

# Newsletter - 55

August 2008  
For Private Circulation Only



**Independence day celebration at Mysore Chapter**



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## When wind blows...

Years ago, a farmer owned land along the Atlantic seacoast. He constantly advertised for hired hands. Most people were reluctant to work on farms along the Atlantic. They dreaded the awful storms that raged across the Atlantic, wreaking havoc on the buildings and crops. As the farmer interviewed applicants for the job, he received a steady stream of refusals.

Finally, a short, thin man, well past middle age, approached the farmer. "Are you a good farm hand?" the farmer asked him. "Well, I can sleep when the wind blows," answered the little man.

Although puzzled by this answer, the farmer, desperate for help, hired him. The little man worked well around the farm, busy from dawn to dusk, and the farmer felt satisfied with the man's work. Then one night the wind howled loudly in from offshore. Jumping out of bed, the farmer grabbed a lantern and rushed next door to the hired hand's sleeping quarters. He shook the little man and yelled, "Get up! A storm is coming! Tie things down before they blow away!" The little man rolled over in bed and said firmly, "No sir. I told you, I can sleep when the wind blows."

Enraged by the response, the farmer was tempted to fire him on the spot. Instead, he hurried outside to prepare for the storm. To his amazement, he discovered that all of the haystacks had been covered with tarpaulins. The cows were in the barn, the chickens were in the coops, and the doors were barred. The shutters were tightly secured. Everything was tied down.

Nothing could blow away. The farmer then understood what his hired hand meant, so he returned to his bed to also sleep while the wind blew.

When you're prepared you have nothing to fear. **Can you sleep when the wind blows through your life?**

..... *Words worth millions* .....

*" Expecting the world to treat you fairly because you are a good person is a little like expecting the bull not to attack you because you are a vegetarian."*  
~ Dennis Wholey

Editors:

CS. Dattatri H M

CS. Sarina C H

CS. Omkar N G

and

'Spectrum' Team



## MYSORE MOOTERS ARE NATIONAL CHAMPIONS

### AHMEDABAD ACHIEVES 2<sup>ND</sup> PLACE

The Mysore Chapter has retained the Championship by winning the 6th All India Moot Court Competition. Ahmedabad team comprising of Mr. Amit Kumar and Mr. Prashant Kumar Mishra were adjudged the runners up.



*Standing: Ms Jayalakshmi A., Vice Chairman ICSI Mysore Chapter, Shri Shetkar Subhas, Principal District and Sessions Judge, Mysore. Ms Bollamma, Principal, Sharadavilas Law College, Mr Ravishankar, Surana & Surana - International Attorneys, Sitting: Ms Vijayalakshi, Ms Pavitra, Mr Chinmay and Mr. Rakesh*

Ms Shikha Chadha from Delhi and Mr Amit Kumar from Ahmedabad shared the coveted Best corporate advocate of the year award. The Best Memorial Award was given to the team from Ahmedabad.

The Team consisting of Ms. P Pavitra, Mr. S Rakesh, Mr. Chinmaya, Ms. Vijaya lakshmi Karur have won the coveted trophy. 12 teams from all over the Country participated in the national rounds of moot court competition held at Mysore from 1st August to 3rd August 2008. The Judges of the Final round of the Competition opined that the 'Spirit of Law' has won. The Judges appreciated all the teams for their research and efforts.

The judges also opined that indeed it was the clash of titles and the final round was indeed one of the best moot courts ever witnessed.

A special mention has to be made here that Ms. Pavitra participated in the stiff competition in spite of bereavement in her family on the day of the competition. She showed the strength to steer the team towards victory. Moreover, she was adjudged the 'Best Speaker of Finals'.

The saga of this victory will not be complete without acknowledging the efforts of CS. Madhwesh.K, who was the mentor of the team.

**Report by: Ms CS. Pracheta, Moot Court Champion - 2007**

## Felicitation to Winners of regional round moot court winners on 27<sup>th</sup> July 2008



Past chairman of the Chapter, CS. M.C. Bhansali felicitated the winners in the regional moot court competition held at Chennai on 17th to 19th July 2008.

