

Career in CS course: Awareness Program

The Institute of Company Secretaries of India (ICSI) held a career awareness program on 3rd July in conjunction with the orientation program for freshers conducted by S.B.R.R Mahajana First Grade College at the college premises.

The Chairman of the Mysore Chapter of ICSI, Mr. C K Sabareeshan, in his address to the students, said that, in today's competitive world, one needs to be equipped with a professional qualification. Besides, he added, the students have a wide choice of career options that need to be carefully evaluated with reference to suitability to their aptitude. One of the career choices open to students is the profession of company secretaries.

The ICSI Mysore Chapter has entered into a collaborative agreement with Mahajana Education Society for conducting oral coaching classes for the ICSI Foundation Course. The ICSI exams are held in June first week & December last week of every year. He also highlighted the recognition that a Company Secretary has in a wide variety of fields such as legal, corporate management, and academics.



The areas for practising Company Secretaries were also highlighted.

The rapid corporatisation of the economy, which began in the wake of Liberalization way back in 1991, has led to the growing demand for specialization in almost every sphere of the corporate function. This has increased the scope for the profession of the Company Secretary. He is regarded as one of the principal officers of the Corporate Body.

The ICSI is a statutory body and is the only recognized organization offering this course. The ICSI has its head Quarters at New Delhi and its Mysore chapter office is situated at S.B.R.R Mahajana PU College Premises, Jaylakshmpuram, Mysore.

Year 2005 is the 25th year of the foundation of the Mysore Chapter. Lets plan celebrate the **Silver Jubilee Year**. Dear members, you are requested to pool your thoughts for a celebration, which promotes profession.

Enterprise Resource Planning

Article by Ms. Jayalakshmi Anshuman, CSP

The first thing that escapes the attention of many business people is that Enterprise Resource Planning is not just a computer project; it's a major business decision challenge. While choosing a solid technology is very important for success, the technology must not overshadow the business needs. Choosing a system that does not truly match the needs of the business can create even more serious difficulties, even if it is based on the latest and greatest technology.

It all must start with a statement of high-level business objectives -- where does the company want to go? What must the new system do and how must it work? Functional requirements definition is a team sport; all major functional areas of the company must have a voice if the project is to be successful.

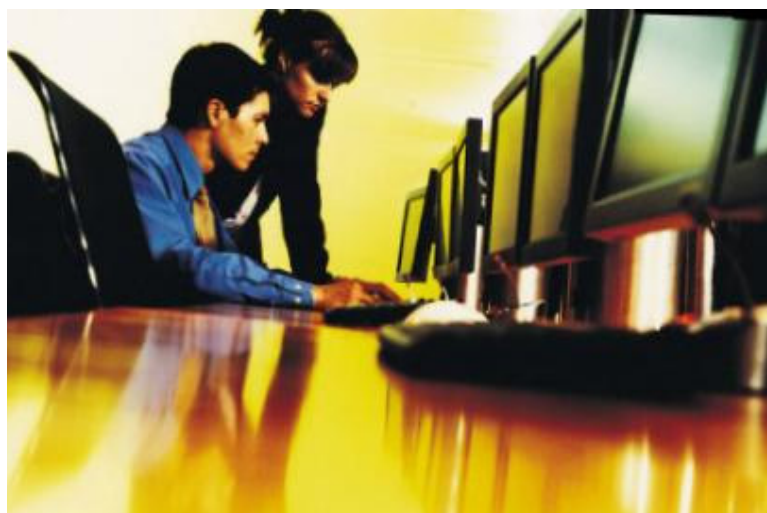
The 'right' software: Selecting the right software package for any given company is far more than just a quick decision based on a popularity contest. Time and effort spent on an in-depth requirements definition and software selection project will pay back handsomely during the very intensive implementation project. Finding a really good functionality fit eliminates many of the battles that will otherwise flare up during the implementation war. Taking the approach of finding the packages with the best functionality fit, and then scrutinizing those for which have the most attractive technology base and direction gives you the best of both worlds.

Beware of Pitfalls: Common Pitfalls that Cause Problems in Software Selection Doing it yourself without outside expertise is dangerous unless you have enough systems expertise and current knowledge of the software package marketplace.

