



Reach Within to Embrace Humanity

www.rotarychdmidtown.org

# The Midtowner



Club Number : 15228

**Bulletin of Rotary Club of Chandigarh Midtown: R.I. District 3080**

R. I. President  
**Kalyan Banerjee**

District Governor  
**Manpreet Singh**

President  
**Raj Kumar Luther**

Secretary  
**Amarjit Singh**

Editor  
**Dr. V. J. S. Vohra**

Volume XXXVI No. 39 Dated: March 27, 2012

PROGRAMME

Sufies and Sufism – The way of Life

*Guest Speaker:* Mr. Vijay Vardan, IAS, Financial Commissioner  
& Principal Secretary, Govt. of Haryana

Friday, March 30, 2012

Time: 6.30 p.m.

Venue: Hotel President, Sector 26, Chandigarh

## Union Budget 2012-13

In the club meeting on March 23, 2012, to give a clearer picture of the Union Budget 2012-13, we had two leading Chartered Accountants as Guest Speakers, Mr. Prem Garg and Mr. Krishan Vrind Jain. They were introduced by President R.K. Luther. Mr. Prem Garg has done B.Com, FCA, LL.B from Chandigarh and is in practice since 1984 at Chandigarh. He is Former member, Industrial Advisory Committee, U.T. Chandigarh, Former Chairman, The Institute of Chartered Accountants of India, Chandigarh Branch., Executive Member, SPCA Chandigarh for the last 15 years, presently Hony Treasurer, and active Life Member, ISKCON Chandigarh. He has 27 years of Audit experience. During this period conducted audits of PSU's, Banks and private sector companies. He provides professional consultancy in financial, taxation and company law matters to clients.



*Prem Garg*

*Krishan Vrind Jain*

As a duty towards society, his office is providing for the education of more than 1000 poorest of the poor slum children. These children are being taught at different locations in Chandigarh and Panchkula, under the banner of Jeevan Mukat Nishulak Vidhalya. So far more than 2500 children have been got admitted to regular schools by this NGO.

An active crusader against corruption and black money, he recently appeared before Supreme Court of India in a PIL to stop circulation of black money. As a result of this, ban on GPAs has been implemented and the second in this budget regarding accounts and assets held in foreign countries by Indians.

The other guest speaker, Mr. Krishan Vrind Jain is B.Com, FCA, AICWA, and has been Chairman Chandigarh Branch of ICAI. He has participated in various National and International forums. He has held various important assignments and is presently Co-opted for Sub Group on drafting rules and forms under Direct Tax Code (DTC). He has been presenting papers and has been member speaker on various topics at the seminars held by Chandigarh branch of the Institute of CA's of India. He is also research associate on IPR issues relating to Herbal Extracts in India, EU and USA. He has also been taking regular classes for the Institute of CA's of India.

Every year the finance ministry rolls out a budget which has few goodies and giveaways but many curbs and tough measures. The common man complains of higher taxes and the industry cribs for more subsidies and benefits. Certain sectors are more than happy if their existing benefits are not withdrawn but that's rarely the case.

Mr. Prem Garg explained that this budget is a move towards DTC and GST regime. He said, "The budget is a half hearted approach to tackle problem of black money in India." He stated, "Much more was needed to be done to eradicate corruption and black money in India. I had suggested to the Finance Ministry to ban cash payments in real estate transactions. This single step will be a major factor in eradication of black money in India."

Mr. Vrind Jain explained the salient features of the Budget through an informative power point presentation. He also had an interesting inter active discussion with Rotarians and answered queries raised by them.

### Highlights of Union Budget 2012-13

Following are some of the key highlights of the Union Budget 2012-13:

- \* Tax burden for individuals to come down: Income tax exemption limit raised from Rs. 1,80,000 to Rs. 2,00,000; 10 per cent tax for Rs. 2-5 lakh income; 20 per cent for Rs. 5-10 lakh and 30 per cent for beyond Rs. 10 lakh; Savings bank account interest up to Rs. 10,000 exempted from tax.
- \* Many services and goods to cost more: No change in corporate tax rate, but standard rate of excise duty, as also service tax rates, raised from 10 per cent to 12 per cent; No change in peak customs duty of 10 per cent on non-agri goods.
- \* Large cars, imported bicycles, cigarettes, bidis and some imported jewellery to cost more.

\* Boost for capital markets: Securities Transaction Tax on cash delivery reduced by 25 per cent to 0.1 per cent; A new Rajiv Gandhi Equity Saving Scheme to allow income tax deduction to retail investors in stocks.

\* Economy expected to gain ground: GDP growth rate pegged at 7.6 per cent in 2012-13; Subsidy Expenditure to be checked and higher tax revenues targeted; Rs. 30,000 crore to be raised from disinvestment.

