



Newsletter-10

September 2004

Ganesha chaturthiya Shubhahaaraikegalu

ICSI brand goes global

New Delhi , Aug. 26

WITH an objective to collate comprehensive information to access the possible market for services of Company Secretaries abroad, the Institute of Company Secretaries of India on Thursday showcased the Indian company secretary brand.

At an interactive session with Trade Counsellors and Commissioners of Embassies of various countries, Mr Mahesh Anant Athavale, President, ICSI, stated that the institute also plans to help other countries that are in need to develop company laws.

Representatives from Burkina Faso, Chile, Algeria, Australia, Nigeria, Indonesia and Myanmar attended the session. Professional services face enormous regulations in different countries, the ICSI President said. He hoped that the institute would find mechanisms for removing these impediments for smooth movements of company secretarial services in the various countries.

Chapter News

Professional Development Program

Mysore Chapter is conducting a series of study circle meetings for members for discussions on the company law concept paper launched by department of Company affairs. The series begun on 29th August 2004. The second discussion was held on 12th September 2004. The members completed discussion on the chapters concerning the definitions, Incorporation, Issue of share capital, Deposits, Charges, Accounts and Audit, Dividends and Directors and their powers as envisaged in the concept paper. The chapter has noted various suggestions to be made with respect to these chapters. The next session will be held on 19th September 2004. The management committee has requested the members are requested to participate in the evolution of the new Companies Act.

Career Counseling Program

The first and second weeks of September 2004 saw two career counseling programs in the JSS Womans' College in saraswatipuram. The program reached more than 250 students and created lot of enthusiasm among the lecturers of the college.

Faculty Meet of Collaborative Oral Coaching Center

First meet of the faculty for the collaborative oral Coaching Center was coordinated by Ms. Sarina and Ms. Jayalakshmi on 06th September 2004 in the post graduation center of the Mahajana college. This was held to provide orientation to the faculty members on the course contents and the expectations of the Institute from them.

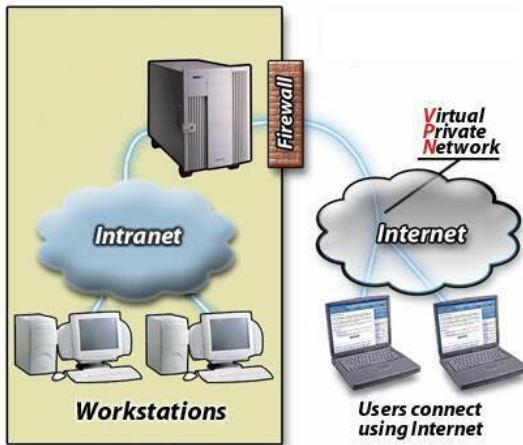


TRUTHS AND FACTS ABOUT INTERNET

Compiled by: Jayalakshmi Anshuman PCS

Did you know that –

- ☞ the internet consists of two or more networks connected by a router and is a vast global network.
- ☞ it is not run by any single person, group or organization.
- ☞ the networks are connected by a device called the Router. Routers act as Intelligent Traffic Controllers and perform most of the work of directing traffic on the Internet.



- ☞ networks communicate with each other using certain protocols. Common internet protocols are TCP (Transmission Control Protocol) and IP (Internet Protocol). TCP/IP provides the basis for the Internet. Every time a computer connects to the Internet, it becomes an extension of that network.
- ☞ the World Wide Web (WWW) is a TCP/IP internet application service and is the fastest growing and the most innovative part of the Internet.
- ☞ the Hypertext Markup Language (HTML) is a language that allows the user to use hypertext links and to view web pages.
- ☞ the Uniform Resource Locator (URL) identifies the address on the www where a specific resource is located.
- ☞ the Hypertext Transfer Protocol (HTTP) defines how the web browser (like the Microsoft Internet Explorer or Netscape Navigator) and the web server communicate with one another.
- ☞ Cookie is a message sent from a web server to a web browser for the purpose of identifying users and possibly preparing customized web pages for them.

- ☞ Applets are programs downloaded from web servers that execute in web browsers on client machines to run any web-based application. The most common language used for applets are Java, JavaScript and Visual Basic.
- ☞ File Transfer Protocol (FTP) is a set of protocols that permit downloading of files from a computer on the internet to the user's computer. FTP is also used to upload files from the computer to another computer on the Internet.
- ☞ Simple Mail Transport Protocol (SMTP) is an Internet protocol that provides electronic mail services.
- ☞ modem is short for modulator-demodulator and it converts digital pulses from the computer into frequencies within the audio range of the telephone system.
- ☞ Electronic Mail or Email is the process by which an individual using a terminal, PC or an application can access a network to send an unstructured message to another individual or group of people.
- ☞ Protocol are the rules by which a network operates and controls the flow and priority of transmissions.

