



# BCAS

# Newsletter

A monthly newsletter of the Bombay Chartered Accountants' Society

Vol. 11 No. 10

*Harnessing Talent and Providing Quality Service*

January 2009

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## Vice-President's Communiqué . . . ✍️

Dear Members,

Satyameva Jayate !

Tragically, the latest scam that has surfaced in India, which also affects investors in other countries, threatens to cast aspersions on the above well-known phrase that we Indians have been brought up to believe in.

The asatyam about Satyam Computers is easily the biggest fraud in Indian corporate history. The real truth has yet to surface; but the scandal is shocking and has also dragged our profession into the shameful crime. Time will tell if and how our members have been part of the fraud. But the eye-opener is bound to make all of us sit up and take note of how important it is for an auditor to be alert and alive. When things go wrong on the accounting front anywhere, auditors are bound to be blamed. What our Institute needs to do in the present circumstances is to take swift action and conduct its own inquiries. If necessary, tough action must be taken. We cannot sit back and allow the image of our profession to be tarnished. We cannot permit anyone to make our members the laughing stock of the world. The world is waiting and watching. If the watchdog sleeps in such turbulent times, then it cannot have anyone else but itself to blame for the consequences. The entire scam also brings into sharp focus the issue of accountability and responsibility of the audit firm as a whole, as against merely the signing partner in question.

Later this month, about 250 members will gather at Goa for the RRC. It promises to be an interesting event as usual. The seminar on Attribution of Profits to a PE was a resounding success and the International Tax Committee is already preparing for its next seminar. The HR Committee is also very pleased with the response to the Workshops on Effective Communication and Public Speaking. All in all, I am happy to inform that the Society is going great guns.

The Income-tax Department has recently been instructed by the Government to conduct large-scale surveys to try and reduce the shortfall in tax collection. This, in my opinion, is an unfortunate step. The

## Lecture Meetings\*

Venue : 4th floor, IMC, Churchgate, Mumbai-400020.  
Time : 6.15 p.m. (unless otherwise specified)

Day & Date : **Wednesday, 21st January 2009**

Speaker : **Govind Goyal**, Chartered Accountant

Subject : **MVAT Audit — Reporting in new form and other significant issues**

Day & Date : **Wednesday, 28th January 2009**

Speaker : **Haribhai Kothari**

Subject : **Middle path (મધ્યમ માર્ગ)**

(under the auspices of Amita Memorial Trust, jointly with Chamber of Tax Consultants)

Note : The lecture will be in Gujarati

Day & Date : **Wednesday, 4th February 2009**

Speaker : **Ashish Ahuja**, Advocate

Subject : **Limited Liability Partnership Act — Some issues**

\*Fellowship over a cup of tea at 5.45 p.m.

Government must recognise the fact that the economy is facing a slowdown and this is bound to affect earnings of companies and thereby their tax payments. By hounding taxpayers, the negative response generated would be counter-productive and would only make taxpayers more fed up with the Income-tax Department than they already are. We must educate our clients about their rights if they happen to receive visitors from the Income-tax Department.

My greetings to all of you on the occasion of the Republic Day. Vande Mataram !

Yours sincerely,

Ameet N. Patel

*Excellent firms don't believe in excellence — only in constant improvement and constant change — Tom Peters*

President : Anil Sathe, 24367693; Vice-President : Ameet Patel, 66178000; Hon. Secretaries : Pradip Thanawala, 22694248; Mayur Nayak, 26831199; Hon. Treasurer : Deepak Shah : 22420089

PROGRAMME	P.C.C. & Final C.A. Students' Education Crash Courses .....	3 months from 2-1-2009 .....	Sydenham College, Churchgate. ....	8	A T A G L A N C E
	Third Intensive Study Course on Accounting Standards .....	30, 31-1-2009, 6,7,13,14,20,21,23,25 & 27-2-2009 .....	Indian Merchants' Chamber .....	9	
	Orientation Workshop for CPT Students .....	13, 14-2-2009 .....	BCAS Conference Hall .....	11	
	Computer Training Programme for Senior Chartered Accountants .....	2 to 7-2-2009, 9 to 13-2-2009, 16-2-2009 .....	H.R. College of Commerce, Churchgate, Mumbai. ....	7	
	Third Residential Study Course on Service Tax .....	6 to 8-3-2009 .....	Treat Resort, Silvassa, Gujarat .....	5	
	Intensive Study Course for students on Double Taxation Avoidance Agreements .....	20, 21-3-2009 .....	BCAS, 7, Jolly Bhavan No. 2, Mumbai-400020. ....	7	
	Seminar on Case Studies on International Taxation .....	28-3-2009 .....	J. W. Marriott, Juhu, Mumbai. ....	3	

7, Jolly Bhavan No. 2, New Marine Lines, Mumbai-400020. Tel. Nos. : 66595601 to 05; Fax : 66595606 E-mail : bca@bcasonline.org; Website : www.bcasonline.org