## LLM Syllabus

The newly established Autonomous JSS Law College requested the Institute for assistance in framing the Syllabus for their LLM course. The Vice Chairperson and Secretary of the Chapter represented the Institute in framing the LLM syllabus for the College. The valuable contribution made by the Chapter Representatives in providing practical orientation to the syllabus was widely appreciated.

## Unique Summer Placement Program

A panel of students were created by the Chapter and with the help of a similar panel of CAs (both practicing and in industry), the students were placed in their summer holidays in Industries and firms to get wider industrial, taxation and auditing exposures. About 18 students were so placed in different organizations.

## Chapter Level Company Law Quiz

The chapter level Company Law Quiz was held at the Chapter premises on 13th July 2008 at 3.30 PM. The contest consisted of written and oral rounds.

Top five emerged in the contests: Prashant D., Reshma Anwar, Shrinivas Devadiga, Anusha, Ramanan Darshan

## Study Circle Meetings

This month all Sunday study circles concentrated on clearing the doubts raised by students from various subjects. Senior students took the lead.

## Innovative and Best HR Practices – Need of the hour

M.S. Sridhar  
DGM-HR, Triton Valves Limited, Mysore

Most of the HR professionals try to attend various conferences, symposiums, HR Meet, etc., to know and find out what is happening in other industries in the HR front as also to know the best practices, challenges faced by HR professionals etc. Today HR is perceived across the globe and in particular in India as the most happening area for the public and students. But, unfortunately, when we look at the grass root level of the new HR professionals coming on board is really a concern to various CEO's of the organization due to lack of understanding the business and application of common sense. Therefore, I thought the HR best practices like Employee Family Visit to Factory, Birthday Sweets, Greeting Cards, etc. are becoming redundant and now the new generation HR professionals should think out of the box for best practices matching to their locational preferences. I would like to quote few HR Practices followed at different industries which has really yielded good results and accepted across employees of their industries:

- Top Gear Award for good performers who meet certain parameters
- Summer Camp for Employees Children
- Awarding Employees Children who has fared well in Sports & Education
- On the day of Employees Birthday, invite his Family Members to Factory and take them for a factory round and the HR Head or CEO of the organization will have the lunch with the family members
- Stress Buster for Senior Staff like sending them to hilly areas for vacation at company's cost.

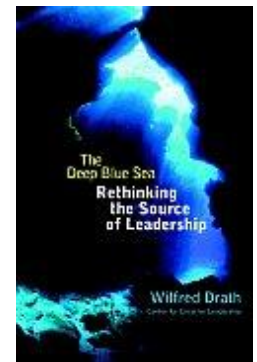
In my previous company, I had started a new initiative "Employee of the Month" by fixing few performance norms and 5 employees use to get this citation with a Sodexo Coupon worth Rs.500/-. This yielded excellent result for the organization as also motivated employees.

## book review

by CS. Nimmoo Kinger, PCS, Mysore

### The Deep Blue Sea:

Rethinking the Source of Leadership by Wilfred Drath



In The Deep Blue Sea, Wilfred Drath presents a new leadership framework called "relational leadership." He propounds the idea of leadership as a group function, resulting in self-organized entities. The author contrasts personal leadership, which focuses on style, character and skill of the person (surface of the sea) with relational leadership which delves into the community--people working together to draw on shared resources--which he likens to the sea's depths.

Using the story of a fictional piano company, the Zoffner Piano Company, he attempts to provide several situational definitions of leadership. He often refers to those practicing these leadership principles as "commanding attention and respect from employees, with the intent of pulling the working team in the right direction and getting people to follow his/her commands as a leader. "

In the epilogue, Drath summarizes the entire book and provides additional information on the Zoffner digital piano case study. An interesting book, for the middle and senior level manager, it focuses on broad macro-leadership style and articulates a paradigm shift in leadership theory and practice for the 21st century.



