Editorial Office & Headquarters
12, Sudder Street, Kolkata-700 016
Phone : (033) 2252-1031/34/35,
Fax : (033) 2252-1602/1492
Website : www.icwai.org
Delhi Office
ICWAI Bhawan
3, Institutional Area, Lodi Road
New Delhi-110003
Phone : (011) 24622156, 24618645,
Fax: (011) 24622156, 24631532, 24618645

The Management Accountant

« Official Organ of The Institute of Cost and Works Accountants of India established in year 1944 (Founder member of IFAC, SAFA and CAPA)

Volume 45 No. 3 March 2010

IDEALS
THE INSTITUTE STANDS FOR

q to develop the Cost and Management Accountancy profession q to develop the body of members and properly equip them for functions q to ensure sound professional ethics q to keep abreast of new developments.

The Management Accountant Technical Data

Periodicity	Monthly
Language	English

Overall size - 26.5 cm. x 19.5 cm.
Printed Area - 24 cm. x 17 cm.
Screens - up to 130

Subscription

Rs. 300/- (Inland) p.a.
Single Copy : Rs. 30/-

Overseas

US $ 150 for Airmail
US $ 100 for Surface Mail

Concessional Subscription Rates for Registered Students & Grad CWAs of the Institute

Rs. 150/- p.a.
Single Copy : Rs. 15/- (for ICWAI Students & Grad CWAs)

Subscription rate and price of *The Management Accountant (Student Edition)*

Annual Subscription rate	: Rs. 50
Price of Single copy	: Rs. 5

Revised Rates for Advertisement The Management Accountant

	Rs.	(US $)
Back Cover (colour only)	50,000	2,500
Inside Cover (colour only)	35,000	2,000
Ordy. Full page (B/W only)	20,000	1,500
Ordy. Half page (B/W only)	12,000	1,250
Ordy. Qrtr. page (B/W only)	7,500	750

Revised Rates for Advertisement Student Edition

Full Page	Rs.	12,000
Back Page	Rs.	10,000
(Always Half Page only)		
Inside Half Page	Rs.	7,500
Inside Quarter Page	Rs.	5,000

The Institute reserves the right to refuse any matter of advertisement detrimental to the interest of the Institute. The decision of the Editor in this regard will be final.

MISSION STATEMENT

"ICWAI Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting"

VISION STATEMENT

"ICWAI would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

DISCLAIMER

The views expressed by the authors are personal and do not necessarily represent the views and should not be attributed to ICWAI.

NOTIFICATION

Ref. No. DS-3/1/1/10 January 12, 2010

Finance (No.2) Act 2009, involving Assessment Year 2010-2011 will be applicable for the subjects Business Taxation (Intermediate) and Strategic Tax Management (Final) under Syllabus 2002 for the purpose of June 2010 term of Examination.

Arnab Chakraborty
Director-Studies

NOTIFICATION

Ref. No. DS-3/2/1/10 January 12, 2010

Finance (No.2) Act 2009, involving Assessment Year 2010-2011 will be applicable for the subjects Applied Direct Taxation (Intermediate), Applied Indirect Taxation (Intermediate) and Indirect & Direct-Tax Management (Final) for the purpose of June 2010 term of Examination under Revised Syllabus 2008.

Arnab Chakraborty
Director-Studies

Editorial

Towards an Egalitarian Economy

It is now widely acknowledged that the roots of the economic downturn lay in the creation of global macroeconomic imbalances. Interestingly, the recession has also led to a major shift in the economic power from the US and Europe to the BIC bloc (Brazil, India and China). For India, this is a salute to the economic re-emergence of a nation, which was once written off as a nation with perpetual fiscal and foreign exchange deficits. While the advanced countries still continue to reel under the economic pressures, India has been able to consistently clock growth rates above 6% even during the height of the crisis.

However, lurking behind this rosy picture of robust growth lie disturbing issues of growing inequality. The widely used Gini Coefficient, which is a measure of income inequality is at 36.8 (thus making India one of the mid ranking nations in the world in terms of income inequality) and is rising. Further, there is widespread regional inequality even within the country. Inequality has important socio- economic implications for the country. Concentration of wealth in a few pockets give rise to greater resentment among people, which in the absence of effective governance increases the incidence of crime and lawlessness. It is no coincidence that instances of Maoist inflicted violence are intense and frequent in some of the poorest areas of India. Years of good economic performance have not led to 'trickle down' growth, implying that a vast majority of the population continued to be deprived of the fruits of enhanced development, thus increasing the gap between haves and have-nots.

All this underscore the necessity of economic growth with wider coverage and greater participation of the people, in other words more "inclusive growth". Inclusive economic growth encompasses a wider ambit that involves just not direct up-liftment of the standards of living of the poor people, but also creation of indirect "enabling" environment like development of infrastructural facilities, cheaper access to bank credit, more efficient distributional and delivery mechanisms, greater social development in terms of better education, health services etc. In a narrower sense, financial inclusion implies easier, timely and adequate access to banking (both on the liability and loan side), remittance, insurance and other financial services so that the poor people can escape the clutches of money- lenders and other usurious informal channels of intermediation.

In India, a number of measures are being taken for financial inclusion. All banks have been given targets to achieve 100% inclusion in their lead districts. The models of business facilitators and business correspondents have been devised to help banks meet the targets. Even before financial inclusion became fashionable, priority sector targets had been specified by RBI to cater to the needs of the unbanked population. However, a National Sample Survey indicates that even today nearly 51.4% of the nearly 89.3 million total households do not access credit either from institutional or non-institutional sources. Nearly 51% do not have access to any credit, formal or informal. More importantly, despite the vast network of rural branches, only 27% of the total farm households are indebted to formal sources; of them one-third also borrow from informal sources. The poorer the group, the greater is the exclusion.

Thus clearly apart from strengthening bank presence in the vast hinterlands of the country through increase in bank branches, rural banks and cooperatives, other measures are urgently required. The importance of SHGs (Self Help Group) in meeting the financial requirements of the poor has already been documented in an earlier edition of the journal. Greater tie-ups between banks and SHGs will both benefit the former due to SHG's greater reach to the poorest population and also the latter due to larger pools of credit available with the banks.

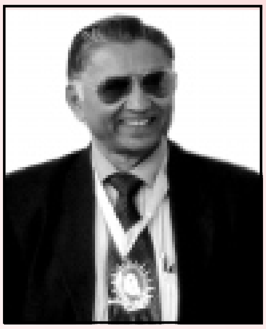
At the same time, innovative methods like harnessing the immense potential unleashed by the technological revolution in India can also help. RBI has already come out with guidelines on use of mobile phones for limited banking. Greater use of ATMs/ biometric cards in transfer payments strengthened with security features can reduce cost of transactions and scope of corruption as also integrate the economically disadvantaged people with formal financial channels. After all, today financial inclusion is not an option but a compulsion.

In this issue we highlight issues on financial inclusion. For benefit of readers we have also included the highlights of the Railway Budget, the Economic Survey and the Financial Budget. We wish our readers a happy and auspicious Gudi Padava and Ugadi.

• President's Communique •

Dear Professional Friends,

ICWAI is thankful to Shri R. Bandhyopadhyay, IAS, Secretary, Ministry of Corporate Affairs for his visit to Bangalore and Chennai for the functions organized by the Institute.



National Conference on Corporate Social Responsibility and Corporate Governance:

The month of February heralded several new initiatives by ICWAI to align ourselves with the steps taken by MCA in the recent India Corporate Week celebrations. As members are aware, MCA released two publications - Voluntary Guidelines - one on Corporate Social Responsibility and the other on Corporate Governance - both of which were released by the President of India at the concluding session of the India Corporate Week. These guidelines are intended to be followed on voluntary basis.

To propagate these Voluntary Guidelines, ICWAI with the Institute of Public Enterprise, Hyderabad, organized one-day National Conference at Bangalore on 20th February 2010 wherein ICWAI was the Knowledge Partner and co-sponsored by the Department of Public Enterprises, Government of Karnataka. The Conference was inaugurated by Shri R. Bandhyopadhyay, IAS, Secretary-MCA and was addressed by the CMDs of Hindustan Aeronautics Ltd, Neyveli Lignite Corporation Ltd, Bharat Earth Movers Ltd, and Secretary-DPE, Government of Karnataka. All the speakers emphasized the need to follow the Voluntary Guidelines on Corporate Social Responsibility and on Corporate Governance. There were lively technical sessions addressed by eminent speakers from the profession and industry. The participation was interactively excellent. This was the first Conference on this topic to be organized by any Institution in the country. We are proud that ICWAI has taken the lead on this subject. Shri R. Bandhyopadhyay, Secretary-MCA, in his address, urged the industries to follow the Voluntary Guidelines. Let me take the opportunity to record my appreciation to Former SAFA Presidents, Shri K.R.S. Sastry, Co-ordinator, IPE and, Shri V. Kalyanaraman, Former President-ICWAI and also members of Bangalore Chapter of Cost Accountants for their commendable efforts. National Conference was well represented by CEOs and CFOs from PSUs and Corporate India.

Green Initiative from ICWAI:

Further, SIRC of ICWAI took initiatives to meet the "Green Initiative Standards" as part of CSR initiatives, which was declared open on 22nd February 2010 by Shri R. Bandhyopadhyay, IAS, Secretary-MCA. This was piloted by Shri M.B. Nirmal, Founder of Exnora International, well-known for such initiatives in the country. Shri M. Gopalakrishnan, CCM, co-ordinated the activities to make it a success. Apart from Chairman and members of SIRC, Shri V. Kalyanaraman, Past President of ICWAI and SAFA also played a key-role for the completion of the programme. In his address, Shri R. Bandhyopadhyay, IAS, Secretary-MCA, lauded the initiatives taken by ICWAI and emphasised that such efforts will bear fruits by including this subject in the Curriculum so that students can be well acquainted with the subject of "Green Costing and Audit." His suggestion was well endorsed and I on behalf of ICWAI commit that all the Chapters and Regional Councils of ICWAI would be drawn to the Green Initiative in the course of time. The programme was well taken by the media with good coverage in National Newspapers and Television Network. The programme was attended by Students & Members of ICWAI and Officials from the Regional Office of MCA.

New nominees of the Central Government to the Council of ICWAI:

The Government of India has nominated four new Government nominees replacing the existing four nominees, with effect from 19th February 2010. The new nominees have experience in Finance, Banking, Audit and Industry. We welcome them and look forward for their advice and guidance. The nominee from MCA continues. We also thank the outgoing nominees for their contributions and support to the Council.

Union Budget 2010-11:

We congratulate the Union Finance Minister for the bold steps taken for sustainable and inclusive growth. I find that the Union Budget 2010-11 has brought in several initiatives to stabilize the economy and rationalize the Tax structure to ensure uniform growth. There is now bound to be more cheers in this session of Parliament to meet the long pending expectations of the Profession.

ICWAI Delegation met the Union Secretary of Commerce:

I along with the Vice President and a few Central Council Members met the Union Secretary of Commerce, Dr. Rakesh Khullar, IAS and presented our view points on the recent initiative taken by the Ministry of Commerce where Cost and

• President's Communique •

Management Accountants could play a constructive role after India joins WTO panel on Agreement on Government Purchases (GPA) as Observer. The Secretary, Ministry of Commerce was appreciative of the presentation and assured that his Ministry has no hesitation in recommending the utilization of the services of Cost Accountants wherever necessary, particularly in the International Purchase Price Fixation.

Investors' Awareness Programme:

Ministry of Corporate Affairs, Government of India has empanelled ICWAI for the first time to organize Investors' Awareness Programme preferably in two-tier and three-tier cities through out the country. The Institute has responded favourably to this by holding more than 30 programmes so far. I had the privilege to participate in some of these programmes orgnaised at Jaipur, Surat, Bangalore and Pondicherry. I appeal to all the Regional Councils and Chapters of the Institute to wholeheartedly participate in the programme and realize the target of holding maximum number of programmes by March, 2010.

Visit to Regions and Chapters:

Regional Students Conference-2010 at Kolkata under EIRC:

I was very happy to take part in the Regional Students Conference-2010 organized by the Eastern India Regional Council at Kolkata on 14th February, 2010. It was an excellent event wherein all the students of EIRC show-cased their initiative in understanding the role of future Cost and Management Accountants. Many experts from Government and industry took part in this Conference. All the students took active part and made the Conference a grand success.

Regional Cost Conference at Aurangabad under WIRC:

The Western India Regional Council and the Aurangabad Chapter of Cost Accountants organized a Regional Cost Conference on 11th - 12th February, 2010. This Conference was inaugurated by the Hon'ble Minister of Maharashtra, Shri Radhakrishna Vikhe Patil. I participated in this Conference along with my other Council colleagues. It needs to be underlined here that this Conference was attended by more than 600 delegates. Kudos to Aurangabad Chapter of Cost Accountants for this event. The topics discussed were current in nature and we had eminent speakers which included our Past Presidents, who spoke on Cost and Management Accountancy, Cost Accounting Standards, IFRS, etc. I should compliment the Aurangabad Chapter of Cost Accountants for having taken the Green Initiative in offering saplings instead of bouquets, which were planted later. This was specially appreciated by Shri Patil, while inaugurating the Convention and the students and members contribution to the Climate Change Movement which is being discussed and observed all over the world.

On 6th February 2010, the Jaipur Chapter of Cost Accountants organized a Press Meet, Students Meet and Members Meet which was well attended by many students and members of NIRC. I was happy to participate in the Members Meet along with my Council Colleagues and Jaipur Chapter also made a Green Initiative in planting of trees by all the dignitaries.

Members are aware that membership subscription should be paid on an immediate basis. While for 2009-10, it is overdue I would appeal to all Associates and Fellows to clear their membership dues by March 31, 2010. Further, it is our endeavour that by word of mouth, we should tell our members to be part of ICWAI by updating our subscription now onwards for 2010-11 also. This will give us strength to have a good number of members on our rolls to perform our obligations.

I appeal to all members of the profession to become Life Member of ICWAI Members Benevolent Fund by paying a one time nominal amount of Rs.500/-, thereby securing the interest of members and their family in the event of distress or death. Salient features of the Fund are published in this journal.

With regards,

Yours sincerely,

(GN Venkataraman)
President
Date : 5th March, 2010

Social Banking in India: Myths and Realities

The post independence economic planning in India revolved around the expansion of financial institutions to rural and un banked areas with the basic objective of expanding access to formal credit in rural under developed regions. The Government of India initiated a revolutionary concept of social control of banking for operational flexibility and effectiveness. In July 1969, 14 commercial banks were nationalized through newly formulated Bank Company Acquisition Act. Branch Expansion and Priority Sector Lending became the main engines of the social banking concept. The policy of branch expansion led to an increase in number of bank branches through out the length and breadth of the country. Similarly Priority Sector Lending envisaged 40 percent of net credit of all scheduled commercial banks to priority sectors of the Indian economy. Ironically even after six decades of independence, 45.9 million (51.4 percent) farm households in the country do not have access to credit, either from institutional or non institutional sources. Further, despite the vast network of bank branches, only 27 percent of the farm households are indebted to institutional sources. The concept of financial exclusion is of complex nature and it also varies widely across regions, social groups and assets holdings. This article makes an attempt to analyze the various constructs of Social Banking in India. It also makes an assessment regarding the prevailing scenario of financial exclusion in India.

Dr. Manoj Pillai*

Introduction

Access and availability of finance is an important component of bolstering the socio-economic development of a country and its people. A developed financial set up will always result in financial stability with favorable implications for economic performance. Access to finance and financial stability is thus the key to economic growth. The post Independence economic planning in India revolved around the expansion of financial institutions to rural and un banked areas with the basic objective of expanding access to formal credit in rural under developed regions. Indian planning experts used social banking as the main tool for expanding the flow of formal credit with the twin objectives of displacing private money lenders and to provide cheap credit to rural households which will help in reducing poverty and indebtedness.

Bank Nationalization, Branch Expansion and Priority Sector Lending: Engines of Social Banking

The Government of India initiated the revolutionary concept of social control of banking for operational flexibility and effectiveness. In July 1969, 14 commercial banks were nationalized through newly formulated Bank Company Acquisition Act. The preamble to this act stated:

"The Banking system touches the lives of millions and has to be inspired by larger social purpose and has sub verse national priorities and objectives such as rapid growth of agriculture, small industries and exports, raising of employment levels, encouragement of new entrepreneurs and development of backward areas. For this purpose it is necessary for the Government to take responsibility for the extension and diversification of banking services and for the working of a substantial part of the banking system".

Thus the nationalization of banks in India initiated the process of speedy socio economic development and rural penetration of credit through the dynamic concept of Social Banking. The period from 1970-1992 witnessed a rapid increase in the bank branches in India. During this period the number of bank branches in India increased to roughly 65,000.Similarly the banking locations in India rose from around 5000 to over 25,000. At the time of nationalization, the rural bank constituted only 22 percent but it increased to almost 60 percent of total bank branches by 1992.

Priority Sector Lending is another notable initiative of the Government of India to strengthen the Social Banking concept. It envisaged the involvement of scheduled commercial banks in the financing of priority sectors like agriculture and small scale industries. Initially there was no specific target fixed in respect of priority sector lending. In November 1974 the banks were advised to raise the share of these sectors in their aggregate advances to the level of 33 1/3 percent by March 1979. In March 1980, it was agreed that banks should aim at raising the proportion of their advances to priority sector to 40 percent by March 1985. At present the total priority sector advances consist of 40 percent of Adjusted Net Bank Credit (ANBC) or credit equivalent amount of off Balance Sheet exposure, which ever is higher. Foreign banks target for priority sector is fixed at 32 percent.

Table 1 highlights the monetary advances made by the public sector banks, private sector banks and the foreign banks towards priority sector lending along with the percentage to the net bank credit and the adjusted net bank credit. It can be seen from the table that all the banks have made advances

*Assistant Professor, Department of Commerce, Mahatma Gandhi Govt. College, Mahe (Pondicherry Administration) (Affiliated to Pondicherry Central University).

Table -1 Priority Sector Advances (Amt. In Crores)

As on last reporting Friday of March	Public Sector Banks	Private Sector Banks	Foreign Banks
2004	2,44,456 (43.6)	48,920 (47.3)	17,960(34.1)
2005	3,07,046 (42.8)	69,886(43.6)	23,843 (35.3)
2006	4,09,748 (40.3)	1,06,586 (42.8)	30,439 (34.4)
2007	5,21,376 (39.7)	1,44,549 (42.9)	37,831 (33.4)
2008	6.10.450 (44.7)	1,64,068 (47.8)	50,254 (39.5)
2009*	7,20,083 (42.5)	1,90,207 (46.8)	55,453 (34.3)

* Data are provisional Source: RBI Annual Report 2008 - 2009

Notes: 1 Figures in brackets are percentages to the net bank credit up to 2007; there after they are percentages to Adjusted Net Bank Credit (ANBC) or credit equivalent of Off Balance Sheet Exposure (OBT) which is higher, in the respective groups.

Table -2 Disbursements under Special Agricultural Credit Plan

Year	Target	Disbursement	Target Achieved	Year on Year growth
1	2	3	4	5
PUBLIC SECTOR BANKS				
2006-07	1,18,160	1,22,443	130.6	29.9
2007-08	1,52,133	1,33,226	87.6	8.8
2008-09*	1,59,470	1,44,302	90.5	8.3
PRIVATE SECTOR BANKS				
2006-07	40,656	44,093	108.5	41.3
2007-08	41,427	47,862	115.5	8.5
2008-09*	57,353	59,805	104.3	25.0

*Provisional Source: RBI Annual Report 2008 - 2009

to priority sector as per the stipulated norms laid by the Reserve Bank of India and Government of India. Table 2 shows the monetary assistance to agricultural sector under special agricultural credit plan.

The most striking aspect of table 2 is that the target achieved in all the three years is exceptional with some targets achieving more than 100 percent. Similarly the year on year growth has always increased in all these years. Another notable development is that even in the case of private sector banks target achievement levels were more than 100 percent in the three financial years starting from 2006-07.

Table 3 focuses on the disbursements made by banks in the form of agricultural loans. The Commercial Banks led in the total disbursement followed by the Cooperative Banks and the Regional Rural Banks. In all the above shown financial years the total disbursement made is more than the targets set. Similarly there has been an increase in the disbursement in each of these years when compared to the previous year. Table 4 gives an account of the financial assistance made to micro and small enterprises by banks.

Table - 3 Targets and Actual Disbursement of Agricultural Loans by Banks (Amt. in Crores)

Agency	2005-06		2006-07		2007-08		2008-09	
	Target	Disbursement	Target	Disbursement	Target	Disbursement	Target	Disbursement
Commercial Banks	87,200	1,25,477	1,19,000	1,66,486	1,50,000	1,81,088	1,95,000	2,23,663
Cooperative Banks	38,600	39,786	41,000	42,480	52,000	48,258	5,50,00	3,67,62
Regional Rural Banks	15,200	15,223	15,000	20,435	23,000	25,312	30,000	26,724
Other Agencies *	-	-	-	-	-	-	-	-
Total	**1,41,000**	**1,80,486**	**1,75,000**	**2,29,401**	**2,25,000**	**2,54,658**	**2,80,000**	**2,87,149**

***Co-operative Societies, State Financial Corporations, Agricultural Development Finance Corporation**

Table-4 Outstanding Credit to Micro and Small Enterprises (Amt. in Crores)

Year	Public Sector Bank	Private Banks	Foreign Banks	All Scheduled Comm. Banks	Percentage Credit to Net Bank Credit
2007	1,02,550	13,136	11,637	1,27,323	7.2
2008	1,51,137	46,912	15,489	2,13,538	11.6
2009	1,90,968	47,916	18,188	2,57,072	11.4

Source: RBI Annual Report 2008 - 2009

Along with the agricultural advances, the priority sector lending was directed towards the small and medium enterprises which is another important sector of Indian economy particularly in the rural and semi urban areas. The above table points out that there is a constant increase in the disbursement of funds from all the scheduled commercial banks to the small and medium enterprises.

Thus from the above facts and figures it can be averred that bank nationalization in India and the priority sector lending are two important components of Social Banking designed specifically for the socio economic development of rural India. The disbursements of loan are sector oriented and the banks were successful to a large extent in meeting the targets and standards established by the Government of India right from the inception.

Access to Finance: The Myth

Almost 40 years have passed since the introduction of the concept of Social Banking in India. Even in the contemporary reforms era, priority sector lending is an integral part of the Indian banking system. Concrete efforts have been made by the Government of India to evenly increase the flow of credit particularly in the direction of agriculture and small and medium enterprises operating in the rural areas. Ironically, despite all the integrated efforts of the Indian Government, financial inclusion and an even and uniform financial access is a distant dream. National Sample Survey Organization (NSSO) portrays a dismal picture relating to the overall financial inclusion in India. Even after six decades of independence, 45.9 million (51.4 percent) farm households in the country do not have access to credit, either from institutional or non institutional sources. Further, despite the vast network of bank branches, only 27 percent of the farm households are indebted to institutional sources. The concept of financial exclusion is of complex nature and it also varies widely across regions, social groups and assets holdings. Social Banking, Priority Sector Lending and Rural Penetration of Bank Branches were designed to spread financial activities and services through the country but even after special targeted approach and financial schemes the concept of Financial Inclusion and broader access to finance is still a myth in India.

Financial Exclusion: A Sad Reality

Financial exclusion is a prominent factor which has crippled the rural economy of India. It is related with the inability to access necessary financial services in an appropriate form due to problems associated with access, conditions, prices, marketing and self exclusion. C. Rangarajan Committee on Financial Inclusion has defined it as "the process of ensuring access to financial services and adequate credit needed by vulnerable groups such as weaker sections and low income groups at an affordable cost." Thorat, Usha (2008) opines that the working or operational definitions of financial exclusion generally focus on the ownership or access to particular financial products and services. The financial service is a broad concept and it includes savings, loans, insurance, credit, payments etc. The financial system has to provide its function of transferring resources from surplus to deficit units but both deficit and surplus units are those with low incomes and poor background. By providing these services, the basic aim is to help them come out of poverty. Sharma, Purti (2009) relates financial inclusion with easy, safe and affordable credit and other financial services to socially and economically weaker sections of the society. Dasgupta (2009) points out the following fundamental factors as the potent reasons for the financial exclusion in India.

(i) Geographical, i.e. non- existence of branches in the area, (ii) Access exclusion, i.e. restricted access because of bank risk assessment process, (iii) Condition exclusion, i.e. the condition relating to the products failing to meet the needs, (iv) price exclusion, i.e. charges associated with the products or services are very high, (v) Marketing exclusion, i.e. strategic exclusion of certain markets, and (vi) Self exclusion, i.e. some section of the population refuse to approach banks believing that any request would be turned down

Magnitude of Financial Exclusion

M.Mahedeva (2008) characterizes financial exclusion by limited service providers, limited goals and limited lending besides a huge area of operations and missing linkages between financial institutions and local organizations. The overall financial exclusion scenario is extremely grim in India. NSSO data reveal that 45.9 million farmer households in the country (51.4%), out of a total of 89.3 million households do have access to credit, either from institutional or non-institutional sources. Further, despite the vast network of bank branches, only 27% of total farm households are indebted to formal sources (of which one-third also borrow from informal sources). The findings of Invest India Incomes and Savings Survey (2007) highlight that 32.8 per cent of the households had borrowed from institutional sources and 67.2 had borrowed from non institutional sources. The Survey also found that 70 per cent of the of earners in the annual income bracket of more than Rs. 400,000 borrowed from institutional sources as compared to only 27.5 per cent in the case of earners in the income bracket of less than Rs. 50,000.

Farm households' not accessing credit from formal sources as a proportion to total farm households is especially high at 95.91%, 81.26% and 77.59% in the North Eastern, Eastern and Central regions respectively. The findings of All India Debt and Investment Survey (AIDIS), 2002 too revealed ominous results relating to financial exclusion. As per the survey, the share of non institutional sources of credit for cultivator households declined sharply from 91 percent in 1951 to 30 percent in the year 1991 with the share of moneylenders declining from 69.7 percent to 17.5 percent. However, in 2002, AIDIS revealed that the share of moneylenders again increased to 27 percent and that of non institutional sources overall rose to 99 percent.

Thus it is clear that even though there has been widespread increase in bank branches and banking services the formal banking system has not been able to penetrate the informal financial markets. Thus, apart from the fact that exclusion in general is large, it also varies widely across regions, social groups and asset holdings. The poorer the group, the greater is the exclusion. Renewed interest in Financial Inclusion has emanated from the concern that in spite of all the progress made by banks the position of Financial Inclusion in the country is far from satisfactory. There is a large chunk of the population that remains financially excluded. Financial Exclusion can be thought of in two different ways. One is exclusion from the payments system in the absence of a bank account, The second type of exclusion is from formal credit markets, which drives the excluded towards informal and exploitative markets.

The excluded population has to rely on informal sector (moneylenders) for availing finance at a comparatively higher rate. This leads to a vicious cycle. First high cost of finance implies that the poor person has to earn much more than someone who has access to lower cost finance. Second, a major portion of the earnings is paid to the money lender thereby the person can never come out of poverty.

Measure of Financial Exclusion

According to C. Rangarajan Committee on Financial Inclusion, 73 percent of Indian house holds are not indebted to formal financial institutions. The small and marginal farmers, agricultural laborers, artisans and the members of scheduled tribes are the worst victims of financial exclusions.

Table 5 highlights the incidence of financial exclusion both from formal and informal sources and the proportion of non indebted house holds belonging to various categories.

It can be seen from Table - 1 that 87% of all non indebted farm house holds belong to the marginal (70.6) and small (17.1) farmer categories. Similarly the incidence of exclusion by both formal and non formal sources is higher in marginal and small farmers. The above table also highlight that 51.4 per cent of all categories of house holds are still financially excluded.

TABLE - 5

Category of Farmer House Hold	Size Class of Land Hold (Ha)	Total Farmer House Hold (Lakhs)	Non Indebted Farmer House Holds (Lakhs)	Incidence of Exclusion (Formal and Informal Sources In %)	Proportion of Non Indebted House Holds (%)
Marginal	< 1	589.06	324.04	55.0	70.6
Small	1.01 – 2.0	160.60	78.68	49.0	17.1
Semi Medium	2.01 – 4.0	93.50	39.10	41.8	8.5
Medium	4.01- 10	42.58	14.84	34.9	3.2
Large	10.0 +	7.76	2.60	33.6	0.6
All Sizes	893.50	459.26	51.4	100	

Source: C. Rangarajan Committee Report on Financial Inclusion

Table 6 below shows that the incidence of financial exclusion among non cultivator households was estimated at 78.2 percent out of which 78.8 are agricultural laborer households, 71.4 percent of artisans, and 79.9 belong to other rural house holds. Out of the 5.96 crore non cultivator house holds about 4.66 crores were estimated to be financially excluded.

Table 7 highlights the access to credit since 2002. The most striking phenomenon seen in the figures is that there is a considerable drop in the credit account of Primary Agriculture Credit Society and there is notable increase in the credit accounts of Scheduled Commercial Banks. Another notable development during this phase is that there is significant increase in the credit disbursement through the self help group.

Table 8 shows the access to savings accounts since 2002. The figures here highlight that the savings accounts has increased in scheduled commercial banks, primary agricultural credit societies, regional rural banks and urban cooperative banks. There is an increase in the number of accounts per 100 adults in 2007 when compared to 2002.

TABLE - 6 - Incidence of Financial Exclusion among non cultivators

House Holds	Agricultural Labourer	Artisans	Others	Total Non Cultivators
Number Of House Holds (Crores)	2.12	0.77	3.06	5.96
Number Of House Holds Facing Financial Exclusion (Crores)	1.67	0.55	2.44	4.66
Incidence Of Financial Exclusion (%)	78.80	71.40	79.70	78.20

Source: C. Rangarajan Committee Report on Financial Inclusion

TABLE 7 - Access to credit accounts with institutions (In Millions)

Institutions	2002	2007
Scheduled Commrcial Banks	**43.3**	**76.6**
Regional Rural Banks	**12.6**	**15**
Sub Total	**55.9**	**91.6**
Primary Agricultural Credit Societies	**55.5**	**47.9**
Urban Cooperative Banks	**4.4**	**7.1**
Self Help Groups	**7.4**	**40.5**
Total	**123.3**	**187.1**
All Institutions (Accounts Per 100 Adults)	**18**	**25**

Source: Report on Currency and Finance 2006 - 2008

Table 8 - Access to savings accounts (In Millions)

Institutions	2002	2007
Scheduled Commercial Banks	246.5	320.9
Regional Rural Banks	36.7	52.7
Sub Total	283.2	373.6
Primary Agricultural Credit Societies	102.1	125.8
Urban Cooperative Banks	41.6	50.0
Post Offices	60.2	60.8
Total	**487.1**	**610.2**
All Institutions (Accounts Per 100 Adults)	72	82

Source: Report on Currency and Finance 2006 - 2008

Conclusion

Social Banking in general and priority sector lending in particular are revolutionary financial management mechanisms designed to speed up the socio economic development of the country and its people. Bank expansion into unbanked areas and priority sector lending to targeted sectors have succeeded in reducing the poverty in India and bringing about a uniform sectoral development particularly in the rural areas to some extent. The arrival of banks to rural areas has led to increase in aggregate economic growth and these increases were driven by agricultural and non agricultural output. The main weak link of the concept of the Social Banking can be linked with its failure to bring a uniform and broadly covered financial access mechanism for the people of India particularly in the rural areas. When the banks were given the freedom in case of placing branches they seem to by pass the needy and poor people. The Government of India and the Reserve Bank of India has now realized that uniform financial inclusion is an essential component of overall economic growth. The Reserve Bank of India has designed specific schemes for broadening the access of rural credit to the rural poor. The Reserve Bank of India has introduced the innovative concept of "No Frills Account" which is related with opening of a bank account with "nil" or very low balance. All Scheduled Commercial Banks have reported to have introduced the "no frills account" scheme. The Reserve

Bank of India has devised plans for the elaborate use Information and Communication Technology (ICT) as a tool for the spread of Financial Inclusion. ICT solutions can be used to capture customer details, facilitate unique identification, ensure reliable and uninterrupted connectivity to remote areas and across multiple channels of delivery, offer multiple financial products (banking, insurance, capital market) through same delivery channel while ensuring consumer protection, develop comprehensive and reliable credit information system, efficient credit delivery and credit pricing, develop appropriate products tailored to local needs and segments, provide customer education and counseling, enable use of multimedia and multi language for dissemination of information and advice. The Reserve Bank of India has also introduced the simplified "Know your Customer" procedure for rural branches. Similarly specific schemes for credit counseling and financial education to the clients have been devised by the Reserve Bank of India to spread financial inclusion in India. Thus it can be summed up that the social banking concept had mixed results in India as even after strong efforts, the problem of financial exclusion still prevails in India. Government of India along with the Central Bank has come up with number of specific schemes for a balanced financial inclusion and only time will tell its effects and ramifications on the Indian economy.q

The Institute of Cost and Works Accounts of India

(Set up under an Act of Parliament)

Delhi Office : ICWAI Bhawan, 3 Institutional Area, Lochi Road, New Delhi-110003

NOTE SHEET

Ref. No. : ....

Dated : CEP/72/2010

February 7, 2010

For kind information and attention of Regional Councils and Chapters

It is for the information of all concerned that the request for approval of CEP hrs. for the members in Service and Members in Practice should be sent in advance to the CEP Department of Delhi office at the following address . Also the Regional Council/Chapters must organize the programmes in their own territory only.

The Additional Director (CEP)
The Institute of Cost and Works Accountants of India
ICWAI Bhawan
3 Institutional Area, Lodi Road
New Delhi – 110 003.
Tel : (D)-011-24643273, 24622156, 157, 158, 24618645
Telefax – 24622156, 24618645
Website : mdp.icwai.org
Email id – mdp@icwai.org, cep.chandru@icwai.org

The Membership department will not approve any CEP Hours for renewal without the approval of CEP Department.

All concerned are requested to strictly adhere to the procedure.

(A. G. Dalwadi)
Chairman
Continuing Education Programme Committee

Cost Audit - an Auditors Preview

Ashok K Agarwal*

A successful Cost Audit requires close cooperation among management accountants, engineers, and manufacturing and operating managers. They need to act as a team in identifying activities, cost drivers, and requisite information, both financial and nonfinancial.

Most likely the information necessary to conduct a successful cost audit system is not readily available because most companies do not collect the information as prescribed under the cost accounting record rules of the relevant industry. To obtain the information necessary for the cost audit records and the systems, employees directly involved in operating activities need to be interviewed to find out daily activities of the operation. Activities of each operating and support department should be carefully studied and analysed. This process facilitates the identification of cost pools for each cost category. Understanding the production process and identification of cost pools and the cost drivers require persistent efforts. Efforts to redesign the cost systems are rewarded when organization have product diversity, various cost centers and cost drivers and multiple distribution locations. For a significant financial benefit from a successful cost audit, it is necessary to have:

- Top management support;
- Linkage to the company's strategy;
- Linkage to performance;
- Training of the team members;
- Nonfinancial information ownership;
- Adequate resources in generating the basic data;
- Clarity about the cost accounting records and the cost audit system;

Cost audit is based on simple fact of collecting and assigning cost to products and services on the basis of activity or cost center that consume resources and incur cost. It recognizes the relationship of activity and the cost drivers and assigns the costs to product or services. Cost audit helps in reducing distortions in cost allocation so as to present the true cost of production. It also yields a clear view of how a company's diverse products contribute to the bottom line. The cost audit may look expensive and time consuming, many companies found the benefit exceeding the input cost and effort. A meaningful cost audit improves generation of information to determine the potential impacts on pricing, product design, process design, manufacturing technology, and product line decisions.

The author, while reviewing cost accounting records in an automobile ancillary unit located in NCR, observed the following facts which were brought in the notice of the management: The company was manufacturing and supplying parts to a top Car manufacturing company in Gurgaon. The inputs (Steel Sheets and the electricity) involved and the process (Sheet cutting by press machines and the welding) being very limited, the management was confident of their existing cost accounting system and the allocation of cost over products. The company used to manufacture and supply over a dozen components by having only two way process, First by cutting Steel Sheets in desired shapes and sizes by using press machines and then welding two or more pieces to obtain the final products. On face, there was no catch involved. The system was simple. The company used to assign overhead expenses including power cost on final products in proportion to material consumed. The company was manufacturing one of the components without using any material and therefore no overheads allocation and the final cost was assumed to be zero. However, it was not the case. Scrap was used in place of material and power consumption was very high due to spot welding involved in the process. Company easily realized that the sale price was a fraction of cost of power consumed to manufacture this small component.

From the first cost audit report in 1968 till date, the manufacturing industry has gone through significant changes. The liberalization and globalization have been the biggest milestones. The capital employed and sales turnover of large number of Indian companies have crossed the figures, one could not have imagined at the beginning of cost audit. During this period, various new features/ techniques, including Cost Accounting Standards and Cost Audit Report Rules 2001 have been added in cost audit. The Expert Group constituted by the Central Government is another milestone.

