



Mysore Chapter

eNewsletter - 72

January 2010

Glimpse of
Karnataka CS Mahotsava



Happy
Makara Sankranti



New initiative from
CSMysore:

CS Mysore
Connect

Link for Present and Future

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For past editions of eNewsletter click:

<http://www.icsi.edu/mysore> or

<http://www.esnips.com/web/icsimysore>

Mysore Chapter has its eParivaar "CSMysore".

To join, visit:

<http://www.groups.google.com/group/csmysore>

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LIVING ROOM



January 12th is
celebrated as the
International Youth
Day
in the memory of
Swami Vivekananda.



Swami Vivekananda Said:

"He is an atheist who does not believe in himself.

What ever you think, that you will be. If you think yourself weak, weak you will be; if you think yourself strong; strong you will be. All the power is within you; you can do anything and everything. Believe in that; don't believe that you are weak.

Strength is life, Weakness is death.

Stand and die in your own strength; if there is any sin in the world, it is weakness; avoid all weakness, for weakness is sin, weakness is death. Stand up, be bold, be strong. Take the whole responsibility on your own shoulders, & know that you are the creator of your own destiny. You must have an iron will if you would cross the ocean. You must be strong enough to pierce mountains.

Your country requires heroes; be heroes; your duty is to go on working, and then everything will follow of itself."

Words worth Millions

"Neither money pays, nor name pays, nor fame, nor learning; it is character that cleave through adamant walls of difference. They alone live who live for others, rest are more dead than alive. Help if you can; if you cannot, fold your hands and stand by and see things go on. Do not injure, if you cannot render help.

To be good and to do good - that is the whole of religion.

Always first learn to be a servant, and then you will be fit to be a master."

- Swami Vivekananda



Dear Professional Colleagues,

In the 30th year of existence of our chapter, as the present managing committee completes three years, we are happy that Mysore chapter is growing at a steady pace. In last three years, the students' strength has increased 6 times. It will be of interest to you to know that we have civil, mechanical and computer engineers, fashion designers, doctors, SAP technicians, Bio technologists besides university professors as our students.

Our students have been doing extremely well in the academic front with high pass percentage in the examinations. They have secured 3rd and 7th ranks in the Executive Program held in June 2009. They have let the footprints of this tiny chapter in the national map by securing the first place in the national level Moot Court, Elocution and Company Law Quiz competitions, not once but twice each in the last three years.

Besides organizing regular study circle meetings for members and students, the chapter has also been organizing a variety of programs for members and students. They include,

- ✦ Celebration of Independence day and republic day
- ✦ Annual Members get together
- ✦ Cricket Match with ICAI students
- ✦ Annual Sports day
- ✦ Movie Show
- ✦ Educational Trip to Edakkal Cave, Kerala
- ✦ Annual Talents Day
- ✦ Foundation Day

The Chapter has been seizing every opportunity to interact with various Government Departments, Institutions etc. to

Over the past few years there has been a fast growth both in supply and demand for CS Management trainees and fresher Company Secretaries. However, CSMysore observed that when candidates look for Management Training or fresher CS placement, they find it difficult to get a suitable vacancy. At the same time, companies and practicing secretaries are also finding it difficult to get a suitable candidate, when they need one.

Here is an initiative from CSMysore eParivaar launched on 09th January 2010 to create simple connectivity between demand and supply of MTs and fresher CSs. A team consisting members of CSMysore eParivaar has formed "CSCconnect" to link the prospective MTs / fresh CSs with the Companies / Firms. "CSCconnect" has been received well by corporates, Company Secretaries and students across. Currently the team members are CS. Dattatri, CS Harish, CS Pradeep & CS Abhishek.