## Professionals Protecting Corruption...?

*“Don't profess great professionalism, the so-called professionals are in fact helping us to accept bribes in a more sophisticated manner though... earlier we were finding it difficult to collect bigger sums from public, now-a-days you have not only made it easy but also enhanced our rates.....”*

I was dumb struck when a senior officer of a government department, who also happens to be a good friend of mine remarked thus. That was during my early years in the world of corporate. He mentioned names that included a list of CAs, CSs, lawyers, tax practitioners and others. This was shocking! Ever since I have not been able to offer a legitimate defence to his statement.

One of the senior officers in a company said... “..... you know, it is good to have little bit of corruption. Laws of our land are so complicated that we can not comply with every thing. If there is no corruption, no business thrives”. Well, that was out of his bitter experiences earlier.

Other day one of my professional colleagues was talking about “ethical corruption” and “unethical corruption”!!! He was saying “yes, we do pay money to government officers for getting things done. But we never resort to ‘unethical corruption’... in the sense that we never pay for hiding serious non compliances or for getting any favour in detriment to other’s interests... we only pay for expediting what rightfully needs to be done for our clients and we get such money reimbursed from our clients”. OK my friend! It only means that those who can pay will get priority and those who can't, will be stranded till Lady Luck smiles on them? The taste of blood is so enticing.

“You know what a commissioner in a government department gets as salary? That may be even lesser than a boy of his half age gets in an MNC... so expecting money is quite natural” another practitioner said. Wah!! What a wonderful argument. Unfortunately when we talk about salary, we forget about the work they do. If ever you have visited any government office, you will get disgusted...the work environment is so deplorable, the culture so despicable. For a maximum one hour work for five days week, with plenty of holidays around the year, what big salary our *babus* are expecting? Again, how much money each pillar wants? Keep reading news papers and you will find several crores of assets with *babus* sitting in “strategic” posts. Needs can be satisfied, not greed.

“You have to understand one thing... if you can get the things done faster, you will be noted as dynamic professional. You will get more and more big corporate clients. They never bother about your cost, only parameter is how fast you can get a thing done. For getting things done faster, it is inevitable to pay bribes and have close relationship with *babus*.” A very ‘successful’ professional narrated his ‘secret of success’ like this. Indeed I have seen the companies paying big sums for expediting their work with the Government. From company perspective, strategy is very clear. Paying a government officer directly is a double edged sword. Accounting for the bribe money is also difficult. So place a consultant between the company and the government. Pay money to him as consultancy fee including tax incidence on that. Get invoice for the money and account. Leave the headache of dealing with government to the ‘professional turned broker’. Some professionals are quite happy since they manage to retain a portion, extended earnings?!!

Certainly, I believe that there are professionals in this country who would never support corruption. Certainly, I believe that many professionals would prefer to work with out supporting corruption, if only their clients agreed to fight. Will we ever have a situation where professionals can work with out being involved in corruption? Will we ever take any initiatives for creating such a situation?



**Can We have a Cleaner India please....?**

# Veer Savarkar & International Law



The life of Swaatantrya Veer Vinayak Damodar Savarkar is a story of resistance, strife, struggle, suffering and sacrifice for the cause of political, social and economic emancipation of India. In 1904, Savarkar, still an under-graduate, convened a meeting of nearly 200 of his trusted comrades and founded the "Abhinav Bharat"-an organisation dedicated to wresting freedom from the British rulers, if necessary with the help of arms.

After graduation in 1905, he studied law in Bombay. The following year Savarkar went to London to study law. on July 1,1909, one of the members of Abhinav Bharat, Madan Lal Dhingra shot and killed Cuzon Wylie in the hall of Imperial Institute. This incident shook London and Savarkar came under suspicion. Savarkar was arrested in London in 1910 in connection with the Nasik Conspitacy case. When he was being taken by ship to India for trial, off Marseilles, Savarkar jumped into the sea and swam to the French coast braving the flring from the ship. He was arrested at Marseilles by the British Police. The French Government protested against this arrest on French soil in the Hague International Court. This brought Veer Savarkar and other Indian freedom fighters to prominence throughout the world. The brilliant way he took to internationalize his arrest, set a landmark in interpreting international covenants. Till today international law students land up debating on the appropriateness of the decision given by the International Permanent Court of Arbitration at Hague. The story as published in New York Times is reproduced in the adjacent box.