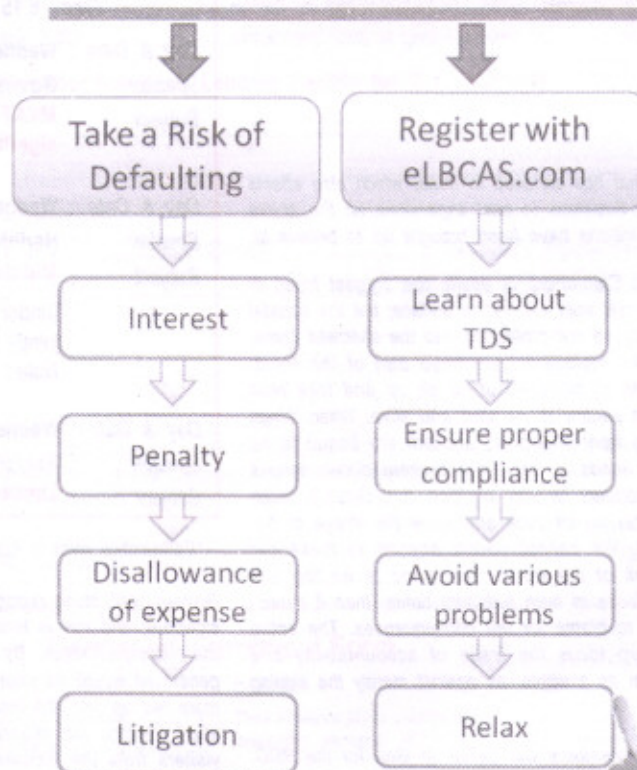
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**Course fee for TDS module**

BCAS Members : Rs.3,500 Others : Rs.4,500

Enquire at BCAS for special rates on bulk registrations

Bombay Chartered Accountants' Society

7, Jolly Bhavan No. 2, New Mairne Lines, Churchgate, Mumbai-400020

Tel. : +91-22-66595601 to 05 Fax : +91-22-66595606 E-mail : orders@elbcas.com





## Right to Information Clinic

BCAS Foundation operates Right to Information (RTI) Clinic on a regular basis. RTI Clinic is operated by Mrs. Hema Sampat, a research scholar on the subject of RTI, Mr. A. K. Asher, Advocate & RTI activist and Mr. Narayan Varma, past President, BCAS.

The Clinic provides help and guidance to BCAS members as also to non-members, *i.e.*, all citizens, for making applications under the RTI Act and also assists in resolving any related difficulties on the subject of RTI.

**The RTI Clinic operates on every 2nd, 3rd and 4th Saturday from BCAS's office — 11 a.m. to 1 p.m.**

**The next RTI Clinic days accordingly are 17th & 24th January 2009 and 14th, 21st & 28th February 2009.** Please call the Society's office (Ms. Shernaaz) to obtain a prior appointment.

## Charitable Trust Clinic

The next Charitable Trust Clinic will be held on **Friday, 6th February 2009, from 5 p.m. to 7 p.m. in the library room of BCA Society at New Marine Lines.**

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

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

## Accounts & Audit Clinic

The next Accounts & Audit Clinic will be held on **Saturday, 7th February 2009, from 10.30 a.m. to 11.30 a.m. in the library room of BCA Society at New Marine Lines.**

Persons interested in having their queries pertaining to accounting and auditing issues solved, are requested to send the queries by email to [asst.em@bcasonline.org](mailto:asst.em@bcasonline.org) one week in advance and call the Society's office (Mr. Rajaram on extensions 13 & 21) to obtain prior appointment, at least a day before the day of the Clinic. Please note that the Panel will not answer any queries pertaining to tax issues.

*Panel of Advisors :*  
Sanjeev Pandit,  
Himanshu Kishnadwala and  
Jayesh Gandhi



## International Taxation COMMITTEE

*Chairman* : Pinakin Desai  
*Co-Chairman* : Rajesh Kothari  
*Convenors* : Dhishat Mehta  
Nitin Shingala  
Sushil Lakhani

*Course Coordinators* : Hiten Shah, Paresh Budhdev and Kirit Dedhia

## Seminar on Case Studies on International Taxation

The growing cross border transactions raise many contentious issues with regard to triangular tax cases, services, credit of taxes levied in source country and taxation of hybrid financial instruments. The purpose of the seminar is to understand and update members with these frequently confronted issues and the judicial trend on such issues. It will be our endeavour to generate some interaction at the seminar.

*Day & Date* : **Saturday, 28th March, 2009**

*Time* : **9.00 a.m. to 5.30 p.m.**

*Venue* : **J. W. Marriott, Juhu, Mumbai.**

*Fees* : Rs.2,000 per member  
Rs.2,500 per non-member (limited seats)  
(inclusive of course material, tea, coffee & lunch and Rs.20 towards contribution to BCAS Foundation)

Topic	Faculty
Case studies on triangular situations	Eminent faculty
Case studies on foreign tax credit	Eminent faculty
Case Studies on services	H. Padamchand Khincha
Case Studies on hybrid financial instruments	Yogesh Thar

Enrolment is restricted to 125 participants on first-come-first-served basis. Please enrol early to avoid last minute disappointment. **Enrolment fees are non-refundable, non-transferable and as per Society's policy, a participant is not permitted to substitute another person.**

Enrolment form is printed on page 12.

Men are not to be judged by their looks, habits, and appearances; but by the character of their lives and conversations, and by their works. It is better to be praised by one's own works than by the words of another.