"CSCconnect" invites feedback and support from all the readers of the eNewsletter. We are reachable at csmysore.connect@gmail.com.

ensure that the visibility of our profession increases. A few steps taken in this direction are:

- ✦ Conducting Management Development Program for Bharatiya Reserve Bank Note Mudran Pvt Ltd. (Currency Note Printing arm of RBI)
- ✦ Participation in the refresher course conducted by the University of Mysore for commerce and management faculty
- ✦ Invitation to Mrs. Shyamala Gopinath, Deputy Governor, RBI to speak to the members and students.
- ✦ Broadcasting of Talk on 'Scope of CS as an International Profession' by our President, CS. Datla Hanumanta Raju by All India Radio.
- ✦ Conducting 'Corporate India Quiz' on board a State Road Transport Bus
- ✦ Organization of meets of Customers of SBI on Internet Banking; Institute of Valuers; IS Audit for Bankers
- ✦ Organization of Blood Donation Camp

Past 12 months, I have been reaching you through this column sharing my thoughts about this wonderful chapter and the profession. I thank all of you for wholeheartedly supporting the committee and generously excusing our shortcomings. It is time for change of guards at chapters all over India.

I am glad to inform that from 19th January the 25 members of our chapter will be led by our esteemed member, CS. Sarina Chouta Harish K. I am sure that under her able leadership and with your support, the chapter will reach many more milestones in 2010.

Wishing you all the best in 2010,

CS. Anshuman A.S



Karnataka CS Mahotsava

Mysore chapter joined hands with Bangalore and Mangalore chapters in organizing first State Level Conference of Company Secretaries at Bangalore on 18th and 19th December 2009. The conference was attended by 8 members and 50 students from Mysore. The students participated enthusiastically in gaining knowledge and networking providing them invaluable exposure.



Interactive Session: In the sidelines of the Karnataka CS Mahotsava, an interactive session between students and members of Mysore Chapter was held on 18-12-09. Guidance on various issues was provided by the members present.

On Board Corporate India Quiz: In an innovative program to celebrate India Corporate Week, members and students of the chapter participated in the 'CORPORATE INDIA QUIZ' on board a Karnataka State Road Transport Corporation Bus travelling from Mysore to Bangalore on 17th December 2009 at 6 PM. The quiz was conducted by Ms. Kavitha Rao D.B.



SAARC Charter Day Inter College Debate

Mr. Chinmaya A.M., final student of Mysore Chapter was selected to represent ICSI at the 'SAARC Charter Day Inter College Debate' organized by The Institute of Chartered Accountants of India at New Delhi on 8th December 2009. The topic for the national debate was "India's Need of the Hour to move ahead & lead - Economic Reforms or Combating Climate Change". Mr. Chinmay was adjudged fourth in the competition.

Seminar On Corporate India - Inclusive Growth

Chapter in collaboration with SDM Institute for Management Development arranged a seminar on "Corporate Sector and Inclusive Growth" on 15th December



2009. CS. C.K. Sabareeshan, CS & CFO, Automotive Axles Ltd. and Prof. N.R. Govinda Sharma of SDM-IMD were the speakers for the occasion.

CS. C.K. Sabareeshan, informed that the MCA has been constantly trying to reposition itself as not only the regulator but also the developer and facilitator of the Indian Corporate sector which can be well understood by observing the speed and efficiency with which the Satyam crisis was handled. Prof. N.R. Govinda Sharma explained that for the corporate sector to grow, the benefits of the growth should be evenly distributed amongst the cross section of society. He gave examples of leading corporate houses opting for inclusive growth which includes welfare of all sections of the society and distribution of created wealth amongst a larger section of society.

Study Circle Meeting : The chapter conducted study circle meetings for foundation, executive and professional program students on all the Sundays of the month.

Talks On Guidance Note:

On 06/12/2009 CS. Sunil Kumar B.G. spoke on Guidance Note on Signing of Annual Return and on 13/12/2009 CS. Anshuman A.S. spoke on Guidance Note on Code of Conduct

Model Exam For Executive Program Students

The chapter arranged for model examination for both modules of executive program students from 7th to 12th December 2009 under standard examination conditions of the Institute.

Investors Awareness Programs

Kollegala: Mr. T. V. Subramanian, a leading Chartered Accountant of Mysore gave an overview of the capital market and explained about various investment opportunities available to the general public.