Unfortunately arbitrators concluded that “.....while admitting that an irregularity was committed by the arrest of SAVARKAR, and by his being handed over to the British Police, there is no rule of International Law imposing, in circumstances such as those which have been set out above, any obligation on the Power which has in its custody a prisoner, to restore him because of a mistake committed by the foreign agent who delivered him up to that Power. FOR THESE REASONS The Arbitral Tribunal decides that the Government of His Britannic Majesty is not required to restore the said VINAYAK DAMODAR SAVARKAR to the Government of the French Republic” Many scholars quote the socio political reasons for this historical “blunder”. Whatever it is, Indian freedom fight suffered a set back as Savarkar was tried for sedition in 1910 at Bombay and was sentenced to double transportation for life totalling about 50 years rigorous imprisonment. He was lodged in the Cellular Jail in the Andamans where he spent 12 long years of hard labour.

Veer Savarkar worked relentlessly for the removal of untouchability through the Hindu Mahasabha. He build a temple called "Patit-Pawan Mandir" and appointed a 'harijan' as the priest in attendance. When British Government was holding talks with the Indian political leaders, Veer Savarkar had participated. On February 26,1966, Veer Savarkar passed away at the ripe old age of 83. His memory will always remain green in the hearts of his countrymen.



New York Times, February 15, 1911

## HINDU CASE AT HAGUE Question between France and England over Extradition of Student

THE HAGUE, Feb. 14. - The Permanent Court of Arbitration assembled to-day to determine the case of the Indian jaw student Savarkar, in dispute between Great Britain and France. An interesting international question of the right of asylum is involved. After the preliminaries of opening the session was adjourned until Thursday, when arguments will be made.

Savarkar, an Indian subject of Great Britain, was arrested on his arrival in London last March 13, charged with sedition, and his extradition to India for trial was ordered. When the vessel in which he was being taken home stopped in Marseilles Harbor Savarkar crawled through a porthole and swam ashore. He was captured in Marseilles by French police while running through the streets and calling out a demand that he be taken before a Magistrate. He was turned over to British detectives and taken on to Bombay for trial. The French Socialists raised the question whether the student was properly surrendered to the British officer after he had set foot on French soil and had appealed, as best he could, for refuge as a political prisoner.

The case excited so much controversy that the Governments of Great Britain and France exchanged notes on the subject and last Autumn agreed to submit to The Hague Tribunal this question: Ought Vinayak Damodar Savarkar, in conformity with the rules of international law, to be or not be surrendered by the Government of his Britannic Majesty to the Government of the French Republic? President Auguste Beernaert, Belgian Minister of State, opened the court with a brief speech in which he congratulated the litigant nations upon the example which they set to the world in submitting the case to the international tribunal.

## Legal Round-up

Compiled by CS. Omkar and CS. Pracheta

### INCOME TAX

#### ➤ Self Assessment Tax - Time limit

There is no time limit under section 140A, however read with sec. 139 there is time limit for payment of the balance tax and for filing of return, and assessee paid the tax on next working day therefore the levy of interest is unsustainable.

*Kerala State Industrial Development Corporation Ltd. Vs. Add.C.I.T. and Others [2008] 298 ITR 367 (Ker)*

#### ➤ Liability of the assessee in case of gifts

Assessee must establish identity of donor, genuineness of gift and financial capacity of donor to make such gifts, as bank statement indicated the movement of funds did not prove the creditworthiness of the donor. AO justified in treating gifts as not genuine.