Constitution of the Expert Group

To enable development of relevant cost accounting methodologies and standards to increase the competitiveness of the Indian manufacturing sector and to advise the Government on suitable measures for the same, Government of India, Ministry of Corporate Affairs vide their Order dated 21st January 2008 constituted an Expert Group under the chairmanship of Shri B.B. Goyal, Adviser (Cost), Ministry of Corporate Affairs. Other members of the Group were drawn from MCA, CII, FICCI, ASSOCHAM, PHDCCI, ICAI and ICWAI. The Group co-opted various CEOs/CFOs of top public/private sector companies, academicians, management consultants, representatives of regulatory bodies, accounting standards & IFRS experts, CII-TCM working group member, user ministries, financial institution directors, company law experts, etc. The Group was asked to undertake the following tasks. The Group submitted its Report to MCA on 26th December, 2008.

The application of techniques like Activity-based cost analysis, Bench

M.Sc.; FICWA; Ph.D, Practicing Cost Accountant (Delhi)

marking, Performance measurement and alike, are bound to enhance the value and efficiency of any company. A company is required to undergo cost audit because it is: Required not only to meet the specifications and satisfy customers but also required to sustain and reap benefits to shareholders and investors. In its lifespan, the auditor has not only been suggesting useful tips to the management, but deducted frauds which were operational whether knowingly or unknowingly.

The author, while reviewing cost accounting records in a cable manufacturing company located in NCR, observed the following facts which were brought in the notice of the management: The company was manufacturing Cables which were dispatched to customers by road transport. On submission of sales bills with proof of dispatch, the company was able to receive money from banks by way of bill discounting. However, it was noticed that the bills were generated and proof of dispatch taken from the transporter when the goods were not yet manufactured and dispatched to its clients. Needless to add, the management was fraudulently using bills discounting facility to temporarily overcome its acute financial position.

It is perhaps the right time that the Institute comes out with the Cost Audit Report 2011. In authors view, the following is the probable 'Contents' of the Framework to establish a consulting paper followed by exposure draft on Cost Audit Report 2011 which may ultimately be submitted to the Ministry of Corporate Affairs for approval and adoption to replace the existing Cost Audit Report 2001.

Contents: Preface; Introduction of Cost Audit Report 2011; Purpose and status; Scope; Users and their information needs;

Objective of Cost Audit Report 2011; Cost Audit Report, performance and changes in Cost Audit Report 2001; Notes and supplementary schedules;

Qualitative characteristics of Cost Audit Report 2011; Understandability; Relevance; Materiality; Reliability; Faithful representation; Substance; Neutrality; Prudence; Completeness; Comparability; Constraints on relevant and reliable information; Timeliness; Balance between benefit and cost; Balance between qualitative characteristics; True and fair view/fair presentation;

Elements of Cost Audit Report 2011; Capacity Determination; Overheads; Captive Consumption; Transportation; Material; Employee; Utilities; Packing Material; Direct Expenses; Administrative Overheads; Repairs and Maintenance;

Recognition of the elements of Cost Audit Report 2011; The probability of future economic benefit; Reliability of measurement; Recognition of resources, activity, income, expenses;

Measurement of the elements of Cost Audit Report 2011; Concepts of the elements of cost audit report, allocation of resources; Concepts and the Determination of the utility of cost audit report.q

Statement about ownership and other particulars about The Management Accountant, required to be published under rule 8 of the Registration of Newspaper (Central Rule, 1956.

Form IV

1.	Place of Publication	: 12 Sudder Street, Kolkata-16
2.	Periodicity of its publication	: Monthly
3.	Printer's Name	: G. N. Venkataraman
	Nationality	: Indian
	Address	: 12, Sudder Street, Kolkata -700 016
4.	Publisher's Name	: G. N. Venkataraman
	Nationality	: Indian
	Address	: 12, Sudder Street, Kolkata -700 016
5.	Editor's Name	: Sudhir Galande
	Nationality	: Indian
	Address	: C/o, ICWAI, 12, Sudder Street, Kolkata -700 016
6.	Name and address of individuals who own the newspapers and partners or share holders holding more than one per cent of the total capital	: It is the official organ of The Institute of Cost and Works Accountants of India

I, G. N. Venkataraman hereby declare that the particulars given above are true to the best of my knowledge and belief

Sd/G. N. Venkataraman
Signature of Publisher

Dated 1st March, 2010

NOTIFICATION

The Examination Committee of the Council of ICWAI at its 268th meeting decided to open new examination centers at

(a) Jabalpur (Center Code 127) (b) Kannur - Kerala(Center Code 223) and (c) Noida (Center Code 425) with effect from June 2010 term of examination.

While selling the existing Examination Application forms the Chapters and Regions are requested to inform the students accordingly.

C Bose
Sr. Director-Examinations

TI:CPI-2009

Prof. Dr. Khawaja Amjad Saeed*

Constituents

This piece presents introduction to Transparency International & Corruption Perceptions Index (CPI) for 2009, an analysis of CPI based on frequency tables selected categories namely, the least corrupt, moderately corrupt, moderately high corrupt and the highest corrupt countries. Later Pakistan's position of CPI 2009 has been picked up by us together various suggestions to be favorably considered by all the stakeholders.

Transparency International (TI)

Transparency International Secretariat is located in Berlin, Germany. TI was founded in 1993. It is a civil organization leading the fight against Corruption globally. It has several chapters located throughout the world. Lot of information about TI can be accessed from website: www. transparency.org In November 2009, Corruption Perceptions Index (CPI) 2009 was released relating to 180 countries. Every country in the world has anti corruption laws, regulations, rules and institutions. Despite these, corruption exists in every country with varying degree. TI is funded by various governmental agencies, international foundations and corporations.

Corruption & CPIS

Corruption is rampant throughout the world. The scope extends to developed and developing countries. The magnitude of corruption, however, varies from country to country. Empirical research shows that basically there are two causes of corruption namely: need and greed. Recently lust for money has added fuel to fire of corruption. Whereas needs can be met by reviewing pay packages, no package can take care of the greed and lust which have no upper end. Perception of those who are corrupt is very different. They think that the amount they receive as graft does not fall within the domain of "corruption". They consider the receipts from corruption as their own legal entitlement. Consequently their appetite to collect money though corrupt practices continues to be increasing to their personal benefits and to the detriment of the society resulting in social destabilization. Further moral deterioration continues and the image of the country at home and abroad consequently continues to be tarnished.

By and large, most of the ruling governments, backed up by bureaucracy and its other constituents, continue to harp on the theme that there is no corruption and if it all exists, it is an international issue. In the above backdrop, Transparency International (TI) launched the first Corruption Perceptions Index (CPI) in 1995. Subsequently TI has continued to release CPI on annual basis. The latest one released by TI is CPI 2009.

Corruption Perceptions Index (CPI)

CPI is a composite index that draws a multiple expert opinion surveys that consists of poll perceptions of perception of corruption. CPI 2009 covers 180 countries. It scores countries on a scale from zero to ten. Zero indicates the highest level of perceived corruption and ten indicates the lowest level of perceived corruption.

CPIs 2009

Downloaded material from web states that a CPI 2009 score relates to perceptions of the degree of corruption as seen by business people, academic and risk analysts and ranges between ten (highly clean) and zero (highly corrupt). A total of several surveys were used from independent institutions and at least three surveys were required for a county to be included in the CPI. In this respect, a survey used refers to the number of surveys that assessed country's performance. In the above CPIs index 180 countries were included in the CPI 2009 score. Using CPI which is a poll of polls, the minimum number of surveys carried out were three and the maximum were ten. In the year 2001, the survey was restricted to 91 countries and in 2002, this number was 102. This number was 133 in the year 2003. In 2006 total number of countries covered was 163. In 2009 the total number of countries covered was 180 Research Methodology included using a rating scale from 0 to 10. The higher the scale, the lesser is the perception about corruption. Inversely the lower the scale, the higher is the perception about the level of corruption. Based on research of the data released by TI, our major findings are as under:

1. New Zealand was the least corrupt country in the world. It obtained 9.4 out of 10.
2. There were five countries which included nine or above nine out of ten. These included: New Zealand, Denmark, Singapore, Sweden, and Switzerland.
3. Sixty Six (66) countries out of 180 obtained a score of less than 5.9.
4. Ninety Two (92) countries obtained less than two out of ten and were consequently in higher corrupt nation bracket. Unfortunately this number has registered an increase based on CPI-2009.
5. Three countries namely, Myanmar Afghanistan and Somalia were declared to have the highest CPI in 2009 with 1.4, 1.3 and 1.00 respectively.

The following frequency table, presenting a comparison of CPI 2001,

* Principal, Hailey College of Banking & Finance, University of Punjab, Lahore-Pakistan.

CPI 2002, CPI 2003, CPI 2006 and CPI 2008 compared to CPI 2009 has been prepared:

The range is 8.3 which is 51% of average. This show high degree of heterogeneity in on global basis.

6. Out of total of 180 countries, the following table gives the position of 30 countries in four blocks. The data given below indicate categories of counties where the corruption is the least, is moderate, is moderately high and is the highest. These blocks have been prepared by us to reflect four major segments relating to corruption levels on global basis.

Pakistan's Position

CPI for the year 1999 ranked Pakistan as No. 3 in the lowest part of table- a highly corrupt nation by TI's CPI 1999 index. The situation marginally improved as TI's CPI 2000 ranked Pakistan as No. 5. The situation further improved to rank 12 based on TI's CPI for 2001. The situation greatly improved in TI's CPI for 2002 when Pakistan was ranked as 77. Based on data released by TI through their CPI 2006, Pakistan Ranked 147 out of 163 with 2.2 score against average of 4.23 out of 10 for 2006. In CPI 2008, Pakistan ranked as 134 out of 180 countries with a average of 2.5 out of 10.00. In CPI 2009, Pakistan was ranked 139 out of 180. This is a wake up call for all of us.

On November 16, 2009, CPI-2009, gave Pakistan 139th position out of a total number of 180 countries of the world for which CPI exercise was conducted by Transparency International. The higher the rank, the greater is the level of corruption as perceived by TI. Seven Surveys were used. Pakistan still is below the average and has the challenge to go a long way to reduce the extent of corruption. When CPI 2009 was released One of the Federal Minister of Pakistan rejected the announcement pertaining to Pakistan. However the honorable Prime Minister

Table No. 1

CPI 2001, CPI 2002, CPI 2003, CPI 2006 and CPI 2008 Compared to CPI 2009

Group	CPI 2009	CPI 2008	CPI 2006	CPI 2003	CPI 2002	CPI 2001
8.0-9.7	14*	12	16	15	14	13
6.0-7.9	20	21	17	13	13	13
4.0-5.9	32	32	25	25	22	20
2.0-3.9	92	86	92	68	46	41
1.3-1.9	22	29	13	12	07	04
Total	**180**	**180**	**163**	**133**	**102**	**91**

* The highest grade is 9.4 out of 10.0

Source: Computed from data downloaded from: www.transparency.org

The calculated average for 2009 is 4.02 and Pakistan's CPI is 2.40 out of 10.00.

Table No. 2

The Least, corrupt moderately corrupt, moderately highly corrupt and the highest Corrupt Countries

County	Scale (Maximum 10)
Block - 1: The least corrupt countries	
1. New Zealand	9.4
2. Denmark	9.3
3. Singapore	9.2
4. Sweden	9.2
5. Switzerland	9.0
6. Netherlands	8.9
7. Australia	8.7
8. Canada	8.7
9. Iceland	8.7
Block - II: Moderately corrupt countries	
1. Dominica	5.9
2. Portugal	5.8
3. Puerto Rico	5.8
4. Botswana	5.6
5. Taiwan	5.6
6. Brunei Darussalam	5.5
7. Oman	5.5
8. South Korea	5.5
Block-III: Moderately high corrupt countries	
1. Albania	3.2
2. Vanuatu	3.2
3. Liberia	3.1
4. Sri Lanka	3.1
5. Bosnia and Herzegovina	3.0
6. Dominican Republic	3.0
7. Jamaica	3.0
Block IV: The highest corrupt countries	
1. Chad	1.6
2. Iraq	1.5
3. Sudan	1.5
4. Myanmar	1.4
5. Afghanistan	1.3
6. Somalia	1.1

Source: Computed from data downloaded from: www.transparency.org

Contd. on Page 193

Convergence of Global Accounting Standards: Some Evidences of Transition to IFRS in the EU countries*

Bhabatosh Banerjee*

Introduction

The ICAI has decided that all 'public interest entities' in India will have to follow 'IFRS - equivalent' Indian Standards for accounting and reporting with effect from 1st April, 2011. On 22nd January, 2010, the Ministry of Corporate Affairs announces the roadmap to convergence into three phases, Phase I starting with 1.4.2011 for NSE-Nifty and BSE-Sensex companies, companies whose shares are listed on foreign stock exchanges and those, whether listed or not, having net worth in excess of Rs.1,000 crore. Consequently, in the accounting year 2011-2012 some evidences of the impact of transition to IFRSs by reporting entities can be determined. No empirical study prior to the accounting year 2012-13 is possible in India because reporting enterprises are preparing and presenting their financial statements based on Indian GAAP. Companies which are enlisted on the capital markets of the U.S., such as Infosys, Wipro, ONGC, ITC, etc., are also following Indian GAAP but making necessary reconciliation statements with US GAAP. Since SEC is now relaxing this requirement of reconciliation w.e.f. 2009, for full IFRS-compliant companies, these companies may switch over to the IFRS-compliant financial statements from the financial year 2009-2010. In these cases also, evidences of transition cannot be determined prior to the financial year 2010-2011.

In this backdrop, for determining the impact of transition to IFRSs by corporate entities elsewhere is the only alternative for the purpose of this paper. Australia adopted IFRSs with effect from January 2005. In the EU countries, listed companies have been following IFRSs for their financial statements from January, 2005. Thus, we can analyse either Australian evidences or EU countries evidences. In view of the large number of companies participating in EU stock exchanges, we prefer studies on evidences of EU countries to Australian evidences. Accordingly, the aim of this paper is to review the empirical evidences on the economic consequences of IFRS-adoption in some EU countries. We rely on a number of studies made in some EU countries, viz., Germany, Switzerland, Sweden and Europe during 2006-08. The sources of these studies are the working papers, dissertations and publications made in reported journals.[1] The remainder of the paper is organized as follows. Section 2 deals with expected consequences of IFRS-adoption. This is followed by findings in Section 3. Section 4 contains summary of findings and explanations. The paper is concluded in Section 5.

Expected Consequences of IFRS Adoption

There are several possible advantages of switching over to IFRS-compliant financial statements by corporate enterprises. The economic significance of switch over to IFRS-compliant financial statements is likely to be tremendous. Very briefly, they are mentioned below.

(1) There will be decrease in information asymmetry because:
- IFRSs are more market-oriented, and
- IFRSs-compliant financial statements disclose more information.

(2) There will be decrease in earnings management as:
- IFRSs are more precise
- They admit a limited number of choices (alternatives)
- Hidden reserves are prohibited.

(3) Accounting data will be more value relevant, i.e. ability of accounting data to reflect contemporaneous market prices or returns. Thus, it can be hypothesised that IFRS-based earnings would be more value relevant since:
- IFRSs are market-oriented
- Earnings management is more difficult under IFRSs
- IFRSs make a larger use of fair value.

---

*Ph.D., AICWA, Professor of Commerce, University of Calcutta, Former Director of Research, ICWAI

* This paper is based on the research project "Global Convergence of Accounting Standards" funded by the University Grants Commission under DSA in Commerce (Phase III), University of Calcutta.

[1] Bernard Raffournier, "The Implementation of IFRS: Some Preliminary Evidence", an address delivered at the Plenary Session on Corporate Governance and Accountability at the 20th Asian Pacific Conference, Paris, November 9-12, 2008.

(4) There will be greater accessibility to the capital markets, and investors and creditors confidence will tend to increase because of use of a single set of accounting standards. The cumulative impact will be in the from of 'lower average cost of capital'.

Findings

In the backdrop of expected consequences, as outlined above, we summarise the findings item-wise as follows.

(1) Effect on information asymmetry

The two important questions examined were:

- Has the bid-ask spread declined?
- Are analysts' forecasts more accurate?

Whether the accounting numbers are interpreted by the sellers and by the buyers in the same way may be seen from the difference between the 'bid' and the 'ask' prices. Thus, the regime with less differences between bid and ask prices gives less possibilities for different interpretations and, therefore, seems to be superior.

Leuz & Verrecchia (2000) and Gassen and Sellhorn (2006) have shown that companies using IFRSs show smaller bid-ask spreads than those using German GAAP.

Platikanova and Nobes (2006) have also shown that in Europe, on average, the bid-ask spread declines after IFRS-adoption.

But in Switzerland, the effect is limited to small companies (Dumontier and Maghraoui, 2007).

Coming to the second question, that is, accuracy of analysts' forecasts, we find mixed results. Ashbaugh Pincus (2001) point out that analyst forecast improves after IFRS adoption. Hodgdon et al. (2008) show that compliance with IFRSs reduces analysts' forecasts errors. Ernstberger et al (2008) have also shown that, in Germany, forecast accuracy is higher for estimates based on IFRSs or US GAAP data than for those based on German GAAP figures.

But there are some studies that have given different findings. Dumontier and Maghraoui (2007) in Germany shows that compliance with IFRS does not reduce the dispersion of analyst forecasts or forecast errors. Similarly, Cuijpers & Buijink (2005) claim that, in Europe, dispersion of analyst forecasts is higher for firms using IFRSs or US GAAP than those using local GAAPs.

(2) Effect on Earnings Management

The two important aspects of earnings management that were examined are:

- Does IFRS compliance restrict earnings management?
- Has value relevance of earnings increased following IFRS adoption?

We also notice mixed findings in this case. With respect to first question, we quote two studies from Germany and one from Sweden. According to Van Tendeloo & Vanstraelen (2005), IFRS adoptions do not present different earnings management behaviour compared to companies reporting under German GAAP. Lin and Paananen (2007) point out that earnings management is higher in Germany in the post-IFRS adoption period.

Paananen's study in Sweden (2008) also points out that IFRS adoption does not reduce income smoothing.

But Barth et al (2008) say that, in the post-adoption period, companies applying IFRSs show evidence of less earnings management.

(3) Impact on value relevance of accounting data

Has value relevance of earnings increased following IFRS-adoption?

The above question has been answered, both in the affirmative (yes) and negative (no). We list them below:

YES:

- Firms applying IFRS exhibit more value relevant accounting figures than other companies (Barth et al., 2008).
- The value relevance of IFRS-based earnings is higher than that of German GAAP-based earnings (Germany: Bartov et al., 2005).
- ?The value relevance of earnings is higher for DAX-30 companies using IFRS or US GAAP (Germany: Jermakowicz et al., 2007).

NO:

- IFRS adoption has no effect on the value relevance of book value and net income (Germany: Hung & Subramanyam, 2007).
- The value relevance of accounting figures is not affected by IFRS adoption (Sweden: Paananen, 2008).
- The value relevance of equity and earnings decreases after IFRS adoption (Germany: Lin & Paananen, 2007).

(4) Impact on Cost of Capital

The impact on cost of capital can be viewed from cost of equity and cost of debt. Decrease in cost of equity or debt, or both, will have a similar impact on the average cost of capital of the firm, other factors remaining constant. So, the questions examined were:

- Has the cost of equity capital declined after IFRS adoption?
- Has the cost of debt declined during post-adoption period?

There are several studies on the question of cost of equity. Four studies in Europe and Germany on cost of equity are equally divided on the issue of decrease in cost of equity. But the sole study on cost of debt shows a positive result, viz., indication of lower interest rate. The findings are itemized below:

(i) Effect on cost of equity

- The cost of equity capital is lower

for companies that adopted IFRS or US GAAP (Germany: Ernstberger & Vogler, 2008).

- The cost of equity capital is significantly lower for IFRS adopters (Kim & Shi, 2005).

(ii) No favourable effect

- No evidence of a lower cost of equity capital for IFRS adopters (Europe: Cuijpers & Buijink, 2005)
- Voluntary IFRS adopters do not exhibit lower cost of equity capital (Germany: Daske, 2006).

(iii) Favourable effect on cost of debt

- IFRS adopters have lower interest rates, larger amount of loan facility, less restrictive loan covenants, and they attract more foreign lenders (Kim et al., 2005).

Summary of Findings and Explanations

We find in Section 3 that, in most cases, the conclusions are mixed, that is, there are evidences of both ways in respect of each of the four issues examined. We have now to account for the possible explanations for such conflicting results. These are given below.

- Most of the studies were conducted in a country. Since capital markets and institutional framework vary across countries, making studies of the evidence of many other European countries may give different results.
- Most of the studies dealt with are cases of voluntary adoption of IFRSs. Wholesale adoption of IFRSs under compulsion will change the extent of rigour and compliance which, ultimately, may give improved financial statement data that may lead to different findings in the same country.
- Because firms which opted for IFRS adoption voluntarily were not of large number, there is possibility of improvement in findings with a sample size with larger number of firms across the EU nations after the financial statements of these firms become IFRS-compliant.
- It is pertinent to point out that the impact of IFRS adoption is a function of the degree of compliance with IFRS. From this standpoint, a few studies may be referred to support the above viewpoint.

(1) There is considerable variation in the level of IFRS compliance among European companies (compliance index ranging from 13% to 100%) (Vogel et al., 2008).

(2) "Serious" IFRS adopters experience stronger effects on the cost of capital and market liquidity than "label" adopters (Daske et al., 2008).

(3) Compliance with the disclosure requirements of IFRS enhances the ability of financial analysts to provide more accurate forecasts (Hodgdon et al., 2008).

(4) The impact of IFRS adoption is a function of the firm's incentives to comply with IFRS.

(5) Improvements in accounting quality are confined to firms with incentives to adopt IFRS (Christensen et al., 2008).

(6) The capital-market benefits of IFRS adoption occur only in countries where firms have incentives to be transparent and where legal enforcement is strong (Daske et al., 2008).

(7) Better accounting standards are helpful only in countries with proper reporting incentives i.e. in common law countries, in countries with better shareholder protection and effective legal enforcement (Wang & Yu, 2007).

(8) The cost of capital-reducing effect of IFRS adoption is greater when the IFRS adopters are from countries with weak institutional infrastructures (Kim & Shi, 2005).

Conclusion

It is now possible to make some concluding observations on the evidences of implementation of IFRS as reported from some of the publications. These are all preliminary evidences that too were based on voluntary adoption of IFRS in some countries in the Europe. Even then we may state that:

- Adopting high quality standards might be a necessary condition for high quality information, but not a sufficient one (Ball et al., 2003).
- Strong enforcement mechanisms (laws and corporate governance systems) also are necessary.
- The adoption of IFRS will probably not be sufficient to standardize the quality of earnings throughout Europe.

The above studies may be considered to be a pointer to the effect of transition to IFRSs. It is necessary to have extensive studies in the EU countries, in Australia and also in Asia, including India and China, in the future if we want to compare cross-country evidences to examine whether or not adoption of IFRSs brings its desired fruits for various sectors of an economy.

References

- Ashbaugh & Pincus (2001), "Domestic accounting standards, International Accounting Standards, and the predictability of earnings", Journal of Accounting Research 39, 417-434.
- Ball et al. (2003), "Incentives versus standards: properties of accounting income in four East Asian countries", Journal of Accounting and Economics 36, 235-270.
- Barth et al. (2008), "International accounting standards and accounting quality", Journal of Accounting Research 46, 467-498.
- Bartov, E., Goldberg S.R., Kim M. S. (2005). "Comparative Value Relevance among German, U.S. and International Accounting Standards: A German Stock

Market Perspective", Journal of Accounting, Auditing & Finance, Vol. 20, pp. 95-119.

- Christensen et al. (2008), "Incentives or standards: what determines accounting quality changes around IFRS adoption?", Working Paper (ssrn.com).
- Cuijpers, R. and Buijink, W. (2005), "Voluntary Adoption of Non-Local GAAP in the European Union: A Study of Determinants and Consequences", European Accounting Review, Vol. 14, No. 3, pp. 487-524.
- Daske (2006), "Economic benefits of adopting IFRS or US-GAAP - Have the expected cost of equity capital really decreased?", Journal of Business Finance and Accounting 33, 329-373.
- Daske et al. (2008), "Mandatory IFRS reporting around the world: early evidence on the economic consequences", Journal of Accounting Research 46, 1086-1142.
- Dumontier P. and R. Maghraoui. (2007), "Does the adoption of IAS-IFRS reduce information asymmetry systematically?", Proceedings of the 30th Annual Congress of the European Accounting Association, Lisbon, Portugal, April 25-27.
- Ernstberger et al. (2008), "Analysts' forecast accuracy in Germany - the effect of different accounting principles and changes of accounting principles", Working Paper (ssrn.com).
- Gassen & Sellhorn (2006), "Applying IFRS in Germany - Determinants and consequences", Working Paper (ssrn.com).
- Hodgdon et al. (2008), "Compliance with IFRS disclosure requirements and individual analysts' forecast errors", Journal of International Accounting, Auditing and Taxation 17, 1-13.
- Hung & Subramanyam (2007), "Financial statement effects of adopting international accounting standards: the case of Germany", Review of Accounting Studies 12, 623-657.
- Jermakowicz et al. (2007), "The value relevance of accounting income reported by DAX-30 German companies", Journal of International Financial Management and Accounting 18, 151-191.
- Kim, J. and Shi, Y. (2005). "Voluntary Disclosure and the cost of Capital: Evidence from Management Earnings Forecasts", CAAA 2006 Annual Conference Paper, December.
- Leuz & Verrecchia (2000), "The economic consequences of increased disclosures", Journal of Accounting Research 38 (supplement), 91-124.
- Lin & Paananen (2007), "The development of accounting quality of IAS and IFRS over time - the case of Germany", Working Paper (ssrn.com).
- Paananen (2008), "The IFRS adoption's effect on accounting quality in Sweden", Working Paper (ssrn.com).
- Platikanova & Nobes (2006), "Was the introduction of IFRS in Europe value-relevant?", Working Paper (ssrn.com).
- Van Tendeloo & Vanstraelen (2005), "Earnings management under German GAAP versus IFRS", European Accounting Review 14, 155-180.
- Vogel et al. (2008), "European companies' compliance with IFRS disclosure requirements for acquisitions and impairment tests of assets", paper presented at EAA congress 2008.
- Wang et al. (2007), "People's Republic of China" in Saudagaran S.M., Asian Accounting Handbook, Thomson.q

Contd. from Page 189

of Pakistan set up a committee under the chairmanship of Federal Finance Minster to examine the issue and suggest ways and means to identify the issues relating to corruption in Pakistan and suggest ways to reduce it, if not eliminate it. This is a tacit approval of the acceptance of the existence of corruption in Pakistan. Some think that corruption exists in all countries of the World with varying degree but it is a way of life in Pakistan. No wonder, out of 10 points, CPI in respect of Pakistan 2.4 indicating a high level of CPI. This has been correctly addressed by the democratic set of Pakistan which is a happy augury. Our approach should to steadily move towards lesser corruption. All the stakeholders must contribute towards lesser corruption with passage of time. All the stakeholders must contribute towards the noble cause of reducing corruption through transparency, moral rearmament, contentment and enforcement of law through a crack down to nab the corrupt segments irrespective of their status. The job should be initiated on priority basis and all institutions including National Accountability Bureau and high level courts should play their productive role to uproot the corruption. The earlier this is done, the better.

Recommendations

Based on recommendations of TI and our view point, some suggestions for reducing corruption for implementation are as under:

1. Promotion and, where necessary, adoption of corruption-specific codes of conduct by professional associations for their members, for instance the International Bar Association, International Compliance Association, and professional associations for accountants;
2. Professional training to ensure that honest intermediaries better understand their role;
3. Legal or professional sanctions for legal, financial and accounting professionals that enable to reduce corruption;
4. Greater scrutiny of the role of insufficiently transparent financial centres in facilitating corrupt transactions;
5. Accountability at all levels be ensured through sound and transparent institutionalized approach with strengthening belief in Hereafter.q

Retail Investors in IPO Subscription

P. Chattopadhyay*

Saving the Bother of the Retail Investor

In the vogue scheme of things, especially after initiation of the liberalization regime in India, there has been a renewed emphasis on the equity cult and a growing stress of what is termed market capitalization. As noticed later in the discussion, investment in shares - both in the primary and the secondary markets - has grown remarkably albeit at a rather unequal pace and number in different states. The number of retail investors has already become substantial and is still growing. This underlines the need for safety and security of the money invested along with the promise of augmented yield. These have required the government and the regulatory bodies to provide necessary systems and methods for safeguarding the interests of the small, retail investors The Securities and Exchange Board of India has recently mooted a proposal to the effect that in the cases of retail investors seeking to subscribe to the share offers by the public limited companies, cash transactions should take place only after the allotment has been made. In some ways the proposal is novel - and computer-based - as it seeks to redress the long standing handicaps and grievances that the small, retail investors have been facing over time. To and fro movement of cash from the applicants to the merchant bankers and then, back to the applicants when allotment is either partial or rejection is total has been a bother for the retail investors while the banks concerned have gained. The proposal intends to spell relief. However, while this part of the intention of SEBI is to be lauded, there are other parts which are not as commendable. The proposal does not appear fool-proof on one side, and may be easily subject to abuse, on the other. Least of all, the proposal may not restore parity between the institutional and retail investors, which is the major objective of the new approach; in fact the hiatus between them may further widen because of both systemic weaknesses and the wiles of operators like the brokers, bulls and bears seeking to profiteer through manipulative designs. Moreover, the uneasy calm brought in by the trends in international markets, as experienced in recent times, can undo many of the steps taken by the regulatory authorities to rein in the centrifugal forces triggered internally. The centrifugal elements in the context of IPOs alone are indeed far too many and have sensitivities to unleash undesirable repercussions of considerable magnitude on the capital market as a whole.

The Proposals

Elaborate proposals in this behalf have been mooted by SEBI to put the whole issue of IPOs on the rail and to take care of the centrifugal tendencies of different kinds. If one were to look at the proposal closely, one could easily realize that the proposal is not entirely fault-free while it also has several side-effects. The details of the proposal as reported in the press read as follows:

The project launched by SEBI in August, 2008 envisages enabling retail investors investing in IPOs to pay money for buying shares only to the extent of shares allotted to them. The departure from current practice is that at present the retail investors are required to pay upfront the full amount for the shares that they have bid for, while the large institutional investors need to put up only ten per cent of the amount committed. This is overtly discriminatory. The idea mooted by SEBI is to restore parity between institutional and retail investors. This is intended to bring relief to the retail investor who can participate in a public or rights issue, without the application money actually leaving his bank account, thus eliminating the refund process. Under this scheme the bank will mark a lien on the customer's bank account ensuring that the required sum is locked in until the allotment is complete, when the money will be transferred will be transferred to the company. If no share is allotted, or partially allotted, the lock in would be lifted and the applicant would be free to deal with the concerned amount at his will. This form of application supported by blocked amount requires the retail applicants to bid at the cut-off price and to apply through self-certified syndicate banks where they have accounts. On acceptance of applications from investors, banks are called upon to block the required funds for the bid payment and then upload the details in the electronic bidding system. This system is supposed to be only an alternative mode of payment and the existing system would continue. This addendum to the existing practices may indeed add to the intricacies rather than simplify the vogue knotty issues. It may be stressed that the scaring factors inhibiting the approaches to the question are far too many and they call for some comments. These issues, however, do not contest the good intentions of SEBI. The only point is that there are simpler, more effective and more acceptable alternatives which SEBI could consider to make the steps more straight-forward and tell-tale. Many of these practices were in place earlier but they withered away, thanks to financial reforms.

Merits of the Proposal

The proposal does have some merits as it seeks to i) protect the interest of the retail investor; ii) to block the funds

*FICWA

in the investor's bank account for release towards making payment for the shares, if allotted; iii) on part allotment the relevant amount would be appropriated therefor and balance of the blocked funds released; and iv) the investor would not lose interest on the balance amount so released. While the proposal does have some merit and calls for serious consideration, it in fact touches only a small part of the problem, as much as it does further complicate the procedures.. But before the problems are indicated, and admitting that this suggestion is but an alternative co-existing with the current practice, it is necessary to indicate where the proposal scores over the existing practice which, in a nutshell, implies that applicants for shares would have to send a cheque for the full amount of the shares applied for along with the premium, if any. If no share is allotted to the applicant, the amount paid along with the application would be refunded by way of a cheque issued by the registrars to the issue. Between the last date of application and the date of allotment, there invariably occurs a time lag. Suspicions have been wide spread that the interest earned for the intervening period accrues to the merchant bankers to the concerned IPO while the retail investor stood to lose the interest thereon for the period concerned. This, however, was the order of the day for a long time and the enthusiasm for investing in shares was at a low ebb till globalization created a new urge in this behalf. Whether this system can solve the obtaining hitches is a different issue. There are better alternatives which have been overtly by-passed. This alternative is not new. It prevailed during the days of yore when the subscription to shares through the IPO route followed a different path altogether to which we advert later in the discussion.

The Much Vaunted Stockinvest

Quite some time back, a system of payment by stockinvest was introduced, which was supposed to be submitted along with the share-application. A lot of singing went on for the merit of the new instrument as a substitute for cheque to accompany the share applications and the considerable ease with which the retail investor could approach their task. The common man, uninitiated to the intricacies of the instrument, could not appreciate much of what was considered as merit of the instrument. While stockinvest was supposed to be an innovation, it hardly brought succour to the investor because he was called upon to get one from his bank against some charge and when he would get it back because no share was allotted to him, he would lose interest for the amount for the involved period. A lot was claimed for the new instrument as the instrument was not encashable immediately though in many respects it was rather similar to cheques. This instrument was not found adequate due in particular to the roundabout ways of dealing with it both from the points of view of the applicant and the receiving merchant banker. While proximity to the brokers has made the has made the tasks of buying and selling shares easier for the city dwellers somewhat easier, for the rural investors it has remained complicated all this while. It is a pity that in the aforesaid circumstances, the retail investor finds his going getting tougher and tougher in this pretext or that. Considering that the sophisticated instruments are beyond the comprehension of the lowly placed retail investor, the Red Herring Prospectus, with so many ifs and buts, comes as a veritable bombshell. Thus, not only that the stockinvest has been a good riddance, but also that the new instrument proposed is likely to create more problems than solutions! The only point of grace is perhaps that the new method is to co-exist with the vogue one. It is, however, a moot point for consideration whether all these alternatives would make the atmosphere foggy for the retail investor.

Transparency Rules Mooted by SEBI

The methods of arriving at the points of attractiveness of the IPOs by way of road shows and pronounced leanings towards Institutional Investors have taken the retail investors for a ride. The methods of arriving at the future profitability of the projects and creating an atmosphere that are likely to attract retail investors have been several of which the Red Herring Prospectus is one. The brokers are also tutored to speak highly of an issue even though it would not be borne out by facts coming to surface later. The gesture shown by SEBI is commendable but the contents of the measures proposed, or implemented, do not suggest that these measures would bring forth the desired results. That such measures would cause the desired restoration of the level playing field as between the Institutional Investors and the retail investors may turn out to be not only expecting too much, but also unrealistic. This has been demonstrated in the cases of Reliance Power and NHPC. It may be relevant to examine whether the vogue approaches to bookbuilding for pricing new issues should be discontinued or not especially because of the fact that most of the recent new issues of shares appear to have been over-priced. After listing with the stock exchanges the prices of such shares of different companies have hovered significantly below the issue price. It is a vexatious issue but the retail investors have hardly found any respite from the salt rubbed on the injury. Churning out the entire SEBI Regulations one may be disappointed to find that the right issues have hardly been addressed so far. For this purpose, SEBI may have to begin at the beginning, rubbishing much of the voluminous paper work.

Retail Investors' Plight

Logically, curiously though, stockinvest is not heard of any more. Apparently, the much publicized new mechanism misfired. Right at the time of its introduction, we protested because the instrument was cumbersome, not quite easy to understand about its import and the inherent loss of interest when no share is allotted. However, for quite some time the banks were quite enthusiastic about the instrument, that is, until its sheen was on the wane and the enthusiasm petered out. SEBI has indeed specifically detailed out what would happen in the case of part allotment but the process of locking in the requisite amount, locking and unlocking the full or part amount is likely to prove confusing to the unwary investor. Retail investors have apparently attracted some sympathy but the measures proposed do not appear much to signify the regulator's good intentions. The proposal mooted - its pros and cons - thus requires to be discussed in some detail with some alternative measures that could address the problem more appropriately, responsively and reasonably. The hassles that retail investors have had to contend with are varied and the repeated IPO scams and their unwholesome aftermath, that the retail investors generally faced, have made them desperate, to say the least. Thus, even granting that the proposal does have some merit as much as it has all the good intentions, it is not a case of unmixed blessing, particularly taking into view that the age-old system of discrete call for application money, allotment money, money on first call and money on final call, the premium charged being the appended fifth call or even earlier but as a separate instalment. The retail investors in such a case would not be required to pay for more than twenty-five per cent of the total amount payable in one shot, excepting the premium if it is more than the instalment percentage. At one time, some decades ago, a company invited share subscription of only Re 1 per instalment for a ten-rupee share. It may be argued that such break-ups would increase the postal charges and the cognate paper-work. However, it would be possible to reduce both paper-wok and postal charges on the part of companies with the introduction of a coupon system, coupons being attached to the allotment letter, requiring the applicants to enclose a cheque for the requisite amount along with the coupon indicating the allotment letter number and the number of shares allotted. As if all this was not enough, the Red Herring Prospectus also states the risk factors, some of which are natural to all companies but some others are typical to the company inviting public subscription, nay bidding. The case of a cotton textile company is cited below as an illustration.