— Roger L'Estrange

# Are you Confused ?

## The Solution is right ahead

# BCAS

CALENDAR  
2009



Helps CAs to overcome difficulty of reminding Due Dates to Clients  
Helps CAs to educate clients of various services rendered

The BCAS Calendar 2009 reminds the user of dates for filing or payments under various statutes like Income Tax (Advance Tax/TDS/TCS/FBT), MVAT, Profession Tax, Service Tax, P.F., ESIC, etc.

Timely compliance of various statutes is need of the hour. Businessmen and Professionals are burning midnight oil to comply with the various dates. At BCAS, our vision statement says "..... to promote quality service and excellence in the Profession of Chartered Accountancy and shall be proactive to change". It is an endeavour of BCAS to fulfil its vision statement by providing a 'Perfect Date Management Tool' which is 100% utility oriented and specially designed on the concept of 'Do Remember' for the benefit of Clients and Professionals.

### Available in

Booking Open.  
Outstation orders against advance payment by DD including postage charges.

Pack	Price
5	Rs. 200/-
10	Rs. 350/-
50	Rs. 1,550/-
100	Rs. 2,800/-

*Postage Charges Extra (see order form)*

*Gift Calendars, Spread Education, Ensure Compliance*



### BOMBAY CHARTERED ACCOUNTANTS' SOCIETY

7, Jolly Bhavan No. 2, Ground Floor, New Marine Lines, Mumbai - 400 020, India.  
Tel. 66595601/02/03/04/05 Fax 66595606 E-mail bca@bcasonline.org

#### Order form for BCAS Calendars 2009

I/We am/are interested in ..... pack(s) of 5/10/50/100 calendars for 2009 at Rs...../- each.  
I/We will arrange to get calendars collected from BCAS's office in Mumbai during office hours after December 1, 2008.  
I/We agree to pay postage charges (per pack of 5 calendars) Rs. 30/- for local, Rs. 60/- if outside Mumbai but within Maharashtra and Rs. 80/- if outside Maharashtra.

Name : Mr./Mrs./Ms..... Membership No. : .....

Firm's name : .....

Office address : .....

..... City ..... Pin .....

Tel. Nos. (office):..... Direct/Mobile : ..... E-mail : .....



**Indirect Tax and Allied Laws**  
C O M M I T T E E

Chairman : Pranay Marfatia  
Convenors : Raman Jokhakar  
Satish Kanodia  
Toral Mathuria

*Third Residential Study Course on Service Tax*

⑤ **Dates : Friday 6th March to Sunday 8th March 2009**  
**Venue : Treat Resort, Silvassa Sayli Road, SSR College Road, Silvassa, Gujarat.**

The Committee is pleased to announce its 3rd Residential Study Course (RSC) on Service Tax, at Silvassa from Friday 6th March to Sunday 8th March 2009 at the Treat Resort, Silvassa. The RSC is designed to facilitate learning the principles and practices of Service tax in depth in an informal atmosphere. The participants will learn about a blend of service tax topics — their fundamentals and practical applications. They will have an opportunity to get clarity on various challenges and issues of the law and also face complex situations in the form of case studies to strengthen their understanding of the law. The RSC will also include issues related to VAT on Information Technology & Software services.

The course would have a format of 3 case study papers dealing with current issues and two presentation papers led by eminent speakers :

Subject	Paper Writer
<b>A. Case Study papers for discussion</b>	
1. Recent issues in Cenvat Credit Rules — Service tax perspective	Bakul Mody <i>Chartered Accountant</i>
2. Information Technology & Software services — VAT & Service Tax perspective	K. Vaitheeswaran <i>Advocate</i>
3. Case studies (on the topics other than above)	V. Raghuraman <i>Advocate</i>
<b>B. Presentation Papers</b>	<i>Presenters</i>
4. Adjudication and Appellate procedures in Service Tax	Naresh Thacker <i>Advocate</i>
5. Service tax compliance — putting systems and procedures in place	Nihal Kothari <i>Chartered Accountant</i>

Basic knowledge of the service tax law would be a pre-requisite.

Looking forward to your participation in this residential study course at this relaxed venue where we study and unwind all at once.

**Course fees :**

Inclusive of lodging, boarding, course materials and Rs.20 Contribution to BCAS Foundation Rs.4,800

**Transportation : (optional)**

By AC Luxury Coach Mumbai–Silvassa–Mumbai Rs.800

1. The course is open for members of BCAS only (as on the date of enrolment).
2. The check-in time is on Friday 6th March 2009 — 10 a.m. onwards.
3. The participants will be accommodated on twin-sharing basis.
4. The course is open for 100 participants on first-come-first-served basis.
5. Cheque/Demand Draft should be drawn in favour of “Bombay Chartered Accountants’ Society”, payable at Mumbai.
6. Outstation members should send payment by demand drafts, payable at Mumbai.
7. Course ends on Sunday 8th March 2009 afternoon.
8. Applications for refunds/replacements will not be entertained.
9. To find out more about the venue and directions to reach there, visit their website [www.treatresort.com](http://www.treatresort.com).

INDIRECT TAX & ALLIED LAWS COMMITTEE

Sr. No.
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**Enrolment Form**

**Third Residential Study Course on Service Tax**

(Please use block letters, preferably typewritten)

Name : ..... Age : .....