*Asst. Commissioner of Income Tax Vs. Rajeew Tandon [2007] 294 ITR 219 (Delhi)*

### CENVAT

#### Dutiability

#### ➤ Rewinding of coils is not manufacture

*CCE Vs. KVK Control Panels (2008 (226) ELT 555)*

#### ➤ Fabrication at customers place

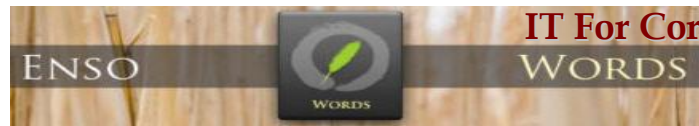
- for making of ducts for using in air conditioners is not a manufacturing & hence not dutiable. *CCE Vs. HVAC Systems (Pvt.) Ltd. (2008 (227) ELT 259)*

#### Valuation

#### ➤ Excess freight charges collected - not to be included

*CCE Vs. M/s Siddha Steels Pvt. Ltd. (2008 T10L 1093)*

#### ➤ Valuation of related party supplies.



IT For Corporate Professionals

## Spell Check across all programs in windows

- Amitkumar Hegde B Com, MCA(Final)

Probably MS Word has saved you a countless times from making silly spelling mistakes. Don't you think life would have been easier if there was a software which would provide system-wide spell check facility? Luckily there is a software available to do it! "Enso Words" a 12.3MB freeware utility available at <http://www.humanized.com/enso/> comes to your rescue. Even though it seems quite cumbersome to get used to the software in the beginning, it is pretty good in its work. Once you get used to its interface, it will become one of your favorite applications.

By default 'Enso Words' gets activated whenever you press Caps Lock. Better change it to left Windows key with the help of "Enso Preferences" which you can reach by right clicking on the Enso Words icon in system tray. Do this & sail through Enso Word.

By holding down the Caps Lock or Windows key, you can activate Enso Words. Once it is activated, you can [spell-check, Word-Count, Character-count, Convert a set of words to upper case and so on](#). You can get list of commands it supports by issuing the 'command list' command. To perform a spell-check select a set words from any of your applications such as MS Word or Google talk, hold down left Windows key and press 's' key. A set of commands appear as dropdown list. You can select any of the commands with the help of arrow keys. For spell-check Windows key + s will launch a new window with the selected text. Click on the words highlighted with yellow color and select the proper word form the dropdown list. Once you are done with all the corrections, again hold down Windows key and select 'done' command. Voila..! All the spelling mistakes in your application are gone now.

So now on you can just avoid all possible spelling mistakes with this tiny utility for free. Go get a copy for yourself today.

वेब ग्यात्रा

CS. Rashmi M R,

Company Secretary, Vikram Hospital Pvt Ltd, Mysore

[www.eximkey.com](http://www.eximkey.com)



Being a Company Secretary or Chartered Accountant or Cost Accountant is not easy. But whats more difficult is to keep oneself updated on the latest happenings in your area of operation. One such area of common interest is the field of Indirect Taxation. Being professionals, we know the value of timely and accurate information.

If you are in search for a source, giving you inputs on Customs, Excise, FEMA or EXIM Policy?? This is the Destination for all those information. The well structured website guides the user to the required information. Its effective search engine finds you the information right away. The FAQ section serves the interest of beginners in the subject. Whats more, is the Daily Updates section which enables access to timely information. It also enables the interested users to subscribe for its newsletter.

Its simply can't get better and be so user friendly than this!! So until we are back with another useful website, Keep Browsing...!!

## Article

# The Great Acquisition Drive

Reshma Anwar CS Final, Mysore

SC: Where a substantial part of the production was sold to an independent buyer, the price in relation to such sales could be adopted for valuation of related party supplies.

*CCE Vs Bharti Telecom Ltd. (2008 (155) ECR 200)*

### ➤ Valuation under Section 4A

Tribunal: Where the goods are subject to MRP based valuation under Section 4A, amounts collected by the seller, over and above the transaction value, do not influence the valuation of such goods.

*CCE Vs Bharat Coca Cola Bottling North East (P) Ltd (2008 (155) ECR 230)*

### ➤ Determination of Interest between the companies

Tribunal: The mere fact of mutual shareholding between the manufacturer and the buyer and that of the two companies having a common chairman does not establish mutuality of interest and hence they are not related.