Listen to other, but analyse: Even though the opinion and view points of others are to be considered it is equally important to analyse the same in the proper perspective of the business objectives. The good fit you heard about may be for a different size of company, or one that's in the same business as yours, but has a drastically different internal operating style.

Define the Process first & then talk to Vendors: One of the biggest problems in this approach is that people start talking to software vendors too early in the definition process, often long before they have clearly defined what it is they're looking for. The result is that the team arrives at the answer before it fully understands the question, and then endeavors to craft the question so that it fits the answer they have already found.

Filter Vendors: By asking the right questions and the right number of questions, half the vendors are removed. With each succeeding round, the vendor population decreases and the questions are greater in number and deeper in detail. Getting through several iterative rounds to the few semi-finalists fast enough to keep from losing the project's momentum is the biggest challenge.



Too much is too bad: Taking too much time in the preliminary analysis phase is dangerous. Once the decision is made to go look for a new system, the clock starts ticking. The enthusiasm engendered by the kickoff of the project will disappear if the requirements definition and preliminary software evaluation drags on for months. Asking too few questions causes you to miss some good alternatives. Asking too many questions causes confusion that hides the really important issues in reams of detail.

If your goal is to find the best software package fit for your business, and the one that represents the best value on the market, the software selection task may be much tougher than in prior years. The battle between the "one-size-fits-all" vendors and the custom fit niche players has created a decision-making dilemma of giant proportions. To further complicate matters, many differing "expert" opinions have flooded the market. The company that takes a good hard look at its information requirements and gets the key players in agreement on priorities before scurrying off to the software market stands a much better chance at finding the software package that will bring them the greatest success.

Company Secretaries to form Global Body

New Delhi , July 5 : THE company secretary institutes of Bangladesh, Pakistan, Kenya and India have decided to join forces under aegis of International Federation of Company Secretaries (IFCS). At a roundtable to discuss the issues concerning the profession held here on Sunday, the institutes agreed to come under one umbrella once the globalisation of the services take place.

"The constitution for IFCS was framed and adopted at the roundtable," Mr Mahesh Anant Athavale, President, Institute of Company Secretaries of India (ICSI), said. The headquarters of IFCS will be located at the ICSI headquarters at New Delhi.

Mr Athavale has been unanimously elected as the President of the IFCS and Mr Pir Muhammad A. Kaliya of Institute of Corporate Secretaries of Pakistan (ICSP) was elected as the Vice-President. Mr N.K. Jain, Secretary of ICSI, was elected as Secretary.

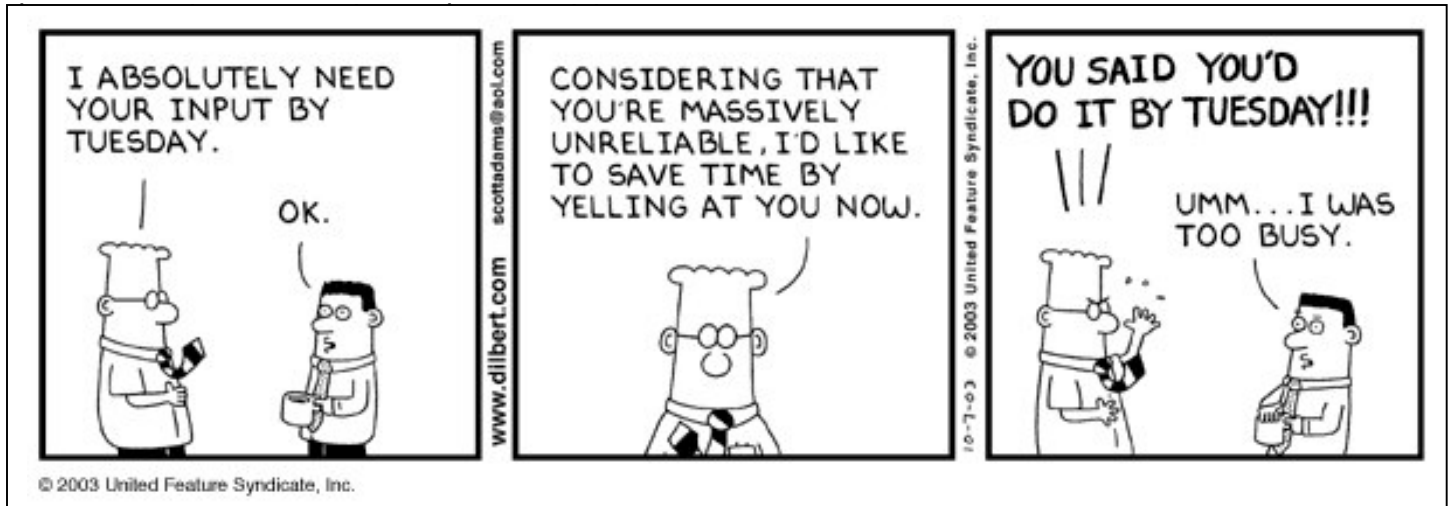
After discussing the growth of the profession in