Name of the company/firm : .....

Mailing address : .....

BCAS Memb. No. .... Tel. : (O) ..... (R) : .....

Fax : ..... Mobile : ..... E-mail : .....

Choice of papers for Group Leadership : .....

Choice of room partner : .....

Cheque/Draft No.	Drawn on	Bank Branch	Amount Rs.

Place : ..... (Name & Signature)

Date : .....

\* Outstation members to pay by Demand Draft Payable at Mumbai only.



The soldier who dies to save his brothers reaches the highest of all degrees of charity, and this is the virtue of a single act of charity : It cancels a whole lifetime of sin.

— Cardinal Mercier

Revised and Enlarged Edition of

# BCAS TRANSFER PRICING MANUAL

Vol. 1 & 2

(Including OECD Transfer  
Pricing Guidelines)

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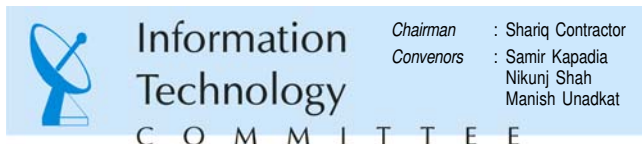
available at BCAS  
office between  
10.00 a.m. to 1.00 p.m.  
2.00 p.m. to 5.00 p.m.

Price for both the  
Volumes is  
**Rs.1200/-\***

\*Postage Rs. 150/- extra



**Bombay Chartered Accountants' Society**  
7, Jolly Bhavan No. 2, Ground Floor,  
New Marine Lines, Churchgate, Mumbai 400 020  
Tel +91-22-66595601-5 Fax +91-22-66595606  
Email [bca@bcasonline.org](mailto:bca@bcasonline.org) URL [www.bcasonline.org](http://www.bcasonline.org)



## Computer Training Programme for Senior Chartered Accountants

In association with HR College of Commerce  
Course Coordinator: **Kamlesh L. Doshi**

Dear Senior Chartered Accountants,

Do you still depend on your computer operator to perform everyday tasks like working with files in Word and Excel, checking emails, downloading information from the Internet, auditing around accounting software, etc. ? Does the computer phobia still haunt you ?

After the runaway success of the "Computer Training Programme for Senior Chartered Accountants", BCAS now presents **6th batch of the computer training programme**, specially designed for Chartered Accountants of over 55 yrs. of age in association with HR College of Commerce, Churchgate, Mumbai.

This programme is designed for **absolute beginners**, who wish to learn basic computer operations at their own pace. So if you already have working knowledge of computers, this programme is not meant for you.

### Programme highlights :

**Hands-on training** : Complete 24 hrs of Hands-on training (including **7 hrs. by practising Chartered Accountants focussing on CA-relevant use of computers**).

**PC for every participant** : One computer per participant

**CD with course material** : Along with course material, a CD containing templates, files, and other readymade material useful to Chartered Accountants will be distributed.

### Programme details :

#### 1. Course coverage :

##### By HR College Faculty at HR College Computer Lab

- Computer Fundamentals (01 hr.)
- Microsoft Windows (01 hr.)
- Microsoft Word (05 hrs.)
- Microsoft Excel (06 hrs.)
- Internet/Email (03 hrs.)
- Troubleshooting (01 hr.)
- Total hrs. by HR College Faculty :** (17 hrs.)

##### By BCAS Faculty — Also at HR College Computer Lab

- Microsoft Word (02 hrs.)
- Microsoft Excel (02 hrs.)
- Internet/Email (01 hr.)
- Auditing in Accounting Software (like Tally) (02 hrs.)
- Total hrs. by BCAS faculty :** (07 hrs.)

2. **Venue** : H. R. College of Commerce, Churchgate, Mumbai.

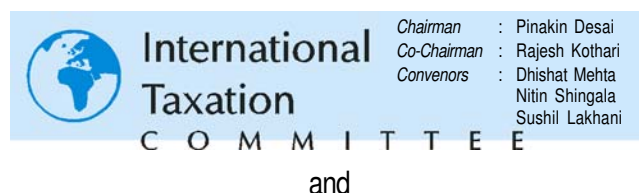
3. **Time** : 6 p.m. to 8 p.m. on weekdays  
2 p.m. to 4 p.m. on Saturday

#### 4. Day and Dates :

2nd February to 7th February 2009 (Monday to Saturday)  
9th February to 13th February 2009 (Monday to Friday)  
16th February, 2009 (Monday)

5. Programme Fee	Rs. 2,980
Contribution towards BCAS Foundation	Rs. 20
<b>Total Fees :</b>	<b>Rs. 3,000</b>

Note : Admission restricted to first **20** participants only, so register instantly to avoid disappointment.



## Intensive Study Course for students on Double Taxation Avoidance Agreements

The above Study Course will be held in the second half of March 2009. It is for the students who have passed the Final CA examination but have yet to complete their Articleship Training. There will be around 10 lectures in all. The course is designed to introduce the participants to the exciting and fast growing practice of International Taxation. The UN Model Convention on Avoidance of Double Taxation will form the basis for the course and will be given to each participant as part of the course material. Faculty for the course comprises of Senior Professionals specialising in International Taxation and may include the following persons :

Dhishat Mehta, Geeta Jani, Keyur Shah, Kishor Karia, Mayur Desai, Mayur Nayak, Naresh Ajwani, Rajeev G. Shah, Shabbir Motorwala, and T. P. Ostwal.