The Risk Factors : The Case of a Textile Company

i) The typical risk factors that figure in the Red Herring Prospectus may relate to defaults in making payment of bank dues on account of which the concerned bank may have taken recourse to DRT. As a consequence, it may have appeared in the RBI defaulters list. As long as such a case remains undecided, the claims made and the prospects indicated may not fructify.

ii) One company in a group may have been entangled in an unacceptable transaction and found guilty though not admitted and it reaches an agreement to pay the unpaid dues along with the legal charges but all this happens without the company overtly admitting guilt. To the unwary retail investor, this may appear shady, enough to scare him away.

iii) One company of the group was served notice by a major stock exchange for dematerialization of unlisted shares without obtaining in-principle approval from the exchange. Later, the exchange did approve of its listing with the exchange. Another company of the group received a show cause notice from SEBI with regard to dealing in shares of another company in the group. The company came out unscathed but the entanglement continue for some time.

iv) The company inviting subscription/bidding for shares declared that it had nothing to do with the operations of the aforesaid companies.

v) Risks related to the textile project itself concern higher cost of IPO on which the success of the project depended. The formalities in this regard being what they are, the likelihood of extra gestation cost of the expansion project could not be ruled out.

vi) The competitiveness of the company's products and the established markets would be adversely affected if the time schedule of construction of the project could not be maintained.

vii) Import of second-hand machinery for open end weaving units would have raised the risk factors because such machinery may result in less productivity, the machinery may be subject to technological obsolescence and may act as a drag due to rising costs, in comparison with what would be possible with the latest, innovated technology.

viii) Risk arising from exchange rate fluctuations in a volatile market especially with raging inflation and higher interest charges on bank loans throwing to the winds the calculations of returns arising from the project in view.

ix) Government's textile policy embracing cotton and man-made fibres may create unstable economic prospects, apart from those stated earlier.

N.B. These risk factors exist in different forms and colours in different industries, on the one hand, and whether the company is new or old, on the other.

Caveats Galore But Largely Unattended

The notable issues are that all these caveats working on the prospects of the project of the company could easily be beyond the grasp of the retail investor. The risks stated above would perhaps be a great deal more complicated in other industries, notably in the services sector. The risks and uncertainties in the said context have grown at a high rate. To make out the real character of all the risks would be difficult even for the experts. Even the business risks, thanks to the numerous shenanigans, have not been easily fathomable.

Determination of the series of risks and uncertainties would call for intricate, stochastic distributions. The risks involved in the projects undertaken by the promoters and the required communication to the prospective retail investors are not always in clear terms and depending on the depth of the future involved, the uncertainty of outcome cannot be accurately predicted. In the circumstances, promoters tend to underplay the risks which the common man is not in a position to decipher from the details available. Brokers and others connected are hardly any help because they have a vested interest .in the proceedings. In some ways, even the mutual funds do not want the retail investors to invest directly and they magnify the involved risks that such investment entails because in such a case, direct participants would get a higher return than the mutual funds would give them. It is not a case of risk-return equation because even the mutual funds warn of the involved risks in bullish and bearish trends in the stock exchanges. It is underlined that retail investors are subject to the legal dictum, caveat emptor. Considering all these factors, it is necessary and prudent that the retail investors either consulted some independent experts or just sided with what the others were doing. Both of these approaches are common but none of them guarantees safety of the money invested or profit therefrom either by way of dividend or market capitalization. In the recent past, several cases reported have corroborated the uncertainties that have enveloped the whole scene. Conditions that prevailed for about a hundred years in early eighteenth century in England leading the British Government to enact the Bubble Act of 1720 seem to have been in vogue in this country particularly during the liberalization regime. Some 125 companies floated shares inviting the members of the public to subscribe to them at a premium in a rising market only to vanish into thin air after collecting all the money. These miscreant acts reminded one of what led the British Government to enact the Bubble Act of 1720. The best that SEBI and the Government could do was to chase the miscreants, not to foreclose such practices. Day after day, cases of large scale duping of the unwary retail investors are being reported in the press against which an effective remedy is yet to be found. The recurrence of such malpractices over time has underlined numerous innate weaknesses of the systems in vogue.

Institutional Investors - Villains of the Piece

The onrush of the institutional investors, both indigenous and foreign, on which many corporations have started depending heavily for subscription to the issue, and the book building process, may land them in trouble, as happened in the case of Reliance Power, the market quotations being far below even the price at which the bonus shares became available to retail investors on the basis of the proportion of three shares for every five shares allotted. SEBI did, or could do, little or nothing, to stall the overtly male fide actions that these institutional investors unleashed in a matter of only about five minutes on the listing day itself, causing heavy damage to the reputation of Reliance Power on one hand, and a steep downslide of its share prices on the other, which continued unabated since then. Some effective steps have to be brought into play to put the institutional investors under leash. As yet SEBI has not shown sufficient alacrity to catch the miscreants in the act itself; at best it has only been chasing them, at considerable discomfiture to the corporations. At present, their sole emphasis, almost a preoccupation, is with market capitalization and profiteering in the short term, in the process causing dehydration in the stock exchanges and bleeding the retail shareholders white. This, in a way, may be labelled as an import from America and other free-market economies. It is high time that all the institutional investors were required to submit to SEBI the frequency distribution of the shares of different companies purchased by them during the last three months, with a clear mention of the corresponding number of days' holding of each. Their hunger for short term gains and the steps taken by them in this behalf should be made public. A lock-in period of at least three months, if not more, may be made compulsory on every lot of shares purchased duly marked and on which no transaction - spot or future - would be permitted in the cases institutional investors, both indigenous and foreign. Ebb and flow of funds in the stock exchanges must come under close watch of SEBI. What more, SEBI immediately requires an Eliot Spitzer, the famous New York Attorney General, to bring the errant participants to book. In fact, such a person (or persons) would require would require powers more telling than what the celebrated New York Attorney has. The two stock market scams and the set of IPO scams could have been averted with the surveillance system becoming more sensitive, responsive to the needs of the situation and a greater emphasis on stalling the miscreant behaviour than merely chasing the scamsters. The craze for easy gains must go if the financial sector is expected to bring the desired good. The SEBI Guidelines, while being quite voluminous already, have been able only to chase miscreants, many a time showing wisdom after the horse has bolted.

Increasing Dependence On Shares In Households

Some rather curious facts have of late come to the fore. The risks and complexities involved in investing in shares notwithstanding - both in the primary and the secondary markets - members of the public are tilting in favour of investing in shares. This is a direct off-shoot of liberalization and globalization. The stock markets have been more responsive to what has been happening in the foreign markets rather than the conditions obtaining within the country with strong fundamentals. The new orientation of greater reliance on the share markets has come about after the financial sector reforms in 1990-91. The problems in this context are manifold and as yet such investments are centred on urban households, rather than rural. The lingering doubts in this respect have been dispelled by the data released by the Reserve Bank of India in its annual report for 2007-08 underlining that nearly 10.5% of the total savings of the households have gone into buying shares and debentures till March-end 2008 irrespective of whether the stock markets were bull-run or bear-run and this comprises about 1.6% of India's GDP. Investments in shares and debentures, including mutual funds came to Rs 77,073 crore in 2007-08 as against Rs 51,086 crore in 2006-07. This turnabout from the traditional small savings instruments has apparently been caused by the easier and higher gains from investments in corporate shares and debentures by the households with easier liquidity. All this was despite the numerous problems and complexities involved in investing in shares and debentures including higher risks. Two issues call for serious attention in this context. One, the investment in shares is not uniformly spread over all the states, some being more share-oriented than others, Gujarat and Maharashtra, for instance. Two, the relative attractions of the small savings instruments, the postal savings schemes of which states get a part by way of loans, have lost their shine and have been on the downward slope, along with the term deposits of commercial banks. Fall in the rate of interest on bank deposits and postal savings, has pushed the small investors to the brink who have per force been turning towards the share market for succour, as is the wont in the countries of Europe and America. Experts present their views in the electronic media which do afford some indications but such advice is general in nature and does not address the typical problems of the retail investor whose capacity is small and the portfolio limited. The aforesaid details, however, do not distract the good number of problems surrounding the investment in shares and debentures in which context, mutual funds do in part reduce the risk element even though at the cost of a lower rate of return. However, even mutual funds warn investors of market risks and uncertainties, especially in volatile stock markets. The retail investors are at a loss as to how to eke out a safe course while ensuring at least a tolerable rate of return, compared to that in the earlier regime. This has become relevant, why urgent, in the context of increasing official reliance on investment in corporate shares and debentures. This is corroborated by recent official policy to woo the small investors by way of giving them a discount of 5% while divesting shares of some of the well-known central government controlled companies. The idea is to encourage the ordinary public to participate in the growth story of the country. The issue price of the shares offered is to be so designed as to protect the interest of the retail investors in the stock market. Such protection may cover the entire gamut of capital market covering both new issue market and stock exchanges. The concept may be extended to all share issues, covering the public limited companies in both the sectors. Firm allotment, partial payment and at least ten per cent discount to retail investors and a lock-in period of at least six months, if not a whole year, as may be considered appropriate. Live interest of management in the proceedings of stock exchanges has many an unwanted consequence, as attested by the Enron and WorldCom cases.

In Fine

In conclusion, it may be stressed that the retail investor in this country is easily taken for a ride in umpteen pretexts. Charging a hefty premium by corporate bodies has become a trend taking book building as the kingbolt which invariably leaves the retail investor on the wayside. And the book building process is closely related to the large, institutional investors. To expect that the retail investor would be in a position to calculate the gains and losses may be too much without express assurance in this behalf. The retail investor on his part is lured by the high returns in a rising market through market capitalization. Unless SEBI steps in with a bag of measures to keep the institutional investors under leash, stock markets would continue to remain under pressure showing rise and fall in share prices often irrespective of the fundamentals. The method suggested by SEBI and introduced from August 2008, may look sophisticated but the effectiveness of the measure may be doubtful and may fall in line with similar measures introduced earlier, for instance, the much boasted stockinvest. The suggestion that the government companies' share offerings should be exclusively to retail investors deserves a closer look. Time, the whole issue was given a re-examined for simplifying the procedures because of the fact that the stock-market-oriented free market requires much larger participation of the common man - the retail investors - in both the primary and secondary markets. Caveat emptor applies to investing in shares, retail or institutional. Complicated procedures, even after so many attempts at reducing them, invariably come in the way of the unwary small, retail investors whose number is growing both in the cities and the outlying areas, but is still only a small fraction of the total population. Unless the safeguards are convincing, understandable and immediate, the intended spread of the equity cult in this country will remain under umpteen 'ifs and buts'. In some significant ways, readiness to deal with rogues at play as respects legal dicta, suggestio falsi and supressio veri, holds the key. Government and SEBI should reconsider the whole question de novo, to free the IPO paraphernalia from the Gordian Knot.q

Union Budget - 2010 Key Performance Indicators

The Economic Survey 2009-10 reports the estimated GDP growth for this year at 7.2% as against 6.7% in 2008-09.The continued recession in the developed world, for the better part of 2009-10, meant a sluggish export recovery and a slowdown in financial flows into the economy. Yet, over the span of the year, the economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term.

Agriculture and allied sector:

The sector is estimated to have registered a negative growth of 0.2% in 2009-10 as against a growth of 1.6% in 2008-09 as a consequence of sub-normal monsoons.

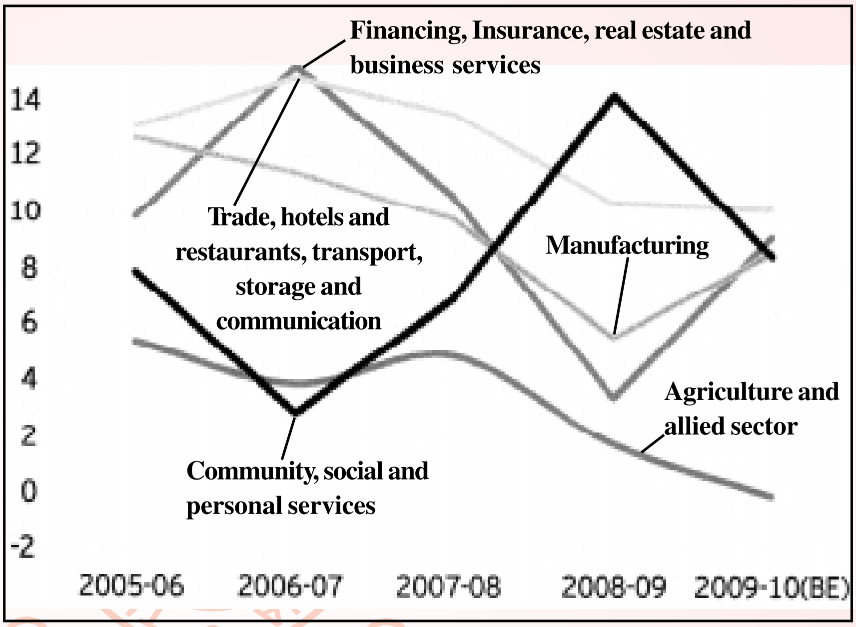
Industry:

The growth of the industrial sector has accelerated in the current year. The index of industrial production for 2009-10 points towards a sharp upward trend with an estimated growth of 8.2% as against 3.9% in 2008-09. The manufacturing sector registered a growth of 8.9% in 2009-10 as against a growth of 3.2% in 2008-09. Mining registered a growth of 8.7% in 2009-10 as against a growth of 1.6% in 2008-09 while electricity registered a growth of 8.2% in 2009-10 as against a growth of 3.9% in 2008-09.

Services:

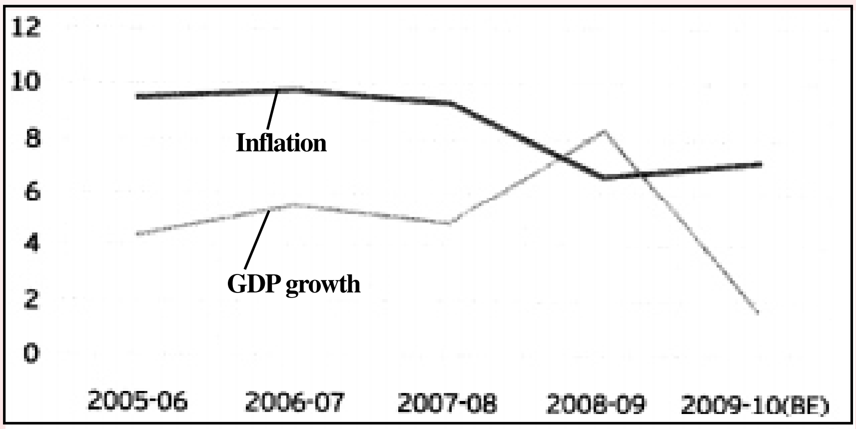
The growth in the sector has been mixed. Trade, hotels, restaurants, transport and communication (together) reported a growth at 8.3% in 2009-10. Construction services registered a growth of 6.5% in 2009-10 as against a growth of 5.9% of GDP in 2008-09. Community services registered a growth of 8.2% in 2009-10 as against a growth of 13.9% in 2008-09. Likewise, growth in the financial, insurance, real estate and business services registered a growth of 9.9% in 2009-10 as against a growth of 10.1% in 2008-09.

Sectoral Growrh Rate (%)



q The annual average rate of inflation in WPI terms for April-December 2009 was 1.6% as against 8.4% in 2008-09. A major concern during 2009-10, especially in the second half, was the emergence of high double-digit food inflation. Weekly food price inflation on a year-onyear calculation reached a maximum of 19.95% for the week ending 5 December 2009.

GDP growth and inflation (%)



Net capital inflows rose from a level of USD 12 billion in April-September 2008 to USD 29.6 billion in April-September 2009. All the components, except loans and banking capital, that comprise net capital inflows showed improvement during April-September 2009 from the level in the corresponding period in 2008-09. The net inward FDI into India remained buoyant at USD 21 billion during April-September 2009 as against USD 20.7 billion in April-September 2008. Foreign exchange reserves increased by USD 31.5 billion from USD 252 billion in end March 2009 to USD 283.5 billion in end December 2009. Merchandise exports registered a decline of 27% in the period April-September 2009 as against a growth of 48.1% in the corresponding period in 2008-09. Import payments registered a decline by 20.6% during the period April-September 2009 as against an increase of 51% in the corresponding period in 2008-09. The decline in imports is mainly attributed to the base effect and decline in oil prices.

Fiscal deficit increased from 5.9% in 2008-09 to 6.8% of GDP in 2009-10. Primary deficit increased from 2.5% of GDP in 2008-09 to 2.8% of GDP in 2009-10. Revenue deficit increased from 4.4% of GDP in 2008-09 to 4.6% of GDP in 2009-10.

- The Indian equity markets, which had declined sharply during 2008, reflecting the volatility in international financial markets and foreign institutional investment outflows, began the year 2009 on a subdued note. The market remained range bound during April-March 2009 but exhibited signs of recovery from April 2009. With the revival of FII interest in emerging market economies including India, the equity markets gained strength during May-July 2009. The movement in equity indices in the Indian capital market was in line with trends in major international equity markets, a sign of increasing integration. Against the backdrop of these trends in Indian equity markets, the regulatory measures initiated during the year were clearly in the direction of introducing greater transparency, protecting investors' interests and improving efficiency in the working of Indian equity markets, while also ensuring the soundness and stability of the Indian capital market.

Recommendations of the Economic Survey 2009-10

The Economic Survey 2009-10 has recommended the following key initiatives:

- **Agriculture:**

The agriculture sector faces various challenges which have to be addressed sooner rather than later. As farm productivity is not showing desirable growth there is urgent need to focus on research as well as better agricultural practices to ensure that productivity levels are increased in the shortest time possible. The issue of efficient food stocks management and offloading of stocks in time also needs due consideration. Studies indicate adverse impact of climate change on agriculture. Crop improvement and research to develop drought-resistant, high-yielding varieties of seeds assumes importance with a view to combating adverse impact of drought on food production and to ensure food security. Renewed attention needs to be paid to improving farm production and productivity, better utilization of agricultural inputs, proper marketing infrastructure and support, stepping up investment in agriculture with due emphasis on environmental concerns and efficient food management.

- **Industry:**

The cyclical slowdown in the industrial sector that began in 2007-08 got compounded by the twin global shocks in 2008-09. The effects lingered on briefly in the current fiscal, but growth rebound is amply evident. The improvement in the cost structure of manufacturing companies seems to have catalyzed the process of recovery. While higher prices are an incentive to the producer, they also have implications for the cost structure and the demand for manufactured products. This trade-off needs to be carefully managed. Growth in infrastructure should also be focused upon as it not only alleviates the supply side constraints in industrial production, but also stimulates additional domestic demand required for industrial growth. Apart from the need for sustaining the high growth in labor intensive sectors, another critical challenge in this respect would be to erase the skill deficit with a multifaceted program for skill upgradation. Given the size of the Indian market and the unmet demand for industrial products, along with the growth momentum in the overall GDP, there is reasonable hope that demand would not by itself be a constraining factor. Besides, domestic financial market and external resource flows have given the impression that raising investible resources would not be a major problem. All these factors, combined with the inherent strength of industrial corporates brighten the industrial outlook in the medium term.

Finance:

Institutional players and corporates constitute major players in the Indian capital market. The retail investor participation remains limited in the corporate debt market and mutual funds. The interdependence between corporate and mutual funds has recently raised concerns relating to volatility in financial markets. The recent global financial turmoil raised many issues about governance of financial intermediaries and awareness of investors. A simultaneous and coordinated effort on both fronts would help investors take well informed financial decisions besides protecting their interests and ensuring orderly conditions in markets. Greater effort therefore is needed for investor education and promoting investors' protection. Pension reforms in India have generated widespread interest internationally. The PFRDA faces the challenge of expanding the distribution network of the NPS to cover the entire unorganized sector in the country, educate citizens to take appropriate investment decisions, based on their risk and return profile and contribute to improved financial literacy levels. Provision of a statutory status to the pension regulator would help the PFRDA perform its regulatory and developmental roles effectively. The success of pension reforms will not only facilitate the flow of long term savings for development, but also help establish a credible and sustainable social security system in the country.

Capital market solution for catastrophe risk insurance is another area that needs focus. This essentially transfers insurance risk of natural calamities like earthquakes, hurricanes and floods to the capital markets through issue of catastrophe bonds. The instrument is widely used in advanced countries and there is scope for introducing it in countries like India to provide insurance against contingencies.

- **Taxes:**

As a proportion of gross tax revenue, direct taxes rose from a level of 19.1% in 1990-91 to reach 49.9% in 2007-08; in 2008-09 (provisional), they were at 55.5%. In terms of year-on-year growth, in 2008-09, reflecting the two distinct halves of the financial year with different economic environments, direct taxes grew by 14.3% with personal income-tax rising by 20.8% and corporate income-tax by 10.8%. There was corresponding decline in the share of indirect taxes in the period from 1990-91 to 2007-08. However, service tax has emerged as a major component with a 10% share in 2008-09. In terms of year-on-year growth, in 2008-09, indirect taxes fared poorly with decline in both excise and customs while service tax moderating to a lower growth of 18.6%. In view of the uncertainties associated with the impact of the crisis and not so strong signs of recovery, the budget for 2009-10 continued fiscal expansion to boost demand and acknowledged of bringing about structural changes in direct taxes through the draft DTC and moving towards a harmonized GST. Based on the trends available for April-December 2009, there is likely to be a shortfall in revenue receipts on account of the large decline in indirect taxes like customs and excise and the likely lower than budgeted non tax revenues. The largely structural nature of fiscal deficits in India, the levels of recovery in the economy and the sustainability of the recovery without fiscal stimulus call for resumption of the process of fiscal consolidation in a gradual manner. Going forward, the nature of the fiscal consolidation - whether it should rely on revenue growth, which is in turn linked to the growth recovery, or on greater expenditure cuts is important in the traditional incremental adjustment process; but lasting fiscal consolidation could accrue with reforms in the design and delivery of plan schemes, outcome focused expenditure and institutional reforms.

- **FDI policy reforms:**

The Economic Survey 2009-10 offers following FDI policy reform options:

- Liberalization of FDI in the insurance sector of health insurance and removing the 10 year disinvestment clause.
- Liberalization of FDI in the rural banking, higher education and the animation sector.

- **External trade:**

The outlook for India's trade sector in 2010 has brightened with prospects of recovery in world output and trade volumes. In the Indian scenario, while in the short term relief and stimulus measures have worked, some fundamental policy changes are needed. For the merchandise sector, these include furthering tariff reforms by lowering the peak duties from the present 10% to 7.5%, by tweaking the rates in the dominant intermediate goods category of imports besides capital goods, weeding out unnecessary customs duty exemptions, streamlining export promotion schemes, further reduction in excise duties, giving special attention to export infrastructure along with rationalization of port service charges, rationalizing the tax structure, fine tuning the trade strategy by targeting exports of dynamic products to developed markets and continuing with our proactive role in multilateral trade negotiations while taking care of livelihood concerns and the needs of the domestic sector.

Similar tax and regulatory reforms in the services sector along with systematic marketing of services, collection and dissemination of market information by setting up a portal for services and streamlining the services data system could help the services sector in making further strides.

- **Inflation:**

The upsurge in prices in the second half of 2009-10 has been more concentrated and confined to food items only. A significant part of this inflation can be explained by supply side bottlenecks in some of the essential commodities, precipitated by the delayed and sub-normal southwest monsoons. Since December 2009, there have been signs of these high food prices, together with the gradual hardening of non administered fuel product prices, getting transmitted to other non food items, thus creating some concerns about higher than anticipated generalized inflation over the next few months. Proper and timely assessment of the supply demand situation and preventive action become the essence of supply-side management. As of now, the outlook for inflation is conditioned by supply side pressures in the near term, possible return of pricing power with stronger recovery in growth, further revival in private demand with improving consumer and business confidence and possible spurt in global commodity prices in response to recovery in advanced economies.

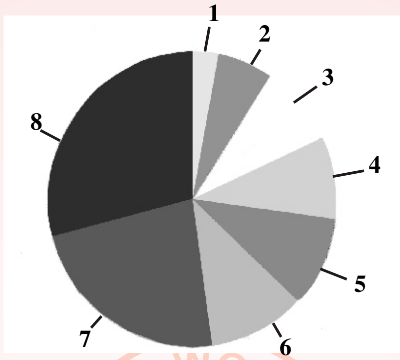
While the fiscal issues are important, the transmission of the monetary policy stance to the monetary and real sectors is equally critical. It would be necessary for the policy authorities not only to address the inflationary expectations but also to monitor and ensure that the growth in money supply and credit to productive sectors is at the envisaged levels so that the growth prospects in the near to medium terms are sustained without jeopardizing the price scenario.

- **Social sector programs:**

The Government in recent years has launched several ambitious programs focused on the development of rural areas and population, in furtherance of its strategy of inclusive growth and raising the quality of life of the rural people. In spite of increased Government outlays in the social sector in recent years, lack of identity proof results in harassment and denial of services to the poor and marginalized. As a result, there are still leakages in the programs/ schemes and the benefits do not reach the intended target groups of individuals/ people in full. Providing identity proof to the poor and the marginalized through the UIAI will enhance their access to Government services, both at State and Central levels, and will enable smoother delivery of direct benefits to the poor. Specifically, it will improve the delivery of the flagship schemes of the Central Government. This will also help in preventing leakages as well as wastages in the form of implementation of schemes with overlapping objectives and beneficiaries.

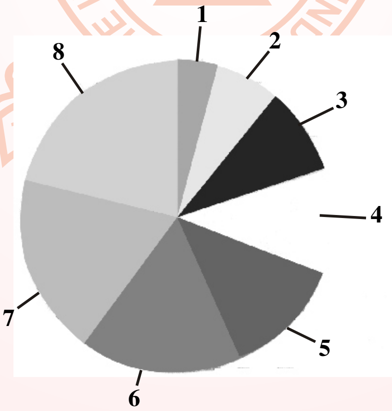
Budget financials

Where the rupee comes from



1. **Non-debt capital receipts (3%)**
2. **Service tax and other taxes (6%)**
3. **Customs (9%)**
4. **Income-tax (9%)**
5. **Union excise duties (10%)**
6. **Non-tax revenues (11%)**
7. **Corporation tax (23%)**
8. **Borrowings and other liabilities (29%)**

Where the rupee goes to



1. **Non-plan assistance to state and UT Govts. (4%)**
2. **Plan assistance to state and UT (7%)**
3. **Subsidies (9%)**
4. **Defence (11%)**
5. **Other non-plan expenditure (13%)**
6. **States' share of taxes & duties (16%)**
7. **Interest payment (19%)**
8. **Central plan (21%)**

The annual financial statements of the Government for 2009-10 are set to reflect a fiscal deficit of 6.7% (6.86% inclusive of oil and fertilizer bonds) of GDP, marginally lower than the budget estimate of 6.8% (6.97% inclusive of oil and fertilizer bonds). The target fiscal deficit for 2010-11, 2011-12 and 2011-13 is 5.5%, 4.8% and 4.1% respectively, improving upon the recommended fiscal deficit estimates of the Thirteenth Finance Commission. Revenue deficit for 2010-11 is estimated at 4.0% as against the revised estimate of 5.3% for 2009-10. The Government does not plan to issue bonds to oil and fertiliser companies and intends to continue with the practice of extending Government subsidy in cash, thereby bringing all subsidy related liabilities into fiscal accounting. Earlier, issues of such bonds were referred to as "below the line" items.

- Market borrowings are expected to finance 95.28% of the Government's fiscal deficit in 2009-10 and estimated to finance 90.45% of the fiscal deficit in 2010-11. As per the revised estimates, the interest outgo as a percentage of the revenue receipts is set to increase from 35.57% in 2008-09 to 38.02% in 2009-10 and is estimated to be 36.45% in 2010-11.
- The Union Budget 2010-11 has estimated the following:
- Gross tax revenues at INR 7,467 billion representing a considerable increase of approximately 17.94% over the revised estimates for 2009-10 of INR 6,331 billion.
- Plan expenditure at INR 3,731 billion representing an increase of approximately 18.38% over the revised estimates of INR 3,152 billion for 2009-10. As a proportion of the total expenditure, plan expenditure is estimated at 33.65% against the revised estimate for 2009-10 of 30.85%. Non plan expenditure is estimated to increase to INR 7,357 billion representing an increase of 4.15% over the revised

estimates for 2009-10. The expenditure provisions in 2010-11 have been estimated with reference to the recommendations of the Thirteenth Finance Commission.

The corporate tax rates including surcharge and education cess have been summarized below:

Description Rate (%)

A) Domestic company

Regular tax 33.22@ DDT 16.61

B) Foreign company

Regular tax 42.23# MAT is chargeable at 18% of book profits (plus applicable surcharge and cess). @ 30.9% where the total income is equal to or less than INR 10 million # 41.2% where the total income is equal to or less than INR 10 million.

Personal Taxation

- No changes in the personal tax rates
- Basic exemption limits remain unchanged but income tax slabs have been altered, as under

Corporate tax rates

Basic rates of corporate tax remain unchanged for both domestic and foreign companies. However, surcharge on corporate tax for domestic companies will be reduced from 10% to 7.5%. Further, MAT will be increased from 15% to 18%.

The corporate tax rates including surcharge and education cess have been summarized below:

A) Domestic company Regular tax 33.22 @DDT 16.61

B) Foreign company Regular tax 42.23#

MAT is chargeable at 18% of book profits (plus applicable surcharge and cess). @ 30.9% where the total income is equal to or less than INR 10 million # 41.2% where the total income is equal to or less than INR 10 million

Business income

Extension of time limit for payment of taxes withheld to avail corporate tax deduction

Presently, amounts payable to residents, on which tax is deductible and deducted in March is allowed as a deduction in the financial year provided the taxes are deposited by the due date of filing the tax return. In all other cases, it is allowed as a deduction provided the taxes are deducted and deposited by the last day of the financial year. Now, such amounts will be allowed as a deduction provided taxes are deducted and deposited by the due date of filing the tax return irrespective of whether it is deducted in March or any other month of the year. Also, the amount on which taxes have been deducted in the subsequent year or deducted during the financial year but deposited after the due date of filing the tax return, will be allowed as a deduction in the year in which the taxes have been paid. This amendment will take effect retro-spectively from 1 April 2009

Presumptive Taxation

Exclusion of royalty and fees for technical services from presumptive taxation for certain businesses

❑ Presently, in the case of non residents engaged in the business of providing services or facilities, or supplying plant and machinery on hire, used in prospecting, extraction or production of mineral oils, 10% of the specified amounts can be treated as income taxable in India on a presumptive basis. The specified amount includes amounts in connection with provision of services and facilities.

Further, royalty and fees for technical services arising to non residents having a permanent establishment in India, to which the right, property or contracts giving rise to such royalty or fees are effectively connected, are taxed as business income.

❑ Now, royalty and fees for technical services are excluded from presumptive taxation for non residents engaged in providing services or facilities, or supplying plant and machinery on hire, used in prospecting, extraction or production of mineral oils.

Tax Audit

Turnover limits for the purpose of tax audit increased as for Persons carrying on business from Rs. 4,000,000 to Rs. 6,000,000 and for Persons carrying on profession from Rs. 1,000,000 to Rs. 1,500,000.

Presumptive Taxation

✈ The threshold limit of turnover for computing profits and gains of business (other than business of plying, hiring or leasing goods carriages) on presumptive basis is increased from INR 4 million to INR 6 million.

Deductions from business income

Deduction for capital expenditure for specified businesses

q Presently, deduction is allowed for capital expenditure incurred by a taxpayer for the purpose of business of laying and operating of a cross-country natural gas, crude or petroleum oil pipeline, if at least one third of total

Personal tax rates

Existing Limit in Rs.	Existing tax rates	Revised Limit in Rs.	Revised tax rates
0-160,000	*Nil	0-160,000	*Nil
160,001-300,000	10 %	160,001-500,000	10%
300,001-500,000	20 %	500,001-800,000	20%
500,001 and above	30 %	800,001 and above	30%

@ Education cess of 3% is leviable on the amount of income-tax, if any.

* The exemption limit is INR 190,000 in case of resident women below the age of 65 years and INR 240,000 in case of resident individuals of the age of 65 years or more.

pipeline capacity is made available for use on common carried basis. Now for claiming a deduction for capital expenditure, the proportion of pipelines to be made available for use on common carrier basis would need to be as per the regulations prescribed by PNGRB.

q The deduction for capital expenditure will also be allowed to taxpayers engaged in building and operating new hotels of two star or above category, as classified by Central Government in India.

q Once the above deductions are claimed and allowed, the same will not be eligible for deduction under other provisions of the Income-tax Act.

Weighted deduction for expenditure on scientific research

q Presently, a weighted deduction of 125% is allowed for any sum paid to a scientific research association, national laboratory, etc for the purpose of scientific research. The weighted deduction will now be enhanced to 175%.

q Presently, a weighted deduction of 150% is allowed to companies for expenditure incurred on scientific research or an approved in-house research and development facility The weighted deduction will now be enhanced to 200%.

q Presently, a weighted deduction of 125% is allowed for payments to approved university, college or institution for research in social science or statistical research. The above deduction will be extended for payments made to approved and notified research associations which have the object of undertaking social science research or statistical research. Deduction for undertakings engaged in developing and building housing projects

q Presently, an undertaking engaged in developing and building of housing projects approved on or after 1 April 2005 can avail deduction if project is completed within 4 years from end of the financial year in which project is approved by the local authority. Now, the time limit for completion is extended to 5 years.

q The norms of built up area of shops and other commercial establishments in housing projects has been amended from 5% of the total built up area or 2,000 sq ft whichever is lower to 3% of the total built up area or 5,000 sq ft whichever is higher. This amendment will take effect retrospectively from 1 April 2009. Deduction of profits of a hotel or a convention centre.

q Presently, a deduction is available in respect of profits derived by an undertaking from business of hotels or convention centres in NCT and other specified areas if the hotel starts functioning or the convention centre is constructed between 1 April 2007 to 31 March 2010.

Now, the time limit for start of functioning of hotel or construction of convention centre is extended from 31 March 2010 to 31 July 2010.

Computation of profits eligible for tax holiday in case of SEZ undertakings

q Profits eligible for tax holiday in case of SEZ undertakings are to be computed as follows:

Profits of the business of the SEZ undertaking X Export turnover of the SEZ undertaking Total turnover of the SEZ undertaking.

It is clarified that the above manner of computing profits eligible for tax holiday is applicable retrospectively with effect from 1 April 2005.

Income from other sources

Taxation of transactions for inadequate consideration

q Presently, immovable property received by an individual or HUFs for an inadequate or nil consideration (in excess of INR 50,000) is taxable. Now, transfer of immovable property received by an individual or HUF for an inadequate consideration will not be taxable. The above amendment will take effect retrospectively from 1 October 2009.

Definition of "property"

q The definition of "property" has been restricted to include property which is in the nature of capital asset in the hands of the recipient individual/ HUF. The above amendment will take effect retrospectively from 1 October 2009.

Transfer of unlisted shares to a firm/ company

q Transfer of shares (other than specifically exempted) to a firm or a company (in which public are not substantially interested) for an inadequate or nil consideration, will now be taxable if the difference between the fair market value and the consideration exceeds INR 50,000.

q The consideration or fair market value, as the case may be, would be considered as cost of acquisition for computing capital gains. The above amendment will take effect from 1 June 2010. Reference to valuation officer

q In case of transfer of a property (being a capital asset) or share, the assessing officer may refer to the valuation officer for determining fair market value.

q The above amendment will take effect from 1 July 2010.

Deductions under Chapter VIA

Additional deduction for investment in notified long term infrastructure bonds.

q Deduction of INR 20,000 will be available to individuals and HUF in respect of investment in long term infrastructure bonds notified by the Government. This is in addition to the existing limit of INR 100,000 for specified investments. Contributions to the Central Government Health Scheme.

q Presently, a deduction of INR 15,000 (INR 20,000 for senior citizens) is available to an individual for payments towards health insurance policy for self, spouse and dependent children. Now, contribution made to Central Government Health Scheme will also be eligible for such deduction within the limit mentioned above.