Gundlupet: Mr. T.V. Subramanian, a leading Chartered Accountant of Mysore gave an overview of the capital market and explained about various investment opportunities available to the general public.

Hullahally: Mr. Manju, Asst Professor, Govt. I Grade College, Hunsur gave a detailed analysis of the capital market and other issues to the audience. The program was attended by more than 240 participants.



Career Guidance



Career guidance programs for the benefit of pre-university students were held by the chapter during the month at Nisarga Independent PU College on 16th December 2009, at Gundlupet on 21st December 2009 and at JSS Composite PU

College, Hullahally. Each program was attended by more than 200 students. CS. Anshuman addressed the students.

Press Notes

During the month, Chapter issued the press notes on Celebrations of India Corporate Week, Investor Awareness Program at Kollegala, Investor Awareness Program at Gundlupet and Investor Awareness Program at Hullahally

'Only this much'

Publisher - KW Publishers, New Delhi

Author - CS. ANS Vijay

Price -Executive Program (Rs. 425), Professional Program (Rs. 595)

The concept of 'Only This Much' has been created by a team of young professionals with an aim that students, in their quest to become professionals should grasp the important and finer points of the subjects and to facilitate easy and repeated reading. The book is immensely useful as it highlights the key points which are important from Examination Perspective and also in implementing the same in the Corporate Legal world. An Excellent book for revising from the Examination Perspective.

Visit the below link for more Details: <http://onlythismuch.lawlabz.com/>

Book Review

Ashish Parmar, B.Com,
CS Executive Programme, Bangalore



IT for Professionals

Amitkumar Hegde B.Com, MCA,
Bangalore



Probably most you know that it is unsafe to access your online bank accounts or do online shopping with your credit card in cyber cafes or such places. That is because a small software called **keylogger** running the computer can record all your keystrokes and even send it to the person who has installed through e-mail. So with little effort all your passwords or credit card numbers can become public. This shows how unsecure it to access your online bank accounts or even e-mails in cyber cafes or other such places.

But here is a solution to all your worries. "**KeyScrambler Personal**", a tiny free browser plug-in which you can download from www.qfxsoftware.com. It protects everything you type from any known or unknown keyloggers. It encrypts your keystrokes deep within the operating system and decrypts them only when they reach the browser. So any keylogger which records your keys will only be able to record a series of random characters. Hence all your passwords and credit card numbers are saved from preying eyes.

Once installed, a KeyScrambler icon appears in the system tray through which you can turn it on or off. Once KeyScrambler is running, whatever you type in the browser becomes an encrypted character sequence and displayed in a small green bar at the top. Keyloggers can catch only this sequence of jumbled characters whereas the browser receives the appropriate characters. KeyScrambler achieves this by encrypting the keystrokes at the kernel (Operating System Core) level and decrypting it in the browser. The best part about KeyScrambler is it does its work automatically once it is up and running.

There is no need for the user to configure anything or do anything extra.

KeyScrambler works with Internet Explorer as well as Mozilla Firefox. Moreover it is just a 1.1MB download, which makes it easier to download whenever required. So now onwards you can surf safe eluding all the hassles or worries of loosing your crucial data.

Key Valuation Methods

CS. Amar Kakaria ACS, ACA, ACWA
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Whether the capital markets are bearish or bullish, most of the investors generally face a common problem as to when to take position in a particular stock and when to exit so that they can maximize their profits. For that investors need to know the value of stock that they are going to deal. The value of the stock may be the current value or future value. Every investor likes to buy stock at a cheaper price and sell at a higher price than its actual value. However, the million dollar question is **“How to value a particular stock?”** Though, there are several methods of valuation, all of them need valuation of the business of company as a whole.

Business valuation is a process and a set of procedures used to determine the economic value of promoter's interest in the business. Various valuation tools and techniques used by financial experts to determine the price they are willing to pay or receive to consummate a sale of a business. In addition, these valuation tools are also used to resolve family disputes, Mergers & Acquisitions, and many other business and legal purposes. As observed in various recent capital market booms usually share prices peak during boom phase and subsequently crash once the sentiment changes which results into major losses for the investors. Investor can avoid such situation if they know how to value the stock. Some of the most popular methods of valuation are as below:

Warren Buffet has rightly said – “Price is what you pay. Value is what you get.”