expressed the need for closer and regular cooperation among company secretary bodies to enable the profession to meet the challenges of globalisation of services under WTO and GATS, Mr Athavale said. The workshop unanimously adopted a resolution on the lines passed by the council of ICSI for creation of a separate head for corporate governance and company secretaries services under the Services Sectoral Classification of WTO.

"The Heads of the Institutes were of the unanimous view that the respective Governments of their countries should take up the matter before WTO. This will enable the members to have better recognition company secretary services," he said.

Mr Muzaffar Ahmed, President of Bangladesh Institute, Mr J.W. Wambua, Chief Executive Officer of Kenya Institute, Mr Pir Muhammad A Kaliya, President of Pakistan Institute, Mr Qaiser Perwaiz Mufti, Senior Vice-President of

Pakistan Institute and Mr Mahesh Anant Athavale, President of the Indian Institute, along with Council Members of ICSI and the Secretary participated in the roundtable.



Legal World - Case Laws

Depreciation

Asset need not be used for all the purposes for which it was being used earlier to claim depreciation

The depreciation in respect of the assets used in Research and Development division was disallowed on the grounds that the divisions for which the services of the R&D division were rendered, was closed. It was held that to claim depreciation under section 32 of the Act, asset need not be used for all the purposes for which it was being used earlier and since other business activities of the assessee were not closed, the claim for depreciation was allowed.

CIT v. Udaipur Distillery Co. Ltd. [2004] 135 Taxman 487 (Raj.)

MAT

Interest under sections 234B and 234C is to be computed on tax liability after considering setoff of MAT credit under section 115JAA

It was held that interest under section 234B and section 234C is to be computed after setting off MAT credit available under section 115JAA from the tax payable, as the MAT credit is in the nature of advance tax. Further return in Form No 1 prescribed by the CBDT, laying down the order of preference of adjustment of tax payable as TDS, advance tax and then tax credit under section 115JAA is contrary to the provisions of section 115JAA and therefore not relevant in determining the order of set off.

Chemplast Sanmar Ltd. v. DCIT [2004] 83 TTJ 427 (Mad.)

TDS

Tax deducted should be refunded to the person deducting the tax, once it is held in an appeal that he is not liable to deduct tax

Section 248 provides for an appeal by a person denying liability to deduct tax. Such an appeal is permitted only if tax has been deducted and paid. It was held that once it was determined that the assessee is not liable to deduct tax at source under section 195, the refund should be granted to the person deducting the tax and not to the person from whose income, the tax has been deducted.

Tata Engineering & Locomotive Co. Ltd. v. DCIT [2004] 83 TTJ 458 (Mum.)

Interest on interest on refund

Interest on interest on refund in case of delay is not payable Pursuant to assessment, the assessee was entitled to a refund of taxes paid. There was a dispute regarding the entitlement to interest on refund, which was ultimately ordered to be paid pursuant to an order passed by the Supreme Court. The amount was paid after a considerable delay and the assessee demanded interest on the interest on refund. It was held that such interest on interest on refund was not payable to the assessee.

Sandvik Asia Ltd. v. CIT [2004] 267 ITR 78 (Mum.)