\* Capital boost to financial and infrastructure sectors: Rs. 15,888 crore to be provided for capitalisation of public sector banks and financial institutions; Infrastructure investment of Rs. 50 lakh crore in 12th period, with half from private sector; Tax free bonds of Rs. 60,000 crore to be allowed for financial infrastructure projects.

\* Fight against black money: White paper on black money in current session of Parliament; Introduction of compulsory reporting requirement for assets held abroad; tax collection at source on high-value cash purchase of bullion, jewellery, immovable property and trading in coal, lignite and iron ore.

\* Greater scrutiny of closely-held companies for funds; Taxation of unexplained money, credits, investments, expenses at highest rate of 30 per cent irrespective of income slab.

\* Tax reforms: Direct Taxes Code (DTC) at earliest; GST network to be operational by August 2012; Central Excise and Service Tax being harmonized. A General Anti-Avoidance Rule (GAAR) to be introduced to counter aggressive tax avoidance.

\* Attracting foreign funds: Efforts on to allow FDI in multi-brand retail and permitting foreign airlines invest in domestic players; External borrowings to the extent of USD one billion for aviation companies; Qualified Foreign Investors to get access to corporate bond market.

\* Tax relief for stressed sectors: Sectors like agriculture, infrastructure, mining, railways, roads, civil aviation, manufacturing, health and nutrition, and environment to get duty relief; Turnover limit for compulsory tax audit for SMEs raised from Rs 60 lakh to Rs 1 crore.

\* Farming for growth: Target for agricultural credit raised to Rs 5,75,000 crore; Interest subvention for short-term crop loans to farmers at 7 per cent interest continues; additional 3 per cent for prompt paying farmers.

\* Direct proposals to give in net revenue loss of Rs. 4,500 crore and net gain of Rs. 45,940 crore from indirect taxes, resulting

into a net gain of Rs. 41,440 crore.

\* Fiscal deficit targeted at 5.1 per cent of GDP in 2012-13, down from 5.9 per cent in 2011-12; Central Government debt at 45.5 per cent of GDP.

\* Total expenditure budgeted at Rs. 14,90,925 crore; plan expenditure at Rs. 5,21,025 crore, 18 per cent higher than 2011-12 budget; non-plan expenditure at Rs. 9,69,900 crore.

\* Gross Tax Receipts estimated at Rs. 10,77,612 crore, 15.6 per cent higher than original budget estimates and 19.5 per cent over the revised estimates for 2011-12.

\* Net tax to the Centre in 2012-13 estimated at Rs. 7,71,071 crore; Non-Tax Revenue Receipts estimated at Rs. 1,64,614 crore and Non-debt Capital Receipts at Rs. 41,650 crore.

\* Total expenditure for 2012-13 budgeted at Rs. 14,90,925 crore, including Rs. 5,21,025 crore of Plan Expenditure and Rs. 9,69,900 crore as Non-Plan Expenditure.

\* Defence services get Rs. 1,93,407 crore; any further requirement to be met.

There has been mixed reactions to Union Budget 2012-13. It seems fair to state that the Indian real estate sector does not have much to cheer about.

To begin with, it is difficult to see the raising of the personal income tax exemption limit from Rs 1.8 lakh to Rs. 2 lakh as anything more than tokenism. It is certainly not relevant for the aspiring Indian middle-class home buyer. The expected exemption limit of Rs. 3 lakh would have had some significance. That said, the 1% tax rebate for home loans of upto Rs.15 lakh on homes costing upto Rs. 25 lakh will prove beneficial for developers in this segment

Exempting proceeds from the sale of a residential property from Capital Gains tax if they are invested in equity or equipment of an SME definitely provides home owners with more reinvestment options. Previously, the only route for exemption was purchase of another property or tax saving bonds. At the same time, this move could also result in a lowering of sales volumes on the secondary sale market.

TDS applicable on the purchase and sale of property will have a moderate impact in the short term. It certainly adds another level of belt-tightening to buyers who are already stretched. However, considering that various economic negatives such as inflation are now being addressed, this impact will be absorbed in the

**KUC**  
Superspecialty Surgical Center

**Rtn. Dr. (Col.) V.K. Kapoor**  
Chairman, KUC

24 Hrs. Emergency Services

**Facilities**  
Endoscopic Procedures  
Urology, PCNL, URS,  
Endo-Cystolithotomy,  
Laser Enucleation,  
TURP/Balloon TURP,  
TUR Prostate and  
Laser Prostatectomy

