed., 2005-06</td>
</tr>
<tr>
<td>6</td>
<td>Stamp Duty True Market Value Ready Reckoner</td>
<td>Mahendra C. Jain, H. M. Bhatt 2006</td>
</tr>
<tr>
<td>7</td>
<td>Concise Oxford English Dictionary</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>*Wills &amp; Bequests — Strategies</td>
<td>N. M. Ranka, K. H. Kaji, Bharat R. Damodar, Pradip Kapasi 1st Ed., 2005</td>
</tr>
</tbody>
</table>

* Complimentary copy received
Full-day seminar on Derivatives

The sheer magic of 10K.

Wealth: Investor wealth in India multiplies 4 times, since 2002.

Gain: Bombay Sensex outperforms Dow Jones since Tech Bubble Burst.

Money: Opportunities to make money, Huge.

A full-day seminar on Derivatives by Professionals is organised by Economic Laws Committee.

Faculty:
Mr. Raghu Iyer, Chartered Accountant, Professor on Derivatives.
Mr. Bhavesh Vora, Chartered Accountant.

They will speak on Derivative products, concepts, trading strategies with actual examples, accounting and taxation.

Date: 25th February, 2006, Saturday.
Time: 9.30 a.m. to 5.30 p.m.
Venue: Jai Hind College Auditorium, 4th floor, Churchgate, Mumbai-400020.

Fees: Rs.650 for members (inclusive of cost of material, breakfast, lunch, tea, coffee, etc. and Rs.20 as contribution to BCAS Foundation) Rs.700 for non-members.

Members attending the above programme may send their queries, if any, in advance, so as to enable the faculty to adequately respond.

Enrolment form is printed on page 8.

Charitable Trust Clinic

The next Charitable Trust Clinic will be held on Friday, 3rd March 2006, from 5 p.m. to 7 p.m. in the library room of BCA Society at New Marine Lines.

Chartered Accountants and Trustees interested in having their queries solved, are requested to call the Society’s office (Mrs. Mistry on extn. 20) and obtain a prior appointment, latest by noon on the day of the Clinic. Querists are also advised to bring along, relevant papers like trust deed, audited accounts, etc.

Panel of Advisors: Ratanshaw Damanwala, Sharig Contractor, Gautam Nayak, Anil Sathe and Atul Shah

Study Course on Tax Deduction at Source

Tax Deduction at Source (TDS) is rapidly gaining attention of professionals and CFOs responsible for tax compliance.

Default in observance of TDS provisions attracts not only penalty/prosecution, but also disallowance of expenses u/s.40(a).

In order to update ourselves on various issues and controversies on the subject, the Taxation Committee has organised this one and half day ‘Study Course on Tax Deduction at Source’.

Day, date & time: Friday, 7th April 2006
2.30 p.m. to 5.30 p.m. and Saturday, 8th April 2006
9.30 a.m. to 5.00 p.m.
Venue: M. C. Ghia Hall, Bhogilal Hargovinddas Building, 18/20, K. Dubash Road, Behind Prince of Wales Museum, Mumbai-400001.

Fees: Rs.950 each for members and Rs.1,250 each for others (inclusive of course material, if any; lunch on Saturday, snacks, tea and contribution of Rs.20 towards BCAS Foundation)

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<tr>
<th>Subject</th>
<th>Speaker</th>
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<td>CCIT*</td>
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<td>TDS on Salary Payments — S. 192</td>
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<td>TDS on Payments to Contractors &amp; Sub-contractors — S. 194C and TDS on fees for Professional and Technical Services — S. 194J</td>
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<td>TDS on Commission and Brokerage — S. 194H and Rent — S. 194 I</td>
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<td>Chetan Karia</td>
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<td>E TDS</td>
<td>Narayan Bhargava</td>
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<tr>
<td>Brains Trust</td>
<td>CIT* K. Shivaram</td>
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Eminent faculty*

* Will be announced later.

Note: Registration on first-come first-served basis in view of limited seats. Enrolment form is printed on page 8.
The Reserve Bank of India has issued 4 circulars and Ministry of Commerce & Industry, Government of India has issued 2 Press Notes.

A.P. (DIR Series) Circular No. 21 dated January 10, 2006

Export of goods and services — Liberalisation — GR approval for export

This Circular further liberalises the facilities available to exporters. Henceforth, authorised dealer banks can grant GR approval in cases where goods are being exported for repairs/maintenance/testing/calibration, etc. and subsequently re-imported thereafter. Exporters will have to produce the relative Bill of Entry to the authorised dealer bank within one month of re-import of the exported item.

Where goods are destroyed during testing, the exporter will have to submit to the authorised dealer bank a certificate issued by the testing agency stating that the goods have been destroyed during testing, in lieu of Bill of Entry for re-import.


Exim Bank’s Line of Credit of US $ 10 million to Absolut Bank, Russia

The Export-Import Bank of India (Exim Bank) has made available a Line of Credit up to an aggregate sum of US $ 10 million to Absolut Bank, Russia. This credit, subject to certain terms and conditions, is available for financing export from India of any item that might be agreed upon between Exim Bank and the borrower which is eligible for export under the Foreign Trade Policy of the Government of India.

The terminal utilisation period is December 14, 2007 and period of disbursement is up to June 14, 2008. Both these periods may be extended depending upon utilisation of credit.


External Commercial Borrowings (ECB) by Multi-State Co-operative Societies

This Circular permits Multi-State Co-operative Societies engaged in manufacturing activity to raise ECB under the Approval Route. Applications will be considered by RBI if:

(i) The Multi-State Co-operative Society is financially sound.

(ii) The Multi-State Co-operative Society submits its up-to-date audited balance sheet.