*CCE Vs. Bajaj Auto Limited (2008 TIOI 1069)*

## CENVAT Credit

### ➤ Credit on endorsed invoices

Tribunal: CENVAT credit is not admissible on the basis of endorsed invoices.

*Raymond Apparel Ltd. Vs. CCE (2008 (227) ELT 279)*

## Others

### ➤ Bar of unjust enrichment is not applicable for refund of interest

*Automotive Coaches & Components Ltd. Vs. CCE (2008 (227) ELT 90)*

### ➤ Extension of stay not required

Tribunal: Once a stay has been granted until the disposal of the appeal, no application for extension of stay is required after the expiry of 180 days from the date of the stay.

*Unisule Laboratories Ltd. Vs CCE (2008 (87) RLT 16)*

## Service Tax

### ➤ Notification

## Why acquisitions? "It can get you started".

When you are walking on the road and need a car, you don't sit and build one yourself. You just hire a cab and take the best way out. This is what is done by a famous industrialist in Hyderabad. He was once an employee of a pharmaceutical industry and was simultaneously considering to start a business on his own as he was observing a number of sick drug units in Hyderabad City. The sorry state of the units only made him sense a rare opportunity.

He was wondering whether to spend the time, money and efforts to build his own drug factory or buy one of those units and start from day one. He took the latter option and in a matter of few years his venture blossomed into a highly profitable company and now exporting to some of the world's best known drug makers.

His opinion was that the pharmaceutical industry is one of those sectors that involve a lengthy regulatory approval process for a Greenfield project and an acquisition in such an industry can make the entry quick and hassle free. He also opines that when one is in his growth stage and nears 80% capacity utilization, then it should be the time start giving acquisition a serious thought.

The acquisition drive has heightened only in the past 2-3 years. Our own regional and national companies have acquired companies in places hitherto unknown on the global map.

The underlying objective is to achieve and sustain superior performance and larger share of global market.

Even small companies and start ups have demonstrated that M&A are not just for the TATAs and Birlas. They can also buy and manage the integration of outside business in a better way. But, the deals are a risky affair with low potential for success even in the case of multi-billion dollar companies.

L.N Mittal, Chairman & CEO of Arcelor Mittal, has rightly remarked : "India Inc. go ahead, take on the world. Today every Indian businessman has the same opportunities as me. India is open. Indian businessman can go global, whether they live in India or not. It's a small world now".



The Fact is we acquired our own company,  
The good news is the stock went up

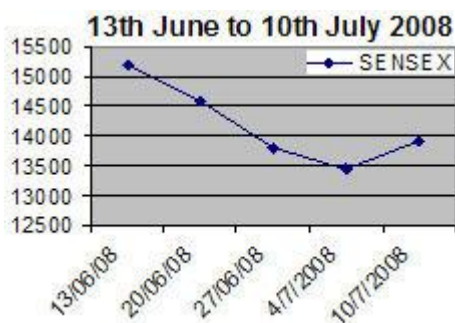


# Investor Secretary - 10



**Sreeraj M ACS Final  
Bangalore**

From the recession in the U.S till the shoot up in the prices of the crude, there never seems to be an end of negative news for the markets to take positive route. As on 10th July 2008, SENSEX closed with 13926.24 points and the NIFTY with 4162.20 points. Political uncertainties, soaring crude prices and surging inflation provided enough news to spoil the tempo this month. Even though the valuations seem cheap at this point of time, there is no conformation yet as to the markets having bottomed up. Some analysts opine that even 10000 levels cannot be ruled out.



**My Focus:** Couple of investment opportunities that caught my fancy this month were the Gold ETF's (Exchange Traded Funds) and Debt instruments. I feel that the soaring inflation has definitely something to do with the price of gold. Now, the situation is such that some of the stocks have lost by around 80%. My strategy for this month rotates around these stocks. Even if there is a minor pull back in the markets, we can expect these stocks to recover by atleast 20 to 30%.