**Dates** : Friday 20th March, 2009 and Saturday 21st March, 2009

**Time** : 9.00 a.m. to 6.00 p.m.

**Venue** : **BCA Society's Office.**

**Fees** : Rs.2,000 per participant (including Rs.20 as contribution to BCAS Foundation)

Enrolment will be restricted to 75 participants on first-come-first-served basis. Enrolment fees are non-refundable, non-transferable and as per Society's policy, a participant is not permitted to substitute another person. Enrolment form is printed on page 12.



# Bombay Chartered Accountants' Society

7, Jolly Bhavan No. 2, New Marine Lines, Mumbai-400020.  
Phone : 66595601 to 05 Fax : 66595606 E-mail : bca@bcasonline.org Website : www.bcasonline.org

## Human Resources Committee

Chairman : **Rajesh Muni**

Convenors : **Mukesh Trivedi, Aliasgar Kherodawala, Manish Sampat**

**"We had joined the Revision Course, which has proved very much helpful to us. We cleared both groups in First Attempt."**  
— *Janhavi Thatte & Komal Jain*

## P.C.C. & FINAL C.A. STUDENTS' EDUCATION CRASH COURSES

(Jointly with Western India Regional Council of the Institute of Chartered Accountants of India)

### For May & November 2009 Examinations

1. Courses for :

**C.A. P.C.C.**

- Group-I — Advanced Accounting
- Auditing & Assurance
- Law, Ethics & Communication
- Group-II — Taxation
- Cost Accounting & F.M.

(In addition, important topics in IT & Strategic Management may be covered at no extra cost.)

**C.A. Final**

- Group-I — Advanced Accounting & Financial Management
- Group-II — Direct Taxes
- Indirect Taxes
- Cost Management
- MICS

2. Course Co-ordinators : **Chandrakant Ruparelia, C.A.; B. C Jain, C.A.**

3. Fees : **Rs.1000** per student for P.C.C. or Final (Total, and not per subject, including cost of study materials)

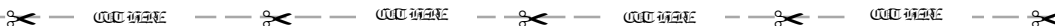
4. Timings & Venue : **6.15 p.m. to 8.30 p.m.** on weekdays at Sydenham College, 'B' Road, Churchgate.

5. Duration : **3 months from January 2, 2009**

6. Enrolment : **From November 1, 2008**

7. Faculty : **Eminent personalities possessing rich experience in their respective fields.**

For further informaion, kindly contact C. Ruparelia on Phone 66595601 to 05 during office hours at **BOMBAY CHARTERED ACCOUNTANTS' SOCIETY.**



### ENROLMENT FORM

Name : .....

Registration Number : .....

Course in which admission is desired : P.C.C.  FINAL  (Please tick appropriately)

Residential Address : .....

..... Tel. No. (R) : ..... E-mail : .....

Details of Articleship : Date of Joining : ..... Estimated date of Completion : .....

Name of the Principal : .....

Name and address of the Firm where articleship is being undergone : .....

..... Tel. No. (O) : ..... Fax No. (O) .....

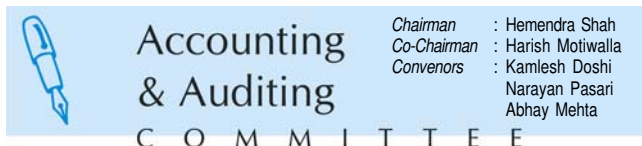
Cash/Draft/Cheque No. .... drawn on ..... Bank, dated ..... for an amount of Rs.1000 is enclosed.

Date : ..... Signature .....

Notes :

1. **Please send the above form along with cash/cheque/draft drawn in favour of "BOMBAY CHARTERED ACCOUNTANTS' SOCIETY", to the Society's office, at the address mentioned above.**
2. We propose to have multifarious activities like Elocution Competition, Public Speaking, Self-Development Education Courses, Orientation Courses, etc. for interested students.
3. Members are requested to keep the proforma of this sheet and send the same duly filled in by a new articulated trainee after his/her enrolment in their office.





Jointly organised with :

**INDIAN MERCHANTS' CHAMBER**

IMC Building, Churchgate, Mumbai-400020.

Tel. No. : 22046633. Fax : 22048508/22838281

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and

Accounting & Auditing Committee of

**BOMBAY CHARTERED ACCOUNTANTS' SOCIETY**

7, Jolly Bhavan No. 2, New Marine Lines, Mumbai-400020.

Tel. No. : 66595601/02/03/04/05 Fax : 66595606

E-mail : bca@bcasonline.org Visit us at www.bcasonline.org

## Third Intensive Study Course on Accounting Standards

⑤

Along with the process of globalisation, the awareness of capital markets has increased manifold and the size of investing public has also multiplied many times. In this situation, globally it is felt that there should be uniformity, rationalisation, comparability, transparency and adaptability in the financial statements. This underlines the need to have stringent norms for preparation and presentation of financial statements. Accounting Standards play a very important role in the reporting of financial results of companies as per demands of users of the financial statements. Accounting Standards issued by ICAI (currently AS-1 to AS-31) require detailed understanding by accountants as well as auditors to ensure that the same are properly followed and implemented. ICAI has also announced a convergence project with IFRS, which opens up tremendous professional opportunities for imparting training, etc. in the subject.