**Podiatric orthology,  
Urogyneacology, Infertility and  
Impotency**

**Laparoscopic and General  
Surgeries**

**Physiotherapy solutions for  
various ailments**

Orthopaedic Procedures  
General and Orthopaedic  
Traumatology, Primary and  
Revision Joint Replacements,  
Arthroscopy, Debridement,  
Correction, Limb Lengthening  
and Spine Surgeries

Kidney and Urostone Center with Orthopaedics and Physiotherapy Solutions.  
Site No. 3, Opp. Ashok Traffic Lights, Near Quinowara, Sector 44-C,  
Chandigarh. Ph. : 8172-922922-11 Fax : 3629433

**Rtn. A.K. Puri**

**PSG HYDRO POWER & CONSULTANCY (P) LTD.**

All Types of Civil Engineering Works Including

Infrastructures  
Hydro Power  
Transmission Lines  
Switch Yards  
Roads  
Bridges &  
All Types of Buildings.

Regd. Office: 307, Sec 37-A, CHD. Ph. (91-0172) 2692974  
E-mail: psghydropowerconsultancy@yahoo.co.in  
psghydro1@gmail.com

**Rtn. Anil K. Khanna**

**INTERNATIONAL FINANCE & BUSINESS ADVISORY**

to  
make Your **Business**  
More  
**Competitive & Profitable**

**ACG**  
akkconsulting.com

**AKK CONSULTING GROUP**

Overseas : USA, Canada, UK & Hong Kong  
India : New Delhi, Chandigarh & Jalandhar  
Phone : +91-98157-94444  
E-mail : info@akkconsulting.com

— making things happen ..... in another world! —



*Rtn. Santosh Khaitan presents mementos to guest speakers, Prem Garg and Krishan Vrind Jain.*



*PDG Shaju Peter gets punctuality award from Mr. Prem Garg. Looking on is President R.K. Luther.*

long term.

The increase in the service tax rate from 10% to 12% will increase the cost of production for developers, who are already reeling under high input costs. It follows that this increased burden will be passed on to end users.

Allowing External Commercial Borrowing (ECB) for affordable housing is, without doubt, an excellent move. It will ensure better capital availability for developers of low-cost housing. This sector is typified by low margins, and it becomes attractive only if developers are enabled to produce greater volumes. Better capital availability will help in timely project execution, which will result in higher volumes.

The postponement of a firm decision on FDI in multi-brand retail came as a disappointment. We seem to have missed yet another opportunity to boost the Indian economy by ways of significant foreign capital inflows. On the other hand, the increased spend on warehousing will certainly help the retail real estate sector, since more storage capabilities will help retailers to expand into more cities and towns.

Likewise, the measures to increase funding for highways and other infrastructure will help put more territories on the real estate map.

The India Budget 2012-13 has been hailed for its focus on

agriculture, emphasis on creating an enabling environment for industrial revival and achieve economic growth of 7.5% and measures to add vibrancy to capital markets. On the negative side, increase in excise duty, service tax has invited criticism.

The Budget (2012-13) emphasizes on growth propelled by revival of the industrial sector which is very good as it will add to the business confidence and give a greater sense of purpose to various sectors of the economy.

Agriculture, for instance, will most likely receive a boost with the extension of the viability gap funding to irrigation and fertilizer sectors. The agriculture sector is also going to benefit from the incentives given for warehousing.

Since no growth can happen without adequate resources, the Budget has rightly concentrated in adding vibrancy to the capital markets by simplifying the process for applying for Initial Public Offers (IPOs), allowing QFIs to access Indian corporate bond market, raising FII investment limit in government bonds, among other measures.

One area of concern is the fiscal deficit which has reached a high of 5.9% of the GDP in the current financial year thanks to the growing subsidy burden. It is imperative to contain deficit before it goes out of control. It was reassuring that the Budget has reiterated the Government's determination for reining in fiscal profligacy by aiming to restricting the subsidy to GDP

**HITECH INDUSTRIES LIMITED**  
(An ISO 9001 Company)  
**Rtn. R.S. Sachdeva**




the producer of all types of  
**Medical & Industrial Oxygen, Nitrogen,  
Zero Air, Argon, Liquid Nitrogen  
and Gas Mixtures.**

**For your requirement please Contact :**  
315-316, Industrial Area, Phase IX, Mohali, Punjab - 160062  
Tel : 0172 2212122, 2212124, Fax : 0172 2233606  
Mobile : 98724-97200 , 98151-87100  
Email: marketing@hitechindustries.org, hightech@sancharnet.in



**Rtn. Darshan Singh Kalsi**  
a glamorous makeover for your interiors

A&A provides you with complete solutions to give your Kitchens, wardrobes and doors a glamorous makeover! Our built-up units are a perfect combination of futuristic features, space saving utilities, convenience and aesthetic designs, offered at the most competitive prices. For more information write to us at [info@aamodulars.in](mailto:info@aamodulars.in)