Press Release by Ministry of Labour & Employment dated 9th August, 2004

The Central Board of Trustees, (CBT) of the Employees Provident Fund Organisation has decided that the EPF subscribers will get an interim interest of 8.5% on their deposits for the current financial year (2004-05). Finance Ministry would be requested to ratify the CBT's decision to pay EPF subscribers interest at the rate of 9.5% for 2002-03 and 9% plus 0.5% for 2003-04

Press Release by Ministry of Environment and Forests: Dated 24.08.2004

The Ministry of Environment and Forests vide the above press release notifies the release of The Draft National Environment Policy (NEP) 2004 which recommends bringing

in regulatory reforms, enhancing and conserving environmental resources, setting up of environmental standards, adopting standardized management systems, and promoting environmental certification and indicators. The draft Policy points out that the key environmental challenges that the country faces relate to the nexus of environmental degradation with poverty in its many dimensions, and economic growth.

The draft Policy seeks to achieve the objectives of conservation of critical environmental resources, intra-generational as well as inter-generational equity, livelihood security for the poor, integration of environmental concerns in economic and social development, efficiency in environmental resource use, environmental governance and enhancement of resources for environmental conservation.



Legal World

Consignment Agents and Service Tax

The Tribunal, in Mahavir Generics Vs. CCE (2004 (170) ELT 78), has held that the services rendered by a consignment agent, who does not provide clearing and forwarding services, is not liable to service tax

Few principles evolved on Valuation of Goods:

a. The tribunal has held that the Transaction Value of imported goods cannot be rejected only on following grounds:

Non-production of the manufacturer's invoice, when there are no contemporaneous imports at higher prices
Commercial Corporation Vs. CC (2004 (169) ELT 297)

on the basis of price reports published in industry trade journals, when there is no corroborative evidence of contemporaneous imports of identical/similar goods at or about the same time.

Tarajyot Polymers Pvt. Ltd. Vs. CC (2004 (170) ELT 346)

b. The tribunal has held that the Transaction Value of imported goods cannot be enhanced on the basis of a proforma invoice in the absence of evidence of actual imports made at such prices. Further, the Tribunal has held that the supplier and the importer cannot be held to be related where the importer holds less than 5% shares in the supplier company.

Swarn Fabrics Ltd. Vs. CC (2004 (170) ELT 380)

c. The transaction value of imported second hand goods shall be accepted provided the transaction does not fall

under any of the exceptions mentioned in Rule 4 of the Customs Valuation Rules (CVR). Further, the Tribunal has held that inaccuracies in the Chartered Engineer's report cannot be the sole consideration for rejection of the transaction value.

Spice Communications Ltd. Vs. CC (2004 (170) ELT 249)

d. Royalty and technical know-how fees paid to the foreign supplier/collaborator, not being a condition of sale of the imported goods but relatable to the manufacture of finished goods in India, is not includible in the transaction value of the imported goods.

Emuge India Pvt. Ltd. Vs. CC (2004(63) RLT 251), LM Glassfibre (India) Pvt. Ltd. Vs. CC(2004(115) ECR 389) and Neg Micon (India) Pvt. Ltd. Vs. CC (2004(115) ECR 561)

e. The value of bought out items, not integral to but supplied along with the manufactured item, is not includible in the transaction value of the manufactured item.

CCE Vs. Escorts Piston Ltd. (2004 (169) ELT 313) and Superflo Private Ltd. Vs. CCE (2004 (170) ELT 469)

f. the provisions of the Valuation Rules, 2000 relating to valuation of goods sold to related persons cannot be invoked where goods are sold to both related and unrelated persons.

Ultra Refrigerators Pvt. Ltd. Vs. CCE (2004 (170) ELT 341)

g. Charges recovered towards provision of optional additional warranty on the excisable products are not includible in the transaction value of such products.

Electrolux Kelvinator Ltd. Vs. CCE (2004 (170) ELT 449),

h. Charges recovered from buyers towards testing of containers in which the excisable product is supplied to such customers are not includible in the assessable value of the excisable product.

CCE Vs. Punjab Alkalis & Chemicals Ltd. (2004(63)RLT 495)

Interest on refund of excess payment of self-assessment tax is to be granted from the date of assessment order

It was held that interest on refund of excess payment of self-assessment tax was to be granted from the date of assessment order and not from the date of payment of self-assessment tax.

Sutlej Industries Ltd. v. ACIT [2004] 84 TTJ 80 (Del.)