Looking at the importance of the subject, Bombay Chartered Accountants' Society (BCAS) jointly with Indian Merchants' Chamber (IMC) has organised this **Third Intensive Study Course on Accounting Standards**. The Study Course has been designed on the basis of the feedback and experience gained from the earlier two batches organised over the last two years. The Course has been made more compact and issue-based. It would be spread over 15 sessions, with emphasis also on other related developments at the International level at IASB which issues IAS and International Financial Reporting Standards (IFRS).

The Study Course faculty has been selected keeping in view the practical expertise which they possess in implementation and application of these Standards, which will enlighten the participants on the nuances of the Indian AS with corresponding IAS/IFRS dealt by them.

**Dates : 15 Sessions**

**30, 31 January 2009,**

**6, 7, 13, 14, 20, 21, 23, 25 & 27 February 2009**

**Time : Fridays/Weekdays 6.15 p.m to 8.30 p.m.**

**Saturdays 9.30 a.m. to 1.45 p.m. (followed by lunch)**

**Venue : Indian Merchants' Chamber**

**Fees : Rs.6,000 each for Members of IMC & BCAS**

**Rs.7,000 each for Non-Members**

**(Fees inclusive of course material and lunch on Saturdays)**

- The faculty will be drawn from experts in the field and those having hands-on experience of implementing these standards.
- A participation certificate will be awarded to all those participants who have attended at least 75% of the sessions.
- Enrolment is restricted to 75 participants on first-come-first-served basis.
- Enrolment fees are non-refundable. Enrolment form is on page 12.
- 10% discount will be given to 3 or more participants from the same organisation.

## BCAS Publications for Sale

Name of the Publication	Price (Rs.)	Postage (Rs.)
<b>Books / CDs / Papers</b>		
(1) International Tax & Finance Conference 2008 (Set of 4 Papers)		
For a member	350	70
For a non-member	450	70
(2) Right to Know — The Right to Information Act, 2005 (Pack of 10 booklets)	50	15
(3) Service Tax Goods Transport Agency Services (Revised and updated up to June 2008)	30	20
(4) EPC Contracts — A monograph	200	50
(5) Journal CD — April 2000 to March 2008		
For a member	400	20
For a non-member	500	20
(6) Law of Service Tax — Revised 2008	250	60
(7) Transfer Pricing Manual — 2008	1200	150
(8) Diamond Jubilee Conference 2008 Papers	125	25

*Note:* Cheque should be drawn in favour of "Bombay Chartered Accountants' Society", except in case of srl. no. 2, where it should be drawn in favour of "BCAS Foundation".

It is sometimes frightening to observe the success which comes even to the outlaw with a polished technique, and we find ourselves doubting the validity of the virtues we have been taught. But I believe we must reckon with character in the end, for it is as potent a force in world conflict as it is in our own domestic affairs. It strikes the last blow in any battle.

— Philip D. Reed



From RBI

Contributed by  
Gaurang Gandhi

The Reserve Bank of India has issued 11 Circulars.

**A.P. (DIR Series) Circular No. 37, dated December 2, 2008**

⑤ **Memorandum of Instructions for Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses**

This Circular has modified the existing Memorandum of Instructions for Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses as under :

1. The maximum float period for funds with DDA account has been enhanced from the present three days to five days.
2. The period for collateral requirement has been reduced from 30 days (viz. cash deposit and bank guarantee each for an amount equivalent to 15 days drawings on moving-average basis in India or abroad) to 10 days. Further, the collateral can be either in the form of cash deposit or a bank guarantee from an international bank of repute.

**A.P. (DIR Series) Circular No. 38, dated December 4, 2008**

**Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR**

The rupee value of the special currency basket has been fixed with effect from November 10, 2008 at Rs.62.5050 as against the earlier value of Rs.65.4398.

**A.P. (DIR Series) Circular No. 39, dated December 8, 2008**

**Buyback/Prepayment of Foreign Currency Convertible Bonds (FCCBs)**

Guidelines applicable to ECB also apply to FCCB and accordingly banks are permitted to allow prepayment of ECB up to USD 500 million without prior approval of the Reserve Bank, subject to compliance with the stipulated minimum average maturity period as applicable to the loan. Further, existing ECB can be refinanced by raising a fresh ECB, subject to the conditions that the fresh ECB is raised at a lower all-in-cost and the outstanding maturity of the original ECB is maintained. The existing provisions for prepayment and refinancing will continue, as hitherto.

This Circular has liberalised, subject to other terms and conditions, the procedure for premature buyback of FCCB, both under the automatic route as well as the approval route, as under :

**A. Automatic Route :**

The designated AD Category-I banks may allow Indian companies to prematurely buyback FCCB, subject to compliance with the terms and conditions set out hereunder :

- (i) The buyback value of the FCCB shall be at a minimum discount of 15% on the book value;
- (ii) The funds used for the buyback shall be out of existing foreign currency funds held either in India (including funds held in EEFC account) or abroad and/or out of fresh ECB raised in conformity

with the current ECB norms; and

- (iii) Where the fresh ECB is co-terminus with the outstanding maturity of the original FCCB and is for less than three years, the all-in-cost ceiling should not exceed 6 months Libor plus 200 bps, as applicable to short-term borrowings. In other cases, the all-in-cost for the relevant maturity of the ECB shall apply.