Minimum Alternative Tax (MAT)

Increase in MAT rate

- Presently, the rate prescribed for MAT is 15% of book profits (plus applicable surcharge and education cess). Now, the MAT rate has been increased to 18% of book profits (plus applicable surcharge and education cess).

Provisions relating to LLP Taxation

Provisions relating to conversion of private company or unlisted public company into an LLP.

- Conversion of private company or unlisted public company into an LLP will not be regarded as transfer where following conditions are satisfied:
- All assets and liabilities of the company become assets and liabilities of the LLP;
- Shareholders of the company become partners of the LLP in the same proportion as their shareholding in the company;
- No consideration other than share in profit and capital contribution in the LLP arises to the partners;
- Erstwhile shareholders of the company continue to be entitled to receive at least 50% of profits of the LLP for a period of five years from the date of conversion;
- Total sales, turnover or gross receipts in the business of the company do not exceed INR 6 million in any of the three preceding years; and
- No amount is paid, either directly or indirectly, to any partner out of the accumulated profit of the company for a period of three years from the date of conversion.
- If the stipulated conditions are not complied with:
- The amount of profits or gains arising from transfer of capital assets by the private company or unlisted public company to the LLP on conversion will be deemed to be the profits and gains chargeable to tax of the LLP in the financial year in which the conditions are not complied with;
- The set-off of loss or allowance of depreciation which had been allowed will be deemed to be income of the LLP in the financial year in which the conditions are not complied with.
- The accumulated loss and unabsorbed depreciation of the private company or unlisted public company will be deemed to be loss or allowance for depreciation of the LLP for the financial year in which the business reorganization was effected.
- Actual cost of the block of assets in case of LLP will be the written down value of the block of assets as in the case of the company on the date of conversion.
- The cost of acquisition of capital assets for the LLP will be deemed to be the cost for which the company acquired it.
- MAT credit of the company will not be available to the LLP. Depreciation allowance on conversion of private or unlisted public company into LLP.
- Like in the case of amalgamation and demerger of companies, in case of succession of a private company or unlisted public company into LLP, the total depreciation allowable to the predecessor company and successor LLP will not exceed the total depreciation that would have been allowed if no succession had taken place.

Extension of amortization of expenditure incurred under VRS to successor LLP in case of reorganization of business.

- Presently, in case of transfer of an undertaking of a company or reorganization of business of a partnership firm or a proprietary concern, the deduction for expenditure incurred on the VRS is available to the amalgamated or the resultant or the successor company. Now, the above benefit will be extended to reorganization of business, where a private company or an unlisted company is succeeded by an LLP, as if the reorganization had not taken place.
- No deduction will be available to the company during the year in which the company is being succeeded by an LLP.

Withholding tax provisions

- Interest, commission or brokerage, rent, royalty, fees for professional or technical services, payments to contractors or subcontractors incurred and payable to residents during the financial year to be deductible if the underlying tax withheld at source during the financial year, is paid on or before the due date of filing of the return of income.
- Effective 1 July, 2010, the thresholds for deducting tax at source on payments to residents is to be revised as under:

Nature of Payment	Existing Limit	Proposed Limit (INR)
Winnings from lottery or crossword puzzle or card game and other game of any sort	5000	10000
Winnings from horse races	2500	5000
Payment to contractors	20,000 (for a single transaction) 50,000 (for aggregate of transactions during the financial year)	30,000 (for a single transaction) 75,000 (for aggregate of transactions during the financial year)
Insurance commission	5000	20000
Commission or brokerage	2500	5000
Rent	120000	180000
Fees for professional or technical services, royalty and non-compete fees	20000	30000

Provisions relating to levy of interest on delay in deduction or deposit of taxes.

q Presently, where tax has not been deducted or deposited, simple interest at the rate of 1% for every month or part of the month is levied on the amount of tax from the date on which such tax was deductible to the date on which such tax is actually paid. Now, simple interest on the amount of tax shall be levied as follows:

q at the rate of 1% for every month or part of the month from the date on which such tax was deductible to the date on which such tax is actually deducted; and

q at the rate of 1.5% for every month or part of the month from the date on which such tax was deducted to the date on which such tax is actually paid. This amendment will take effect from 1 July 2010. Requirement to issue tax withholding/ collection certificates.

q Presently, there is a requirement to issue tax withholding/ collection certificates for taxes withheld/ collected only up to 31 March 2010. Now, tax withholding/ collection certificates will have to be issued for taxes withheld/ collected even on or after 1 April 2010. India.

Non-resident related provisions

l The income of a non-resident from rendering services in the nature of 'interest', 'royalty' and 'fees for technical services' are deemed to accrue or arise in India irrespective of whether the services are rendered in or outside India. This amendment to apply. Retrospectively from financial year 1976-77.

l The income of a non-resident in the nature of a fee for technical services relating to exploration of mineral oils would be taxed as per general provisions and not on presumptive basis.

Place of rendering services not relevant for determining tax ability in India

q Presently, the income of a non resident by way of interest, royalty or fees for technical services, if deemed to accrue or arise in India, is includible in the total income of the non resident, whether or not the non resident has a residence or a place of business or business connection in India.

q Now, it is clarified that such income of the non resident shall be deemed to accrue or arise in India and shall be included in the total income, whether or not:

q the non resident has a residence or a place of business or a business connection in India; or

q has rendered services in India.

q The issue of relevance of the situs of rendering services for determining the taxability of such income in India has been a matter of litigation. This explanation seeks to overrule the judicial precedents which held that the income of a non resident from rendering services outside India but utilized in India are not taxable in India. This amendment will take effect retrospectively from 01.06.1976.

Other Amendments

Profit or loss on realization or revaluation of investments of non life insurance companies.

q Presently, the income of non life insurance business is taken as per the profit and loss account of the company prepared in accordance with the regulations made by the IRDA. Profit on revaluation or realization of investments of non life insurance companies is argued to be not taxable.

q Now, any gain or loss on realization of investments would be taxable/ deductible. Any such gain or loss which is not included in the profit and loss account would be included in computing the taxable income of such taxpayers. A provision for diminution in the value of investment which is debited to the profit and loss account will be added back in computing the taxable income of such taxpayers. Mandatory usage of DIN.

q Revenue authorities will be required to allot and quote a DIN in respect of every notice, order, letter or any correspondence issued to any person including any other Revenue authority, on or after 1 July 2011.

q Any notice, order, letter or any correspondence received on or after 1 July 2011 by the Revenue authorities or on their behalf, will be accepted and valid only after allotting and quoting a DIN. Exemption of income of research associations.

q Presently, an exemption is available in respect of income of approved scientific research associations. The exemption has now been extended to include approved research associations engaged in social science research or statistical research. Extension of deduction on payments towards scientific research.

q Presently, deduction is allowed in respect of donations made to a university, college or other institution. Now, the deduction will also be available for payments made to a research association whose objective is to undertake research in social science or statistical research. Power of the Commissioner to cancel the registration of a trust or institution engaged in charitable activities.

q Presently, there is an ambiguity on whether the Commissioner has power to cancel the registration obtained prior to 1 April 1996 by a trust or institution.

q Now, the Commissioner has been granted powers to cancel the registration obtained prior to 1 April 1996. The above amendment will take effect from 1 June 2010.

Indirect Tax

Customs duty

q Peak rate of BCD remains unchanged at 10%.

q Retrospective withdrawal of exemption with effect from 26 June 2009 leading to levy of customs duty of 16% and Nil special CVD on supply of electrical energy from SEZ to DTA and to non processing areas of SEZ.

q Import of goods covered under Medicinal and Toilet Preparations (Excise Duties) Act, 1955 liable to CVD on RSP less abatement, to be effective on enactment of the Finance Bill.

q Relaxations granted in relation to Settlement Commission procedures as follows:

q Applications in case of mis declaration, suppression, etc allowed.

q Restriction for assessees to seek only one time settlement relaxed.

q Settlement Commission empowered to extend the time limit of 9 months for disposal of applications by another 3 months.

Other changes

q SACD exemption granted to the following:

q goods imported in pre packaged form and intended for retail sale requiring declaration of RSP;

q ready made garments, mobile phones and watches;

q carbon black feedstock, waste paper and paper scrap.

q Project import status granted to the following projects with BCD at 5%:

q Mono rail projects for urban public transport.

q Installation of mechanized handling systems and pallet racking systems, in mandis or warehouses for food grains and sugar. These projects are also eligible for exemption from CVD and SACD.

q Cold storage, cold room (including farm pre-cooling) or industrial projects for preservation, storage or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat.

q Setting up of digital head end. These projects are also eligible for exemption from SACD.

q Import of digital masters/ stampers of films and import of music and gaming software (other than in prepackaged form) on digital media for duplication to attract customs duty only on the value of carrier medium and customs duty on balance value to be exempt. However, customs duty payable on transaction value where imported for retail sale.

q Promotional materials such as trailors, making of films imported free of cost in the form of electronic promotion kits/ betacams exempted from BCD and CVD.

q Ambit of exemption in relation to transfer of right to use canned or packaged software is extended to all transfer of right to use including transaction where transfer of right to use is not for commercial exploitation.

q Parts for manufacture of accessories of mobile phones, such as battery chargers and hands free head phones exempted from all custom duties.

q Parts imported for manufacture of mobile phones and accessories exempted from SACD up to 31 March 2011.

q Additional specified capital goods and raw materials for manufacture of electronic hardware exempted from all customs duties.

q Tunnel boring machine for hydro electric power projects exempted from all custom duties.

q Machinery, instruments and appliances required for setting up solar power generation projects or facilities eligible for concessional BCD at 5% with full exemption from CVD.

q Ground source heat pump for geo thermal energy applications exempted from BCD and SACD.

Specified items imported for manufacturing all categories of electrical vehicles exempted from BCD and SACD up to 31 March 2013, Only CVD to apply at 4%.

q Truck refrigeration units for manufacture of refrigerated vans/ trucks exempted from BCD.

q Sale or disposal of exempted specified road construction machinery permitted on payment of custom duties on depreciated value at applicable rate at the time of import, subject to specified conditions.

q All medical equipments (with some exceptions) exempted from SACD and to attract BCD at 5% and CVD at 4%.

q Parts required for manufacture and accessories of medical equipment to attract BCD at 5% and exempted from CVD.

q Spares for maintenance of medical equipment not eligible for concessional BCD (except in specified cases).

q Cobalt-chrome alloys, special grade stainless steel, etc for manufacture of orthopaedic implants exempted from BCD subject to actual user condition.

q Concessional BCD of 5% for specified machinery for tea, coffee and rubber plantation up to 31 March 2011.

q Gold ore and concentrate exempted from BCD and SACD and chargeable to CVD at INR 140 per 10 gram of gold content subject to actual user condition.

q Limit for duty free import of samples extended from INR 100,000 to INR 300,000.

q BCD exemption extended to certain additional specified components, raw materials and accessories for manufacture of sports goods.

Rate movement

q Changes in the basic rates of customs duty on some key items are set out below:

Excise duty

q Partial rollback of fiscal stimulus. Peak excise duty rate for most non petroleum products from 8% to 10%. Excise duty of 4% imposed on specific parts used in manufacture of electrical vehicles including cars, two wheelers and three wheelers.

q Corresponding excise duty of 4% also imposed on above electrically operated vehicles.

q Exemption from excise duty extended to goods supplied under international competitive bidding to mega power projects where power supply is tied up through tariff based competitive bidding.

q Cenvat credit to be allowed on inputs and input services used by manufacturer of exempted goods supplied to mega power projects from which power has been tied through the specified competitive bidding.

q Raw material required for manufacture of rotor blades for wind operated electricity generators exempted.

q Small scale units will be eligible to avail full cenvat credit on receipt of capital goods and will have the facility to pay excise duty on quarterly basis.

q Accelerated depreciation rates prescribed for computers and its peripherals, cleared after use, while computing the amount to be paid on removal of such goods.

q Cenvat credit allowed in respect of jigs, fixtures, moulds and dies sent by one manufacturer to another manufacturer for production of goods.

q Chewing tobacco and branded manufactured tobacco is brought under the compounded levy scheme. This amendment will take place with effect from 8 March 2010.

q Ambit of exemption in relation to transfer of right to use canned or packaged software is extended to all transfer of right to use including transaction where transfer of right to use is not for commercial exploitation.

q Machinery, instruments and appliances required for setting up solar power generation projects or facilities granted exemption from excise duty.

q Clean energy cess will be imposed on coal, lignite and peat produced in India from a notified date.

The key changes mentioned below will take effect on enactment of the Finance Bill:

q In case of pending disputes, manufacturer of exempted and dutiable goods is allowed to reverse an amount equivalent to the credit attributable to goods/ services used for production of exempt goods based on certification by chartered accountant. This option available on clearances of exempted and dutiable goods from 1 September 1996 to 31 March 2008.

q Provisions and procedures related to claiming refund of unutilised Cenvat credits used in relation to exported goods rationalised. Rationalization to be effective from 14 March 2006.

q Penalty not to be imposed in case duty along with interest is paid before the issuance of the demand notice.

q Relaxations granted in relation to Settlement Commission procedures as follows:

q Applications in case of mis declaration, suppression, etc allowed.

q Restriction for assessees to seek only one time settlement relaxed.

q Settlement Commission empowered to extend the time limit of 9 months for disposal of applications by another 3 months.

q Central Government empowered to make rules for withdrawal of facilities/ imposition of restrictions on utilisation of cenvat credit on manufacturer/ exporter or suspension of registration of a dealer for dealing with evasion of duty or misuse of cenvat credit.

Rate movement

q For most non petroleum products duty rates enhanced from 8% to 10%

q In addition to above, changes in duty rates on some key items are set out below:

Items	Rate movement(%)		
	Basic Duty		Movement
	From	To	?
Crude Petroleum	Nil	5	?
Petrol and diesel	2.5	7.5	?
Specified petroleum products	5	10	?
Serially numbered gold bars (other than tola bars) and gold coins	INR 200 per 10 gram	INR 300 per 10 gram	?
Gold in any form (other than specified above)	INR 500 per 10 gram	INR 750 per 10 gram	?
Silver in any form	INR 1000 per kilogram	INR 1500 per kilogram	?
Platinum	INR 200 per 10 gram	INR 300 per 10 gram	?
Specified agricultural machinery	7.5	5	?
Long pepper	70	30	?
Asafoetida (heeng)	30	20	?
Bio polymer / bio plastics	10	Nil	?
Magnetorns of up to 1000 kw for manufacture of microwave ovens	10	5	?
Rhodium	10	2	?

Service Tax

Effective service tax rate remains unchanged

q Effective service tax rate remains unchanged at 10.3%. The key changes mentioned below will take effect from a date to be notified after the enactment of the Finance Bill:

q Service tax will be levied on the following additional services:

q Temporary transfer or permitting the use of copyrights relating to cinematographic films and sound recording other than original literary, dramatic, musical and artistic works.

q Promotion of "brand" of goods, services, events, endorsement of name including trade name of business entities.

q Providing preferential location or development of complexes on extra charges to prospective buyers.

q Permitting commercial use or exploitation of any event.

q Maintenance or storage of medical records of employees of business entity.

q Health services undertaken by hospitals or medical establishments for employees of business entities and under health insurance schemes (on payments made directly by the business entity or insurance company).

q Services provided by Electricity Exchanges The scope of existing taxable services will be amended as follows:

q Renting of immovable property for use in business, any other service in relation to such renting and vacant land given on lease or license for future construction will attract service tax. This amendment will take effect retrospectively from 1 June 2007. Accordingly, Delhi High Court judgement in the case of Home Solutions Private Limited on the relevant issue will be nullified.

q Construction of complex and commercial or industrial construction will be deemed to be service provided by a builder to the buyer where any sum is received from buyer before grant of completion certificate.

q Information technology software services will now also include services provided for other than business purpose.

q Air passenger transport service will include domestic and international journeys in any class.

q Sponsorship service will cover sponsorship of sports events.

q Services of promoting, marketing or organisation of games of chance, including lottery now taxable under a separate category (earlier covered under business auxiliary service).

q Port or airport service category will cover all services provided entirely within the port or airport, by any person.

q Commercial training or coaching services will cover services provided for a consideration, irrespective of profit motive. This amendment will be applicable with retrospective effect from 1 July 2003.

q Exclusion for auction services by Government to cover auction of Government property by any auctioneer.

q Value of taxable service for management of investment under Unit Linked Insurance Plan will be higher of actual amount charged by insurer or maximum amount of fund management charges fixed by regulatory authority. Definition of "business entity" to include association of persons, body of individuals, company or firm excluding an individual.

q No penalty to be imposed where service tax along with interest has been paid before issuance of notice. This change will take effect on enactment of the Finance Bill. The following changes will be effective from 27 February 2010:

q Definition of "India" will be amended to cover construction and operation of installations, structures and vessels for the purpose of prospecting or extraction or production of mineral oils and natural gas in the Continental Shelf and Exclusive Economic Zone and services connected with the said activity.

q Similar amendment will be made to the definition of "India" under Taxation of Services (provided from outside India and received in India) Rules, 2006 and Export of Services Rules, 2005.

q Exemption from service tax to packaged or canned software intended for single use, where the manufacturer, duplicator, importer or person holding copyright to software has paid appropriate excise duty or customs duty on entire amount received from buyer.

q Export of Services Rules, 2005 will be amended as follows:

q Condition of "service is provided from India and used outside India" will be deleted thereby reducing ambiguities in determining export of services.

q Performance based criteria for determining export of "mandap keeper services" will be changed to "location of immovable property".

q Performance based criteria for determining export of "chartered accountant/ cost accountant/ company secretary services" will be changed to "location of recipient of service".

q Procedures outlined and provisions to be amended to simplify refund of service tax for exporters including certification of refund claims by auditors.

q Statutory taxes charged by any Government on air passengers will be excluded from taxable value.

Exemption from service tax to transmission of electricity.

q Exemption from service tax to erection, commissioning or installation of mechanised food grain handling systems, equipments for cold storage or processing of products such as agricultural, dairy and poultry.

q Exemption from service tax will be extended to transport by road of food grains and pulses.

q Exemption from service tax to specified news agencies under online information and database retrieval services and business auxiliary services.

q Exemption from service tax to technical testing and certification services for seeds provided by specified Central and State agencies.

q Definition of "vocational training institute" will cover only Industrial Training Institute or Industrial Training Centre offering courses in designated trades, as notified.

q Exemption from service tax to group personal accident scheme provided by Government of Rajasthan will be withdrawn.

q Service tax on transportation of goods by rail restored with abatement of 70% on gross value and full exemption to certain category of goods such as defence equipment, passenger luggage and food grains transported by rail. This change will take effect from 1 April 2010.

Central sales tax

q The CST rate remains unchanged at 2%.

Goods and service tax

q GST proposed to be implemented with effect from 1 April 2011.q

Corporate Fiascos and the Role of Credit Rating Agencies

We are passing through a time when India has just witnessed perhaps the worst ever corporate scam on her own soil. Satyam fiasco came to light at a time when the entire globe is battling hard to rid itself of the hang-ups of sub-prime crisis. Market watchdogs failed in tracking the corporate malpractices. So did credit rating agencies (CRAs). CRAs have widely been criticised for their perceived role in the corporate scandals. Regulatory incorporation of ratings has led the CRAs to an uncontested supremacy. On the face of declining informational value, the formidable position of credit rating agencies poses a paradox. The present paper attempts to explore the role of CRAs in select corporate scams and also to trace out the probable issues that play behind rating agency inactions.

Mausumi Bhattacharyya*

Introduction

Credit rating is an independent assessment of the credit-worthiness of a debt instrument by a credit rating agency (CRA). It estimates the probability of timely repayment of principal and payment of interest on the debt security. In other words, it is a symbolic representation of a CRA's opinion on the relative capability of the corporate entity to timely service its debt obligations with reference to the instrument rated. The higher the credit rating, the higher is the degree of safety associated with the concerned instrument. Higher rating is also linked with lower cost of raising funds. Thus, credit rating serves both the issuers and investors, although it is the issuers who directly pay for the same. However, rating fees are ultimately shifted by the issuers to the investors through the process of allocation of associated costs over the price of securities. That is, issuers reap the benefits of rating at the cost of investors. Although, rating is meant for guiding investors, it always comes with a disclaimer, stating that it is not a recommendation to buy or sale a security. Rating agencies are not to be held responsible for any of their wrong assessments and consequent losses suffered by the investors. Again, as issuers initially pay for the ratings, they have the advantage of exercising better negotiating power with the CRAs. Thus, there is an obvious scope of conflict of interest and moral hazard problem inherent in the entire process (White, 2002).

Regulatory incorporation of ratings throughout the globe has heightened the importance of rating. As the states explicitly place reliance on ratings, rating agencies assume the character of a quasi-regulator or de-facto regulator. By privatising its regulatory functions in favour of credit rating agencies, states across the globe have created enormous demand for ratings which CRAs would not have otherwise enjoyed. This state-assigned supremacy of rating has been challenged in numerous occasions, particularly, on the face of major corporate collapses stealing the headlines.

Credit rating agencies have widely been criticized for their role in the financial crises. The happening of East Asian crisis is still fresh in our memories. Rating agencies badly failed to predict the impending crisis in the East Asian economies. But, once the credit crisis had set in, rating agencies reacted dramatically by downgrading the currency ratings which spread severe contagion effects over the neighbouring economies. Collapse of Enron, followed by Parmalat, WorldCom and the recent sub-prime mortgage crisis in the US raises suspicion about the authenticity of credit rating services. After the CRB Capital market scam, Satyam is the most sensational corporate fiasco that India witnessed. Every scam puts market watchdogs under scanner. Credit rating agencies are no exception to it. CRAs can not just shrug off their responsibilities in those crises. The present paper attempts to revisit the involvement of credit rating agencies in some select corporate scams as also to trace out the probable factors that play behind their failures.

East Asian Crisis and CRAs

The East Asian crisis was a macro economic disaster where CRAs had played a novice role. The East Asian financial crisis may be understood as a "crisis of success", caused by boom of international lending followed by a sudden withdrawal of funds. At the core this crisis, were large-scale foreign capital inflows into financial systems that became vulnerable to panic. Capital inflows in the East Asian countries increased from an average 1.4% of GDP between 1986-90 to 6.7% between 1990-'96. In Thailand capital flows averaged a remarkably high 10.3% of GDP between 1990-96. The crisis is a testament to the shortcomings of the international capital markets and their vulnerability to sudden reversal a of market confidence. The CRAs such as Standard and Poor's and Moody's provide an ongoing assessment of credit risk in the emerging markets. Surprisingly, CRAs could not signal increased risk until after the onset of the crisis itself. Long-term sovereign debt ratings remained unchanged throughout 1996 and during the first half of 1997 for each of the Asian economies except Philippines where debt was upgraded in early 1997. For each country the outlook was described as "stable or "positive" through June 1997. On December 22, 1997, weeks after the crisis had begun Moody's downgraded the sovereign debt of all three of these countries, putting them below investment grade. This "junk bond"

*Sr. Lecturer in Commerce, Serampore College, Hooghly, W.B.

status of these countries immediately applied to the banking and non-bank corporate sectors as well, by virtue of the "sovereign ceiling", according to which no domestic enterprise can have credit rating higher than the sovereign. There were two major implications of the downgrade. First, most of the commercial banks of those countries could no longer issue internationally recognized letter of credit for domestic exports or imports because of their non-investment grade status. Two, the downgrading immediately prompted a further round of debt liquidation, since many portfolio managers are required by law to maintain investments only in "investment-grade" securities (Radelet and Sachs, 1998). Moreover, the downgrade triggered various put options linked to credit ratings, enabling borrowers to call in loans immediately upon the downgrade. In effect, currency crisis resulted in credit crisis and downgrades simply pushed interest rates higher adding further to panic. Thus, the reactive role of CRAs further worsened the crisis beyond immediate repair.

Enron and CRAs

Enron is an example of the most intelligently devised fraud the world has ever seen. No discrete watchdog should be blamed for not apprehending this fraud; rather, it must be viewed as concerted failure of all the market supervisors. Let us locate the role of CRAs in the Enron saga. A cursory look at the Enron debacle reveals that the credit-rating agencies, the independent securities analysts that pass judgment on a company's financial fitness, saw signs of Enron's deteriorating finances by May 2001. But the agencies, namely, Moody's Investors Service, Standard & Poor's and Fitch Ratings, did little to warn investors until at least five months later, long after more problems had emerged and Enron's slide into bankruptcy had accelerated. Practically, until five days before Enron filed for bankruptcy on December 2, 2001, its debt was rated as 'Investment Grade' by the major CRAs.

In the Enron scandal, the US Senate Committee found that the CRAs easily accepted Enron's view of its dubious transactions, failed to ask probing questions to the management or do independent research, failed to focus on long-term credit risk and thus, maintained high grades despite acknowledging that its conduct was suspicious and the market perception was mounting to that effect1. The rating agencies accepted these accusations while defending their actions. CRAs defended that their assessments of Enron's financial health accurately reflected the information they were given. That information, in the end, was, however, deceptive. Charlie Brown, general counsel for Fitch Ratings, said:

"We 're not advisors, and we 're not insiders... we don't have any special relationship with the companies we rate. It's unclear to us what anyone thought we ought to have done differently" **(Watt, 2002).**

The rating agencies involved in the ratings of Enron, namely, Moody's, Standard and Poor's and Fitch were aware that Enron had made financial commitments which were tied up in part with Enron's stock price. They had sufficient knowledge about what's going to happen with Enron. Rating agencies began to warn investors of Enron's deteriorating health only in mid October 2001 when its stock price had already fallen massively. Surprising enough, CRAs did not lower Enron's rating below investment grade until days before it filed for bankruptcy protection. Ronald M Barone of S&P made a candid confesion:

"There were debt ratings on top deliberately so (that) it would not be caught up in any overall market downfall".

He also added that Enron's credit was the 'ultimate trigger' (Watt, 2002). Thus, rating agencies appear to have worked to protect the company from imminent collapse. Rather than signalling Enron's misdeeds to its investors, they went on to cover it up. Thus, Enron episode throws a crucial question before the global financial fraternity as to who the ratings stand for—investors or issuers?

WorldCom, Sub-prime, AIG and CRAs

Meltdown of the WorldCom, one of the biggest telecom companies in the US, has also raised suspicion that the corporate system is rotting at its very core. WorldCom fudged its accounts to show inflated profits in the two preceding years which went unnoticed by the watchdogs. At least, investors are made to believe it. Credit rating agencies as usual, showed lethargic response to the imminent collapse. Till few days before the WorldCom bubble burst, it held quite a high rating by the major CRAs.

In the sub-prime mortgage crisis also, rating agencies are to share the same blame. As Robert Rosenkranz (2009) observes:

"Sub-prime mortgages held directly by financial institutions are questionable assets with high associated capital charges. Each one alone would deserve a "junk" rating. Structured finance simply piles such risky assets into bundles and slices the bundles into tranches. The rating agencies deemed some 85% of the tranches by value as AAA, and nearly 99% as 'investment grade' -thus turning dross into gold by a sort of rating alchemy".

The rating alchemy created enormous demand for dodgy mortgages. Thus, credit was extended to countless dubiously qualified purchasers of homes, which in turn drove dramatic increases in housing prices. When the housing bubble burst, average house price saw a sharp fall which ultimately led to the global financial crisis. The rest has become history.

The downfall of UK based AIG Financial Products, world's largest insurer in which the US government owns 80 percent stake, was one of the pivotal events in the start of the global financial crisis. The company made huge profits selling credit swaps. But, at the end of 2007, it began to report drastic quarterly losses. After the trouble started showing off, the company's head was nudged into retirement but kept on consultancy role for hefty fees. In March 2008, when the company has already started moving towards bankruptcy, the company awarded its CEO a cash bonus of $5 million and a golden parachute worth $15 million. These amply bear out the blatant failure of the gatekeepers in tracing out the malpractices. One wonders if the rating agencies had had factored in the leverage, that is, the ratio of borrowings to capital. In comparison to its peers', it was the highest at 11 to 1. The entire risk management mechanism of the company was evidently skewed and this, in retrospect, did not catch the eye of the rating agencies (Venkatakrishnan R, 2008).

Satyam and CRAs

Satyam, which means eternal truth shook our corporate conscience and shattered the corporate image of India. A listed company has to send its financial statements to a lot of regulators. It's really amazing to note that the fraud in Satyam accounts has taken place in cash and bank balances. It's hard to believe that everyone missed it. Both CRISIL and ICRA had maintained AAA rating of Satyam till a few days before the fiasco broke out2. None of the regulators could detect the fraud Satyam perpetrated for several years. A company honoured with Golden Peacock Global Award for Corporate Governance under Risk Management and Compliance Issues can befool its investors in such a big way, was perhaps beyond imagination of the watchdogs3. Ramlinga Raju won the Ernst & Young 2007 entrepreneur of the year award. Thus, Satyam seemed in safe hands. Rating agencies, like all other gatekeepers have judged the scam hit companies by the image of the people who run it, not by the path they are following. CRAs lost their penetrating sight and viewed Satyam through a commoner's eye. Mistakes never fail to pay.

What Plays Behind

Financial market watchdogs failed to bark when Enron, WorldCom or Parmalat were sleazing. They remained in slumber when CRB Capital market or Satyam devastated the hapless investors. None of the watchdogs, say, auditors, analysts or debt rating agencies, that should have anticipated the collapses, did so before the penultimate moment. The true common denominator of all these fiascos is the collective failure of the gatekeepers. (Coffee, J C, Jr., 2002). Gatekeepers are reputational intermediaries who provide verification and certification services to investors. These services can consist of verifying a company's financial statements as the independent auditor does, evaluating the creditworthiness of the company as the debt rating agency does, security analysts, investment bankers and even attorneys are also gatekeepers when they lend their professional reputations to a transaction.

All the major financial fiascos are followed by a slow reactive response from the credit rating agencies. A pertinent question is what explains this slowness of CRAs. The explanations may start with the conflict of interest. CRAs are paid by the issuers they rate. Therefore, they have an incentive to safeguard the issuers' interest; hence this awkward silence. However, a counter argument may be that the problem of conflict of interests is not that intense in case of CRAs as are with other gatekeepers like auditors. CRAs rate thousands of issuers none of which individually earn CRAs substantial income. Thus, CRAs are not supposedly vulnerable to capture by clients as are audit partners or accounting firms.

Another reason behind poor rating agency performance is the careless attitude of the rating agencies. In case of Enron, Senator Joseph Lieberman, Chairman of the Senate Governmental Committee, characterized CRA performance after his Committee's investigation as 'dismally lax'. The laxity of CRAs emanates from the conflicting dichotomy between the role of a gatekeeper and a reputational intermediary. While the former has a duty of monitoring quality of information flowing into the markets, the latter may indulge in false certification where the gains exceed the loss in reputational capital. Such perverse incentives are heightened by absence of explicit legal liability, lack of oversight and de-facto power over all other dependent participants (Jain and Sharma, 2008). The crucial paradox is while state and the regulators expect CRAs to act as gatekeepers, the CRAs perceive themselves as profit oriented business entities4.

It is widely known that a downward change in rating plays havoc on the market. Therefore, a vital issue and perhaps the most critical issue concerning CRA malfunctions is pressure on the CRAs because of the devastating impact of rating downgrading on the market. For instance, in November 2001, Moody's was approached by certain prominent persons to warn it that a downgrading of Enron below investment grade would plunge Enron into bankruptcy and disrupt the nation's capital market **(Coffee, John C Jr., 2006)** Thus, because of the risk of triggering bankruptcy and consequent threat of being sued for awarding unjust rating, CRAs shy away from pro-acting at right moments.

Credit rating agencies attract antitrust concerns. That means, they have a tendency to monopolise their position. Lack of competition in the market for credit rating is at the root of this problem. Effectively Moody's and Standard and Poor's share a monopoly with only modest competition from other CRAs. Similarly, CRISIL and ICRA enjoy the near duopoly situation in India with a few relatively weak players posing no material threat to the leaders. Therefore, the leaders share a highly profitable market between them and hardly have any incentive in upgrading their services. The immunity from competition is arguably at the root of rating inefficiency. Coffee (2006) argues that lack of competition permits gate-keeping firms "to shrink, engaging in less effort and research than if there were true active competition". However, it may be contended whether steep competition may truly result in enhancement of efficiency, at least, so far rating is concerned. Some economists believe that while perfect competition is not ideal for innovation, industries with very few firms may also not be very innovative because there are too few independent centres of initiative (Fox, 2008).

The biggest problem, however, lies with the way rating agencies are treated in the legal systems and the consequent degree of importance that is attached to the services of these information intermediaries. Delphi Financial's Robert Rosenkranz (2009) strongly criticized that rating agencies employ quite ordinary mortals to analyze the credit risk of bonds, just as Goldman Sachs and Merrill Lynch employ to analyze the outlook for stocks. No one is shocked when equity analysts' recommendations don't pan out. Why should one expect any more of the rating agencies? The problem was not the erroneous ratings per se; the problem is that these erroneous ratings were incorporated into law. Regulators of banks, insurance companies and broker dealers have all incorporated the work of the rating agencies into their regulations in myriad ways. Most importantly, ratings determine how much capital regulated institutions need in order to own the bonds. Since ratings determine the capital requirements, they have profound influence on how financial institutions invest in their assets. The regulatory reliance on ratings, in effect, makes the rating agencies de-facto allocators of capital in the system. Quite naturally, the financial market players have every incentive to group and slice assets in ways that maximize not their fundamental soundness, but their rating. Regulators should not rely on ratings for the assessment of bond holding risks; rather they should trust the market for this purpose. There are ample instances when market captures the data well before rating agencies do (Partnoy, 2002).

Concluding Observations

There is no denying the fact that credit rating agencies are an important financial market player and they will continue to do so in the days ahead. Despite their repeated failures they will continue to hold their formidable position, so long they are backed up by regulatory support. Thus, what is urgently needed to revitalize this organ of financial market of its inherent lethargy and slumber, is to remove the force of law behind their recommendations. Rosenkranz (2009) rightly puts it as: "Bond ratings should be like a recommendation from Consumer Reports". Regulators throughout the globe must lend it a serious thought. At the same time, CRAs should give their best to relieve the globe of the trauma future Enrons. They must work hard to be more proactive and regain the lost trust of people. CRAs must take some time out for introspection as to who really they stand for. They need to re-orient themselves along a stronger ethical foundation.

Notes:

1. United States Staff of Senate Committee of Governmental Affairs, 107th Congress, Financial Oversight of Enron: The SEC & Private-Sector Watchdogs, at pp. 108-127. To quote the Committee, "Unfortunately at least in Enron's case, the credit rating agencies did not perform as expected".
2. . In fiscal year 2008, Satyam reported a 46.3% rise in revenue and Raju announced that revenue in the fiscal year ending March 2009 would rise by up 21%.
3. Satyam also won the prestigious contracts to look forward to. It had been named official software provider for the 2010 FIFA football World Cup in South Africa and the 2014 event in Brazil.
4. "Are the rating Agencies always the last to know, or just the last to acknowledge a problem? The agencies point out that they rely on facts presented by issuers, and that they are not responsible for conducting due diligence". 'The Moody's Blues'. The Wall Street Journal, February 19, 2008.

References

- Coffee, John C, Jr. (2002): "Understanding Enron: It's about the Gatekeepers, Stupid" Columbia Law School, The Center for Law and Economic Studies, Working Paper No. 107, July 30.
- Coffee, John C Jr., (2006): 'Gatekeepers: The Professions and Corporate Governance', Oxford University Press, UK.
- Fox Merritt B (2008): "Gatekeeper Failures, Why important, What to do" Michigan Law Review, Vol. 106, March 20.
- Jain Tarun and Sharma Raghav (2008): Credit Rating Agencies in India: Acase of Authority without Responsibility" Company Law Journal, Vol. 3, September.
- Partnoy Frank (2002): " The paradox of credit rating" in Levich, M., Majnoni, G. and Reinhart C (eds.) Ratings, Rating Agencies and the Global Financial System, Kluwer Academic Publishers, USA.
- Radelet Steven and Sachs Jeffrey (1998): "The Onset of East Asian Financial Crisis" Harvard Institute of International Development, Working Paper No.27, March 30.
- Rosenkranz Robert (2009): "Let's Write the Rating Agencies Out of Our Law" Wall Street Journal, January 2.
- The Wall Street Journal,' The Moody's Blues' February 19, 2008.
- Venkatakrishnan R (2008): "Why weren't the rating agencies up to grade?" Business Line, October 31.
- Watt Edward (2002): "Credit Agencies Waited Months to voice doubt about Enron" New York Times, February 8.
- White Lawrence J, (2001): 'American Antitrust Institute Urges SEC to ease entry for smaller credit rating companies', A letter to the Arthur Levitt, Chairman, SEC, January 19.q

Uniform Annual Equivalent (UAE) - A Capital Budgeting Method

Pradeep Kumar K*

Risk is inherent in almost every business decisions. Capital budgeting being an important financial excise, before committing funds physically, one need to look investment proposition from all possible angles. Many approaches & techniques are since developed that assists a financial managers in their decision making process & evaluation of alternatives before them. Among the various techniques & approaches available there has been confusion in understanding one available to address a situation of a capital intensive investment project with unequal life. Consider the following project before a financial manager.