Valuation is a highly subjective concept. There are several methods of stock valuation. However it should be noted that valuation can never be constant. Some of the most popular methods of valuation are discussed in this article.

(1) **Discounted Cash Flow Method (DCF):** This is a widely used method to value the companies tracked by them. Estimated future cash flows of the company over a period of next 3-5 years are taken into consideration and further adjusted for time value of money. These cash flows are discounted by the weighted average cost of capital for that company in order to arrive at the present value of expected future cash flows. On dividing total cash flows by total number of issued shares, the investor can arrive at the intrinsic value of the stock as on date. If market price is lower than the intrinsic value then the stock is undervalued and vice-versa.

Despite complexities involved, DCF is considered to be most reliable method of arriving at the fair value after taking into account future performance of the organization.

(2) **Price Earnings Ratio (P/E Ratio):** It is one of the most popular methods used by retail investors to value the stock. It is calculated by dividing market price by

Earnings per Share (EPS). Lower P/E ratio usually means that the stock is undervalued and there is a scope for appreciation in future. Every industry has a particular trend with respect to P/E ratio and hence, investors compare P/E ratio of companies in the same industry to decide whether a particular stock is undervalued or overvalued.

It may be noted that P/E ratio alone can not be used for decision making and investors should check quality of profits, sustainability and outstanding liabilities of the Company because P/E fails to cover the same before taking a final call.

(3) **Enterprise Value to Operating Profits (EV/EBITDA):** Enterprise Value (EV) is sum total of market capitalization and outstanding long term liabilities. Operating Profit means Earnings Before Interest, Taxes, Depreciation and Amortization. EV/EBITDA is a valuation multiple that is often used in parallel with, or as an alternative to, the P/E ratio. Typically, this ratio is applied while valuing cash-based businesses. An advantage of this multiple is that it is capital structure-neutral. Therefore, this multiple can be used for direct cross-companies application.

(4) **Enterprise Value to Sales Ratio (EV/Sales):** EV/Sales is calculated by dividing Enterprise Value by annualised sales of the Company. Generally, EV/Sales method is used for valuation of companies with lower profits / losses, but large turnover.

(5) **Sum of the Parts Valuation:** In case of diversified companies, instead of using only one valuation method, each of their businesses are valued separately using appropriate valuation methods and finally total of all businesses is considered for valuation of stock. Example: L&T, ICICI Bank, Mahindra & Mahindra, etc.

Valuation is highly subjective. Different people may have different perception of value for the same stock. Capital market move randomly at its own pace based on external factors like liquidity, general sentiments, economic scenario, Government Policies etc and internal factors like financial stability, productivity, innovation, risk management, diversification, compliances, etc. Hence, valuation can never be constant.



Thumping Success



Karnataka CS Mahotsava – A report

Kavitha Rao DB, CS Final and CA Final, Mysore

Karnataka CS Mahotsava with the theme “Leading the change – Meeting the challenges”, the first ever Karnataka state conference of Company Secretaries was organized on 18th and 19th of December 2009 at Taj Residency, Bangalore jointly by Bangalore, Mysore and Mangalore Chapters of ICSI.

The inauguration session was befitting the first ever Karnataka Company Secretaries conference with the presence of the distinguished personalities viz., the Honourable Dr. H. R. Bharadwaj, His Excellency, Governor of Karnataka, Chief Guest of the occasion., Padmabhushana, Dr. D. Veerandra Hegde, Dharmadhikari - Shree Kshetra Dharmasthala, Karnataka, Guest of Honour and Shri M. Narendra, Executive Director, Bank of India, Mumbai, Key Note Speaker adorning the dais. The inaugural address by CS Gopalakrishna Hegde, Chairman, SIRC of ICSI, Chennai was truly welcoming and gave a gist of what to expect from the conference. The Honourable Governor of Karnataka in his address as Chief Guest commended our Profession of CS and rightly stated that Company Secretaries are like mothers to the company. Dr. Veerandra Hegde emphasized in his speech that professionals should have humanitarian approach in their work and do something for the society. Shri M Narendra was the key note speaker and he addressed the audience on general economic scenario.