**A & A Modular Systems**  
Corporate Office : B-38, Industrial Area, Phase II, SAS Nagar (Mohali), Punjab, INDIA -160 055  
Mobile : +91 98160 03838



**PP Rtn. Indrajeet Sengupta**  
**Composite Power System**  
*"He profits most who serves best"*



**Authorized Dealers**  
Eicher Engine Div., TMTL Alsoar  
QUALITY AFTER MARKET SPARE PART AND SERVICE  
GREYHOL, COTAPILLAR, KIBLIDGAR, CUMMIN, LETLAND

257, Industrial Area, Phase-I, Chandigarh - 160 002  
Phone: 0172-4603257, 2650422 Fax: 0172-2630422  
E-mail: compositepower@hotmail.com

ratio to 2% in the coming year. It is expected this will be adhered to as will the intent of improving the delivery system which will help to plug in the leaks in the system of public distribution.

To sum up, it is felt that there is nothing special in the budget which initiates the much awaited reforms.

Vote of thanks was proposed by Rtn. Santosh Khaitan, who is a reputed senior chartered accountant. He said, "The budget is such a lengthy affair and so much controversies are there." On behalf of the club he thanked the guest speakers, Mr. Prem Garg and Mr. Krishan Vrind Jain for briefing us on the the budget 2012-13.

## Rotary honors Prime Minister Cameron for supporting a Polio-free World India's Milestone

Source: Rotary International News - 16 March 2012

Rotary International has recognized David Cameron, Prime Minister of the United Kingdom, with its Polio Eradication Champion Award for his leadership and dedication to a polio-free world. "On behalf of Rotary's 1.2 million members worldwide, I am honored to recognize the commitment of Prime Minister Cameron for his outstanding support of efforts to eradicate polio," said RI President Kalyan Banerjee. "My own country, India, has just surpassed the milestone of a year without polio. We would not be so close to achieving the goal of a polio-free world without the longstanding support and continued leadership of the United Kingdom. We encourage other G8 countries to follow the UK's lead in continuing their support so that the world will soon be polio free."

The United Kingdom has been a strong supporter of the global polio eradication initiative with contributions and commitments totaling more than US\$ 960 million through 2012. Britain helped fully immunize over 45 million children from the crippling disease.

In receiving the award, Cameron joins a roster of distinguished leaders, including India's Prime Minister Dr. Manmohan Singh, Chancellor of Germany Angela Merkel, UN Secretary-General Ban Ki-moon, former UN Secretary-General Kofi Annan and Pakistan President Asif Ali Zardari.



Andrew Mitchell (left), UK International Development Secretary, accepts the Award on behalf of PM David Cameron from RI President Kalyan Banerjee.

### Birthday of Spouses

R'ann Renu Khanna

R'ann Sandhya Khandelia

### Punctuality Draw

Won by PDG Rtn. Shaju Peter



April 02

April 03

### Birthday of Rotarians

Rtn. Daulat Ram Agarwal

Rtn. Ravinder Kapur



April 04

April 04

**Floatcell**  
Dissolved Air Flotation  
Clarifier

The most compact Dissolved Air Flotation Clarifier with bottom drive system and internal overflow weir.

Wide applications in Paper and Pulp.

Proven treatment of industrial and domestic effluents.

Range of pre-fabricated, automated, multiple systems.

Proven to operate with over 20 years of experience in the DAF process.

The Indian International partner:  
**DAFTECH ENGINEERS PVT LTD.**  
SCO 1 A, Medhvi Marg,  
Sector 72,  
Chandigarh-160076  
Tel: +91 (0)172 271 1271, 271274  
Mobile: +91 98151 21804  
Fax: +91 (0)172 271 2700

www.daftechindia.com

**PP Rtn. D.P. Khandella**  
A BIG THANKS FOR MAKING US  
**MUSTARD OIL BRAND OF THE YEAR 2005**  
The award was presented by GLOBAL INDIA at Mumbai

Mustard Oil  
**BRAND OF THE YEAR 2005**

Khandella Oil & General Mills Pvt. Ltd. | 2574, Anand Chandigarh Ph: 253227-28, www.khandella.com

www.widexindia.com | www.sensohearingcentre.com

**PP Rtn. T. S. Anand**  
**HEAR YOUR CHILDHOOD AGAIN**  
with world's No.1 Widex Digital Hearing Aids

**SENSO HEARING CENTRE**  
(Asia's largest chain of Hearing Care Clinics)  
SCO 3, GF, Sector 20 D, Chandigarh Ph:- 5009103  
SCF 22, 1st Floor, Phase V, Mohali Ph: 2225907