		Project A	Project B
a.	Investment Outlay (Rs.)	75,000	50,000
b.	Annual expenses (Rs.)	13,000	15,000
c.	Life of the Project (years)	5	4
d.	Rate of interest (%)	13	13

At the outset, it is likely that Project B may get selected by a calculation as follows:

		Project A	Project B
e.	Initial out lay	75,000	50,000
f.	Total expenses-(bXc)	65,000	60,000
g.	Total outflow (e + f)	140,000	110,000
h.	Average out flow (g/c)	28,000	27,500

The methodology is quite incorrect. This is so because,

(i)the time value of money is not at all considered,

(ii)all the three factors in the evaluation excise viz., outlay, annual expenses and life are all unequal and therefore the project cannot to evaluate in the above manner.

Concept of Uniform Annual Equivalent (UAE):

In a situation where we are considering project with unequal life, the evaluation should be made adopting the technique called Uniform Annual Equivalent (UAE) which is also otherwise popular as Annualised Net Benefit (ANB) method. This is done through the following 2 steps.

Step 1. Compute the net present value (NPV) of the regular or irregular cash outflows at the stipulated discount rate,

Step 2. Divide the net present value arrived above by the factor representing the present value of annuity of Re.1 (Table D) at the end of the economic life of the machine using the same rate at which NPV was arrived. The result is UAE / ANB.

NPV

$$\text{Machine A} = \text{Rs}75{,}000 + \frac{\text{Rs.}13{,}000}{(1.13)} + \frac{\text{Rs.}13{,}000}{(1.13)^2} + \frac{\text{Rs.}13{,}000}{(1.13)^3} + \frac{\text{Rs.}13{,}000}{(1.13)^4} + \frac{\text{Rs.}13{,}000}{(1.13)^5}$$

= Rs.75,000 + Rs.11,504 + Rs.10,181 + Rs.9010 + Rs.7,973 + Rs.7,056

= Rs. 120,724

This is the amount of total NPV cost over a period of 5 years. The UAE/ANB is given by NPV cost divided by NPV Annuity factor for the same period at the same rate of interest. This factor is 3.517 (PVIFA) for the instant case. Thus UAE/ANB works out to Rs.34,326 for machine A as follows.

$$\text{UAE/ANB} = \frac{\text{NPV cost}}{\text{PVIFA}} = \frac{\text{Rs.}120{,}724}{3.517}$$

= Rs.34,326

In the same manner, NPV cost and UAE /ANB for Machine B is ascertained and work out to Rs. 85,417 & Rs. 36,178 respectively as under:

NPV

$$\text{Machine B} = \text{Rs.}50{,}000 + \frac{\text{Rs. }15{,}000}{(1.13)} + \frac{\text{Rs. }15{,}000}{(1.13)^2} + \frac{\text{Rs. }15{,}000}{(1.13)^3}$$

= Rs.50,000 + Rs. 13,274 + Rs.11,747 + Rs. 10,396 = Rs.85,417.

$$\text{Now UAE/ANB Machine B} = \frac{\text{Rs. }85{,}417}{2.361}$$

= Rs. 36,178

Where UAE is determined for a machine / project with cash outflows showing (expenses as in the instant case), the machine with lower UAE needs to be opted. Where the cash flows represent cash inflows or revenues or profits generated, the machine or project with higher UAE needs to be opted. Consider the following example:

Projects	X	Y
Capital Outlay (Rs.)	88,000	105,000
Estimated Cash inflows (Rs.)	15,500	10,000
Estimated life (in years)	4	6
Rate of interest (%)	13	13

In this case the calculation needs to be done on the same line as done for machine A & B. But the only difference is: the project with ***higher*** UAE/ANB needs to be selected since we are considering cash inflows / revenues from the project and not cash outflows.

The meaning & interpretation: The under lying arithmetic calculation is now understood. Now let us try to know the meaning & interpretation of UAE/ANB calculated above.

For Machine A, UAE is calculated as Rs. 34,326. This means by making a capital investment of Rs. 75,000 and further incurring of expenses of Rs. 13,000 annually for 5 years which together has a net present value of Rs. 120,724 is like incurring Rs.34,326 every year at 13% rate of interest for the machine. In the same way, for Machine B UAE is calculated as Rs.36,178. This means by making a capital investment of Rs.50,000 and further incurring of expenses of Rs.15,000 annually for 4 years which together has a net present value of Rs.85,417 is like incurring Rs.36,178 every year at 13% rate of interest. Naturally, the one which involves less annual expenses needs to be selected. And the concept of UAE/ANB helps us in selecting a project of unequal life merely on comparing the UAE/ ANB values taking into account the time value of money.q

*AICWA

The Institute of Cost and Works Accountants of India
Advancement to Fellowship
Date of Advancement :
17th January 2010

M/3323
Shri Rishi Mohan Bansal,
MCOM, ACA, FICWA
A-201, Twin Towers,
Lakhanpur,
Kanpur 208024

M/4379
Shri Phakir Doki,
BCOM(HONS),
ACA, FICWA
'Harmya Prasanti',
50-121-59/2,
Balaji Hills,
B.S. Layout,
Visakhapatnam 530013

M/5852
Shri Ramratan Rungta,
BSC(HONS), FICWA
241, Co-operative Colony,
Bokaro Steel City 827001

M/6585
Shri Ashis Kumar
Bhattacharya,
BSC, FICWA
A. Bhattacharya & Associates,
AB-275, Salt Lake City,
Kolkata 700064

M/7384
Shri Malay Chand Sen,
MCOM, LLB, FICWA
A.C. Mitra Lane,
Burdwan 713101

M/9156
Shri Amal Hom Ray,
BSC, FICWA
Flat No. 2/A/11,
Naba Ananya CHS Ltd., Sen
Raleigh Road, Kanyapur,
P.O. Upper Chelidanga,
Asansol 713305

M/9517
Shri Sadasiba Nanda,
MA, FICWA
Dy. General Manager
(Finance), Orissa Hydro Power
Corporation Ltd., Near Vani
Vihar Square, Bhoinagar,
Bhubaneswar 751022

M/9750
Shri N. Ramaskanda,
MCOM, FICWA
23/33, Surveyer's Street,
Basavanagudi,
Bangalore 560004

M/9857
Shri Ranjit Kumar Tripathy,
BSC(HONS), MCOM,
MBA(XIM), FICWA
Plot No. 690, Tripathy
Bhawan, Near Kalinga
Stadium, Nayapally,
Bhubaneswar 751012

M/9876
Shri Naresh Kumar Goel,
BCOM, FICWA
C/o. R.J. Goel & Co., Cost
Accountants, 31, Community
Centre, Ashok Vihar,
Delhi 110052

M/10962
Shri Ashok Kumar,
MCOM, FICWA
E-3, Grewal Apartment,
Bekarbandh, Dhanbad 826001

M/12615
Shri Jagdish Singh Daral,
BCOM(HONS), MA, FICWA
House No. 312,
Sector-31, Gurgaon 122001

M/12900
Shri Uma Ballava Mohapatra,
MCOM, LLB, FICWA
Sr. Manager (F & A) Nuclear
Power Corporation of India
Ltd., Madras Atomic Power
Station, Kalapakkam,
Kanchipuram 603102

M/16038
Dr. Palakodeti Sai
Satyanarayana Murthy,
MCOM, MPHIL, PHD,
FICWA
House # 2-1-223/1 (Plot # 14),
Road # 02, Venkataramana
Colony, Nagole,
Hyderabad 500068

M/17301
Shri Rajesh Kumar Verma,
BCOM, FICWA
H.No. 26/7, Mohalla Chakkari,
Bassi Pathanan 140412

M/17804
Shri Madireddy Ramakrishna
Reddy,
MCOM, FICWA
10-86/2 P & T Colony,
Dilsukh Nagar,
Hyderabad 500060

M/18248
Shri Narayana Swamy
Devarajan,
MCOM, CMA(USA), FICWA
Head-Systems & Control, FSG
Limited, Private Bag B0211,
Gaborone

M/18351
Shri Rajat Sethi,
BCOM, MBA, LLB, FICWA
B-43, Shastri Nagar,
Meerut 250004

M/18997
Shri Anjan Mukherjee,
MCOM, FICWA
Accounts Officer, Al Reyami
Group, Head Office, P.O. Box
No. 14662, Dubai

M/19693
Shri Kollata Tarkeshwar Rao,
MCOM, FICWA
Flat No. F/3, Natraj Smiriti,
3rd Floor, Nr. Balvidhya
Mandir, Shivpath, Bhatia
Basti, Kadma,
Jamshedpur 831005

M/20169
Shri Sree Kumaran Nair R.,
BSC, FICWA
General Manager
(Finance & Accounts), Kerala
State Textile Corporation Ltd.,
Annapoorna, T.C. 9/2000-01,
Sasthamangalam,
Thiruvananthapuram 695010

M/20420
Shri Ram Dhan Singh
Choudhary,
MCOM, FICWA
Block No. 204, Varad
Appartments,
Jadhav Colony, Belavali,
Badlapur (West),
Thane 421503

M/21622
Shri K. R. Murali Krishna,
BCOM, FICWA
No. 23/33, Surveyor's Street,
Basavanagudi,
Bangalore 560004

M/21933
Shri Tarlok Singh,
BCOM(HONS), ACA, FICWA
34/I/I, Dharamtala Road (South),
Belur,
Belur Math 711202

M/22036
Shri Vageesh Chhabra,
BCOM(HONS), FICWA
D-406, DJA Apartments,
DJA Co-op Hsg. Society Ltd.,
Plot No. 1A, Sector-13,
Dwarka, Phase-1,
New Delhi 110078

M/22678
Shri Sudeep Jain,
MCOM, FICWA
Deputy Manager - Accounts,
J K Cement Works Ltd.,
C-14, Kailash Nagar-1,
Nimbahera 312617

M/23893
Shri Ramesh Kumar Goyal,
MCOM, FICWA
Ramesh Kumar & Associates,
Tajpuria VPO. Mandi Ateli
Dist: Mohinder GarhMandi
Ateli 123021

M/24416
Shri Sital Chandra Paul,
BCOM, FICWA
S. Paul & Associates,
Bishnupur College Road,
Opp. Bishnupur
Employment Exchange,
Bishnupur 722122

M/24438
Shri Hegde Gabriel Vijay Paul,
BCOM, FICWA
G-31, Room No. 10,
Matunga Labour Camp,
Mumbai 400019

M/24525
Shri Pradeepto De,
MCOM, LLB, FICWA
B5/3:4, Aloknanda C.H.S. Ltd.,
Sector - 19 A,
Plot - 15, Nerul,
Navi Mumbai 400706

M/24673
Ms. Avila Sebastian,
BCOM, FICWA
Senior Manager, Accounts
Dept., The Catholic Syrian
Bank Ltd., Head Office,
Thrissur 680020

The Institute of Cost and Works Accountants of India Admission to Associateship Date of Admission : 17th January 2010

M/28464
Shri Pradeep K Tiwari,
BCOM, AICWA
A-1101, Rajendra Nagar,
Bareilly 243122

M/28465
Shri Kishore Iyer,
BCOM, AICWA
26, Dalhousie, St. Albert,
E Dhonton, Alberta,
Canada,
T8N4Y5Alberta

M/28466
Shri Dinesh Sharma,
BCOM, AICWA
Ambuja Cement Ltd.,
Ambuja Nagar,
Junagardh,
Junagadh 362715

M/28467
Shri Sunil Kumar Malla,
BCOM, MBA, AICWA
Dr. No. 49-44-34/3,
Akkayyapalem,
Near N.T. School,
Chinnaoor
Visakhapatnam 530016

M/28468
Shri N. R. Govindarajan,
BCOM, FCA, AICWA
B 2, Sampurna Flats, 3,
Ramanujam Street, T. Nagar,
Chennai 600017

M/28469
Shri Venkat Ganesh K.D.,
BCOM, FCA, AICWA
Flat No. 9A, CD-106,
Sreerang Society,
Thane (West) 400601

M/28470
Shri M.B. Chengappa,
BCOM, AICWA
No. 370, 3rd Phase,
Vijayanagara 4th Stage,
Belavadi Post,
Mysore 570018

M/28471
Shri Karthik S Iyer,
BSC, AICWA
C-32/3, Mohan Nagar, Salem
Steel Plant, Salem 636030

M/28472
Shri Sanjay Kumar Nanda,
BCOM, LLB, AICWA
Qrt No. 319A, Block-E,
Sector-27, Noida 201301

M/28473
Shri Sanjay Tiwari,
BCOM(HONS), AICWA
34/1C, Sudhir Chatterjee
Street, Kolkata 700006

M/28474
Shri Akash Agarwal,
BCOM, AICPA(USA),
AICWA
SICILIAA Apartments,
B/806, B T Kawade Road,
Ghorpadi Goan,
Pune 411001

M/28475
Mrs S Thiripura Sundari,
BCOM, AICWA
Plot No. 39,
Deivanai Nagar,
Narasothipatty,
Salem 636004

M/28476
Shri V Vinayaka,
BCOM, AICWA
3rd Street, Sai Nagar, Sulurpeta
Sulurpeta 524121

M/28477
Shri Pranab Kumar Satapathy,
MCOM, MBA, AICWA
Sambit Residency, Duplex No.
12, Behind Meera Kutira,
GGP Colony, Rasulgarh,
Bhubaneswar 751010

M/28478
Shri Minnikanti Venkata
Sateesh Bhargav,
MCOM, AICWA
Flat No. 110A, Saikrupa Lake
View Residency, Sarada
Theatre Lane, Pragati Nagar,
Dilshuk Nagar,
Hyderabad 500060

M/28479
Ms S. Rajalakshmi Srinivasa
Desikan,
BCOM, AICWA
No. 26, Bairava Nilaya, 5th
Cross, Sir M V Nagar, Kalkerai
Main Road, Ramamurthy
Nagar,Bangalore 560016

M/28480
Ms Kiranmayee Lala,
MCOM, AICWA
51-8-43, G-2, Sai Kunj
Apartment., KRM Colony,
Seethammadhara,
Visakhapatnam 530013

M/28481
Shri A. Rameshkumar,
MCOM, AICWA
No. 1/470, Anna Street, Natco
Colony, Kottivakkam,
Chennai 600041

M/28482
Mrs K. Sridevi,
MCOM, AICWA
Flat - 102, Scion Avenue, 4th A
Cross, Kaggadasapura, C V
Raman Nagar,Bangalore 560093

M/28483
Shri Abraham Philip,
BCOM, ACA, CPA(USA),
AICWA
P.O. Box 7318, Flat # 301, AL
Naboodah Building, AL
Maktoum Street, Deira, Dubai,
U A EDubai

M/28484
Shri Santhosh Nanentheyath,
BCOM, AICWA
Sowparnika Sakthi Nagar, Po-
Ayyanthole, Trichur 680003

M/28485
Shri Jatin Kumar Pradhan,
BSC, AICWA
255- Tagore Garden,
Brahmapur, Batlale,
Kolkata 700084

M/28486
Shri Aji Kurian,
MCOM, AICWA
Ayyampilly - House,
PO- Thuravoor, Via-
Angamaly,
Angamaly 683586

M/28487
Shri Abdul Khader A.C.,
BCOM, AICWA
A.C. House, Mattul Centre,
PO- Mattul South,
Kannur 670302

M/28488
Shri Lambodar Sahoo,
BCOM, AICWA
Bhumidhara Apartment, Flat
No. 101, Plot No. 75/76,
Sector-8, New Panvel Navi
Mumbai 410206

M/28489
Mrs B Padma,
MCOM, PHD, ACS, AICWA
Symphony 701, HM
Tambourine, Kanakapura Main
Road, J P Nagar 6th
Phase,Bangalore 560078

M/28490
Shri Kasi Viswanathan P.S.,
BSC, AICWA
Door No. 8, Old No. 10, J.P.
Street, West Mambalam,
Chennai 600033

M/28491
Ms Hemalatha Raghuraman,
BCOM, AICWA
1226, 4th Cross,
"A" Block, Sahakar Nagar,
Bangalore 560094

M/28492
Shri Sridhar Kotha,
MCOM, AICWANo. 92,
A-1, Shri Hari Apartment,
Vellala Street,
Kodambakkam,
Chennai 600024

M/28493
Shri Asit Kumar Samal,
BCOM, AICWA
3/121-A, Azad Garh 1st Floor,
PO. Regent Park,
Kolkata 700040

M/28494
Shri B. Rajamani,
BCOM, AICWA
New No. 24, Old No. 28,
Vadivelpuram, West
Mambalam, Chennai 600033

M/28495
Shri Santosh Kumar Jha,
BCOM(HONS), AICWA
Flat No. 54, Lane No. 4,
Shastri Nagar New Colony,
PO- Bara Bahera, Hooghly
KonnagarKonnagar 712246

M/28496
Shri Abhinav Jain,
BCOM, AICWA
10/381, Chatta Barumal, Near
Jain Inter College, Saharanpur
Saharanpur 247001

M/28497
Shri Aman Nigam,
BCOM(HONS), AICWA
B-8, 58-59, Sector-11, 3rd
Floor, Rohini, Delhi 110085

M/28498
Shri Rajesh Goyal,
BCOM(HONS), AICWA
H. No. - 16/899 - E, Bapa
Nagar, Poso Road, Karol
Bagh,New Delhi 110005

M/28499
Ms. Anjali M Gharpure,
BCOM, AICWA
"KALPATARU", Plot No.
222, Sector - 24, Pradhikaran,
Nigdi,Pune 411044

M/28500
Mrs Dargad Anita Amit,
BCOM, AICWA
N-9, L-34/4, Shivaji Nagar,
CIDCO., Aurangabad 431003

M/28501
Ms Niyati Rameshchandra
Bhavsar,
MCOM, AICWA
5/B, Manit Society, B/H. Shilpi
Society, Karelibaug,
Vadodara 390018

M/28502
Shri Saurabh Jha,
BCOM(HONS), AICWA
1/9 Rajendra Chhatra Bhawan,
34A Ratu Sarkar Lane,
Kolkata 700073

M/28503
Shri P. Balasubramaniam,
BSC, MBA, FCA, AICWA
New No. 8 (Old No. 25),
Second Street, D P Nagar,
Kothurpuram,Chennai 600085

M/28504
Shri Gopabandhu Barik,
MCOM, LLB, AICWA
Flat No. C/302, Poonam
Everest CHS. Ltd., Sriprastha,
Nalasopara - (W), Dist- Thane,
(Land Mark- Opp to Fun
Fiesta Theatre)Thane 401203

M/28505
Shri Gulshan Gullu,
BCOM(HONS), AICWA
S/o. Sri Krishna Kumar Jalapur
Village, Baily Road,
Canal,Patna 800001

M/28506
Ms Lavanya Balivada,
BCOM, AICWA
Plot No. 148/1, Flat No. 103,
Lalitha Nilayam, Kalyan
Nagar, Barabanda, Hyderabad
500018

M/28507
Shri Jannela Anil Kumar,
MCOM, AICWA
First Military Lane, Opposite
to Masjid, PO- Berhampur,
Dist- Ganjam
Berhampur 760001

M/28508
Miss Dosapati Indira Kumari,
BCOM, AICWA
Flat No. 204, Surya Towers,
Vinayak Nagar, Balanagar,
Hyderabad 500042

M/28509
Shri Bhavani Sankar Vankadari,
MCOM, AICWA
C/o. B Suresh Kumar, H. No. 3-
29-126/1B, Flat - 202, Kalki
Residency, Saraswathi Nagar,
Lothkunta,
Secunderabad 500015

M/28510
Miss Kakade Sukhada Shripad,
BCOM, AICWA
"YOGIRAJ", Sr. No. 14/3/A,
Plot No. 17, Ganesh Nagar, Nr.
Paranjape Aakash Deep Scheme,
Dhayari,Pune 411041

M/28511
Shri Sanjay Tribhuvan
Kushvaha,
MCOM, AICWA
Surya Park, Plot No. 139, Sector
No. 16, Chikali Pradhikaran,
Pune 411019

M/28512
Shri Deepak Rajdev,
BCOM, AICWA
Flat-4, Kanchan Apartments, J-
133/A, MIG Colony, Behind
MIG Police Station,
Indore 452008

M/28513
Shri Raj Kumar,
BCOM, AICWA
RZ-232A Laxmi Garden, Main
Tehsil Road, Chara Mandi,
NajafgarhNew Delhi 110043

M/28514
Shri Ratnesh Kumar Singh,
MCOM, AICWA
AE-42, Awantika, Ghaziabad,
Ghaziabad 201002

M/28515
Shri Soji Varughese,
BCOM, AICWA
Thani Bin Abdullah (apart),
(Intl. Food Concept Co.),
Bin Mahmoud,
Doha, Qatar,
PB 23777Doha

M/28516
Shri Vijay Tripathi,
BCOM, AICWA
001, Zing, Block-16, Suncity Apatment, Sarjapura Outer Ring Road,
Bangalore 560034

M/28517
Ms Sunkara Pallavi,
MCOM, AICWA
C/o. R S Raghunath, 34-32, Venkateswara Nagar,
Jagathgiri Gotta,
Hyderabad 500037

M/28518
Shri Rajaraman Radhakrishnan,
BE, MBA, AICWA
11/24, Narayana CHS., Rifle Range, Ghatkopar-West,
Mumbai 400086

M/28519
Shri Md. Zahir Ahmad,
BCOM(HONS), LLB, AICWA
Q-570, S.A. Farooque Road,
Kolkata 700024

M/28520
Shri Yudhistir Moharana,
BSC, AICWA
C/o B S Panda, 48/7, Chandi Ghos Road, Kolkata 700040

M/28521
Shri Dhritiman Sarkar,
BCOM(HONS), AICWA
11, Shibtola Street, PO-Uttarpara, Dist- Hooghly
Uttarpara 712258

M/28522
Ms Shivangi Pravinkumar Samani,
BCOM, LLB, ACS, AICWA
"Siriddhi", Plot No. 79,
Sector No. 4,
Kopar Khairane,
Navi Mumbai 400709

M/28523
Shri Ashis Mohapatra,
MCOM, LLB, AICWA
C/o. D C Dalai, At- Matia Mangala Chhak, Jobra, PO-College Square, Dist-Cuttack,Cuttack 753003

M/28524
Shri Saaji Kulangara Bhaskaran,
BCOM, AICWA
C/o. Emirates Cement LLC PO BOX 29966, RAK UAE
Habhab, Fujairah, U A
EFujairah

M/28525
Shri Karunesh Bhalla,
BCOM, AICWA
House No. 97, Pocket-9,
Sector-24, Rohini,
New Delhi 110085

M/28526
Shri Prashant C Dahivalkar,
MCOM, AICWA
D-204, Shivniketan, Opp. Pramukhswami Nagar, B/H. Aims Oxygen, Old Padra Road,Vadodara 390020

M/28527
Shri Veer Bharat Dattatray,
BCOM, AICWA
AT/PO. Bhatghar TAL.- Bhor, DIST.- Pune Pune 412206

M/28528
Shri Sisira Kanta Gouda,
MCOM, AICWA
Sastrinagar 5th Lane,
Berhampur, Dist- Ganjam,
Berhampur 760002

M/28529
Shri Habeebullah P,
BCOM, AICWA
Nafeesa Manzil,
Koranpeedika,
PO.- Pariyaram,
Dist- Kannur,
Kannur 670502

M/28530
Shri Hareesh Kumar S,
MCOM, AICWA
Geetha Nivas,
TC-35/820, Valiyavila,
Vattiyoorkavu - PO,
Thiruvananthapuram 695013

M/28531
Shri Karve Makarand Yashwant,
BCOM, AICWA
435, Narayan Peth,
Supekar Wada,
Near Patrya Maruti Mandir,
Pune 411030

M/28532
Shri Rajesh Kumar,
BCOM, AICWA
C/o. Manik Chand, "G" - Block, Natunpally,
(Near Sen Enterprise),
Benachity,
Durgapur 713213

M/28533
Shri Avinash Arvind Mehendale,
BCOM(HONS), LLB, FCA, AICWA
776-B, Sadashiv Peth,
Near Vishrambaug Wada,
Pune 411030

M/28534
Shri Mrinmoy Mondal,
BCOM, AICWA
F-21, Ambuja Cements Ltd. Colony, PO- GNDTP.,
Malaut Road,
Bhatinda 151002

M/28535
Shri Rajesh Kumar Mallampati,
MCOM, AICWA
B - 4, Alsa Crescent, 72,
Harrington Road, Chetpet,
Chennai 600031

M/28536
Shri Navaneetha Krishnan P,
BCOM, AICWA
C/o. S. Dhandapani, New No. 22, 6 G IV Street, Ulsoor
Bangalore 560008

M/28537
Shri Srikanta Kumar Padhy,
BCOM, MBA, AICWA
AT/PO. Sunakhola,
Via- Jaradagarh,
Dist- Ganjam,
Ganjam 761005

M/28538
Shri Rajeev Singh Pathania,
BCOM, AICWA
H. No. 160, Nangla Enclave Part-II, N.I.T. Faridabad
Faridabad 121005

M/28539
Shri D. Thrivikram Reddy,
BCOM, AICWA
53, Ground Floot, 7th Main,
10th Cross, R.B.I. Layout,
J.P. Nagar 7th Phase,
Bangalore 560078

M/28540
Shri Puthucode Krishnamoorthy Ramachandran,
BCOM(HONS), AICWA
633 Caboto Trail, Markham,
Ontario, Canada,
Pin- L3R 5S4Ontario

M/28541
Shri Keshaw Govind Rao,
BCOM, AICWA
34, Satya Enclave,
UE-II, Hissar,
Hissar 125005

M/28542
Shri K Visweswar Rao,
BCOM(HONS), AICWA
IDBI Bank Ltd.,
Bistupur,
Jamshedpur

M/28543
Shri Srinivas B,
BCOM, ACA, AICWA
A-4, Metro Flats, 9 Zackria
Colony Main Road,
Choolaimedu,
Chennai 600094

M/28544
Mrs D Subathra Devi,
BSC, AICWA
159, Thiruvalluvar Salai,
Thiruvanmiyur,
Chennai 600041

M/28545
Shri Rabi Kumar Sahu,
BCOM(HONS), AICWA
C/o. Hari Hara Sahu,
Godabarisha Nagar
(Main Lane),
Berhampur
Dist- Ganjam
Berhampur 760001

M/28546
Ms Shanmuga Priya V,
BCOM, MFC, AICWA
13, Siddu Bala Krishna Iyer
Lane, Meenakshi Puram 5th
Street, Madurai 625009

M/28547
Shri Salil Sarvottam Bhangvi,
BCOM, AICWA
7/B-16, Sangeeta Apartments,
Juhu Road,
Mumbai 400049

M/28548
Mrs Revati Anupam Bhat,
BCOM, AICWA
901/902, 2B Siddhachal Phase
VI, Pokharan - 2, Thane
(West) 400610

M/28549
Shri Gopi Ganesa Guru S,
BCOM, ACS, AICWA
D-19, 16th Street, Periyar
Nagar, Chennai 600082

M/28550
Shri Guttula Mohan Babu,
BCOM, AICWA
C-21, DAD Residential
Complex, Lekhanagar,
Trimulgherry,
Secunderabad 500015

M/28551
Shri Sushil Kumar Jaluria,
BCOM, AICWA
Quarter No. 140, Power
Colony No. 2, Patiala 147001

M/28552
Mrs Jinsy John,
BCOM, MBA, AICWA
No. 282, TVS Colony, Anna
Nagar West Extn.,
Chennai 600101

M/28553
Shri Anuj Kumar Jaiswal,
BCOM, FCA, ACS, AICWA
C/o. Nalwa Steel & Power
Ltd., Vill- Taraimal, Gharghora
Road, Raigarh 496001

M/28554
Shri Kumar Raju,
BSC(HONS), LLB, AICWA
House No. 1398, Urban Estate
- II, Hissar 125005

M/28555
Shri Surat Venkata Bhavan
Kumar,
MCOM, AICWA
H. No. 1-240, Plot No. 176B/1
Motinagar, Hyderabad 500018

M/28556
Shri Ratan Kumar,
BCOM, AICWA
15/1, Tyag Raj Marg, New
Delhi 110011

M/28557
Shri N. Kumaran,
MCOM, AICWA
No. 9, CPV Block, 5th Main,
Ganganagar,
Bangalore 560032

M/28558
Shri Kalpathy
Sankaranarayanan Karthik,
BCOM, AICWA
157/33, Deepam Flats, 20th
Main Road, Annanagar West,
Chennai 600040

M/28559
Shri Kulkarni Vinayak
Balkrishna,
BCOM, AICWA
18/603, Neelkanth CHSL.,
Nehru Nagar, Kurla (East),
Mumbai 400024

M/28560
Shri Biswa Bhanu Nanda,
BSC, LLB, AICWA
C/o. Rama Sahoo, Contractors
Colony, Burla,
Sambalpur 768017

M/28561
Shri Sanjay Kumar
Nandkedlyar,
BSC(HONS), AICWA
Mig - B/90 Housing Colony,
Dhanbad 826001

M/28562
Shri Pritish Paul,
BCOM, AICWA
MI-266, Kalinga Vihar,
Chhind Phase-II,
Dist- Sundergarh
Rourkela 769015

M/28563
Shri Siba Ranjan Palo,
MCOM, LLB, AICWA
At- Diamond Tank Road,
P.O. City Post Office,
Dist- Ganjam
Berhampur 760002

M/28564
Shri Satya Prasad Pradhan,
BCOM, AICWA
Qrs. No. LCR/278, Chhend,
Phase-I, Dist- Sundergarh
Rourkela 769015

M/28565
Shri Balireddigari Babu,
BCOM, AICWA
24 A T A Main, BSK III Stage,
Vivekananda Nagar,
Bangalore 560085

M/28566
Shri Metla Nagabhushan Reddy,
BCOM, AICWA
S/o. Subba Reddy, Vill-
Mandlem, TQ- Nandikotkur,
Dist- Kurnoor, Kurnool 518401

M/28567
Shri Sebastian Januvin Joseph,
MCOM, MBA, AICWA
TC-73/888, Aksharaveedhi
Road, Petta, Palkulangara,
Trivandrum 695024

M/28568
Shri Prasanta Kumar Swain,
BCOM, AICWA
C/o. F.M. Meher V.S.S. Nagar,
Ward No. 9, Bargarh,
Bargarh 768028

M/28569
Shri Gajander Kumar Sharma,
BCOM, AICWA
House No.2095, Type - IIA,
HAL Township, Ojhar,
Nasik 422207

M/28570
Ms Sudipta Saha,
MCOM, MBA, AICWA
5E/1, Baishnabghata Bye Lane,
Naktala, Kolkata 700047

M/28571
Shri Rixon Singla,
BCOM, AICWA
Appo-App Street, Near Sabzi
Mandi, Nabha,
Nabha 147201

M/28572
Shri D. Vijayaraghavan,
BCOM, AICWA
Door No. 6, AF-1, Bharadwaj Flats, T.V. Chari Street, Venkatapuram,
Ambattur,Chennai 600053

M/28573
Shri G. Visalakshi,
BSC, FCA, AICWA
427, "Shri Nilayam", Kalyan Co-op. Society Layout, Jnanabharathi Post,
Bangalore 560056

M/28574
Shri P. Yogeeshwaran,
MCOM, MBA, AICWA
25C, Sakthi Vinayagar Koil Street, Mahalingapuram,
Pollachi, Coimbatore 642002

M/28575
Ms Anitha Girish,
BCOM, AICWA
"Sri Skanda Nilaya",
5-47, E. T. Street, Kollegal
Kollegal 571440

M/28576
Shri Patankar Mandar Dattatray,
MCOM, AICWA
36/18, Janaki-Niwas Co-op HSG. Society, Erandavane, Opp. S N D T College, Pandurang Colony,
Pune 411038

M/28577
Shri Abhijit Das,
BCOM(HONS), AICWA
13/5, Siddhinath Chatterjee Road, Behala Manton,
Kolkata 700034

M/28578
Ms Moutushi Dasgupta,
BCOM(HONS), AICWA
16, Dr. Priyanath Guho Road,
Belghoria, Kolkata 700083

M/28579
Shri Santosh Kumar Dash,
BCOM(HONS), AICWA
144/N, B. B. Sengupta Road,
Kolkata 700034

M/28580
Shri Bharat Kumar Kumhar,
BCOM(HONS), AICWA
20/11, Harish Neogi Road,
Kolkata 700067

M/28581
Shri Shekhar Kumar,
BCOM(HONS), AICWA
59A/1, Charu Chandra Place (E), Ground Floor,
Kolkata 700033

M/28582
Shri Pankaj Kumar,
BCOM, AICWA
10/121-B, Khalasi Lines,
Kanpur Kanpur 208001

M/28583
Shri Nelson David Moti,
MCOM, AICWA
C-26, A-Wing, 402, Gokuldham, Goregaon East,
Mumbai 400063

M/28584
Shri Deepak Rana,
BCOM, AICWA
589 DDA Flats Pul Prehladpur,
New Delhi 110044

M/28585
Shri Umesh Kirtikumar Ruparel,
BCOM, LLB, AICWA
A/09, Above Everhealthy Clinic, Behind Sindh Colony,
Aurangabad 431005

M/28586
Shri Sk Mustaque Ali,
BCOM, AICWA
C/o. Md. Shafique, Institute of Psychiatry, 7, D.L. Khan Road, Kolkata 700025

M/28587
Shri Vishwas K Soni,
MCOM, LLB, AICWA
A-234, Kamlapark Society, Cadila Road, Ghodasar,
Ahmedabad 380050

M/28588
Shri Rajesh Agrawal,
BCOM, AICWA
Plot No. 104A, Mishrilal Nagar, Kaladevi Mandir, Mam Road,
Dewas 455001

M/28589
Shri Navin Bhatia,
BCOM(HONS), AICWA
Suncity Apartment, Block-8, Meridian Flat No. 503, Sarjapur Road,
Bangalore 560102

M/28590
Shri Kanhaiya Burman,
BCOM(HONS), AICWA
Camero Airmen Mess, Subroto Park, Air Force,
New Delhi 110010

M/28591
Shri Devarajulu B, BCOM, MBA, AICWA
No. 22/2, 1st Cross, 2nd Floor, Lakkasandra,
Bangalore 560030

M/28592
Shri Tarkeshwar Gupta,
BCOM(HONS), AICWA
R-209, Lichu Bagan,
PO - Badartala,
Kolkata 700044

M/28593
Shri Ippili Krishna Rao,
MCOM, AICWA
Qtr. No. D-7/4,
APPM Mill Qtrs.,
Sriram Nagar,
Rajahmundry 533105

M/28594
Ms Priyadarshini C,
AICWA
45/8, Priyadarshini Apartments, Beracca Road,
Nammalwarpet,
Chennai 600012

M/28595
Shri Kotni Gowri Venkateswara Rao,
BCOM, AICWA
C/o. M K V L Narasimham, 5W-11-23/2 Aditya Nagar, H B Colony,
Visakhapatnam 530022

M/28596
Shri Ramaswamy K,
MCOM, AICWA
House No. IV/461, West Parakulam, Kunissery Post,
Palakkad 678681

M/28597
Shri Rammohan N,
BCOM, AICWA
No. 17, Muthyalamma Street (K) Cantonment,
Bangalore 560001

M/28598
Shri Ganesh Singh,
BCOM(HONS), AICWA
P - 9, Kabi Sukanta Sarani,
PO - Beliaghata,
Kolkata 700085

M/28599
Shri Siju P.K.,
MCOM, AICWA
Plamparampil, Pallom - PO,
Dist- Kottayam,
Kottayam 686007

M/28600
Shri Shashi Kant Sharma,
BCOM, AICWA
230, Mahesh Bag Colony,
Near Barfani Dham,
MR-9, A.B. Road,
Indore 452008

M/28601
Shri P. B. Srivathsan,
AICWA
39/6, West Circular Road,
Mandavelipakkam,
Chennai 600028

M/28602
Shri G. Sivaranjani,
BCOM, AICWA
7-5/13, Kanakal Street,
K.K. Pudur,
Saibaba Colony,
Coimbatore 641038

M/28603
Ms S. Vidya,
BCOM, ACS, AICWA
M 84/4, II Cross Street,
Besant Nagar,
Chennai 600090

M/28604
Shri Mukund Uday Vankar,
BCOM(HONS), AICWA
320, Kasba Peth,
Near Phadke Houd,
Pune 411011

M/28605
Shri Anurag Khetan,
MCOM, AICWA
S/o Kaushal Kumar Agrawala
AT/PO- Narla,
Dist- Kalahandi,
Kalahandi 766100