Waiver of Interest

Unavoidable circumstances qualifying for waiver of interest under section 234A would also qualify for waiver of interest under sections 234B and 234C

Due to the certain unavoidable circumstances, there was a delay in filing return of income and also late payment of taxes. It was held that when the CCIT had granted waiver of interest under section 234A, waiver of interest under sections 234B and 234C should also have been granted in the same set of unavoidable circumstances.

Bhanuben Panchal and Chandrikaben Panchal v. CCIT [2004] 188 CTR 449 (Guj.)

The Supreme Court, in T.T.G. Industries Ltd. Vs. CCE (2004 (167) ELT-501), has held that the activity of erection of a machine is not chargeable to excise duty if the resultant machine is an immovable property which cannot be shifted as such to any other site. A similar decision has been arrived at by the Tribunal in CCE Vs Ashbee Systems (P) Ltd (2004 (167) ELT 415).



In *Manali Petrochemicals Ltd Vs CCE (2004 (167) ELT 434)*, the Tribunal has held that no excise duty is payable on transfer of goods from the shopfloor to the R&D section within the factory for testing. However, goods removed for testing outside the factory would attract excise duty.

The Tribunal, in *Smithkline Beecham Asia Ltd. Vs CCE (2004 (168) ELT 40)* has held that where the principal and the job worker act on an arm's length basis and the principal does not exercise any control or supervision on such job worker, the job worker is to be considered as the manufacturer of excisable goods.

Legal World - Circulars, Notifications

Credit is available on inputs procured without payment of duty for manufacture of exported goods

It has been clarified that where inputs are procured on payment of duty, cenvat credit would not be required to be reversed if such inputs are used in the manufacture of exported goods. Further, where inputs have been procured without payment of duty, no drawback shall be admissible under the Customs and Central Excise Duties Drawback Rules, 1995.
Circular No 785/18/2004-CX, dated 17 May 2004

Transaction value for high sea sales

It has been clarified that in case of 'high seas' sale, the transaction value for determination of customs duty would be the actual 'high seas' contract price paid by the last buyer, inclusion of commission on a notional basis has been held to be inappropriate.
Circular No 32/2004-Cus, dated 11 May 2004

Applicability of service tax on erection and commissioning

Circular No 49/11/2002-ST, dated 18 December 2002 modified to clarify that erection, installation and commissioning services are not liable to service tax under 'consulting engineer services'. Commissioning or installation service is separately taxable under relevant category.
Circular No 79/9/2004-ST, dated 13 May 2004

Amendment to guidelines for trade credits for imports into India

Authorised dealers had been permitted to approve shortterm credit upto USD 20 million per import transaction for a period less than 3 years. It has now been clarified that credits up to USD 20 million per import transaction with a maturity exceeding one

year but less than three year would be permitted only for import of capital goods.
A.P. (DIR Series) Circular No 87, dated 17 April 2004, issued by RBI

In *CC Vs. SJK Steel Corporation, (2004 (62) RLT 286)*, the Tribunal has held that customs duty on warehoused goods would be payable at the rate applicable on the date of removal of the goods from the warehouse.



WE MUST LET THE OPPOSITION WIN THE NEXT ELECTION... THEN WE CAN KEEP BLAMING THEM FOR ALL THE MESS WE LEAVE BEHIND!

year but less than three year would be permitted only for import of capital goods.

A.P. (DIR Series) Circular No 87, dated 17 April 2004, issued by RBI

The Tribunal, in *Grasim Industries Ltd. Vs CCE (2004 (168) ELT 238)*, has held that the amount of CVD paid on capital goods imported under the EPCG scheme, consequent to a failure in fulfilling the export obligation, is admissible for availment as MODVAT credit.

An Explanation has been inserted in the relevant Notification No.43/2001-C.E. (N.T.) to provide that goods manufactured by using materials procured excise duty free under the said notification can only be exported under bond under Rule 19 of Central Excise Rules, 2002 and not under a claim of rebate.
(Notification No.10/2004-C.E. (N.T.) dated 2/6/04)

The CBEC has extended an optional facility of e-filing of monthly/quarterly excise returns with effect from June 2004 and has prescribed detailed procedures in respect thereof. Assessee intending to avail the facility should possess the 15 digit Excise Control Code (ECC).

Circular No. 791/24/2004-CX dated 1/6/04)