## The future outlook:

Crude cooling down to \$100 per barrel accompanied by a stable government might give a new dawn for the indices. If this happens, we can expect the SENSEX to bounce back to 21000 levels in the next 8 - 12 months. Stocks from the IT, FMCG, Media, Telecom and Banking sectors might hold a better promise. It seems like valuations of PNB, HDFC, SBI, ICICI etc as under realized. This month, I feel the markets are eagerly awaiting the quarterly results to initiate fresh outcomes.

## Tan's Portfolio

	Name of the Stock	Purchase Price (Purchased on 8th May 08)	Current Market Price (10 <sup>th</sup> July 08)	Returns (In %)
1.	Garware Wall Ropes	108.15	85.7 ↓	-20.76%
2.	Vimta Labs	82.20	60.1 ↓	-26.89%
3.	Neocure Therapeutics	22.65	29.25 ↑	29.14%
4.	Sterling Tools	69.20	55.50 ↓	-19.80%
5.	Finolex Cables	69.90	51.55 ↓	-26.25%
6.	Prism Cement	41.70	35.75 ↓	-14.27%
7.	Assam Company	27.20	23.75 ↓	-12.68%
			<b>TOTAL RETURNS</b>	<b>-91.51%</b>

Note: Send opinions, suggestions and any stock specific queries to [rajfoxy@gmail.com](mailto:rajfoxy@gmail.com)

**Disclaimer:** Trading and investment in stock market is risky and volatile. All the contents/views in this article are for information and not recommendation or an offer or solicitation of an offer to any person with respect to the purchase or sale of the stocks discussed in this article. The author may be trading/investing in, or have positions in the securities mentioned. The author is not responsible for profit/loss incurred by anybody. Please do your home work before investing.

ST(Provisional Attachment of Property) Rules, 2008 Notified. Circular under Section 73C of the Finance Act, 1994 is issued.

Notification No30/2008-ST and Circular No. 103/2008 dated 1/7/2008

### ➤ Materials supplied free of cost and rebate

The High Court of Delhi: The value of materials supplied free of charge by the service recipient to the construction service provider is not includible in the gross amount for the purpose of computing rebate under Notification No. 1/2006.

ERA Infra Engineering Ltd. Vs Union of India [2008(11) STR. 3]

### ➤ Service tax not payable where sales tax paid.

Tribunal: Service tax is not payable where sales taxes are paid on the value of SIM cards.

Bharathi Televenture Ltd Vs Commissioner of Service Tax, [2008(11) STR 138 (Tri-Chennai)]

### ➤ Non resident service provider

Tribunal: The service recipient in India is not liable to pay service tax for the taxable services provided by a non resident in India, for the period prior to 1.1.2005.

Hindustan Zinc Ltd. Vs CCE [2008-VIL-18-Cestat-Del-LB]

### ➤ Input credit of service tax on Cell Phone

Service tax paid on cell phones or land-lines used in connection with output services is available as credit.

Wiptech Peripherals Pvt. Ltd. Versus CCE Rajkot (27.06.2008) CESTAT AHMEDABAD

## Sales Tax

### ➤ Karnataka

Prescribed categories of dealers to furnish the following particulars electronically:

- details of intra-State purchases for which input tax credit is admissible
- details of exports outside India
- details of intra-State sales to registered dealers

Notification No. KSA. CR. 155/2007-08  
dated June 23, 2008

## Customs

### ➤ Notification/Circulars

Duty drawback benefit withdrawn on the supply of HSD and furnace oil to SEZ.

Customs Notification No. 78/2008  
(N.T). dated 24/06/2008

### ➤ Classification of accessories

The Tribunal has held that items which are specifically designed for use as accessories to computer systems are classifiable under CTH 8471, which includes computers, and not under other CTH for electronic items.

*Wipro Ltd. Vs CC (2008 (227) ELT 261)*

## Others

### ➤ Time for making refund application

Tribunal: Where a letter seeking a refund is filed within the prescribed time period, a subsequent formal claim for refund, filed after the expiry of the said period, would not be hit by the limitation of time prescribed under Section 27 of the CA.

*IGP Engineers Pvt. Ltd., Vs. CC(2008 (87) RLT 208)*

### ➤ Duty for short landing

Tribunal: the importer would be entitled for refund of duty paid to the extent of such short landing.