M/28606
Ms Nandini Laxman Pednekar,
BCOM, AICWA
6/14, Nanda Deep Housing
Society, Mangal Ragho Nagar,
Tisgaon Road, Kalyan
(East),Thane 421306

M/28607
Shri P D V S Manikanta,
BCOM, AICWA
D.No. 41-30/4-5,
Bapanaya Nagar,
Krishna Lanka,
Vijayawada 520013

M/28608
Shri Anindya Pal,
BCOM, AICWA
41, Haridevpur New Road,
PO- Haridevpur,
Kolkata 700082

M/28609
Shri Swapan Sahoo,
MCOM, AICWA
C-2, Nataraj Apartment, 45
Old Nimta Road, Near Railway
Gate No. 2 Belghoria,
Kolkata 700056

M/28610
Shri Arun Shankar Kushwaha,
MCOM, AICWA
101, 6A, Amit Apartment,
Rajpark Society,
Post- Kalwa, Kalwa Mumbra
Link Road, Thane 400608

M/28611
Shri Chander Bhatia,
MCOM, AICWA
A-1/01, Silver Estate F-29,
Sector - 50 Noida 201301

M/28612
Shri Adarsh Sharma,
BCOM, AICWA
471, Garden House,
3rd "C" Main, 2nd Phase,
1st Stage, Manjunath Nagar,
Bangalore 560010

M/28613
Shri Sanjeev Kumar,
BCOM, AICWA
B-202, Prajapati Gardens,
Plot No. 39, Sector-5,
New Panvel,
Navi Mumbai 410206

M/28614
Shri Surinder Kaur,
MCOM, AICWA
3845, New Janta Nagar,
Petrol Pump Street,
Gill Road,
Ludhiana 141003

M/28615
Shri Manoj Kumar Garg,
MCOM, AICWA
C/o. Monu General Store,
Azad Mandi, Bayana
(Bharatpur),
Azad Mandi 321401

M/28616
Shri Jyotirmoy Auddy,
MCOM, AICWA
59/B, Raj Ballav
Saha Lane,
Howrah 711101

M/28617
Ms Meena Bhatia,
BCOM(HONS), CFA,
MBA, AICWA
A-1/01, Silver Estate,
F-29, Sector-50,
Noida 201301

M/28618
Shri Suhas Babu Basidoni,
MCOM, AICWA
340, "Shri Nivas",
18th Main, A.4.S. Layout,
BSK III Stage,
Bangalore 560061

M/28619
Shri Arnab Chatterjee,
MCOM, AICWA
House No. 584,
C/o. H. J. Paul, 44th Cross,
8th Block, Jayanagar,
Bangalore 560082

M/28620
Shri Jatinder Kumar Dhuria,
BCOM, AICWA
B-166, NFL Township,
Bhatinda 151003

M/28621
Shri Abhishek Dalmia,
BCOM, ACA, AICWA
No. 228, 23rd main,
16th Cross, J P Nagar,
5th Phase,
Bangalore 560078

M/28622
Shri Ratan Datta,
BCOM, AICWA
Block No. C-2, Muliabari, New
AOD Hospital, PO- Digboi,
Dist- Tinsukia,Digboi 786171

M/28623
Shri C. K. Gururajan,
BSC, AICWA
18 Sama Rao Street, Fort,
Coimbatore 641001

M/28624
Shri Sanjay Gupta,
MCOM, AICWA
29B, Bancharam Mitra Lane,
Aradhana Apartment, 3rd Floor,
Flat No. D3, Konnagar 712235

M/28625
Miss Preeti Murarilal Gupta,
BCOM, AICWA
B-2, Vipa Apartment, Ramwadi,
Manpada Road, Near Agrawal
Hall, Dombivli (East) 421201

M/28626
Ms Nikita Jain,
MCOM, AICWA
10 ORA Park Colony,
Laxminagar, Ujjain 456010

M/28627
Mrs G. Jayashree,
MCOM, AICWA
New No. 30/1, Old No. 45,
Noosa Street, T. Nagar,
Chennai 600017

M/28628
Ms Kushma,
BCOM, AICWA
D/O. SH. Raj Kumar,
Ward No. 5, House No. 23,
Mohalla- Bansal, V.P.O.-
Garhdiwala,Hoshiarpur 144207

M/28629
Shri Manoj Kumar K.,
BCOM, AICWA
No. 967, BDA Quarters, "A"
Type, Austin Town, 2nd Stage,
Bangalore 560047

M/28630
Shri Himanshu Rajnikant Kachhela,
BCOM, AICWA
904, 9th Floor, Orbit Tower, B-Wing, Garodia Nagar, Ghatkopar (E),
Mumbai 400077

M/28631
Mrs Kiran Mayee Manchalla,
BCOM, MBA, MCA, AICWA
House No. 45-161, Uppar Guda, Raja Nagar Colony,
Moula-Li,Hyderabad 500040

M/28632
Shri Raghu Kumar K.N.,
BCOM, ACA, AICWA
No. 234, II Cross, Venkatapura Extension, Koramangala,
Bangalore 560034

M/28633
Shri Mainak Roy Choudhury,
MCOM, AICWA
C/o. Late Amar Roy Choudhury Nivedita Sarani, PO+Dist- Jalpaiguri,
Jalpaiguri 735101

M/28634
Shri Ashish Balkrishna Rane,
MCOM, AICWA
3/11, Shri Sahyadri CHS., Kalwa, Thane, Thane 400605

M/28635
Shri Prithvi Kumar Rao,
BCOM, AICWA
Unit 11, 57, Manning Road, Como, Western Australia,
Australia-6152Como

M/28636
Shri Katepally Prashanth Reddy,
MCOM, AICWA
18/3/463/1/193/1, Rajanna Bowli, Shivaji Nagar,
Hyderabad 500053

M/28637
Shri Janjanam Srinivasulu,
MCOM, AICWA
S/o. J. Narasaiah, H. No. 34-549, Nr. A.M.G. Hostel, Bhavana Rushi Nagar, Chilakaluripet, Dist-
Guntur,Chilakaluripet 522616

M/28638
Shri Shyju T. Samuel,
BSC, AICWA
Chirakala Puthenpurackal, PO.- Anjilithanan, Thiruvalla,
Thiruvalla 689582

M/28639
Shri Nidhi Prakash Saxena,
BCOM, AICWA
LIG-45, Infront of Chandra Shekhar Azad Park, ADA Colony, Devghat-Jhalwa,
Allahabad 211011

M/28640
Shri Abhineet Shukla,
MCOM, AICWA
Old Tehsil Road, Opp. Punsup Gas Agency, Sirhind City,
Dist- Fatehgarh,Sahib 140406

M/28641
Shri Mamedi Sivaramakrishna,
BCOM, AICWA
Sr. Accounts Executive Prime Technologies LLC, Opp. Hamrain Centre, Nr. Cars Garage, Deira, Dubai, U A E.,
Post Box 26736Dubai

M/28642
Shri Sanjeev Sehgal,
BCOM(HONS), AICWA
B-3, 36/73, West Punjabi Bagh,
New Delhi 110026

M/28643
Shri Satya Prakash,
BCOM, AICWA
10, Aldin Avenue North, Slough, Berkshire, United
Kingdom, SL1 1RSBerkshire

M/28644
Miss Shoba B,
BCOM, AICWA
A-4, Metro Flats, 9 Zackria Colony Main Road, Choolaimedu,
Chennai 600094

M/28645
Ms Suma N,
BCOM, AICWA
No - 337, 41st Cross, 8th Block, Jayanagar,
Bangalore 560082

M/28646
Shri Vinod Kumar Singh,
MCOM, AICWA
C/o. R P Singh 1235/1, Golaghat, (Near Vaterinary Hospital), New Civil Lines, Dist- Sultanpur
Sultanpur 228001

M/28647
Shri K. Mohan,
BCOM, FCA, AICWA
"Sri Paduka", E-42, Duraisamy Road, T V S Nagar,
Madurai 625003

M/28648
Shri Vaidyanathan Murali Kumar,
BCOM, ACA, AICWA
Block - "B", P-4 (4th Floor), Kgeyes Ashtoria No. 16, Puduvai Nagar Railway Road, Chromepet,
Chennai 600044

M/28649
Shri Padmanabham Tadepalli,
MCOM, AICWA
D. No. 1-4/4-9
Kama Koti Nagar, Sankaramatam Street, V D Puram,
Vijayawada 520012

M/28650
Ms Kadali Vandana,
BBM, MBA, AICWA
103D GPRA Quarters, Gachi Bowli,
Hyderabad 500032

M/28651
Shri S. Venkatesan,
MCOM, AICWA
No. 5, Angalamman Koil North, Mada Street, Choolai,
Chennai 600112

M/28652
Ms Usha Venkatesh,
BCOM, AICWA
C/o. Venkatesh Seshadri, P.O. Box 18224, Dubai, U A E.,
S 377045Dubai

M/28653
Shri Santosh Kumar Dubey,
MSC, AICWA
522A/14A, Beli Colony, Unchawagarhi, Rajapur,
Allahabad 211002

M/28654
Shri Vikas Goel,
BCOM(HONS), FCA, AICWA
A-75, Jal Vayu Vihar, Kamanahalli Main Road,
Bangalore 560043

M/28655
Shri Sajan Kottapurath,
AICWA
P B No. 2153, Abu Dhabi, United Arab Emirates,
Abu Dhabi

M/28656
Shri Rupesh Kumar Mishra,
BCOM, AICWA
449, Charan Singh Colony, Mouli Jagran Complex,
Chandigarh 160102

M/28657
Shri V Sathasivam,
MCOM, AICWA
F 1, Sri Padmavathy Apartment, A-29, Senthooran Colony 2nd Street, Madipakkam,
Chennai 600091

M/28658
Mrs Swati Rahul Brahmankar,
MCOM, AICWA
Durwankur, Plot No. 18, Sahadeo Nagar, Near Nirmala Convent Road, Nasik 422013

M/28659
Shri S Sridhar,
MCOM, AICWA
No. 7, I Main Road, United India Nagar, Ayanavaram
Chennai 600023

M/28660
Shri Bharathwaj Seshadri,
BCOM, ACA, AICWA
Door No. 204, Dharma IV, Sai Garden, Seghehalli Post, Kadugudi,
Bangalore 560067

M/28661
Mrs Raminder Pal Kaur,
MCOM, AICWA
46, Cottage Enclave, Pocket A-4, Paschim Vihar,
New Delhi 110063

M/28662
Shri Ajai K Jose,
BCOM, AICWA
Kondooparambil House, Keerampara -PO., Punnekad, Kothamangalam,
Ernakulam 686691

M/28663
Shri Ajit Batra,
BCOM, AICWA
House No. 499, Vijay Nagar,
Alwar 301030

M/28664
Shri Thakurdas Debnath,
BCOM, AICWA
S/o. H. Bhuban Mohan Debnath, Vill- Gopinathpur, PO- Ghonza, PS.- Gopalnagar,
Gopalnagar 743249

M/28665
Shri Manaswi Khuntia,
BA, LLB, AICWA
N/3-386, IRC Village,
Bhubaneswar 751015

M/28666
Shri Lalji P.A.,
MCOM, AICWA
Karukagil House, Eroor -PO.,
Ernakulam 682306

M/28667
Shri Venkata Anjaneya Sai Prasad Boddupalli,
BA, MBA(FIN), AICWAD.
No. 23-16-27, Sri Sairam Enclave, GF 2, Ramamandiram Street, S.N. Puram,
Vijayawada 520011

M/28668
Shri Ashok Kumar Pal,
MCOM, AICWA
Asstt. Finance Officer, Jaypee Institute of Engineering & Technology, A.B. Road,
Raghogarh,Guna 473226

M/28669
Shri Manavasi Ranganathan Sriram,
BCOM, ACA, AICWA
7A, Chaand Towers, 128, L.B. Road, Thiruvanmiyur,
Chennai 600041

M/28670
Shri L. Muralidharan,
BCOM, FCA, AICWA
27 New No. / 15 Old No., Raju Naicken Street, West Mambalam, Chennai 600033

M/28671
Shri Devmoy Banerjee,
BCOM(HONS), AICWA
C/o. Ashok Koley, 28A, B-Block, Rabindra Pally,
Durgapur

M/28672
Shri Rajendra Krishan Shukla,
MCOM, AICWA
8/70, Arya Nagar, Opp. Sunder Tent House, Kanpur 208002

M/28673
Shri Karur Srinivasan Ramakrishnan,
BSC, AICWA
84, Chowdhary Nagar, 8th Street, Valasaravakkam,
Chennai 600087

M/28674
Shri Lakamsani Jagadeesh Kumar,
AICWA
S/o. L Bapi Raju D. No. 1-40, Kurellagudem Post, Bhimadole Mandal, West Godavari Dist.,Kurellagudem 534401

M/28675
Shri Vinoth Kumar G.,
BCOM, AICWA
Assistant Manager - Finance, Everest Industries Limited, Podanur, Coimbatore 641023

M/28676
Ms Neetu Rani,
BCOM, AICWA
Site-2, House No. 97, D.D.A. Flats, Vikas Puri,
New Delhi 110018

M/28677
Mrs S. Priya,
MCOM, AICWA
FO-9, Block-C, IV Floor, Jains Avantika Apartments, No. 55 Manapakkam Main Road, Manapakkam,Chennai 600116

M/28678
Shri Sunil Kumar Dixit,
BCOM, MBA, ACA, CPA, AICWA
12381 E. Droxford Place, Cerritos, CA, U S A.,
Pin - 90703-8429 Cerritos

M/28679
Ms Bino Mathai,
BCOM, AICWA
Plot No. 3, House No. 2, Sector-7, Gandhidham,
Kutch 370201

M/28680
Shri Virendra Hurde,
MCOM, AICWA
Flat No. B-1, Dhananjay Apartments, Opp. Force Motors Ltd., Akurdi,
Pune 411035

M/28681
Shri Kaushal Kumar,
BCOM(HONS), AICWA
Qr.No. III/CWS/GF/13, Subhash Nagar,
Bacheli 494553

M/28682
Shri Sasikumar,
BCOM, ACA, AICWA
Flat No. 2001, Nehal Building,
Al Ghosais, Dubai

M/28683
Shri Shiv Narayan Jha,
BCOM(HONS), AICWA
Shreeji Enclave Apt., Flat No. F/3, Haria Park,
Vapi 396295

M/28684
Shri Pradeep G Sinha,
ACA, AICWA
4191 Goldenrod Cres, Mississauga, Canada,
L5V 3C2 Mississauga

M/28685
Shri Viraj Satish Shringarpure,
BCOM, AICWA
A-201, Raj Tarang-I CHS Ltd.,
Off. Shiv Vallabh Cross Road,
Rawalpada, Dahisar (East),
Mumbai 400068

M/28686
Shri Raman Kumar Mishra,
MCOM, AICWA
House No. F/21, Street No. 03,
Mohan Baba Nagar, Near
Tajpur Road, Badarpur, New
Delhi 110044

M/28687
Shri T. Kasturi,
BCOM, AICWA39D,
Ayya Flats, 2nd Cross Street,
6th Main Road,
Dhandeeswaram Nagar,
Velachery,Chennai 600042

M/28688
Shri Manoj Sharma,
MCOM, LLB, AICWA
Gali No. R-2, Gayatri Mandir
Marg, Vinoba Nagar,
Bilaspur 495001

M/28689
Shri Giridhar Suryakala
Premsingh,
BCOM, AICWA
53, Bhakta Markandeya
Layout, Bangalore 560026

M/28690
Shri Viswanathan Shankar,
BCOM(HONS), AICWA
9C2 Peak Tower, Hiland Park,
1925 Chhak Garia,
Kolkata 700094

M/28691
Shri Lakshmi Munusamy
Chittibabu,
BCOM, CMA(AUS.),
AICWAP.O. Box 3500, Abu
Dhabi United Arab Emirates
Abu Dhabi

M/28692
Shri Pradipkumar Ashokkumar
Jardosh,
MCOM, LLB, FCA, AICWA
14, Triveni Park Society, Opp.
SNDT College, Near Akota
Stadium, Akota,
Vadodara 390020

M/28693
Shri Samuel Sunder Singh J.,
MCOM, AICWA
No. 24/25, Plot No. 114, 10th
Street, Vinobaji Nagar,
Hasthinapuram,
Chennai 600064

M/28694
Shri Vijay Bharat,
BCOM(HONS), AICWA
C/o. Shri Narayan Khaware,
Brij Bihari Lane, B. Deoghar,
JharkhandDeoghar 814112

M/28695
Shri Devesh Baid,
MCOM, AICWA
E-302, Aalekh, B/H.
Management Enclave Lad
Society Road, Nehru Park,
Vastrapur,Ahmedabad 380015

M/28696
Shri Manas Ranjan Behera,
BSC, AICWA
10, Haridevpur New Road,
Kolkata 700082

M/28697
Mrs. Meghana Hrishikesh
Dani,
MCOM, AICWA
9, D-II, Greenfield Co-op. Hsg.
Society, Shivteerth Nagar, Paud
Road, Pune 411038

M/28698
Shri Kaushik Dutta,
BCOM(HONS), AICWA
Poorvi, D-1A, Bengal Shrishti
Nagar, Asansol, Dist-
BurdwanAsansol 713305

M/28699
Shri Gurvinder Singh Gandhi,
BCOM(HONS), AICWA
8627/B, Gali Feroz
Gaushala Marg,
Delhi 110006

M/28700
Shri Chitta Ranjan Jena,
BCOM, AICWA
C/o. B. P. Jena, AT -
Belamangala Colony,
PO - Kapalaswar,
DIST - Kendrapada,
Kendrapara

M/28701
Shri Vikash Kumar,
BCOM(HONS), AICWA
H-87/B, 1st Floor, Gashwali
Mohalla, (Near Lalita Park),
Laxmi Nagar,
New Delhi 110092

M/28702
Shri Munish Kumar,
BCOM, AICWAVill- Uplana,
PO- Lachrru Kalan,
Teh.: Rajpura,
Dist- Patiala 140702

M/28703
Shri Chanchal Kumar Karar,
BCOM(HONS), AICWA
8/2/1, Thakur Dash
Dutta 1st Bye Lane,
Howrah 711101

M/28704
Shri Vikash Kumar,
MCOM, MBA(FIN.),
AICWAQr. No. ME-I, New
Colony, DVC,
Damodar Valley Corporation,
Bermo Mines,
Bermo, Bokaro 829104

M/28705
Shri Atul Modi,
BCOM, AICWA
173, M. G. Road, 4th Floor,
Kolkata 700007

M/28706
Shri Ashish Maheshwari,
BCOM(HONS), MBA,
AICWA
24, Ray Street, Block-C,
5th Floor, Near Elgin Road
Forum, Kolkata 700020

M/28707
Shri Nanjunda M,
BCOM, AICWA
Raghavendra Book Centre,
No. 272/C, 37th "A" Cross,
8th Block, Jayanagar,
Bangalore 560082

M/28708
Shri Sarabjit Singh,
BCOM, AICWAHouse No.
143, Vill - Palsora,
Chandigarh 160055

M/28709
Shri Srikant,
BCOM, AICWA
49, Shantigarh, 1st Floor,
Graham Road, Tollygunge,
PO- Regent Park,
Kolkata 700040

M/28710
Shri Surjit Kumar Shroff,
BCOM, AICWA
Room No. O/H-5, DVC Officers
Hostel - 1, Chandrapura, Dist-
BokaroBokaro 825303

M/28711
Shri Aruna Kumar Sahoo,
BSC, LLB, AICWA
Qtr. No. Type-III/2, BSNL New
Microwave Complex,
Race Course Para,
Jalpaiguri 735101

M/28712
Shri Chanchal Seth,
BSC, AICWA
Plot No. 31/1, Gali No. C-5,
Ranaji Enclave, Part-III, M. S.
Block, Najafgarh,
New Delhi 110043

M/28713
Shri Sanjay Tandon,
BCOM(HONS), FCA,
AICWA
1556, Sector 18-D,
Chandigarh 160018

M/28714
Shri Sibananda Mohanty,
BSC, AICWA
30/2/2, Nabalipara Road,
PO - Barisha
Kolkata 700008

M/28715
Shri Amandeep,
BCOM(HONS), AICWA
House No. 372, Sector - 46A,
Chandigarh 160047

M/28716
Shri Ivaturi Veera Chandra
Sekhar,
BCOM, AICWA
Plot No. 33, I.O.B. Colony,
Thirumalgherry,
Secunderabad 500015

M/28717
Ms Swati Avinash Deshpande,
MCOM, AICWA
A - 403, "Agnipankh"
Apartment, NDA - Pashan
Road, Pune 411021

M/28718
Mrs Medha Prafulla Gurav,
BCOM, AICWA
C - 202, Shantiban CHS Ltd.,
Near Castle Mill,
Azad Nagar No. 1,
Thane (West) 400601

M/28719
Shri Supravat Goswami,
BCOM(HONS), AICWA
C/o. A. K. Santara,
80 C Chetla Road,
Flat No. 2D,
Ankita Apartments,
Kolkata 700027

M/28720
Shri Nipun Gupta,
BCOM, AICWA
House No. D-21, Imtech
Housing, Sector - 39A,
Chandigarh 160036

M/28721
Shri Ramprasad Gundeti,
BCOM, AICWA
25, "Haridwara",
5th Cross, 8th Main,
Sapthagiri L/O,
Vidyaranyapura,
Bangalore 560097

M/28722
Shri Amit Gupta,
BCOM(HONS), FCA,
AICWA
Flat No. 1205, "B" Wing,
Paradise Building, Raheja
Vihar, Powai,
Mumbai 400072

M/28723
Shri Amit Jain,
BCOM, AICWA
AD - 50, HMT Colony,
Pinjore, Dist- Panchkula,
Panchkula 134101

M/28724
Ms Kapoor Neetu Sudarshan,
MCOM, AICWA
Br. B-79, Room No. 470,
Kurla Camp,
Ulhasnagar 421005

M/28725
Shri Naveen Kakkar,
MCOM, ACS, AICWA
B - 230, Kendriya Vihar,
Sector - 48B,
Chandigarh 160047

M/28726
Shri Menezes Alwin Jerome,
MCOM, AICWA
1/246/3325, Tagore Nagar,
Vikhroli - East,
Mumbai 400083

M/28727
Miss Mohini,
BCOM(HONS), LLB,
AICWA
966. Deep Complex, Hallo
Majra, Chandigarh 160002

M/28728
Shri Jignesh Nilkanth Pandya,
MCOM, AICWA
601, Ratnatarang Apartments,
Nagardas Road, Andheri East,
Mumbai 400069

M/28729
Shri P. Rajagopal,
MCOM, AICWA
B-105, Chandresh Deep C.H.S.
Ltd., Opp. Sidhi Hospital,
Near Nancy Colony, Borivali
East,Mumbai 400066

M/28730
Shri Ramendra Kumar Rastogi,
BCOM, LLB, FCA, AICWA
C-3, Powergrid Housing
Complex, Panama Chowk,
Jammu 180004

M/28731
Shri B. Maruthi Rao,
MCOM, AICWAH.No. 1-10-
126, Temple Alwal, PO-
Bolarom,
Secunderabad 500010

M/28732
Shri Hari Sreenivasa Rao,
MCOM, AICWA
H. No. 3-3-76/57/1, Chaitnya
Vilasa Colony, Mandal-
Rajendra Nagar Hyderguda,
Hyderabad 500048

M/28733
Shri Ganapathi Haridas
Shenoy,
BCOM, ACA, AICWA
10300 Cypress Wood DR,
Apt. # 2531 Houston, Texas,
Pin - 77070, United States of
AmericaHouston

M/28734
Ms Savera,
BCOM, LLB, AICWA
966, Deep Complex, Hallo
Majra, Chandigarh 160002

M/28735
Shri Satyanarayana Katakam,
AICWA
C/o. D. Pulla Reddy H. No. 13-
9-1/2/42, Ganesh Nagar,
Borabanda,Hyderabad 500018

M/28736
Mrs Latha Somanathan,
BCOM, AICWA
Flat No. 10, Anjali Building,
P.K. Road, Mulund West,
Mumbai 400080

M/28737
Shri S. Shankar,
BCOM(HONS), AICWA
117-A, Pocket-4,
Mayur Vihar - I, Delhi 110091

M/28738
Ms Surya Prabha D,
MCOM, AICWA
P.O. Box 102, P. C. 120 Qnriyat,
Sultanate of Oman Quriyat

M/28739
Ms Sreedevi Vangara,
BCOM, AICWA
D/o. V. Ranga Rao, Lalitha
Enclave - 2, 19-116/1, F-101,
Goutham Nagar,
Malkajgiri,Hyderabad 500081

M/28740
Shri Kambarnatham Santhanam
Balaji, BSC, AICWA
54-A, Rajaji Nagar, Near Camp
Road, Selazyur,
Chennai 600073

M/28741
Shri Ramesh Bhandari,
MCOM, FCA, AICWA
2694-B, MIG Super Flats,
Sector - 70, Mohali 160071

M/28742
Shri Alin Roy Choudhury,
BCOM, AICWA
C-415, Princess Park,
Ahinsa Khand - II,
Behind DPS Indirapuram,
Indirapuram,
Ghaziabad 201010

M/28743
Shri Raghwendra Garg,
BCOM, AICWA
B-8/655, Rajveer Colony,
Gharoli Extension,
Delhi 110096

M/28744
Shri Roopesh Jain,
BCOM, ACS, LLB,
AICWAB-8/2,
Vallabh Vihar,
Plot - 14,
Sector-13, Rohini,
New Delhi 110085

M/28745
Ms Satesh Kumari,
BCOM, AICWA
RZ-271, Street No. 2, Main
Sagarpur, New Delhi 110046

M/28746
Shri Balvantsinh Ambalal Rathod,
MCOM, AICWA
56/A, Amrapali Society - 1,
Baroda Road, Halol, Dist-
Panchmahals,Halol 389350

M/28747
Mrs Sumathi Manoharan,
BCOM, AICWAB
3, Marble Arch, 1st Floor,
New No. 2, Valliammal Street,
Vepery,Chennai 600007

M/28748
Ms Kamni Rani,
BCOM, AICWA
B-29/57, Lahoran Street,
Lahori Gate, Patiala 147001

M/28749
Mrs Jatinder Kaur,
BCOM, AICWA
1020, Sector - 28B,
Chandigarh 160002

M/28750
Shri Prithvi Raj Bhardwaj,
BCOM(HONS), AICWA
F-1, NDMC Enquiry Office,
Nr. Begum Zaidi Market, Moti
Bagh - 1, New Delhi 110021

M/28751
Shri Harjeet Kaur,
MCOM, AICWA
House No. 7, St. No. 1, Jagter
Nagar, Patiala 147001

M/28752
Shri Pradeep Singh,
MCOM, AICWA1833, Lodhi
Road Complex,
New Delhi 110003

The Institute of Cost and Works Accountants of India Admission to Associateship on the basis of MOU with IMA, USA
Date of Admission : 29th January 2010

C/28753
Mr. Dennis Whitney,
BS, MA, MBA, CMA, CFM,
AICWA
Sr. Vice President, Institute of
Certified Management
Accountant, 10, Paragon Drive,
Suite 1, Montvale,
NJ 07645, U.S.A.

C/28754
Mr. Sreeram Ramanarayanan,
BCOM, CMA(USA), AICWA
Dubai Air Wing, P.O. Box
11097, Airport Road,
Dubai, U.A.E.

CANCELLATION OF REGISTRATION UNDER REGULATION 25(1) OF CWA ACT, 1959
REGISTRATION NUMBERS CANCELLED FOR JUNE-2010 EXAMINATION

UPTO
ERS/000904
NRS/001818 (EXCEPT 96, 119, 127, 140-145, 488-499, 533-600, 901-923, 937-950)
SRS/002191 (EXCEPT 2062–2104)
WRS/001818
RSW/075376
RAF/005824

RE-REGISTRATION

The students whose Registration Numbers have been cancelled (inclusive of the students registered upto 31st December-2002) as above but desire to take the Institute's Examination in June-2010 must apply for **DE-NOVO** Registration and on being Registered DE-NOVO, **Exemption** from individual subject(s) at Intermediate/Final Examination of the Institute secured under their former Registration, if any, shall remain valid as per prevalent Rules.

For **DE-NOVO** Registration, a candidate shall have to apply to Director of Studies in prescribed Form (which can be had either from the Institute's H.Q. at Kolkata or from the concerned Regional Offices on payment of Rs. 5/-) along with a remittance of Rs. 2000/- only as Registration Fee through Demand Draft drawn in favour of THE ICWA OF INDIA, payble at KOLKATA.

Wishing you a very happy and Prosperous New Year.

Date: 27th January, 2010

Arnab Chakraborty,
Director of Studies

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS OF INDIA
12, SUDDER STREET, KOLKATA - 700 016
Website: www.icwai.org e-mail: exam.cb@icwai.org

Application for Inclusion in the panel of Examiners, Paper-Setters, Moderators and Head-Examiners in the following Proforma in the following address to :-
Chairman, Examination Committee, The ICWA of India, 12, Sudder Street, Kolkata - 700016.

Name in Full ....
Date of Birth ....
Address with Pincode No. ....
....
Telephone No. ....Mobile..
e-mail..
Qualifications : Academic ....
Professional ....
Distinction, if any ....
Subject in which specialized ....
If Member of ICWAI : Membership No. ....Associate/Fellow..
Present Position held..
Period ....
Teaching Experience if any give details :- (*)

Name of the College/University/Institute	Subject	Years of Experience

Terms served as an Examiner in ICWAI and the Subject..
....
If acted as a Paper Setter, Moderator, Head-Examiner or Examiner elsewhere :

	Duration	Subject	Name of the University/Institution
As a Paper Setter			
As a Moderator			
As a Head-Examiner			
As a Examiner			

Books Published, if any ....
Preference for appointment as Paper Setter or Head-Examiner or Examiner : ....
Subject preference ** ....
Any Other Relevant Information (Whether able to do the above job in Hindi Medium)..
....

Signature of the applicant

** Foundation : ORGANISATION AND MANAGEMENT FUNDAMENTALS, ACCOUNTING, ECONOMICS & BUSINESS FUNDAMENTALS, BUSINESS MATHEMATICS & STATISTICS FUNDAMENTALS
Inter - Group I : Financial Accounting, Commercial & Industrial Laws and Auditing, Applied Direct Taxation
Inter - Group II : Cost & Management Accounting, Operation Management and Information Systems, Applied Indirect Taxation
Final - Group III : Capital Market Analysis & Corporate Laws, Financial Management & International Finance, Management Accounting - Strategic Management, Indirect & Direct - Tax Management
Final - Group IV : Management Accounting - Enterprise Performance Management, Advanced Financial Accounting & Reporting, Cost Audit & Operational Audit, Business Valuation Management
(*) Extra sheet may be added if space is inadequate

The Institute of Cost and Works Accountants of India

EXAMINATION TIME TABLE & PROGRAMME - JUNE 2010

	PROGRAMME FOR SYLLABUS 2002		PROGRAMME FOR SYLLABUS 2008 (REVISED)		
Day, Date & Time	Final 9.30 A.M. to 12.30 P.M.	Intermediate 2.00 P.M. to 5.00 P.M.	Intermediate–2008 9.30 A.M. to 12.30 P.M.	Final – 2008 2.00 P.M. to 5.00 P.M.	Foundation 2.00 P.M. to 5.00 P.M.
Friday, 11th June, 2010	Operations and Project Management and Control	Cost and Management Accounting	Financial Accounting	Capital Market Analysis & Corporate Laws	___
Saturday, 12th June, 2010	Advanced Financial Management and International Finance	Information Systems and Technology	___	Financial Management & International Finance	___
Sunday, 13th June, 2010	Strategic Management and Marketing	Business Laws and Communication Skill	Commercial and Industrial Laws and Auditing	Management Accounting – Strategic Management	___
Monday, 14th June, 2010	Strategic Tax Management	Business Taxation	Applied Direct Taxation	Indirect & Direct – Tax Management	___
Tuesday, 15th June, 2010	Management Accounting – Decision Making	Management Accounting-Performance Management	Cost & Management Accounting	Management Accounting – Enterprise Performance Management	Organization and Management Fundamentals
Wednesday, 16th June, 2010	Management Accounting-Financial Strategy and Reporting	Advanced Financial Accounting	___	Advanced Financial Accounting & Reporting	Accounting
Thursday, 17th June, 2010	Cost Audit and Management Audit	Auditing	Operation Management and Information Systems	Cost Audit & Operational Audit	Economics and Business Fundamentals
Friday, 18th June, 2010	Valuations Management and Case Study	Quantitative Methods	Applied Indirect Taxation	Business Valuation Management	Business Mathematics & Statistics Fundamentals

EXAMINATION FEES

Stage (s)	Final Examination	Intermediate Examination	Foundation Course Examination
One Stage (Inland Centres) (Overseas Centres)	Rs.800/- US $ 100	Rs.700/- US $ 90	Rs.700/- US $ 60
Two Stages (Inland Centres) (Overseas Centres)	Rs.1600/- US $ 100	Rs.1400/- US $ 90	

1. Application Forms for Foundation Course, Intermediate and Final Examinations are available from Institute's Headquarters at 12, Sudder Street, Kolkata, Regional Councils and Chapters of the Institute on payment of Rs. 30/- per form. In case of overseas candidate s, forms are available at Institute's Headquarters only on payment of US $ 10 per form.

2. Last date for receipt of Examination Application Forms without late fees is 10th April, 2010 and with late fees of Rs. 200/- is **20th April, 2010.**

3. Examination fees to be paid through Bank Demand Draft of requisite fees drawn in favour of the Institute and payable at Kolkata .

4. Students may submit their Examination Application Forms along with the fees at ICWAI, 12 Sudder Street, Kolkata -700016 or Regi onal Offices or Chapter Offices. Any query can be sent to Sr. Director (Exam.) at H. Q.

5. For June 2010 term of Examinations questions on the subjects - "Business Taxation" and "Strategic Tax Management" for Syllabus 2002 & "Applied Direct Taxation", "Applied Indirect Taxation" and "Indirect & Direct - Tax Management" will be set considering the Finance (No.2)Act, 2009 involving Assessment Year : 2010-2011.

6. Examination Centres : Agartala, Ahmedabad, Allahabad, Asansol, Aurangabad, Bangalore, Baroda, Bhilai, Bhopal, Bhubaneswar, Bilaspur, Bokaro, Berhampur(Ganjam), Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dhanbad, Durgapur, Ernakulam, Fa ridabad, Ghaziabad, Guwahati, Hardwar, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kalyan, Kannu r, Kanpur, Kolhapur, Kolkata, Kota, Kottayam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Naihati, Nasik, Neyveli, Noid a, Panaji (Goa), Patiala, Patna, Pondicherry, Pune, Rajahmundry, Ranchi, Rourkela, Salem, Shillong, Surat, Thrissur, Tiruchirapall i, Tirunelveli, Trivandrum, Udaipur, Vellore, Vijayawada, Vindhyanagar, Waltair and Overseas Centres at Dubai and Muscat.

7. A candidate who is completing all conditions will only be allowed to appear for examination.

8. Probable date of publication of result : Foundation - 2nd August 2010 and Inter & Final - 22nd August 2010.

C. Bose
Sr. Director (Examination)

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS OF INDIA
EXAMINATION TIME TABLE & PROGRAMME - JUNE 2010
CERTIFICATE IN ACCOUNTING TECHNICIANS (CAT)

Day & Date	Time	Foundation Course (Entry Level) Part - 1
Tuesday, 15th June 2010	02.00 P.M. to 05.00 P.M.	Organisation and Management Fundamentals
Wednesday, 16th June 2010	02.00 P.M. to 05.00 P.M.	Accounting
Thursday, 17th June 2010	02.00 P.M. to 05.00 P.M.	Economics and Business Fundamentals
Friday, 18th June 2010	02.00 P.M. to 05.00 P.M.	Business Mathematics and Statistics Fundamentals

Day & Date	Time	Competency Level Part - II
Friday, 11th June 2010	09.30 A.M. to 12.30 P.M.	Financial Accounting
Saturday, 12th June 2010	09.30 A.M. to 12.30 P.M.	Applied Statutory Compliance

Examination Fees

Inland Centres	**Foundation Course (Entry Level) Part - 1**	**Rs. 700/-**
	Competency Level Part - II	**Rs. 700/-**

1. Application Forms for CAT Examination will be available from Directorate of CAT at "ICWAI Bhawan", 3, Institutional Area, Lodi Road, New Delhi - 110003. Cost of form Rs.30/- per form.
2. Last date of receipt of Examination Application Forms without late fee is 10th April 2010 and with late fee of Rs.100/- is 20th April, 2010.
3. Examination Fees to be paid through Bank Draft of requisite fees drawn in favour of "ICWAI A/C CAT" payable at New Delhi.
4. Students will send their Examination Application Forms along with the fees to Directorate of CAT at "ICWAI Bhawan", 3, Institutional Area, Lodi Road, New Delhi - 110003.
5. Examination Centres : Agartala, Ahmedabad, Allahabad, Asansol, Aurangabad, Bangalore, Baroda, Bhilai, Bhopal, Bhubaneswar, Bilaspur, Bokaro, Berhampur (Ganjam), Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dhanbad, Durgapur, Ernakulam, Faridabad, Ghaziabad, Guwahati, Hardwar, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kalyan, Kannur, Kanpur, Kolhapur, Kolkata, Kota, Kottyam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Naihati, Nasik, Neyveli, Noida, Panaji (Goa), Patiala, Patna, Pondicherry, Pune, Rajahmundry, Ranchi, Rourkela, Salem, Shillong, Surat, Thrissur, Tiruchirapalli, Tirunelveli, Trivandrum, Udaipur, Vellore, Vijayawada, Vindhyanagar, Waltair.
6. A candidate who is fulfilling all conditions will only be allowed to appear for examination.
7. Probable date of publication of result : Foundation Course (Entry Level) Part - 1 is 2nd August, 2010 and Competency Level Part - II is 22nd August, 2010.