There were in all six sessions by eminent and distinguished personalities from various fields ranging on multifarious topics.

A cultural Program was organized on the evening of 18th Dec 2009 which enthralled the audience. There was a rendition of melodious music by multitalented artist Mr. Gurusurthy Vaidya and his team. This was followed a video show on Karnataka’s rich and cultural heritage. Stunning flute recital by flutist Master Gautam Hebbar got multiple standing applause from audience.

The conference concluded by Valedictory Session on the evening of 19th Dec 2009. The theme of the Valedictory Session was “CS Leadership Vybhava” wherein past council members from Karnataka and past Chairmen’s of Bangalore, Mysore and Mangalore Chapters were honored. Even student’s who excelled in 2008-09 in academics and in various national level competitions conducted by ICSI were given memento as a token of appreciation. Shri Shri Swami Veereshananda Saraswati President, Ramakrishna Vivekananda Ashrama, Tumkur, Karnataka addressed the gathering and gave an inspiring talk on leadership qualities by quoting immortal sayings of Swami Vivekananda and other great personalities.

The Conference was attended by 438 delegates from Karnataka and other States. The amenities were irreproachable. The venue was ambient, the food was sumptuous and so was the souvenir and conference kit. This conference led by Mr. Gopalakrishna Hegde and Team has set a new benchmark for the years to come.



It's all in the name!

K Vijayshyam Acharya, B Com, LLB, ACS, CA, Bangalore

"What's in a name? That which we call a rose, by any other name would smell as sweet" – Shakespeare, in Romeo and Juliet. However, modern branded business have proved this wrong.

Uniqueness, novelty, originality, utility, inventiveness, and so on are grounds on which several Intellectual Property (IP) wars are waged. It becomes very difficult, at times, to ascertain whether an IP dispute has arisen due to –

- (a) mere opportunist 'name squatting', or
- (b) genuine business interest in the subject matter of the dispute.

'Name squatting', in this context, refers to procurement of IP rights in a name which expectedly has high business potential. Typically, the party exercising such rights may not have either the intention or ability, or both, to build a sustainable business around the name/brand, but merely attempts to controversially exploit the situation by threat of possible litigation. This has been observed in businesses which offer scope for extending a brand into related products or services. Take for example, a highly successful apparel brand, whose trademark/name is registered under the category of apparel and clothing, but not leather goods. Another party, with or without necessary wherewithal, acumen, or financial ability could register rights with the same name for leather goods category. Such party may even start a small leather goods business using such brand name, after registration. This creates a serious problem when the apparel brand wishes to branch out to belts, wallets, shoes, handbags and the like made of leather. The situation would be different if the party claiming IP rights had a genuine business interest in the disputed name as he might be previously and continuously exploiting the disputed name for its business, even if the operations are relatively small or restricted.

Recently, it was reported that a Delhi-based retailer that operates under the brand name 'Star Bazaar' in the city's Kailash colony, made an appeal before a division bench of the Delhi High Court, which passed an order staying the use of the said name by Trent, a Tata Group subsidiary, for opening super market stores in the city. The Delhi based retailer reportedly claims to be using the brand name Star Bazaar since March 2003, much before Trent started using

the name. Trent is understood to have already opened stores with the said name and further, made arrangements such as franchising, infrastructure, front end services and the like. Thus, apart from increasing branding costs, any possible adverse order may create a situation where Trent may have to take a re-look at and re-do several aspects of the business substantially. In any case, to ensure that name commonality related IP issues do not hamper business, the following, amongst other things, may be looked into-