**B. Approval Route :**

The Reserve Bank will consider proposals from Indian companies for buyback of FCCB under the approval route, subject to compliance with the following conditions :

- (i) The buyback value of the FCCB shall be at a minimum discount of 25% on the book value;
- (ii) The funds used for the buyback shall be out of internal accruals, and this has to be evidenced by Statutory Auditor's and designated AD Category-I bank's certificate; and
- (iii) The total amount of buyback shall not exceed USD 50 million of the redemption value, per company.

Applications complying with the above conditions may be submitted, together with the supporting documents, through the designated bank to the Central Office of RBI for necessary approval.

**A.P. (DIR Series) Circular No. 40, dated December 10, 2008**

**Foreign Exchange Management Act, 1999 — Foreign Travel — Mode of payment in Rupees**

Presently, payment for purchase of foreign exchange for travel abroad can be made in cash if the amount does not exceed Rs.50,000. Where the amount exceeds Rs.50,000, payment can be made by a crossed cheque/Banker's cheque only.

This Circular provides that apart from the above modes, payment for purchase of foreign exchange can be made by the purchaser through his own debit card/credit card/prepaid card.

**A.P. (DIR Series) Circular No. 41, dated December 10, 2008**

**Exim Bank's Line of Credit of USD 30 million to the Government of the Republic of Malawi**

Exim Bank has made available, subject to certain terms and conditions, a Line of Credit (LOC) of US \$ 30 million to the Government of the Republic of Malawi for financing eligible goods and services including consultancy services from India for supply of irrigation, storage, tobacco threshing plant and one village-one plant project in Malawi. Goods and services of the value of at least 85% of the contract price have to be supplied by sellers from India and the balance 15% (other than consultancy services) can be procured from outside India.

The last date for opening of LOC and disbursement will be 48 months from the scheduled completion date(s) of the contract(s) in case of project exports and May 13, 2014 in case of supply contracts.

**A.P. (DIR Series) Circular No. 42, dated December 24, 2008**

**Exim Bank's Line of Credit of USD 25 million to the Government of the Republic of Madagascar**

Exim Bank has made available, subject to certain terms and conditions,



a Line of Credit (LOC) of US \$ 25 million to the Government of the Republic of Madagascar for financing eligible goods and services including consultancy services from India for two projects — (i) project for rice productivity (US \$ 10 million) and (ii) project for fertiliser production (US \$ 15 million) in Madagascar. Goods and services of the value of at least 85% of the contract price have to be supplied by sellers from India and the balance 15% (other than consultancy services) can be procured from outside India.

- ⑤ The last date for opening of LOC and disbursement will be 48 months from the scheduled completion date(s) of the contract(s) in case of project exports and November 13, 2014 in case of supply contracts.

**A.P. (DIR Series) Circular No. 43, dated December 26, 2008**

**Settlement System under ACU Mechanism**

Presently, transactions through the Asian Clearing Union (ACU) can be settled in ACU Dollars only.

This Circular provides that on and from January 1, 2009, transactions through ACU can be settled in ACU Dollars or ACU Euro at the option of the participants.

**A.P. (DIR Series) Circular No. 44, dated December 26, 2008**

**Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between the Government of India and the erstwhile USSR**

This Circular states that with effect from November 19, 2008 the rupee value of the special currency basket has been fixed at Rs.64.9196 as against the earlier value of Rs.62.5050.

**A.P. (DIR Series) Circular No. 45, dated January 2, 2009**

**Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between the Government of India and the erstwhile USSR**

This circular states that with effect from December 23, 2008 the rupee value of the special currency basket has been fixed at Rs.67.0394 as against the earlier value of Rs.64.9196.

**A.P. (DIR Series) Circular No. 46, dated January 2, 2009**

**External Commercial Borrowings (ECB) Policy — Liberalisation**

This Circular has made the following changes in the ECB guidelines :

1. The all-in-cost under the Automatic Route as well as Approval Route will be :

Average Maturity Period	All-in-cost over 6 Months LIBOR*
3 years and up to 5 years	300 bps
More than 5 years	500 bps
* for the respective currency of borrowing or applicable benchmark	

Eligible borrowers who want to borrow at rates higher than the above rates must obtain RBI permission under the Approval Route. This relaxation will be reviewed in June 2009.

2. Corporates engaged in the development of integrated townships as defined in Press Note 3 (2002 Series) dated January 4, 2002 issued by DIPP, Ministry of Commerce & Industry, Government of India,

can avail ECB under the Approval Route. This policy will be reviewed in June 2009.

3. Non-Banking Finance Companies (NBFC), which are exclusively involved in financing infrastructure sector, can avail ECB from Multilateral/Regional Financial Institutions and Government-owned Development Financial Institutions for on-lending to borrowers in the infrastructure sector under the Approval Route. This policy will be reviewed in June 2009.
4. Hotels, hospitals and software sectors can avail ECB up to US \$ 100 million per financial year under the Automatic Route for foreign currency and/or Rupee capital expenditure for permissible end use. However, ECB cannot be used for acquisition of land.