C. Bose
Sr. Director (Examination)

The Institute of Cost and Works Accountants of India

(Set up in the year 1944-founder member of IFAC, CAPA & SAFA)
EASTERN INDIA REGIONAL COUNCIL
ORGANISES

51st NATIONAL COST CONVENTION

at **FORTUNE PARK PANCHWATI, KOLKATA**
Kona Expressway, Santragachi, Howrah - 711 403, W.B.
Phone : 91-33-39884444
On 23rd, 24th & 25th April, 2010

TIME	23rd APRIL FRIDAY	24th APRIL SATURDAY	25th APRIL SUNDAY
09.00 – 09.30	Registration	-	-
09.30 – 10.30	INAUGURATION		
10.30 – 11.00	TEA		
11.00 – 12.00	Discussion Meet (Persons from the Regulatory Body)	Discussion Meet (Persons from the Regulatory Body)	Discussion Meet (Madams' Day Out)
12.00 – 13.00	Technical Session with the Corporate Giants (Cost Accounting for Strategic Competitiveness - Iron & Steel)	Technical Session with the Corporate Giants (Cost Accounting for Strategic Competitiveness - power)	Technical Session with the Business & Industry Associations. (Di rect Tax Code & GST)
13.00 – 14.00	LUNCH		
14 .00 – 15.00	Technical Session with the Corporate Giants (Cost Accounting for Strategic Competitiveness - Infrastructure)	Technical Session with the Corporate Giants (Cost Accounting for Strategic Competitiveness - IT – ITES)	LUNCH
15.00 – 16.00	Technical Session with the Corporate Giants (Cost Accounting for Strategic Competitiveness Banking)	Technical Session with the Corporate Giants (Cost Accounting for Strategic Competitiveness - Telecommunication)	Valedictory Session & Prize Distribution
16.00 – 16.30	HIGH TEA		-
16.30 – 17.30	Technical Session with the Corporate Giants (Cost Accounting for Strategic Competitiveness Insurance)	Technical Session (Competition Commission)	
17.30 – 18.30	Technical Session (IFRS)	Regions & Chapters' Meet	
19.00 Onwards	-	Cultural Programme & Convention Dinner	

Registration Fees	
Delegate	Rs. 7000/- per Delegate
Practicing Cost Accountants & ICWAI Students	Rs. 5000/- per Delegate
Accompanying Spouse	Rs. 4000/- per Delegate

Advertisement	
Special Page	Rs. 70,000
Back Cover	Rs. 50,000
Back Cover (Inside)	Rs. 30,000
Front Cover (Inside)	Rs. 30,000
Inside Full Page (Colour)	Rs. 20,000
Inside Full Page (Black & White)	Rs. 10,000
Inside Half Page (Black & White)	Rs. 7,000
Inside Quarter Page (Black & White)	Rs. 4,000
Display Banner [At Convention venue (3' x 6')]	Rs. 50,000

SPONSORSHIP OPPORTUNITIES

Main Sponsorship:
Rs. 15,00,000/-

F The company will be allowed to send 20 (Twenty) numbers of delegates at free of cost.

F As the title sponsor and partner of the conference in association with EIRC ICWAI Kolkata, your name will figure prominently in all the publicity and media communication undertaken by EIRC ICWAI Kolkata.

F The company will be allowed to set up promotional stall(s) in the campus for the duration of the conference and would have the option of placing suitable complimentary inserts in the welcome kit we will give to the speakers and participants of the seminar conference.

F All the stationery used in communication and invitation will contain your company logo along with that of EIRC ICWAI Kolkata.

F The welcome banner at the main entrance of the institute will carry the name of your company as the corporate partners along with EIRC ICWAI Kolkata.

F A co-branded banner with EIRC ICWAI Kolkata will be used as the backdrop for the center-stage during the conference.

F Six monthly insertion of your company advertisement in the monthly journal published by EIRC ICWAI Kolkata and one back cover insertion in souvenir.

Lunch / Convention Dinner Sponsorship (Per Session)
Rs. 6,00,000/-

F The company will be allowed to send 10 (Ten) numbers of delegates at free of cost.

F A corporate lunch is planned for speakers, delegates, professionals, faculty and Students after the conference.

F Backdrop banners (3 in no) will be put up at the location.

F The event will be mentioned as Corporate lunch hosted by your company in the Program schedule.

F Two insertion in the EIRC NEWS monthly journal published by EIRC OF ICWAI and one inside back cover insertion in the souvenir.

Memento Sponsorship
Rs. 5,00,000/-

F The company will be allowed to send 8 (Eight) numbers of delegates at free of cost.

F Banner (1 In No.) will be put up in the Convention Venue.

F One full page colour insertion in the Souvenir.

Technical Paper
Rs. 2,00,000/-

F The company will be allowed to send 5 (Five) numbers of delegates at free of cost.

F Banner (1 in No.) will be put up in the Convention Venue.

F One Full page (Black & White) insertion on the Souvenir.

Conference Kit
Rs. 2,00,000/-

F The company will be allowed to send 5 (Five) numbers of delegates at free of cost.

F Banner (1 in No.) will be put up in the Convention Venue.

F One Full page (Black & White) insertion on the Souvenir.

F Name of the advertiser will be displayed in the Kit.

High Tea
Rs. 1,00,000/-

F The company will be allowed to send 3 (Three) numbers of delegates at free of cost.

F Banner (1 in No.) will be put up in the Convention Venue.

Tea
Rs. 50,000/-

F The company will be allowed to send 2 (Two) numbers of delegates at free of cost.

Special Stationary
Rs. 35,000/-

F The company will be allowed to send 1 (One) number of delegate at free of cost.

CONVENTION COMMITTEE

Patron-in-Chief	: Sri. G. N Venkatraman - President of ICWAI
Patrons	: Sri B. M. Sharma - Vice - President of ICWAI
	Sri Kunal Banerjee
	Sri Somnath Mukherjee
	Dr. Sanjiban Bandyopadhyaya
	Sri Suresh Mohanty
Chairman	: Sri Manas Kr. Thakur
Jt. Secretary	: Sri A D Wadhwa & Sri Pallab Bhattacharya
Treasurer	: Sri Kali Kinkar Sarkar
Members	: Sri Sanjay Gupta - Chairman - NIRC of ICWAI
	Sri Manubhai K. Desai-Chairman-WIRC of ICWAI
	Sri AVNS Nageswara-Chairman-SIRC of ICWAI

ADVISORY COMMITTEE

1. Sri. Jaytilak Biswas
2. Sri. Chandan Chowdhury
3. Sri. P G Nandi
4. Sri. P S Bhattacharya
5. Sri. Harijibon Banerjee
6. Sri. Soilesh Bhattacharya
7. Sri. Ashim Mukherjee
8. Sri. R S Sharma
9. Sri. Rajiv Mehrotra
10. Sri. V. S. Datey
11. Sri. Srinivash Singh
12. Sri. Ashis Bhattacharya
13. Sri. D V Joshi
14. Sri. D C Bajaj
15. Dr. Ravi Misra
16. Sri. Dr. Subhash Ch. Das
17. Sri. I N Chatterjee
18. Sri. Pravakar Mohanty

TECHNICAL COMMITTEE
Chairman : Sri. A D Wadhwa
Members : Sri. Ashish Bhattacharya
Sri. Sudipti Banerjee
Sri. Ashish Chattapadhyaya
Sri. P K Sikdar
Sri. Mrityunjay Acharjee

RECEPTION COMMITTEE
Chairman : Ms. Tanmaya S Pradhan
Members : Sri. K K Sarkar

CO-ORDINATION COMMITTEE
Chairman : Sri. Saswata Dasgupta
Members : Sri. K K Sarkar

CULTURAL COMMITTEE
Chairman : Sri. Pallab Bhattacharya
Members : Sri. A D Wadhwa

DELEGATE COMMITTEE
Chairman : Sri. Debashis Saha
Members : Sri. Saswata Dasgupta

SOUVENIR COMMITTEE
Chairman : Sri. K K Sarkar
Members : Sri. Debashis Saha

CMA NATIONAL AWARD FOR EXCELLENCE IN RESOURCE MANAGEMENT 2010
AWARD COMMITTEE

Chairman : Dr. Sanjiban Bandyopadhyaya
Members : Sri Somnath Mukherjee
Sri Pallab Bhattacharya
Ms. Tanmaya S Pradhan

PARTICIPATION REGISTRATION FORM

To
Mr. MANAS KR. THAKUR
Chairman
51 st National Cost Convention
Eastern India Regional Council
The Institute of Cost and Works Accountants of India
84, Harish Mukherjee Road
Kolkata-700025
Dear Sir,
We are pleased to inform you that we are interested in: [Tick which is applicable]

a) Sponsoring the programme to be held on 23rd , 24th & 25th April, 201 0 at **Fortune Park Panchwati, Kolkata, Kona Expressway, Santragachi, Howrah-711 403, West Bengal**
[Main Sponsorship / Lunch or Convention Dinner Sponsorship / Memento Sponsorship/ Technical Paper / Conference Kit/High Tea/Tea/Special Stationary/Display Banner]

b) Insertion of an advertisement in the souvenir [Special Page/Back Cover / Back Cover (Inside)/Front Cover (Inside)/ Inside full-page (Colour/Inside full-page (Black & White / Inside half page (Black & White)/! nside Quarter Page (Black & White)]

Bank Draft/Cheque No .... Dated ....
Drawn on ....
Rupees ....
Towards advertisement/sponsorship/dalegate fees.
Name of the Organization: ....
Address: ....
....
Contact no.:..
E-mail id:..

c) To enroll the following person(s) as delegates for the 51 st National Cost Convention. Delegate Details:

1) Name:..
Designation:.. o Veg o Non-Veg
2) Name:..
Designation:.. o Veg o Non-Veg
3) Name:..
Designation:.. o Veg o Non-Veg

[Attach more pages if no. of persons is more than three(3)]
Bank Draft/Cheque should be drawn in favour of **'51 st National Cost Convention of ICWAI'** payable at Kolkata.

Signature with seal

ANNOUNCEMENT

The Management Accountant - April, 2010 will be a special issue on

'Budget 2010: Growth strategy for 2020'.

Articles, views and opinions on the topic are solicited from readers to make it a special issue to read and preserve. Those interested may send in their write-ups by e-mail to research@icwai.org, followed by hard copy to the Research & Journal Department, 12 Sudder Street, Kolkata-700016 to reach by 25 th March 2010.

ANNOUNCEMENT

The Management Accountant - MAY, 2010 will be a special issue on

'COST AND STRATEGIC MANAGEMENT FOR GROWTH OF SME SECTOR '.

Articles, views and opinions on the topic are solicited from readers to make it a special issue to read and preserve. Those interested may send in their write-ups by e-mail to research@icwai.org, followed by hard copy to the Research & Journal Department, 12 Sudder Street, Kolkata-700016 to reach by 15th April, 2010.

ANNOUNCEMENT

It is proposed to cover the topics of Companies Bill, Direct Tax Code, IFRS, Transfer Pricing and GST/ VAT in the forthcoming issues of The Management Accountant. Interested readers may send in their write-ups to the Journal Department, 12 Sudder Street, Kolkata-700 026.

ANNOUNCEMENT

Shri Jaikant Singh, Director, Ministry of Corporate Affairs, New Delhi; Ms Smita S. Chaudhri, Principal Director of Commercial Audit and Ex-officio Member, Audit Board-I, 1, Council House Street, Kolkata; Shri P. K. Jena, General Manager, HRD Cell, Reserve Bank of India, 6 Sansad Marg, New Delhi and Shri D.S Chakrabarty, Vice President (Finance), 1 Auckland Place, Kolkata, have been appointed as Central government nominees to the Council of Members of ICWAI. We welcome the members to the ICWAI family.

CORRIGENDUM

In the third line, fourth paragraph of the Editorial 'Pension Ponderables' of February 2010 issue of the journal The Management Accountant, the word 'tax evasion' should read as 'tax management'. The error is regretted.

CONDOLENCE

We inform with a heavy heart the sad demise of our member and Ex-Chairman of Allahabad Chapter of Cost Accountants, Shri Ramesh Chander Srivastav on February 26, 2010. May his soul rest in peace and that his family has strength to bear the irreparable loss.

ANNOUNCEMENT

ESSAY COMPETITION

We are happy to announce that the essay competition **'Cost Management - Key to survival in current global meltdown'** has received a very good response, which would not have been possible but for the enthusiastic participation of our members and students. We thank all contributors for their interest. The winners' names will be announced shortly and the awards will be presented in the forthcoming National Award in Excellence in Cost Management to be held in March 2010 at New Delhi.

Buoyed by the heartening response of the essay competition, we propose to hold another essay competition.

The topic for members is

"ROLE OF COST AND MANAGEMENT ACCOUNTANTS IN CHANGED SCENARIO"

and the topic for students is

"CORPORATE SOCIAL RESPONSIBILITY- EXPECTATIONS FROM COST AND MANAGEMENT ACCOUNTANTS".

The competition is open for all Indian Nationals.

In the **General** category, Grad CWAs, members and students of ICWAI above 25 years are eligible to participate.

In the **Students** category, only students of ICWAI in the age group 17- 25 years are eligible to participate.

First prize: Rs.20,000/-, Second Prize: Rs.15,000/- and Third prize: Rs.10,000/- in each category.

Terms and conditions

1. Entries may be submitted by individuals or jointly to Deputy Director (Research & Journal), ICWAI, 12 Sudder Street, Kolkata-700016.
2. Essay can be coauthored by student of ICWAI or member of ICWAI or Grad CWA only.
3. Essay should be in English only.
4. The essay should be accompanied by a declaration by the participant of the essay to confirm that it is original and that it has not been published earlier. Wherever required, reference must be quoted. This condition is mandatory.
5. Participants are required to clearly furnish their name, age, status- student/ member, address, email, phone number and one photograph along with the essay.
6. Participants shall be responsible for ensuring that all the information supplied by them regarding themselves is true, correct and complete. They shall keep the Institute informed of any change in information about them till the competition is over.
7. Entries should not exceed 5000 words.
8. The matter should be type written on one side of the page in 1.5 space. Each page should be signed by the participant/s.
9. Last date of submission is **15th April, 2010.**
10. Entries received after the last date will not be considered.
11. Entries received shall be the property of ICWAI and may be used freely.
12. ICWAI shall not be liable for any loss or damage of any nature incurred by the participant as a result of their participation in the competition. Participants shall indemnify ICWAI against any damages howsoever arising from their participation in the competition.
13. Participants shall comply with all national and international laws pertaining to Intellectual Property Rights.
14. Any or all of the terms of competition may be changed by ICWAI at any time without prior notice.
15. ICWAI reserves the right to stop or suspend the competition without assigning any reasons.
16. The award winners will be intimated by email/ post.
17. In case of any dispute or difference of opinion, the decision of ICWAI will be final.
18. Prizes will be given at a function organized by ICWAI. The winners will be provided second class AC return train fare or air ticket at the discretion of ICWAI. Lodging and boarding will also be provided as per Institute's rules.

Tech/QRB/Review/2009/1 Date: 05th February 2010

To all practicing cost accountants and firms

Subject: Quality Review Board - Review of Services

Sir / Madam,

As you may be aware, in exercise of the powers conferred by Section 29A of the Cost & Works Accountants Act, 1959, the Central Government, vide Notification No. S.O. 1693 (E) dated 3rd October, 2007 established a Quality Review Board (QRB) for ICWAI, comprising the following:

1. Shri U.C.Nahata, Regional Director (Eastern Region), MCA - Chairman
2. Shri B.B.Goyal, Adviser (Cost), MCA, New Delhi
3. Shri Ashok Kumar Agarwal, FCA, New Delhi
4. Shri V.Kalyanaraman, Past-President, ICWAI, Chennai
5. Shri Dhananjay V.Joshi, Past-President, ICWAI, Pune

2. Further, section 29B of the CWA Act provides that the Board shall perform the following functions:

(a) To make recommendations to the Council (i.e. ICWAI Central Council) with regard to the quality of services provided by the members of the Institute;

(b) To review the quality of services provided by the members of the Institute including cost audit services; and

(c) To guide the members of the Institute to improve the quality of services and adherence to the various statutory and other regulatory requirements.

3. Rule 6 of the Cost and Works Accountants Procedures of Meetings of Quality Review Board, and Terms and Conditions of Service and allowances of the Chairperson and members of the Board Rules, 2006 (notified on 27.11.206) provides for the procedures to be followed by the Board in the discharge of its functions. As per this, the Board may:

(a) on its own or through any specialized arrangement set-up under the Institute, evaluate and review the quality of work and services provided by the members of the Institute in such manner as it may decide;

(b) lay down the procedure or evaluation criteria to evaluate various services being provided by the members of the Institute and to select, in such manner and form as it may decide, the individuals and firms rendering such services for review;

(c) call for information from the Institute, the Council or its Committees, members, clients of members or other persons or organisations in such form and manner as it may decide, and may also give a hearing to them;

(d) invite experts to provide expert/technical advice or opinion or analysis on any matter or issue which the Board may feel relevant for the purpose of assessing the quality of work and services offered by the members of the Institute; and

(e) make recommendations to the Council to guide the members of the Institute to improve their professional competence and qualifications, quality of work and services offered and adherence to various statutory and other regulatory requirements and other matters related thereto.

4. In order to undertake review of the services rendered by the members of the Institute in practice, the Board, in terms of Rule 6 (c) supra, has decided to seek information with regard to various statutory and non-statutory services rendered by all the practicing members either in their individual capacity or as proprietorship firms or as partners of partnership firms. You are, therefore, requested to furnish the requisite information, in the proformae enclosed, to the Secretary, QRB, latest by 31st March 2010. Relevance of various proformae may be seen as under:

Ø Form No. 1 - Basic information - To be submitted by all practicing members as a Proprietorship concern

Ø Form No. 2 - Basic information - To be submitted by all practicing members as partners of Partnership Firms

Ø Form No. 3 - Details of Statutory / non statutory services rendered - To be submitted by all practicing members whether as Partnership / Proprietorship concern

5. This issues with the approval of Chairman, QRB

Yours faithfully,

J.P. Singh
Secretary, QRB
Tel: 011-2464 1232
Mobile: 0-98919 00026
E-mail: technical@icwai.org

FORM NO: QRB/PCT/2009/1

QUALITY REVIEW BOARD

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS OF INDIA

ICWAI Bhawan, 3, Institutional Area, Lodhi Road, New Delhi-110003

FORM FOR SUBMISSION OF DETAILS WITH THE QUALITY REVIEW BOARD
(FOR MEMBERS IN PRACTICE - TO BE SUBMITTED BY ALL PRACTICING MEMBERS AS A PROPRIETORSHIP CONCERN)

Name of the Member or the Proprietorship Firm: ____________________

Membership No: ____________________ DOE: ____________________

Address: ____________________

City: __________ Pincode: __________ Telephone No(s):__________ E-mail: __________

Details of Other Firms:	Other Firm-1	Other Firm-2	Other Firm-3	Other Firm-4
Name & Address of other Firm(s) in which he/ she is Proprietor/ Partner:				
Registration No. of the Firm:				
Telephone No(s):				

*(**NOTE:** Please attach sheet if number of other firms more than 4)*

Details of Services Rendered by the Firm: Please furnish details in Form no. 3.

Certified that the information furnished above is true to the best of my/our knowledge & belief and nothing has been concealed or misrepresented.

Place: __________

Date: __________

Signature: __________

Name : __________

Status : __________

FORM NO: QRB/PCT/2009/2

QUALITY REVIEW BOARD

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS OF INDIA

ICWAI Bhawan, 3, Institutional Area, Lodhi Road, New Delhi-110003

FORM FOR SUBMISSION OF DETAILS WITH THE QUALITY REVIEW BOARD
(FOR MEMBERS IN PRACTICE - TO BE SUMITTED BY PARTNERSHIP FIRMS)

Name of the Firm: ____________________ Regd. No:____________________

Date: __________ No. of Partners: __________ Address: __________

City: __________ Pin code: __________ Telephone No(s):__________ E-mail: __________

Details of Partners:	Partner-1	Partner-2	Partner-3	Partner-4
Name of the Partner:				
Membership No:				
Telephone No(s):				
Mobile No(s):				
Whether also practicing in his/her individual name:	YES / NO	YES / NO	YES / NO	YES / NO
Number of other Firm(s) in which he/she is Proprietor / Partner:				

Other Firm-1:				
Name & Address of other Firm(s) in which he/she is Proprietor / Partner:				
Registration No. of the Firm:				
Telephone No(s):				
E-mail Address:				
Other Firm-2:				
Name & Address of other Firm(s) in which he/she is Proprietor / Partner:				
Registration No. of the Firm:				
Telephone No(s):				
E-mail Address:				
Other Firm-3:				
Name & Address of other Firm(s) in which he/she is Proprietor / Partner:				
Registration No. of the Firm:				
Telephone No(s):				
E-mail Address:				

*(**NOTE:** Please attach sheet if number of partners more than 4 and/or number of other firms more than 3)*

Details of Services Rendered by the Firm: Please furnish details in Form no. 3.

Certified that the information furnished above is true to the best of my/our knowledge & belief and nothing has been concealed or misrepresented.

Place: ______________
Date: _______________

Signature: ___________________
Name : ___________________
Status : ___________________

FORM NO: QRB/PCT/2009/3

QUALITY REVIEW BOARD
THE INSTITUTE OF COST AND WORKS ACCOUNTANTS OF INDIA
ICWAI Bhawan, 3, Institutional Area, Lodhi Road, New Delhi-110003

FORM FOR SUBMISSION OF DETAILS WITH THE QUALITY REVIEW BOARD

Details of Statutory Services (including audit, certification, etc) and Non Statutory Services (including management consultancy etc.) rendered by the Firm / Member during the period since 01.01.2008 till 30th September 2009

Sl. no.	Nature of Statutory / Non Statutory Service	Year to which relates	Name & Address of the Statutory Authority
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

*(**NOTE:** Attach a separate sheet if required)*

Certified that the information furnished above is true to the best of my/our knowledge & belief and nothing has been concealed or misrepresented.

Place: _____________
Date: ______________

Signature: _________________
Name : _________________
Status : _________________

Customs

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,SECTION 3, SUB-SECTION (i)]

Government of India Ministry of Finance (Department of Revenue)

Notification No.13 /2010-Customs New Delhi, the 19th February, 2010

G.S.R. 94 (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (2) of the Table below and falling under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when imported into India for the purpose of organising the Common Wealth Games, 2010(hereinafter referred as Games), from the whole of the duty of customs leviable thereon which is specified in the said First Schedule and from the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act, subject to the conditions specified in the corresponding entry in column (3) of the said Table.

S.No	Description of goods	Conditions
(1)	(2)	(3)
1.	(a) All sports goods, sports equipment and sports requisites; fitness equipments; team uniform/clothing; spares, accessories and consumables of the same including ammunition for shooting events; (b) Doping control equipment, Satellite phones/GPS, paging communication systems and other communication equipments; video/plasma screen, electronic score board for display; time control devices, stop watches; timing, scoring and result management systems; marquees; tents .	(a)Imported by the Organising Committee of the Common Wealth Games , 2010, National sports federations in relation to Games, 2010; (b) the importer, at the time of clearance of the goods, produces a certificate to the Assistant Commissioner or Deputy Commissioner of Customs as the case may be, from the Joint Director General (Coordination) or Director (Coordination) of the Organising Committee of the Games, 2010, indicating- (i) the name and address of the importer and the description, quantity and value of the said goods; and (ii) that the said goods are required for the purpose specified in condition (a) above; and (c) the importer, at the time of clearance of the goods, furnishes an undertaking that all such goods shall be consumed or re-exported within three months from the conclusion of the Games or shall be handed over to the Sports Authority of India or Delhi Development Authority or Government of National Capital Territory of Delhi.
2.	Furniture and fixtures/ fittings, power generation and distribution systems, air conditioning equipment which would be needed to be imported as per requirement of Games under 'Overlays'.	(a)Imported by the Organising Committee of the Games, 2010 or National Sports federations in relation to Common Wealth Games, 2010; (b) the importer, at the time of clearance of the goods, produces a certificate to the Assistant Commissioner or Deputy Commissioner of Customs, as the case may be from the Joint Director General (Coordination) / Director (Coordination) of the Organizing Committee of the Games, 2010, indicating- (i) the name and address of the importer and the description, quantity and value of the said goods; and (ii) that the said goods are required for the purpose specified in condition (a) above; and (c) the importer, at the time of clearance of the goods, furnishes an undertaking that all such goods shall be re-exported within three months from the conclusion of the Games.
3.	(a) All sports goods, sports equipment and sports requisites; spares, accessories and consumables of the same, (b) Food stuff, energy drinks, isotonic, tonic water(including alcoholic drinks), (c) pharmaceuticals and medical consumables,	(a)Imported by Common Wealth Games Federation Members or Common Wealth Games Associations or participating athletes in relation to Games, 2010; (b) the importer, at the time of clearance of the goods, produces a certificate to the Assistant Commissioner or Deputy Commissioner of Customs, as the case may be from the Joint Director General (Coordination) or Director (Coordination) of the Organizing

	(c) fitness equipments; team uniform/ clothing, (d) dining/kitchen items, office consumables stationery and gift items, souvenirs, mementoes, (e) Goods for display / exhibition / stalls /reception	Committee of the Commonwealth Games, 2010, indicating- (i) the name and address of the importer and the description, quantity and value of the said goods; and (ii) that the said goods are required for the purpose specified in condition (a) above; (c) the importer, at the time of clearance of the goods, furnishes an undertaking that,- (i) all such goods, excluding gift items, souvenirs, mementoes and goods which have been consumed, shall be re-exported within three months from the conclusion of the games; and (ii) a utilisation certificate for the goods consumed shall be furnished from the Joint Director General (Coordination) or Director (Coordination) of the Organizing Committee of the Games, 2010.
4.	Broad casting equipment	(a)Imported by Prasar Bharti or broad casting right holders as per Agreement between the Organising Committee of Games, 2010 and Prasar Bharti in relation to Games, 2010; (b) the importer, at the time of clearance of the goods, produces a certificate to the Assistant Commissioner or Deputy Commissioner of Customs, as the case may be, from the Joint Director General (Coordination) or Director (Coordination) of the Organizing Committee of the Games 2010, indicating- (i) the name and address of the importer and the description, quantity and value of the said goods; and (ii) that the said goods are required for the purpose specified in condition (a) above; and (c) the importer, at the time of clearance of the goods, furnishes an undertaking that all such goods shall be re-exported within three months from the conclusion of the Games.
5.	Arms and Ammunition of the following description: a) Rifles- .22 Calibres (should have at least an outside barrel diameter of 10 mm.) b) Pistols - .22 and .32 Calibres (barrels should be measured from the Breach point) c) Air Rifles/Pistols - 4.5 mm /0.177 Calibers d) Shot Guns - 12 bore (should be "Ventilated Rib" and "Single Sighting Planes") e) Air pellets – Diablo type (i.e. with flat nose and met round or painted nose) f) Ammunition- 12 bore cartridges,.27 air pellets,.22 bore rapid fire (shot) cartridges,.22 bore pistol match standard sports,.32 bore wad – cutters,.62 Full bore Ammunition. g) .32 bore revolver(barrel length should not be less than 41/2" and measurements are to be taken from the end of the cylinder holding the cartridge) h) .22 bore revolver- (ban-el length same as above) i) Telescope	(a)Imported by Common Wealth Games Federation Members or Common Wealth Games Associations or participating athletes in relation to Games, 2010; (b) the importer, at the time of clearance of the goods, produces a certificate to the Assistant Commissioner or Deputy Commissioner of Customs as the case may be from the Joint Director General (Coordination) or Director (Coordination) of the Organizing Committee of the Commonwealth Games 2010, indicating- (i) the name and address of the importer and the description, quantity and value of the said goods; and (ii) that the said goods are required for the purpose specified in condition (a) above; (c) the importer, at the time of clearance of the goods, furnishes an undertaking that,- (i) all such goods other than those consumed during the shooting events, shall be re-exported at the time of final departure of the participating athletes; (ii) a utilisation certificate for the goods consumed shall be furnished from the Joint Director General (Coordination) or Director (Coordination) of the Organizing Committee of the Games, 2010. and (d) Import of such arms and ammunition shall be subject to the applicable licensing conditions imposed by the Directorate General of Foreign Trade and approvals of Ministry of Home Affairs.

[F. No.354/12/2010-TRU]
(Prashant Kumar)
Under Secretary to the Government of India

Circular No. 3 /2010 - Customs
F.No.609/27/2009-DBK
Government of India, Ministry of Finance, Department of Revenue
Central Board of Excise & Custom
New Delhi, 12th February, 2010
To
All Chief Commissioners of Customs
All Chief Commissioners of Customs & Central Excise
All Commissioners of Customs /Customs (Preventive)/Customs & Central Excise/Central Excise
DG, CEIB, New Delhi
DGRI/DGCEI/DG (Systems & Data Management) DG (Export Promotion)/DGI/DG, NACEN/DG Audit
Chief Departmental Representative, Customs, Excise & Service Tax Appellate Tribunal, New Delhi.

Sir/Madam,

Sub: Classification of artware / handicraft items and composite goods in the Drawback Schedule - reg.

It has been brought to notice of the Board that difficulties are being faced by exporters in classification of articles declared as handicraft/artware items. It has also been brought to notice that divergent practices are being followed in classifying the goods made of different constituent materials in the Drawback Schedule and applying Note 14 of the Drawback Schedule notification No.103/2008-Cus (N.T.), dated 29.08.2008 in this regard.

2. The matter has been examined. I am directed to state that it may be recalled that the Board vide circular no. 128/39/95-CX, dated 25.5.1995 had clarified that since the office of Development Commissioner (Handicraft) has treated imitation or real zari as handicrafts the same may be treated as handicrafts by the Customs and central Excise authorities. However the Board vide circular no. 280/114/96-CX, dated 19.12.1996 modified this guideline by stating that the following criteria laid down by the Supreme Court in the case of Louis Shoppe [1996 (10) CXLT (SC) CE-277=(1996)(13)RLT 507 (SC)] for treating any goods as handicrafts may also be followed:-

(i) It must be predominantly made by hand; it does not matter if some machinery is also used in the process.
(ii) It must be graced with visual appeal in the nature of ornamentation or in-lay work or some similar work lending it an element of artistic improvement. Such ornamentation must be of substantial nature and not a mere pretence.

3. The Board reiterated these guidelines vide circular No. 32/99-Cus dated 04.06.99. The Board vide subsequent circular No. 56/99-Cus, dated 26.08.99 advised the field formations that they can accept the certificates issued by either the Development Commissioner (Handicrafts) or by the Export Promotion Council for Handicrafts (EPCH).

4. It is hereby clarified that the assessing authorities should normally accept the certificates issued by the Development Commissioner (Handicrafts)/EPCH. A decision to reject the certificate issued by the Development Commissioner (Handicrafts)/ EPCH certifying the goods as artware/handicraft should be taken only with the approval of the Commissioner of Customs / Central Excise and after discussions with the certificate issuing authority. The exports should not, in the mean time, be held up.

5. Doubts have also been expressed relating to interpretation of note and condition (3) of the Drawback Schedule notification No.103/2008-Cus (N.T.) dated 29.08.2008. The note and condition provides as follows:
"Notwithstanding anything contained in the said Schedule, all artware or handicraft items shall be classified under the heading of artware or handicraft (of constituent material) as mentioned in the relevant Chapters."

The essence of this condition is that while the Drawback Schedule is aligned with the Customs Tariff at the 4 digit level, this alignment is not applicable to Artware/Handicraft items. Artware/handicraft item made of a particular constituent material has to be classified under the heading of Artware/Handicraft (of that constituent material) as mentioned in the Chapter relevant to that constituent material. It may be noted that according to this note, the artware/handicraft items may fall in a heading/sub-heading in a chapter other than the chapter in which they fall according to Harmonized System of classification. To illustrate, a handicraft table made of stainless steel would fall under CTH 9403 as per HSN. It would, however, fall under Drawback Schedule heading 732606 (Handicraft/Artware of Stainless Steel) as per the above note. It may also be noted that if the artware or handicraft item is made of more than one constituent material, it should be classified as if it is made of that constituent material which predominates in it by weight. For example, an artware/handicraft item made of brass, iron and wood; consisting, say, 40% by weight of brass, 35% by weight of iron and 25% by weight of wood, should be classified as artware/handicraft of brass under Drawback Schedule heading 741903 and granted drawback at the rate and cap prescribed there under.

6. Further, it is also clarified that the relevant headings/sub-headings in the Drawback Schedule for handicraft/artware items include handicraft/artware items with coating/ plating unless specifically provided otherwise.

7. Problems have also been reported in classification of composite articles. Note and condition No. 14 of the Drawback Schedule notification ibid, provides that whenever a composite article is exported for which any specific rate has not been provided in the said Schedule, the rates of drawback applicable to various constituent materials can be extended to the composite article according to net content of such materials. It may be noted that this Note is applicable only to composite articles for which no specific rate has been provided in the Drawback Schedule and not to articles which fall in one or the other headings/sub-headings of the Drawback Schedule (which could be a residuary heading 'others') and have a drawback rate. Therefore, it is clarified that articles made of more than one constituent material should be classified under a heading/ sub-heading of the Drawback Schedule in accordance with conditions (1) and (2) of the Drawback Schedule or if the goods are artware or handicraft items in accordance with condition (3) of the Drawback Schedule as discussed in para 5 above. Once, classification of an article (whether artware/handicraft or other) in a heading/sub-heading of the drawback schedule has been determined, then the drawback rate and cap prescribed against that heading/sub-heading should be applied to the whole article irrespective of the value or weight of different constituents.

8. Note and condition 14 of the Drawback Schedule notification ibid should be invoked only if it is found that an article cannot be classified in any of the headings/sub-headings of the Drawback Schedule(not even in residuary heading/sub-heading "others"), in accordance with the above principles. However, such cases may be immediately brought to notice of the Board so that suitable headings/sub-headings may be created in the Drawback Schedule for future.

9. A suitable Public Notice for information of the Trade and Standing Order for guidance of the staff may be issued. Difficulties faced, if any, in implementation of the changes may be brought to the notice of the Board at once.

Kindly acknowledge receipt of this Circular.

Yours faithfully,
(PRAMOD KUMAR)
Technical Officer (Drawback)

Central Excise

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA, MINISTRY OF FINANCE , (DEPARTMENT OF REVENUE)

Notification No. 04/2010-Central Excise (N.T.) New Delhi, the 19th February, 2010.

G.S.R. (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules further to amend the Central Excise Rules, 2002, namely:-

1. Short title and commencement.-
   (1) These rules may be called the Central Excise (Amendment) Rules, 2010.
   (2) They shall come into force from the 1st April, 2010.

2. In the Central Excise Rules, 2002 (hereinafter referred to as the said rules), in rule 8, in sub-rule (1), in third proviso, for the words "duty of fifty lakhs rupees or more, other than the amount of duty paid by utilization of CENVAT credit, in the preceding financial year," the words, "total duty of rupees ten lakh or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year" shall be substituted

3. In the said rules, in rule 12, in sub-rule (1), after the second proviso and before third proviso, the following proviso shall be inserted, namely:-

"Provided also that where an assessee has paid total duty of rupees ten lakh or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year, he shall file the monthly or quarterly return, as the case may be , electronically:"

F.No. 201/20/2009-CX.6
(V.P. Singh)
Under Secretary to the Government of India

Note: The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section(i), dated 1st March, 2002 vide notification No. 4/2002-Central Excise (N.T.), dated the 1st March, 2002, [G.S.R. 143 (E), dated the 1st March, 2002] and were last amended, vide, notification No. 17/2009-Central Excise (N.T.), dated the 7th July, 2009, [G.S.R. 482 (E) dated the 7th July, 2009].