- (a) A proper and exhaustive search to be done prior to selection of the name. Larger the investment and size of the business, more detailed the search required.
- (b) The selected name should be registered in as many related classes/ categories as possible, even if the other business categories are not immediately sought to be entered into.
- (c) The description of the goods or services under a class / category to be as broad as possible.
- (d) The selected name should be unique, distinct and not confusingly similar with any other existing brand, trademark or the like. The test of likelihood of confusion is not determined by a mere side-by-side comparison, but considering entirety as to appearance, sound, connotation and commercial impression.
- (e) Not only the name, its meaning should also be examined, with reference to other existing brands or trademarks. However, if the name is inherently capable of multiple meanings as applicable to varied businesses and is used jointly with other word(s), it could be contended that there is less likelihood of confusion.
- (f) The sophistication of the end customers of goods or services plays a large role in determining whether confusion is likely. Generally, when customers take great deal of time and effort in choosing the brand, likelihood of confusion is low. On the other hand, if for example, the brand name deals with an item of impulse purchase, likelihood of confusion is deemed high.
- (g) Finally, if faced with a seemingly long drawn dispute in spite of having taken reasonable precaution, strategies for buying out the other party, or co-existence by entering into a franchise, License, Royalty or other arrangement with such party could be worked out.

What's in a name?
Everything! Protect it!
If not, the brand you build
may just get diluted by
some one else using the
same name for his
products.

Uniqueness, novelty,
originality, utility,
inventiveness etc are
grounds on which IP wars
are waged.



Compilation:
Ravishankar Kandhi, CS Final, Bangalore

Learners' Corner:

Corporate social responsibility voluntary guidelines 2009

The Ministry of Corporate Affairs (MCA) has adopted a role of enabler, facilitator and regulator for effective functioning and growth of the corporate sector. On one hand the Indian Corporate sector has seen high growth but on the other it saw a financial crisis due to global recession. With a view to channelize the human and economic resources available MCA has decided to bring out a set of Voluntary guidelines for responsible business which will add value towards long term sustainability of the business.

These guidelines have been prepared after taking into account the governance challenges faced in our country as well as the expectations of the society. The activities under these guidelines are purely voluntary – what companies will like to do beyond any statutory requirement or obligation. It is expected that more and more companies would make sincere attempt efforts to consider compliance with these guidelines unless there is a genuine reason for non-compliance, fully or partially.

According to the Corporate Social Responsibility (CSR) guidelines each business entity has to formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives which should be integral part of overall business policy and aligned with its business goals.

The policy should be framed with the participation of various level executives and should be approved by the Board. The CSR policy should cover the following core elements:

- Care for stakeholders & ethical functioning
- Respect for Worker's Rights and Welfare
- Respect for Human Rights & Environment
- Activities for Social and Inclusive Development

Apart from above, the CSR policy should also provide for an implementation strategy which should include identification of activities, setting measurable physical targets with timeframe, organisational mechanism and responsibilities, time schedules and monitoring.

Every Company following CSR guidelines should allocate specific amount in their budget for CSR activities and provide for dissemination of information on CSR policy, activities and progress in a structured manner.

Source: www.mca.gov.in

Pick of the month

Does a student have the right to access evaluated answer sheets?

Yes. In a case against Institute of Chartered accountants of India (ICAI), the Central Information Commission (CIC), in a landmark order, has directed ICAI to provide a copy of the evaluated answer sheets to a candidate who had appeared for the final CA examination. The order of central information commissioner said that the appellant had asked for a copy of her own evaluated answer sheet. An examinee has the right to access her performance. In view of this, there is no justification for denial of the requested information.

ICAI was directed to furnish the requested information within 15 working days from the date of issue of the decision, failing which penalty u/s 20(1) of the Act would be imposed. On appeal by respondent ICAI, the divisional bench of Delhi High Court upheld the decision of CIC

Source: www.cic.gov.in
Decision No.4167/IC(A)/2009 F.
No.CIC/MA/A/2009/000474
Dated, the 13th July, 2009

Did you Know?