**A.P. (DIR Series) Circular No. 47, dated January 6, 2009**

**Exim Bank's Line of Credit of USD 25 million to the Government of Ghana**

Exim Bank has made available, subject to certain terms and conditions, a Line of Credit (LOC) of US \$ 25 million to the Government of Ghana for financing eligible goods and services including consultancy services from India for three projects — (i) ICT and Good Governance project (US \$ 5 million), (ii) Railway Corridors project (US \$ 13 million) and (iii) Agro Processing Plant (US \$ 7 million) in Ghana. Goods and services of the value of at least 85% of the contract price have to be supplied by sellers from India and the balance 15% (other than consultancy services) can be procured from outside India.

The last date for opening of LOC and disbursement will be 48 months from the scheduled completion date(s) of the contract(s) in case of project exports and September 1, 2014 in case of supply contracts.



	<b>Human Resources</b>	<i>Chairman</i> : Rajesh Muni
	<b>C O M M I T T E E</b>	<i>Convenors</i> : Manish Sampat Aliasgar Kherodawala Mukesh Trivedi

**Orientation Workshop for CPT Students**

Thank you participants for an overwhelming response. The registration for this programme is full.

**Programme details :**

*Day & Date* : **Friday, 13th & Saturday, 14th February 2009**

*Time* : **9.00 a.m. to 5.30 p.m.**

*Venue* : **BCAS Conference Hall, at BCAS  
7 Jolly Bhavan No. 2,  
New Marine Lines, Mumbai-400020.**



Learning makes a man fit company for himself.

— Young

## BCAS Foundation

### Book lending facility for CA Students

The BCAS Foundation has started an **Academic Book Lending Facility for 'PE II' & 'Final Level'** Chartered Accountancy students. This facility is meant to assist all those students who have in them the capability to achieve great heights but have not been able to realise their dreams due to constraints.

**Kindly note that only students recommended by the members of BCAS are entitled for this scheme. This facility is available to students of Mumbai, Navi Mumbai and Thane District only.**

Students can also access the list of books in the Students' Corner on the BCAS website ([www.bcasonline.org](http://www.bcasonline.org)).

- ⑤ After consulting various experienced faculties and one to one interaction with students pursuing the course, a list of academic books for both PE II & Final Level students has been formulated.

Desiring students should immediately approach the Librarian Ms. Madhuri Haware at BCAS Office ([library@bcasonline.org](mailto:library@bcasonline.org)/ [students@bcasonline.org](mailto:students@bcasonline.org) or call on 66595601/02/03/04/05 Extn no. 24) for further inquiries. The enrolment form is given below.

**The scheme is in force from 15th of February 2008.**

#### Enrolment Form for the Book Lending Facility for C.A. Students

Name : .....

Address : .....

Mobile : ..... Tel (O) : ..... Tel. (R) : ..... E-mail : ..... Student's Regn. No. with ICAI : .....

Member's Name : ..... Member's BCAS Registration No. : .....

\_\_\_\_\_  
(Student's Signature)

I the undersigned hereby recommend Mr./Ms. .... for availing book lending facility of the BCAS foundation. I will ensure that the borrowed books are returned within the stipulated period.

Date : ..... Membership no. .... (Member's Signature)



#### Combined Enrolment Form

⇒ wherever applicable

PROGRAMME :	COURSE :	
E-learning	Rs.3500 for member ..... <input type="checkbox"/>	Third Intensive Study Course on 30,31-1-2009 Rs.6,000 for member ..... <input type="checkbox"/>
	Rs.4500 for non-member .... <input type="checkbox"/>	Accounting Standards 6,7,13,14,20,21,23,25,27-2-2009 Rs.7,000 for non-member ..... <input type="checkbox"/>
Computer Training Programme for Senior Chartered Accountants 2 to 7-2-2009, 9 to 13-2-2009, 16-2-2009	Rs.3,000 ..... <input type="checkbox"/>	Intensive Study Course for students on Double Taxation Avoidance Agreements 20, 21-3-2009 Rs.2,000 ..... <input type="checkbox"/>
	SEMINAR :	
	Seminar on Case Studies on International Taxation	28-3-2009 Rs.2,000 for member ..... <input type="checkbox"/> Rs.2,500 for non-member ..... <input type="checkbox"/>

Name : .....

Address : .....

E-mail : ..... Mobile : ..... Tel. : ..... Fax : .....

BCAS Memb. No. : ..... Tel. (O) : ..... Tel. (R) : ..... Fax : .....

Cash / Draft / Cheque No. .... drawn on ..... Bank, dated ..... for an amount of Rs. .... is enclosed.

\_\_\_\_\_  
(Signature)

Please fill in the above form appropriately and send the same to the Society's office along with the requisite payment.  
 Please mention your name and membership number on the reverse side of the local cheque/at par cheque/Demand Draft.  
 Kindly note that w.e.f. 1-9-2008 the cash counter timings will be from 10.30 a.m. to 5.30 p.m. on Monday to Friday and 10.30 a.m. to 1 p.m. on Saturday. The lunch time is 1 p.m. to 2 p.m. Members are requested to co-operate in this regard.