(iii) The proposal complies with all parameters of ECB guidelines as mentioned in paragraph 1(B) of the Circular dated August 1, 2005.


Foreign Investment in Tier I and Tier II instruments issued by banks in India

This circular permits banks in India to augment their capital, subject to certain terms and conditions, through issue of Perpetual Debt Instruments for inclusion as Tier I Capital and Debt Capital Instruments as upper Tier II Capital to the following foreign investors:

(i) Foreign Institutional Investors (FII) registered with SEBI.

(ii) Non-Resident Indians (NRI).


Foreign Direct Investment (FDI) in up-linking of TV Channels

This Press Note contains the revised guidelines for Up-Linking notified on December 2, 2005 by the Government. It also states that FDI for Up-linking TV Channels will be subject to compliance with the Up-linking Policy of the Government of India notified by the Ministry of Information & Broadcasting from time to time.


Clarification regarding Foreign Direct Investment (FDI) in townships, housing, built-up infrastructure and construction-development projects

This Press Note clarifies that the provisions of Press Note 2 (2005 Series) in respect of FDI in townships, housing, built-up infrastructure and construction-development projects will not apply to:

(i) Special Economic Zones (they will be governed by The Special Economic Zone Act, 2005).

(ii) Establishment and operation of hotels [they will be covered by Press Note 4 (2001 Series)].

(iii) Establishment and operation of hospitals [they will be covered by Press Note 2 (2000 Series)].

But innovation is more than a new method. It is a new view of the universe, as one of risk rather than of chance or of certainty. It is a new view of man’s role in the universe; he creates order by taking risks. And this means that innovation, rather than being an assertion of human power, is an acceptance of human responsibility.

— Peter Drucker
BCAS Study Circles for 2006

BCAS announces the formation of new Study Circles for the year 2006.

Members desirous of sharing and gaining knowledge are invited to join the Study Circles. The details are as under:

<table>
<thead>
<tr>
<th>Study Circle No.</th>
<th>Subject</th>
<th>Fees per person (Rs.)</th>
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<td>Direct Tax Laws</td>
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<td>II</td>
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<td>IX</td>
<td>Internal Audit Studies</td>
<td>220</td>
</tr>
</tbody>
</table>

* Fees include Rs.20 as contribution to BCAS Foundation.

Venue: Generally, all Study Circle meetings would be held at the conference rooms in the office of the BCAS. In exceptional cases, meetings may be held at other venues.

Enrolment to the Study Circles is open to all members.

It will be our endeavour to hold 6 to 10 meetings of each Study Circle in a year.

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Sawyers Book: Few copies of Sawyers Book on Internal Audit costing Rs.7500 is available for sale at the BCAS premises at the special rate of Rs.5000.

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**Attention Members**

Day & Date: **Saturday, 4th March 2006**

Time: **5.00 p.m.**

Speaker: **Mr. S. E. Dastur, Sr. Advocate**

Subject: **Finance Bill, 2006**

Venue: **Yogi Sabhagriha, near Swaminarayan Temple, Dadar (CR)**
Independent Directors Studies - Batch III

Many Executives, Chartered Accountants, Lawyers, Management Consultants...are on the Board of Committees and in a short while from now more will be invited.

Are you equipped to handle such responsibilities?

Probably not.

Keeping this in mind Bombay Chartered Accountants’ Society in association with S.P. Jain Institute of Management & Research has organized a six weekend course on Independent Directors Studies that intends to:

- Broadens the Vision
- Instills Confidence by providing exposure
- Aligns Attitude to match expectation
- Aids in impart Knowledge too

Course Curriculum: Introduction to Concepts, Corporate Social Responsibility, Corporate Governance Issues, Audit Committee, Objectives, Charter, Meeting Programme, Self Assessment and Mock Audit Committee, Legal Compliance Overview, Whistle Blowing Policy, Internal Control, Internal Audit, Statutory Auditor, Relationship & Fraud, Risk Management, Balanced Scorecard, Powers, Responsibilities, Liabilities & Fiduciary Duties of IDs, Related Party Transactions and IDs, Strategy Overview, ID as a leader etc.

THE GAME CONTINUES...

Registration Form
(Primarily and send to BCAS)

Name: ___________________________ Date of Birth ___________________________
Office Address: _____________________________________________________________
Residential Address: _________________________________________________________
Position held in organisation ___________________________ Off. Tel. Nos. ____________ Res. Tel. Nos. ____________ Fax ____________
E-mail: _____________________________________________________________
Mobile: ___________________________ ID: ___________________________
Membership No. (If any) ___________________________ Bank: ___________________________
Payment Details: Cheque No. ___________________________ Rs. 21,000/- Bank: ___________________________
Dated: ___________________________

Note: * Only 30 seats available on ‘first-come-first-serve’ basis * Last date of registration 10th March, 2006
Please fill in the above form appropriately and send the same to Society’s office along with the requisite payment.
Please mention your name and membership number on the reverse side of the cheque/DD.

Name : ...................................................................................................................................................................................................................................................
Address : ...............................................................................................................................................................................................................................................
E-mail : ............................................. Mobile : ...................................................... Tel. : .................................................... Fax : ....................................................
BCAS Memb. No. : ......................... Tel. (O) : .................................................... Tel. (R) : .............................................. Fax : ....................................................
Student’s Regn. No. with ICAI : ..........................................................................................................................................................................................................
Name and address of Principal : ........................................................................................................................................................................................................
Cash / Draft / Cheque No. ................................................................. drawn on ........................................................................................................................................................... Bank,
dated ................................................................. for an amount of Rs. ................................................................. is enclosed.

Date : .................................................................

(Signature)