



The Institute of

**Company Secretaries of India**

In pursuit of professional excellence

Statutory body under an Act of Parliament

**MYSORE CHAPTER**

NEWSLETTER

JUNE 2004

EDITION 7

## ***From the Chairman's Desk***

*Dear Professional Colleagues,*

*I hope the e-news letter adds value to your professional life as well as keeps you updated on the activities of the Mysore Chapter. Please feel free to chip in with your suggestions, views, articles to add more value to this important communication tool.*

*I am very happy to inform you that two of our students, Ms Pracheta and Mr. Venkatesh have secured 20<sup>th</sup> (New Syllabus) and 8<sup>th</sup> (Old Syllabus) Rank in the Foundation Examinations-December 2003.*

*With the political equation changing in this country, one wonders if our economy is at cross roads! The excitement on the expectation of the budget this year should therefore be quite special!*

*The chapter would be celebrating its Silver Jubilee Foundation Day next year. This would be a land mark in the history of the Chapter and I seek the support of all the members, in and around Mysore, by volunteering themselves and make this event a very special and memorable one. The Management Team of the Chapter would get in touch with you in this regard shortly.*

*With warm regards,  
C.K.Sabareeshan*

*Nothing is so exhausting as indecision, and nothing is so futile.*

*Bertrand Russell*

*"Life offers two great gifts - time, and the ability to choose how we spend it. Planning is a process of choosing among those many options. If we do not choose to plan, then we choose to have others plan for us."*

*Richard I. Winword*

## **ICSI may make professional development programs must**

New Delhi , May 18

The Institute of Company Secretaries of India (ICSI) is considering making its professional development programmes (PDP) compulsory for those company secretaries (CS) who are in jobs. Currently, the institute has made it mandatory for a practising company secretary to undergo the programme and optional for those in employment.

"A profession cannot maintain its cutting-edge competencies unless its members regularly update their knowledge. Keeping this in mind the institute has made it compulsory for a professional company secretary to attend certain hours of the programme and recommendatory for members in employment, with effect from April 2003," said Mr Mahesh Anant Athavale, President, ICSI.

## ***News from ICSI-Mysore***

- Oral Coaching for Inter Group II has begun on 14th June 2004
- Chapter plans to celebrate 2005 as its 25th Silver Jubilee Year. All members are requested to pool their thoughts for a celebration, which promotes profession.



**WE MUST TRY AND GET SOME 'FOREIGN DIRECT INVESTMENT' QUICKLY INTO OUR CAMPAIGN. I WAS TOLD THAT THE OTHER CANDIDATE IS DISTRIBUTING DOLLAR NOTES TO BUY VOTES!**



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## *Legal World*

### **Reversal of CENVAT Credit on Clearance of Goods under Rule 19(2) of Central Excise Rules, 2002**

Circular No. 785/18/2004/CX Dated 17.05.2004 : The Board has examined the doubts arisen over application of sub-rule (1), (2) and (3) of rule 6 of CENVAT Credit Rules, 2002 relating to the clearances of excisable goods made by the supplier under notification No. 43/2001-CE (NT) wherein it was mentioned about procurement of excisable goods without payment of duty for the purpose of use in manufacture or processing of export goods and their exportation out of India subject to the conditions, safeguards and procedures. The Board has clarified that provisions of sub-rule (1), (2) and (3) are applicable to those manufacturers who manufacture both dutiable and exempted goods. Since notification No. 43/2001-CE (NT) has been issued under rule 19 of Central Excise Rules, 2002 which only prescribes conditions, safeguards and procedures, the goods procured under this notification does not attract the provisions of sub-rule (1), (2) and (3) of rule 6 of CENVAT Credit Rules, 2002. It has been clarified further that the exporter cannot claim Drawback in case any of the inputs has been obtained without payment of duty except to the extent and in the manner explicitly permitted under Customs and Central Excise Duties Drawback Rules, 1995.

### **Customs Valuation Rules, 1988 - Determination of Assessable Value for Goods Sold on High Seas**

Circular No. 32/2004 Dated 11.05.2004 : It has been clarified that the actual high-seas-sale-contract price paid by the last buyer would constitute the transaction value under Rule 4 of Customs Valuation Rules, 1988 and inclusion of commission on notional basis may not be appropriate. However, the responsibility to prove that the high-seas-sales-transaction constituted an international transfer of goods lies with the importer. The importer would be required to furnish the entire chain of documents, such as Original Invoice, high-seas-sales-contract, details of service charges/commission paid etc, to establish a link between the first international transfer of goods to the last transaction.

### **Application of Service Tax on Activities of Erection and Commissioning**

Circular No. 79/9/2004 Dated 13.05.2004 : It has been clarified that charges for erection, installation & commissioning are not covered under the category of Consulting Engineer Services. Commissioning or Installation service will be separately taxable under relevant entry and are not chargeable under Consulting Engineer Services.