Circular No. 915/05/2010-CX, F No. 6/5/2009-DS (CX-I & 4)
Government of India, Ministry of Finance, Department of Revenue,
Central Board of Excise and Customs, New Delhi, 19th February, 2010.

To
Director General (All)
Chief Commissioners of Central Excise including LTU (All)
Commissioners of Central Excise including LTU (All)

Subject: - Clarification regarding valuation of free samples of the products covered under MRP based assessment - reg

Sir,

Attention of field formations is invited to Board's circular No. 813/10/2005-CX dated 25.4.2005 issued from F.No. 6/39/2000-CX1 wherein it was clarified that in the case of free samples, the value should be determined under Rule 4 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000.

2. A larger bench of CESTAT in the case of Blue Cross Laboratories Vs CCE, Mumbai 2006(202) ELT 152 (T-LB), has also held that physician samples are to be assessed under rule 4 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000. Further, the aforesaid circular of 2005 has also been upheld by the Hon'ble High Court of Mumbai in the case of Indian Drugs Manufacturer's Association Vs. UOI, reported at 2008(222) ELT 0022 (Bom).

3. Subsequently, CESTAT in its majority decision in the case of M/s Cadila Pharmaceuticals Ltd. Vs Commissioner of Central Excise Ahmedabad II, reported at 2008 (232) ELT 0245 (Tri.-LB), has held that even after the pharmaceutical products have been notified for MRP assessment under Section 4A of the Central Excise Act, the assessment of free physician samples of these products , is appropriately required to be done under Rule 4 of the valuation rules by taking into consideration the deemed value under Section 4A(1) notwithstanding the non availability of normal price under Section 4(1)(a) of the Act, ibid. Accordingly, the value for payment of excise duty for physician sample would be the value determined under Section 4A for the similar goods (subject to adjustment for size & pack etc.)

4. The aforesaid decision of CESTAT would, mutatis mutandis, be applicable in respect of free samples of other products which are under MRP assessment. Accordingly, it is clarified that valuation of Samples which are distributed free as part of marketing strategy, or as gifts or donations, shall be determined, in terms of Board's circular No. 813/10/2005-CX dated 25.4.2005 and the aforesaid decisions of CESTAT, as explained in foregoing paras 2 & 3, whether the final products are assessed under MRP based assessment or otherwise.

5. Trade and Industry may be informed.

6. Receipt of this circular may be acknowledged

7. Hindi version would follow.

Yours faithfully,
(MADAN MOHAN)
Under Secretary (CX. 1)

F. No. 206/02/2010-CX.6
Government of India, Ministry of Finance, Department of Revenue
(Central Board of Excise & Customs)
New Delhi, Dated the 3rd February, 2010

To,

All Director Generals,
All Chief Commissioners of Central Excise (including LTU)
All Commissioners of Central Excise (including LTU)

Sir/Madam,

Subject: Modification of Circular No. 5/83-CX.6 dated 10.03.83- Issue of show cause notice on receipt of Audit objections from CERA.

Attention is invited to Board's Circular No. 5/83-CX.6 dated 10.03.83, as amended, wherein instructions have been issued to issue show cause notice immediately on receipt of an Audit objection from CERA, even if the objection is not admitted. The field formations have also been directed to issue protective demand notices and transfer the same to Call Book, till the settlement of the objection.

2. It has been noticed that during audit by C&AG officers, Local Audit Paras (LAR) are initially raised, some of them are converted to Statement of Facts (SOF). A few SOF are made into Draft Audit Para (DAP). Generally, a LAR is converted into SOF within a period of 6 months. In some cases, it has been noticed that objections raised in LAR is not accepted by the department but the reply given by the department is also not accepted by AG's office. Further, if the said LAR is not converted to SOF/ DAP, the said objection remain unsettled and these show cause notices are transferred to Call Book. For these cases, jurisdictional Commissioners are required to hold meeting with local DAGs to settle the objection. However, in many cases, these issues are not settled for a long period.

3. The issue has been examined. It is clarified that in cases where a LAR has not been admitted by the department, and the same is not converted into SOF/ DAP by CERA, then the SCNs issued on account of said LAR may be adjudicated after a period of one year from the date of sending the reply to the LAR. However, before adjudication, it must be ensured that the LAR has not been converted into SOF/ DAP.

4. Instruction issued by Circular No. 5/83-CX.6 dated 10.03.83 is modified accordingly.

5. Receipt of this circular may kindly be acknowledged.

Yours faithfully,
(V.P. Singh)
Under Secretary(CX-6)

Copy to: The Commissioner(PAC) for information.

SEBI

DEPUTY GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT
SEBI/IMD/CIR No.16/ 193388/2010
February 02, 2010
All Mutual Funds/Asset Management Companies (AMCs)

Sir/Madam,

Sub: Valuation of Debt and Money Market Instruments

1. Please refer to SEBI circular No. MFD/CIR/ 8 / 92 / 2000 dated September 18, 2000, MFD/CIR/14 /088 / 2001 dated March 28, 2001, MFD/CIR/ no 14 / 442 / 2002 dated February 20, 2002 and MFD/CIR/23 /066 / 2003 dated March 7, 2003.

2. The valuation method of debt and money market instruments specified in the aforesaid circulars were discussed in the Advisory Committee of Mutual Funds. With a view to ensure that the value of money market and debt securities in the portfolio of mutual fund schemes reflect the current market scenario, the current provisions regarding valuation of these securities need to be modified, as under:

I. Valuation of money market and debt securities with residual maturity of upto 91 days:

All money market and debt securities, including floating rate securities, with residual maturity of upto 91 days shall be valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day they shall be valued on amortization basis. It is further clarified that in case of floating rate securities with floor and caps on coupon rate and residual maturity of upto 91 days then those shall be valued on amortization basis taking the coupon rate as floor.

II. Valuation of money market and debt securities with residual maturity of over 91 days:

All money market and debt securities, including floating rate securities, with residual maturity of over 91 days shall be valued at weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day they shall be valued at benchmark yield/ matrix of spread over risk free benchmark yield obtained from agency(ies) entrusted for the said purpose by AMFI.

III. Valuation of securities not covered under the current valuation policy:

In case of securities purchased by mutual funds do not fall within the current framework of the valuation of securities then such mutual fund shall report immediately to AMFI regarding the same. Further, at the time of investment AMCs shall ensure that the total exposure in such securities does not exceed 5% of the total AUM of the scheme. AMFI has been advised that the valuation agencies should ensure that the valuation of such securities gets covered in the valuation framework within six weeks from the date of receipt of such intimation from mutual fund. In the interim period, till AMFI makes provisions to cover such securities in the valuation of securities framework, the mutual funds shall value such securities using their proprietary model which has been approved by their independent trustees and the statutory auditors.

IV. Dissemination of information:

All mutual funds shall provide transaction details, including inter scheme transfers, of money market and debt securities on daily basis to the agency entrusted for providing the benchmark yield/ matrix of spread over risk free benchmark yield. Submission of data would help in daily matrix generation and would improve uniformity and accuracy of valuation in the mutual funds industry. The format in this regard is provided in SEBI Circular No.MFD/CIR/23 /066 / 2003 dated March 7, 2003.

V. Methodology for matrix of spread for marking up the Benchmark yield

In the methodology for pricing the non traded debt securities detailed in para 3(ii)(b) of SEBI Circular. MFD/CIR/ 8 / 92 / 2000 dated September 18, 2000 and para 3 of SEBI circular MFD/CIR/ no 14 / 442 / 2002 dated February 20, 2002, additional duration bucket(s) viz., 0.25- 0.5 yrs shall be provided.

VI. Consistency

All AMC's shall ensure that similar securities held under its various schemes shall be valued consistently.

3. The aforesaid valuation would be applicable with effect from July 1, 2010.

4. SEBI circulars No. MFD/CIR/ 8 / 92 / 2000 dated September 18, 2000, MFD/CIR/14 /088 / 2001 dated March 28, 2001, MFD/ CIR/ no 14 / 442 / 2002 dated February 20, 2002 and MFD/CIR/23 /066 / 2003 dated March 7, 2003 stand modified to the aforesaid extent.

5. This circular is issued in exercise of powers conferred under section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of regulation 77 of SEBI (Mutual Funds) Regulations, 1996 to protect the interests of Investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,
Asha Shetty

DEPUTY GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT
SEBI/IMD/CIR No. 17/ 193751/2010
February 04, 2010
All Mutual Funds, Asset Management Companies (AMCs)

Sir / Madam,

Sub: Standard warning in Advertisements by Mutual Funds

1. Please refer to clause 2 of the circular SEBI/MFD/CIR No.6/ 12357/03 dated June 26, 2003 and SEBI Circular No. SEBI/ IMD/CIR No.12/118340/08 dated February 26, 2008 on Advertisements through Audio-Visual media and Standard warning in Advertisements by Mutual Funds, respectively.

2. As per the present guidelines, in advertisements through audio-visual media like television, a statement "Mutual Fund investments are subject to market risks, read the offer document carefully before investing" is required to be displayed on the screen for at least 5 seconds and be accompanied by a voice over reiteration. However, it has been observed that in some cases the visual and voice over were run for less than 5 seconds, or if the visual stayed for 5 seconds the voice over either started late or ended early or both. In some cases extra words were inserted in the visual and voice over. As a result, the warning was rendered unintelligible to the viewer/listener.

3. In order to improve the manner in which the said message is conveyed to the investors it has been decided that with effect from May 01, 2010:

i. The standard warning in audio-visual advertisement shall be displayed as "Mutual Fund investments are subject to market risks, read all scheme related documents carefully".

ii. No addition or deletion of words shall be made in the standard warning.

4. It is evident from the circular dated June 26, 2003, that the visual is to be accompanied by voice over. It is therefore re-emphasized that both the visual and the voice over of the standard warning will be run for at least 5 seconds.

5. All other conditions specified in the above mentioned circular remain unchanged.

6. All mutual funds shall comply with the above requirements in letter and spirit.

7. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of the SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,
Asha Shetty

Reserve Bank of India

RBI/2009-10/305 DPSS CO EPPD No.168 / 04.03.01 / 2009-2010 February 5, 2010

The Chairman and Managing Director / Chief Executive Officer of all member banks participating in NEFT

Madam / Dear Sir,

National Electronic Funds Transfer (NEFT) System - Refinement of process-flow and enhancement of features

The National Electronic Funds Transfer (NEFT) system has been successfully handling significant volumes, ever since its launch in November 2005. More than 6 million transactions were processed by the system during the month of January 2010 alone. The coverage has also increased substantially with the participation of over 63,000 bank branches spread across the length and breadth of the country.

2. NEFT uses the Public Key Infrastructure (PKI) technology to assure end-to-end security and the Indian Financial Network (INFINET) to connect bank branches for electronic transfer of funds. In line with the system capabilities and user expectations, a number of initiatives have been taken in the recent past to extend operating hours, increase the number of batches and handle more transaction types. Incidentally, NEFT has no amount restrictions and accepts cash up to Rs. 50,000 for originating transactions.

3. With a view to further strengthen the NEFT system in terms of availability, convenience, efficiency and speed, the following refinements to process-flow and enhancements to operational features are being introduced -

(i) Tightening of Return Window - Presently, the NEFT procedural guidelines mandate banks to return NEFT transactions in the very next available batch. The NEFT system has, however, been designed to allow destination banks to return transactions on a T+1 basis. The traffic analysis has revealed that a major chunk of returns are effected by banks either in the last batch of the day or in the first batch of the next day, indicating that the transactions are processed by the destination batches only at the end of the day instead of batch-wise. In order to streamline the system and complete the processing cycle on a near-real-time basis, the concept of return within two hours of completion of a batch is being introduced. The B+2 return discipline would require banks to afford credit to beneficiary accounts immediately upon completion of a batch or else return the transactions within two hours of completion of the batch settlement, if credits are unable to be afforded for any reason. Required changes in the SFMS / NEFT software has been carried out. Necessary changes are also being made to the Procedural Guidelines for the purpose.

(ii) Increase in Operating Hours - NEFT is currently available from 9 am to 5 pm on week days and from 9 am to 12 noon on Saturdays. There have been constant requests from various individual and business segments to elongate the operating hours. After examining the feasibility and customer benefits, it has been decided to extend NEFT operating hours from 9 am to 7 pm on week days and from 9 am to 1 pm on Saturdays. Member banks need to effect changes at their end to initiate and / or receive NEFT transactions taking full advantage of the increased hours of operation.

(iii) Move to Hourly Settlements - On date, NEFT has six batches of settlement at 9 am, 11 am, 12 noon, 1 pm, 3 pm and 5 pm on week days and three batches of settlement at 9 am, 11 am and 12 noon on Saturdays. An analysis of daily data has shown that the volume of transactions processed in batches that have a gap of two hours between batches is double the volume of transactions processed in batches that have only an hour's gap between them. With a view to evenly space out transactions across batches, as also to make the system near-real-time, it has been decided to introduce the concept of hourly settlements. Accordingly, there would be eleven hourly settlements starting from 9 am to 7 pm on all week days and five hourly settlements from 9 am to 1 pm on Saturdays. Necessary changes have been carried out in the SFMS / NEFT software.

(iv) Implementation of Positive Confirmation - At present, the un-credited NEFT transactions are returned by destination banks and it is presumed that credit for all other transactions have been afforded to beneficiary accounts. In order to remove any ambiguity and to introduce the element of positive confirmation, the NEFT outward message format is being modified to contain two additional fields, wherein mobile number and / or e-mail address of the originating customer can be populated.

A new message format is also being introduced to relay to the originating bank an acknowledgement containing the date and time of credit, immediately after the credit is afforded to beneficiary accounts. This message would flow from the destination bank / branch to the originating bank / branch. The originating banks after receiving the positive confirmation from the destination banks shall have to initiate a mobile SMS or generate an e-mail to the originator to convey the fate of the transaction. Detailed process flow for generating the positive confirmation is enclosed. SFMS / NEFT has been modified to add the required fields in the existing messages as also to handle the new messages.

4. The above modifications will be implemented in NEFT with effect from March 1, 2010. Member banks are advised to carry out appropriate changes to their CBS / system interfaces to handle the enhancements. In order to facilitate smooth migration, IDRBT-Hyderabad would release modified patches to be applied on SFMS / NEFT applications by February 15, 2010. For any additional information / clarifications, the NEFT team at your bank can contact officials of DPSS or IDRBT through email.

5. Please acknowledge receipt and confirm completion of necessary arrangements.

Yours faithfully,
-Sd-
(G Padmanabhan)
Chief General Manager

Encl. : Process flow for positive confirmation in NEFT

RBI/2009-10/ 292 January 25, 2010
A.P. (DIR Series) Circular No. 28

To
All Category - I Authorised Dealer Banks

Madam / Sir,

External Commercial Borrowings (ECB) Policy

Attention of Authorized Dealer Category - I (AD Category - I) banks is invited to the A.P. (DIR Series) Circular No. 5 dated August 1, 2005, A.P. (DIR Series) Circular No. 26 dated October 22, 2008 and para 2 (v) of A.P. (DIR Series) Circular No.19 dated December 9, 2009 relating to External Commercial Borrowings (ECB) for spectrum allocation.

2. As per the extant policy, eligible borrowers in the telecommunication sector are permitted to avail of ECB for the purpose of payment for spectrum allocation, under the automatic route. Keeping in view the large outlay of funds required to be paid directly to the Government within a limited period of time, it has been decided to make a one-time relaxation in the end-use conditions of the ECB policy.

3. Accordingly, the payment for spectrum allocation may initially be met out of Rupee resources by the successful bidders, to be refinanced with a long-term ECB, under the approval route, subject to the following conditions:

i) The ECB should be raised within 12 months from the date of payment of the final installment to the Government;
ii) The designated AD - Category I bank should monitor the end-use of funds;
iii) Banks in India will not be permitted to provide any form of guarantees; and
iv) All other conditions of ECB, such as eligible borrower, recognized lender, all- in-cost, average maturity, etc, should be complied with.

4. Eligible borrowers in the telecommunications sector proposing to fund the payment for Spectrum allocation directly out of the proceeds of the ECBs may continue to avail of the ECBs under the automatic route as per the extant policy.

5. All other aspects of ECB policy, such as USD 500 million limit per company per financial year under the automatic route, eligible borrower, recognised lender, end-use, average maturity period, prepayment, refinancing of existing ECB and reporting arrangements remain unchanged.

6. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

7. The directions contained in this circular have been issued under sections 10(4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,
(Salim Gangadharan)
Chief General Manager-in-Charge

ECONOMIC SURVEY 2009-10- HIGHLIGHTS

- Economy likely to grow by up to 8.75 % in 2010-11; full recovery; return to 9 % growth in 2011-12.
- Broad recovery gives scope for gradual stimulus roll back.
- High double-digit food inflation in 2009-10 major concern.
- Signs of food inflation spreading to other sectors.
- Farm & allied sector production falls 0.2% in 2009-10.
- Need serious policy initiatives for 4% agriculture growth.
- Moots direct food subsidy via food coupons to households.
- Favours making available food in open market.
- Favours monthly ration coupons usable anywhere for poor.
- Gross fiscal deficit pegged at 6.5 % of GDP in 2009-10.
- India 10th largest gold holding nation at 557.7 tonnes.
- Exports in April-December 2009 down 20.3 %.
- Imports in April-December 2009 down 23.6 %.
- Trade gap narrowed to USD 76.24 bn in April-December.
- 32.5% savings & 34.9% investment (of GDP in 2008-09) put India in league of world's fastest growing nations.
- Government initiates steps to boost private investment in agriculture.
- Wants credit available at reasonable rates on time for private sector to invest in agriculture.
- Slowdown in infrastructure that began in 2007, arrested.
- Domestic oil production to rise 11 % in 2009-10.
- Gas output up 52.8 % to 50.2 billion cubic meters.
- India world's 2nd largest wireless network with 525.1 million mobile users.
- Auction for 3G spectrum to enable existing and foreign players to bring in new technology and innovations.
- Industry growth at 8.2 %.
- Higher inflows have policy implications on capital account.
- Major decline in consumption expenditure growth in FY10.
- Growth in Gross Fixed Capital Formation seen at 5.2 % in FY20, up from 4%.
- Exports may turn negative again as demand for imports increases.
- India not immune to global price situation.
- Hike in fuel prices will impact inflation.
- Supply side pressure to prevail for near term.
- Current fuel prices not fiscally sustainable.
- Expenditure control needed to control deficit.
- Power, coal seeing a revival.
- Infrastructural capacity need to be accelerated.
- Timely off-loading of food stocks need urgent attention.
- Rationalise port service charges.
- Monetary measures must ensure credit growth.
- Lower than budgeted non taxed revenue expected.
- Centre to give higher share to states despite fiscal strain.
- Centre to compensate states on revenue loss when GST rolled out.
- Local bodies to also get share of central taxes.
- Accepted major recommendations of 13th Financial Panel.
- Food inflation is at present hovering close to 18%.
- Tighten FRBM clauses for future relaxations.
- Overall revenue transfers to state at 39.5%.
- Services sector growth rate at 8.7%.
- Fundamental policy changes needed for trade.

HIGHLIGHTS OF UNION BUDGET 2010-11

- New corporate tax rate at 33.21%
- Income-Tax Department ready with two-page Saral-2 returns form for individual salaried assesses.
- Personal income-tax rates pruned: saving upto Rs.51,500 on taxable income up to Rs.8.00 lakh
  Income up to Rs.1.6 lakh - nil
  Income above Rs.1.6 lakh and up to Rs.5 lakh - 10%
  Income above Rs.5 lakh and up to Rs.8 lakh - 20%
  Income above Rs.8 lakh - 30%
  Additional deduction of Rs.20,000 allowed on long-term infrastructure bonds for income-tax payers; this is above Rs1 lakh on savings instruments allowed already. (Annual Tax Saving up to Rs.6,180).
- Surcharge on domestic companies cut from 10% to 7.5%
- MAT increased to 18% from 15%, decline in surcharge for domestic companies to 0.75%.
- Investment-linked tax deductions to be allowed to two-star hotels anywhere in the country.
- Weighted deduction of 125% for payments to approved associations doing social and statistical research.
- Percentage of Weighted deduction under section 35(2AB) enhanced by 50% to 200%
- Businesses with a turnover of up to Rs. 60 lakh and professionals earning up to Rs15 lakh to be exempted from the obligation to audit their accounts.
- Presumptive taxation trigger raised from Rs. 40 lakh to Rs. 60 lakh.
- Housing projects allowed to be completed in five years instead of four to avail of tax breaks.
- Eight more services come under tax net, service tax rates to be retained, service sector tax retained at 10% to aid the introduction of GST; more services to be taxed.
- Certain accredited news agencies exempted from payment of service tax.
- Decline in excise duty for medicinal and toilet preparations, corrugated boxes and carbons, replaceable kits for household type water filters.
- Excise duty on tobacco products hiked.
- SSI units can avail 100% CENVAT on capital goods in the year of receipt of asset.
- Excise duty on petrol, diesel up by Re 1, excise duty on oil products hiked, central excise duty on all non-petroleum products raised to 10% from 8%, increase in customs duty on crude oil to 5%, on diesel and petrol to 7.5%, and on other petroleum products to 10%. .
- Concessional duty of 4% for solar power rickshaw developed by Council of Scientific and Industrial Research.
- Concessional customs duty of 5% for cable TV operators for importing equipment; project import status with full exemptions for setting up of cable transmission.
- Silver, gold import duty raised
- 4% special additional duty exemption on mobile phone parts, accessories till 31.3.2011
- Government hopes to implement Direct Tax Code from April 2011.
- Earnest endeavour to implement General Sales Tax in April 2011.
- 1% interest subvention loan for houses costing up to Rs.20 lakh extended to March 31, 2011; Rs.700 crore provided under slum dwelling and rural housing.
- Government to set up National Social Security Fund with initial allocation of Rs.1,000 crore to provide social security to workers in the unorganised sector.
- Government to contribute Rs. 1,000 per annum to each account holder under the new pension scheme.
- Persons transferring shares at less than fair value will have to pay income tax.
- Greater outlays for renewable energy, 46% hike in allocation for infrastructure and power sector
- Small firms whose total turnover does not exceed Rs.60 lakh for the preceding three years are encouraged to convert to LLP.
- Excise duty on small cars hiked by 2%, small cars continue to get relief.
- Disinvestment target fixed at Rs. 40,000 crore this fiscal.
- Across the board hike in excise duty on all durables except duty on micro oven.
- Government to infuse Rs.16500 crore into state run banks.
- Extension of existing interest subvention of 2% for one more year for exports covering handicrafts, carpets, handlooms and small and medium enterprises.
- Fiscal deficit for BE 2010-11 at 5.5 per cent of GDP, which works out to Rs.3,81,408 crore.
- Proposals on direct taxes estimated to result in a revenue loss of Rs. 26,000 crore for the year. Proposals relating to Indirect Taxes estimated to result in a net revenue gain of Rs.46,500 crore for the year. Taking into account the concessions being given in the tax proposals and measures taken to mobilise additional resources, the net revenue gain is estimated to be Rs. 20,500 crore for the year.

HIGHLIGHTS OF RAILWAY BUDGET 2010-2011

Financial picture:

- Decline in profit to Rs.951 crore in 2009-10 from Rs.2642.30 crore in 2008-09 due to recession.
- Revenue from non-core business of Railways to go up from Rs.150 crore to Rs.1,000 crore.
- Freight loading target for 2010-11 fixed at 944 million tonnes, 54 million tonnes more than the current year's revised target.
- Gross traffic receipt for 2010-11 pegged at Rs.94,765 crore.
- Allocation for construction of new lines increased from Rs.2848 crore to Rs.4411 crore.
- Rs.1300 crore for passenger amenities.

For passengers:

- No hike in passenger fares.
- 54 long distance express and 28 passenger trains to be introduced in 2010-11.
- Double-decker trains to be introduced, 1010 suburban trains for Mumbai, 381 new diagnostic centers across the country, will modernise 93 railway stations.
- Railways to set up mobile e-ticketing centres at hospitals, universities, courts, IITs, IIMs, district headquarters and village panchayats.
- To start six water bottling plants in places like Ambala, Thiruvananthapuram, Farakka, Amethi and Nasik to provide clean and cheap drinking water to passengers.
- Railways will give concessions for sportspersons, to set up sports academies, security for women passengers to be improved, will partner with Common Wealth Games 2010.
- Service charge on e-tickets to be reduced to Rs.10 for sleeper class and Rs. 20 for A/C class.

For corporates:

- No increase in freight tariff.
- Plan to raise Rs 10,000 - 20,000 crore by next fiscal.
- Railways not to be privatised -- it will remain with the government. However Railways will explore other business models like PPP for improving earnings.
- Centre for Railway Research to be set up at IIT-Kharagpur, Wagon Repair Shop to be set up in Badnera near Amravati in Maharashtra, Integral Coach Factory in Chennai to be modernised and a new unit to be set up there.
- Special task force to be set up for early clearance of projects.
- Construction of multi-level parking through PPP model.
- Railways to develop ten automobile hubs.

Other initiatives:

- Railways will provide houses to all its employees in the next 10 years in collaboration with the Urban Development Ministry.
- Railways to enhance contribution to central staff benefit fund.
- If land is available, Railways willing to set up a Diesel Multiple Unit factory in West Bengal.
- High-speed dedicated passenger corridors to be constructed; National High Speed Rail Authority to be set up.
- RFID technology to be used for freight transport.
- To complete 1000 km railway lines in one year.
- SMS updates for reservation status, train timing and wagon movement.

FOR ATTENTION OF MEMBERS
ICWA OF INDIA MEMBERS BENEVOLENT FUND

OBJECTIVE

The Fund has been created to provide:

1. Outright grant of prescribed amount to the beneficiary in the event of death of a member of the Fund.
2. Financial assistance of prescribed amount repayable in prescribed manner by the members of the Fund in case of financial distress due to prolonged illness or temporary loss of employment, illness of spouse/dependent children of member of the Fund; and education of dependent children of deceased member of the Fund.

Beneficiary means member of the Fund including dependent spouse/dependent children/parents/dependent minor brothers and sisters of the member of the Fund.

PROCEDURE OF MEMBERSHIP

An Associate / Fellow Member having paid up to date membership fees to the Institute can become a Life Member of the Fund on application being made in the prescribed application form along with a remittance of Rs.500/- (one time payment) by a Demand Draft favouring 'ICWAI Members Benevolent Fund' payable at Kolkata. The application form can be collected from the headquarters of the Institute at Kolkata or downloaded from the website of the Institute www.icwai.org. Soft copy of the application form can also be sent on requisition made to e-mail: membership.kb@icwai.org .

For the purpose of obtaining benefit from the Fund, a member should ensure to pay his up to date Associate/Fellow membership fees to the Institute and his name should continue to exist in the Register of Members of the Institute.

FOR ATTENTION OF MEMBERS
PAYMENT OF MEMBERSHIP FEES

Members of the Institute who are having outstanding membership dues have been communicated individually to pay their dues. In addition, their due position is also uploaded on Institute's website www.icwai.org under the option Members->Member Details->Search Details & Check Dues. All members having outstanding dues are requested to pay the same immediately.

Further, the Annual Membership Fee for 2010-2011 for Associate and Fellow Members of the Institute shall become due and payable on 1st April, 2010 at the following rates:

Associate Annual Membership Fee : Rs.500/- (Rs.125/- for members entitled to pay at reduced rate)

Fellow Annual Membership Fee : Rs.1000/- (Rs.250/- for members entitled to pay at reduced rate)

All members are requested to pay their respective membership fees along with arrears, if any, immediately for dues upto 2009-2010 and not later than 30th September, 2010 for dues as on 1st April, 2010.

The fees may be paid by Cash/Demand Draft/Pay Order/Cheque at the Headquarters/Regional Councils/Chapters of the Institute. The Demand Draft/Pay Order/Cheque should be drawn in favour of "The ICWA of India" and payable at Kolkata. In case of outstation cheque not payable at Kolkata, Rs.30/- is to be added towards Bank Charges. In case of payment made at the Regional Councils/Chapters of the Institute, the position will be updated upon receipt of the remittance at the Headquarters.

NOTE: MEMBERS SHOULD ENSURE TO INDICATE THEIR NAME AND MEMBERSHIP NO. ON THE REVERSE OF DEMAND DRAFT/PAY ORDER/CHEQUE TO BE DRAWN IN FAVOUR OF "THE ICWA OF INDIA" PAYABLE AT KOLKATA IN CASE PAYMENT IS TENDERED BY DEMAND DRAFT/PAY ORDER/CHEQUE. IT SHOULD ALSO BE ENSURED NOT TO ENCLOSE ANY OTHER INTIMATION ETC. ALONG WITH THE REMITTANCE OF MEMBERSHIP FEE.

FOR ATTENTION OF MEMBERS

GUIDELINES FOR PAYMENT OF MEMBERSHIP FEE AT REDUCED RATE

The guidelines for payment of membership fee at reduced rate are as follows:

Eligibility :

A member of the Institute may obtain approval for payment of membership fee at a reduced rate by making an application to the Secretary in plain paper declaring that :-

1. His age is 60 years or above.
2. He is not engaged in any gainful employment or practice.

Evidence :

The member concerned is required to produce evidence to the satisfaction of the Institute of his age and retirement.

Fees :

Upon approval from the Institute to pay membership fee at reduced rate, the member concerned shall pay a reduced annual membership fee as under:

Associate Member: Rs. 100/- (upto 2009-10) and Rs.125/- (from 2010-11 onwards)

Fellow member : Rs. 150/- (upto 2009-10) and Rs.250/- (from 2010-11 onwards)

Members who have attained 60 years of age or above may send a signed application in plain paper to the Secretary, The Institute of Cost and Works Accountants of India, 12, Sudder Street, Kolkata - 700 016 with the following declarations in terms of Regulation 7(4) of the Cost and Works Accountants Regulations, 1959 to the effect that they:

1. Have attained the age of 60 years or above;
2. Are not engaged in any gainful employment or practice.

The following clarifications are given in this context:

1. If a member is engaged in any occupation during a part of a financial year by way of employment, practice or any other manner, he will be required to pay full amount of membership fee pertaining to that financial year.
2. A member continuing to be engaged in practice from 1st April to 30th June of a particular year from the previous year shall be entitled to pay membership fee at reduced rate from that financial year onwards subject to fulfilment of other conditions in terms of Regulation 7(4) of the Cost and Works Accountants Regulations, 1959.
3. A member desirous of paying membership fee at reduced rate with retrospective effect shall be permitted to do so subject to fulfilment of other conditions in terms of Regulation 7(4) of the Cost and Works Accountants Regulations, 1959. If the name of a member is removed from the Register of Members for non-payment of fees but otherwise fulfils the conditions in terms of Regulation 7(4) of the Cost and Works Accountants Regulations, 1959, he shall also be permitted to pay membership fee at reduced rate with retrospective effect, but will have to pay restoration fee at prescribed rate and submit Form 'H' in terms of Regulation 17 of the Cost and Works Accountants Regulations, 1959.

FOR ATTENTION OF MEMBERS

PROCEDURE FOR CHANGE OF ADDRESS

Members are requested to check their status from the option Members->Member Details->Search Details & Check Dues on Institute's website www.icwai.org and inform us the following:

1.	In case of any change in the **professional address and other particulars**, the same is to be intimated through a signed hard copy preferably in the format **(Format "A" – Please see Annexure I)** given below to:	Additional Director-cum-Joint Secretary Membership Department The Institute of Cost and Works Accountants of India 12, Sudder Street Kolkata – 700 016. The signed intimation may also be sent by fax to no. 033-22521723. Otherwise, a scanned file of the signed intimation may be sent to e-mail: membership.kb@icwai.org
2.	If the **journal mailing address** is desired to be changed as per the professional address, the intimation in **(Format "A" – Please see Annexure I)** is also to be made to:	Additional Director-cum-Joint Secretary Membership Department The Institute of Cost and Works Accountants of India 12, Sudder Street Kolkata – 700 016. The signed intimation may also be sent by fax to no. 033-22521723. Otherwise, a scanned file of the signed intimation may be sent to e-mail: membership.kb@icwai.org
3.	In case of any change in the **journal mailing address only**, the same is to be intimated through a signed hard copy or by e-mail preferably in the format **(Format "B" – Please see Annexure I)** given below to:	Deputy Director (Research & Journal) The Institute of Cost and Works Accountants of India 12, Sudder Street Kolkata – 700 016. e-mail: research@icwai.org / rnj.arpan@icwai.org

Annexure I

Format "A"

	CHANGE OF ADDRESS IN THE LIST OF MEMBERS	
IN BLOCK LETTERS	NAME IN FULL :	
	MEMBERSHIP NO. :	
	QUALIFICATION :	
	ADDRESS :	
	CITY :	
	STATE :	
	PIN CODE :	
	PHONE NO. (OFFICE) :	
	PHONE NO. (RESIDENCE) :	
	PHONE NO. (MOBILE) :	
	E-MAIL :	
	SIGNATURE OF MEMBER :	

NOTE : PLEASE INDICATE N.A., IF ANY OF THE COLUMNS IS NOT APPLICABLE.

Format "B"

	CHANGE OF ADDRESS IN THE JOURNAL MAILING LIST	
IN BLOCK LETTERS	NAME IN FULL :	
	MEMBERSHIP NO. :	
	QUALIFICATION :	
	ADDRESS :	
	CITY :	
	STATE :	
	PIN CODE :	
	PHONE NO. (OFFICE) :	
	PHONE NO. (RESIDENCE) :	
	PHONE NO. (MOBILE) :	
	E-MAIL :	
	SIGNATURE OF MEMBER :	

NOTE : PLEASE INDICATE N.A., IF ANY OF THE COLUMNS IS NOT APPLICABLE.

For Attention of Practising Members

GUIDELINES FOR RENEWAL OF CERTIFICATE OF PRACTICE

The members of the Institute holding Certificate of Practice having validity upto 30th June, 2010 are requested to comply with the following guidelines for renewal of their Certificate of Practice:

1. Application for renewal of Certificate of Practice upto 30th June, 2011 has to be made in the prescribed Form 'D' duly filled in and signed on both sides together with Renewal Certificate of Practice fee for Rs. 500/- and all other dues to the Institute on account of annual membership fees and entrance fees. The annual membership fee for Associate and Fellow Members are Rs. 500/- and Rs. 1000/- respectively. The entrance fee for Associate and Fellow Members are Rs. 600/- and Rs. 500/- respectively payable at a time at the time of application for admission. The fees may be paid by Demand Draft/Pay Order/Cheque payable at Kolkata if remitted by post to the Headquarters of the Institute. In case remittance is made through an outstation cheque, Rs.30/- is to be included towards bank charges. The fees may also be paid directly by cash at the Headquarters or by Cash/ Demand Draft/Pay Order/ Cheque at the Regional Councils or Chapters of the Institute.
2. It may please be noted that under Section 6 of the Cost and Works Accountants Act, 1959, the annual membership fee and Renewal Certificate of Practice fee fall due on 1st April each year.
3. Special attention is invited to the fact that the validity of a Certificate of Practice expires on 30th June each year unless it is renewed on or before the date of expiry in terms of Regulation 10 of the Cost and Works Accountants Regulation, 1959. Therefore, a member signing any document as a practising Cost Accountant without having his Certificate of Practice renewed on or before the due date, makes the signed document invalid.
4. It may please be noted that mere payment of fees alone will not be sufficient for renewal of Certificate of Practice. Application in prescribed Form 'D' duly filled in and signed on **both sides is absolute necessary.** Soft copy of Form 'D' can be downloaded from Institute's website www.icwai.org under the option Members->Download->Forms.
5. It is also essential to furnish a certificate from the employer in the following form or in a form as near thereto as possible if the practising member has undertaken any employment or there has been a change in employment:

   "Shri ……………………………………………….is employed
   as (designation)……………………………………..in (name of
   Organisation)………………………………….and he is permitted ,
   notwithstanding anything contained in the terms of his employment,
   to engage himself in the practice of profession of Cost Accountancy
   in his spare time in addition to his regular salaried employment with us.

   Signature of Employers
   under seal of Organisation"

6. In order to enhance professional competence and evolve a systematic mechanism to update knowledge of members in practice, a scheme of Continuing Education Programme (CEP) was introduced in the year 2003.

   A revision of the said scheme has been made by the Council of the ICWAI in 2009 as follows:

(i) The member should undergo minimum mandatory training of 10 hours per year w.e.f. 2009-10.

(ii) The certificate of attendance for training will have to be enclosed with the application for renewal of Certificate of Practice.

The detailed revised guidelines in this connection are available on Institute's website www.icwai.org under the option Members->Guidelines/Procedures->For Mandatory Training For all Members of ICWAI under Continuing Education Programme.

The requirement specified above does not apply to a member in practice who has attained the age of 65 years as on 1st July, 2010.

Hence, all practising members are requested to send their application for renewal along with other requirements as indicated herein above immediately, in any case so as to reach the Institute Headquarters not later than **15th June, 2010.**