Change in BSE and NSE trading timings

The Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) have changed their trading timings in Equity and Equity Derivatives segments. It was brought into force by making a partial modification of the BSE Notice No.20091215-8 dated December 15, 2009 and BSE Notice No.20091216-9 dated December 16, 2009.

The modified timing has been implemented from 4th January 2010 and the trading in the Equity and Equity Derivatives segments will commence from 9.00 a.m. onwards, instead of the present timing of 9.55 a.m. onwards. New timings will be from 9.00 a.m. to 3.30 pm on all business days.

There will be no change in timings of any other session in both the segments. It was also clarified that the Block Deal window timings in the Equity Segment of the exchange will be from 9.00 a.m. to 9.35 a.m.



Customs

Case Law

"Cardiac Stents" are exempt from levy of customs duty.

The Tribunal has held that "Cardiac Stents" are exempt from levy of customs duty because these goods are essential for cardiac catheter treatment and therefore, have to be treated as accessories of "Cardiac Catheters" which are exempt from levy of customs duty.

CC Vs Indian Surgicals & Anr. (2009 (95) RLT 534)

Others

Customs duty on Goods destroyed by fire cannot be demanded

The Tribunal has held that in the event goods are destroyed by fire, customs duty cannot be demanded for non production of end use certificate of such destroyed goods as stipulated under the exemption notification.

Vamsadhara Paper Mills Ltd. Vs CC (2009 (95) RLT 542)

Where identity of goods not established Duty drawback on re-export cannot be claimed.

The Tribunal has held that an importer cannot claim duty drawback on re-export of goods in the event the identity of the goods has not been established with reference to the bill of entry filed for import of such goods.

Perfetti Van Melle India Pvt. Ltd. Vs CC (2009 (243) ELT 654)

Amount paid during the pendency of an investigation are treated as 'deposits'

The Bombay High Court has held that sums paid during the pendency of an investigation are treated as 'deposits' and cannot be considered as payment of duty and hence the bar of unjust enrichment would not apply to fund of such deposits.

CC Vs Mahalakshmi Exports (2009- TIOL-683)

Foreign Trade Policy (FTP)

Case Law

Export duty cannot be levied on sale of goods from the DTA to Special SEZ.

The High Court of Gujarat has held that export duty cannot be levied on sale of goods from the Domestic Tariff Area (DTA) to Special Economic Zones (SEZ) as the Customs Act 1962 does not have enabling provisions to levy export duty on supplies to SEZ.

Essar Steel Ltd. Vs. Union of India (2009 -TIOL-674)

100% EOU entitled to all the due benefits during the period its letter of permission was cancelled by the authorities and where appeal proceedings were in continuation and which were later on decided in favour of the 100% EOU.

Spectrum Fabrics Vs. CCE (2009 (95) RLT 493)

100% EOU would not be entitled for depreciation benefit if the capital goods were not put to use.

The Tribunal has held that a 100% EOU would not be entitled for benefit of depreciation on capital goods, upon their sale for the purpose of levy of duty, in the event, the capital goods were not put to use.

K. G. Denim Ltd. Vs. CCE (2009 (244) ELT 285)

Antidumping Duty

Notifications

Provisional anti-dumping duty imposed on synchronous digital hierarchy transmission equipment.

Provisional anti-dumping duty has been imposed on synchronous digital hierarchy transmission equipment originating in or exported from China PR and Israel.

Customs Notification No. 132/2009-Cus dated 08/12/2009

CENVAT/MODVAT

CENVAT credit is not available in respect of fuel used in generation of electricity.

The Tribunal has held that CENVAT credit is not available in respect of fuel used in generation of electricity which is used in the canteen and office located within the factory premises.

CCE Vs MCC PTA India Corporation Pvt Ltd (2009 (95) RLT 13)

Consumables such as carbon cups and temperature tips are input goods

The Tribunal has held that consumables such as carbon cups and temperature tips are input goods and 100% credit is available on receipt of such goods in the factory.

Paranjpe Autocast Pvt Ltd Vs CCE (2009 TIOL 2062)

Service Tax

Case Law

Credit on tax paid on input service on landline telephones etc are eligible, provided these expenses relate to business activities.