*CC Vs. Philoden Agrochem Pvt. Ltd. (2008 (227) ELT 152) and in CC Vs. KRBL Ltd (2008 (227) ELT 145)*

### ➤ Certification by CA for not passing of duty

- is adequate to rule out unjust enrichment, unless evidence to the contrary is available - Tribunal

*CC Vs. KRBL Ltd (2008 (227) ELT 145)*

Dhannad Rau, District Indore & Talegaon, District Pune notified as Customs Ports for Export & Import  
(CUS NTF NO. 88/2008 (NT) DATE 17/07/2008)

Anti dumping duty imposed on digital versatile discs-recordable of all kinds.  
(CUS NTF NO. 89/2008 DATE 23/07/2008)

## Law Courses through Distance / Online Learning

Anand A Wadadekar, MA Economics, MBA, AMFI, GCIPR, DIT, Pune

Distance learning opens new directions of opportunities to obtain higher education without the constraints of location and time. It takes education to masses. *This column aims to highlight the Legal and corporate Courses offered through distance / online mode by reputed law schools and Universities in India for the benefit of readers.*

**National Law University, Jodhpur - <http://www.nlujodhpur.ac.in/distedu.html>**

3 Year Master Degree in Criminal Law, Criminology and Forensic Science

3 Year Master Degree in Trade Related Laws

One Year Post Graduate Diploma in Security Laws and Management

One Year Post Graduate Diploma in Intellectual Property Laws

**The Indian Law Institute, New Delhi - [www.ilidelhi.org](http://www.ilidelhi.org)**

3 Months 'Intellectual Property Right in the Internet Age'

**World Intellectual Property Organization (WIPO), Geneva - <http://academy.wipo.int>**

15 Weeks "General Course on Intellectual Property" (DL-101)

The DL-101 course is currently offered free-of-charge, twice a year

2.5 months "Advanced Course on Copyright and Related Rights" (DL-201E)

1.5 months "Electronic Commerce and Intellectual Property" (DL-202E)

2.5 months "Biotechnology and Intellectual Property" (DL-204E)

*Continues....*

More Updates More Updates More Updates More Updates

## RBI

**Security for ECBs - Liberalisation:** AD Category - I banks may accord 'No Objection' provided the borrower of ECB complies with certain conditions. (RBI: CIR. NO. 01/2008-09-RB, DT. 11/07/2008)

**Currency Futures in Recognised Stock Exchanges:** RBI has decided to introduce currency futures in recognized stock exchanges or new exchanges recognized by SEBI. The currency futures market would function subject to the directions, guidelines, instructions issued by the RBI and SEBI, from time to time. (Circular RBI/2008-09/122, - A.P. (DIR Series) Circular No. 05 dated August 06, 2008)

**EEFC not to fetch interest:** With effect from November 01, 2008, all EEFC accounts shall only be permitted to be opened and maintained in the form of non-interest bearing current accounts. CIR. NO. 04/2008-09-RB, DT. 04/08/2008

**Banks as trading /clearing members:** RBI has permitted AD Category I Banks to become trading / clearing members of the currency derivatives segment to be set up by the Stock Exchanges recognized by SEBI, subject to their fulfilling the prudential requirements which include (i) Minimum networth of Rs. 500 crores, (ii) Minimum CRAR of 10% (iii) Net NPA not exceeding 3% (iv) Net Profit for last 3 years. (Notification No.FEMA177/RB-2008 dated August 1, 2008)

## SEBI : Amendments to SEBI (ESOS & ESPS) Guidelines 1999:

1. A director, nominated by an institution as its representative on the Board of Directors of a company, is now eligible to participate in the ESOS of the company subject to certain conditions.
2. It has been decided to amend SEBI (ESOS & ESPS) Guidelines to bring the accounting treatment prescribed by SEBI, for options granted under graded vesting, in line with the accounting treatment provided by ICAI in this regard.

(SEBI/CFD/DIL/ESOP/4/2008/04/08)