The Tribunal has held that an assessee is entitled to take credit of input service tax paid on landline telephones, cleaning and gardening and pandal and shamiana services provided these expenses relate to business activities.

H.E.G. Ltd. Vs. CCE [2009 (23) STT 157]

ERP implementation services are liable to service tax.

The Tribunal has held that Enterprise Resource Planning (ERP) implementation services are specifically covered under Information Technology Software Services and liable to service tax w.e.f. 16 May 2008.

IBM India (P.) Ltd. Vs. CST [2009 (23) STT 338]

Sales Tax

Case Law

Contract for printing labels in accordance with Customer specification is works contract.

The Madras High Court has held that a contract for printing of labels for a particular customer in accordance with the specifications provided by the customer is a works contract and not a contract for outright sale.

State of Tamil Nadu Vs. Orient Packaging Industries [(2009) 26 VST 397 (Mad)]

Assessment once concluded on the basis of a circular cannot be reopened

The Allahabad High Court has held that an assessment once concluded on the basis of a circular cannot be reopened merely for reason of a change in the departmental opinion through a subsequent circular.

Kanpur Electricity Supply Company Ltd. Vs. State of UP [(2009) NTN (Vol. 41) - 244]



Internal Audit for Credit Rating Agencies (CRA) by PCS

SEBI vide its circular MIRSD/CRA/Cir-01/2010 dated January 06, 2010 states that audit envisaged under Regulation 22 of the SEBI (Credit Rating Agencies) Regulations, 1999 shall include an internal audit to be conducted on a half yearly basis by Chartered Accountants, Company Secretaries or Cost and Management Accountants who are in practice and who do not have any conflict of interest with the CRA.

The Audit shall cover all aspects of CRA operations and procedures, including investor grievance redressal mechanism, compliance with the requirements stipulated in the SEBI Act, Rules and Regulations made there under, and guidelines issued by SEBI from time to time.

Competition Appellate Tribunal to hear unfair trade practice cases

<http://dailyme.com>

Jan. 13--NEW DELHI -- The government has expanded the mandate of a tribunal, which has been hearing pending cases of restrictive trade practices, to include cases of unfair trade practices and compensation from 18 January, said an official working for the judicial panel. The three-member Competition Appellate Tribunal (CAT) became operational last October to hear cases against India's competition regulator, the Competition Commission of India (CCI). The government also ordered it to hear cases that the Monopolies and Restrictive Trade Practices Commission (MRTPC) had failed to resolve when it was wound up last year. At least 2,500 cases were pending with MRTPC.

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Free trade deal with India is mixed blessing: official (13-01-2010)

HA NOI – Some Vietnamese goods could enjoy preferential trade tariffs under an India-ASEAN Free Trade Agreement which came into force on January 1, Multilateral Trade Policy Department deputy head Le Quang Lan said yesterday. Indian Ambassador to Viet Nam La T Muana said the agreement would create both opportunities and challenges as customers would have the choice of goods and services from both countries. India and ASEAN signed the Trade in Goods Agreement on August 13 last year after six years of negotiation.

Under the agreement, countries would lift import tariffs on more than 80 per cent of products traded between the two regions, including electronics, chemicals, machinery, garments and textiles. Tariffs on more than 4,000 products would be eliminated between 2013 and 2016. Up to 60 per cent of Viet Nam's major exports could benefit from the new policy, Lan said.

WTO Doha round deal unlikely in 2010 - U.S. business

WASHINGTON (Reuters) – U.S. business groups said on Wednesday they expect slow progress in world trade talks in 2010 despite a goal set by President Barack Obama and other leaders to finish the long-running negotiations this year. Last year, Obama agreed with other Group of 20 leaders to set a goal of finishing the round in 2010. But after a World Trade Organization ministerial meeting in late November, countries seemed no closer to finishing the round and WTO Director General Pascal Lamy faced questions about whether to put the talks on hold for a while.

Web Yatra

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