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Greetings from Mysore Chapter of ICSI!!

One more productive month for the Mysore Chapter. The chapter has organized a Two Day Seminar on Companies Act 2013 on 15th & 16th May 2015 at the Chapter Premises. The seminar was addressed by CS M R Bhat, ROC, Karnataka & Mr. Keerthi Thej, AROC, Karnataka on 15th May 2015 & CS Eshwar Sabapathy & CS Sridharan A M on 16th May 2015. The seminar was well attended by our Members & Students from Karnataka, Kerala & Tamilnadu.

Mysore Chapter is also planning to conduct Open House Session on Secretarial Standards exclusively for the Members & Students which will commence from the month of June 2015.

The coming months will be very hectic for our Practicing as well as Professionally Employed Members as the year end closing formalities for Companies will be in full swing during these months. Members are advised to take all precautions in compliance matter/issue in line with the changes enacted in the Companies Act 2013.

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Two Day Seminar on Companies Act 2013

The Mysore Chapter of ICSI conducted a Two Day Seminar on Companies Act 2013 on 15th & 16th May 2015 at the Chapter premises. The seminar was inaugurated by the Hon'ble Registrar of Companies, Karnataka, CS M.R. Bhat. The inaugural session witnessed the presence of the President Mr. A S Satish and Secretary Mr. S S Ramannavar of Mysore Chamber of Commerce and Industries, which had joined hands with the Chapter in organising interaction with the Registrar of Companies. The Registrar of Companies, who also joined with Mr. Keerthi Thej, Assistant Registrar of Companies, Karnataka addressed the gathering and responded to the queries raised by the Members.

The second session on 15th May 2015 on Stress and Time Management was conducted by qualified trainer Ms. Srividya. The Session witnessed an active participation from all the members.

On 16th May 2015, CS Eshwar S., Practising Company Secretary from Chennai addressed the members on Annual Report & Boards Report. He revisited the Board report thoroughly covering the various provisions of the new Act. He also walked the members through the new Annual return format. The session concluded with interactive sessions with the members.



The afternoon session on 16th May 2015, was taken by CS A M Sridharan, Practising Company Secretary from Chennai on the topic- Key Managerial Personnel & Managerial Remuneration. He gave a thorough insight into the provisions of the topic 'Key Managerial persons and their remuneration'.

The valedictory session of the seminar was presided by CS Badrinarayanan S., Chairman, Mysore Chapter of ICSI & CS Pracheta M., Secretary of Mysore Chapter of ICSI was also present during the occasion. The seminar was attended by company secretaries, industrialists and students from various parts of Karnataka, Tamilnadu & Kerala.

e-Tools for the Professionals

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Google Authenticator: An Android application for mobiles:

Did you imagine losing access to any of your Google account and everything in it? It is easier than we think for someone to steal our password. So here is the solution for the same. Google Authenticator is a Google's safe guard to keep our all Google's accounts secured. It allows us to add a second layer of protection beyond our password when signing in for all Google related accounts. With 2 step verification, signing in to our account will require both our password and verification code which we can generate with this application. Once application is configured, we can get verification code without the need of network or cellular connection.

Specification:

1. Price- Free
2. Required Android- 2.2 and **above**.

Download Google Authenticator app here:

<https://play.google.com/store/apps/details?id=com.google.android.apps.authenticator2&hl=en>



Over the last one year since Mr. Modi took parliament the stock market has been volatile like never before. One cannot think of a better time to invest in the stock market. But with bull phase coming to an end, now it's the company specific upside that one will witness and not Sensex as a whole. One must understand this complex market well enough before thinking to invest.

This column is to help you in understanding this highly unpredictable stock market. We will try to cover various topics pertaining to the equity markets that'll assist to get an insight into the Indian equity markets.

Syndicate Bank- A Dark Horse

Recent performance of Company:

- Syndicate Bank Ltd (Syndicate Bank) registered a 20% decline in net profit for December-2014 at Rs. 305 Crore as compare to previous year corresponding figures of Rs. 379.76 Crore on account of higher provisions.
- Top line revenue rose by 18% from Rs. 5,011.28 Crore to Rs. 5,921.58 cr. NIM, a gauge of profitability fell from 2.76% in Q3-14 to 2.25% during Q3-15.
- Net NPAs were at 2.38% of net advances in Q3-15 up from 1.66% in the same period during previous fiscal year.

Industry Outlook:

- With government reforms underway and various initiatives such as Make in India, Indian Economy is set for a turnaround.
- Reduction of inflation pressure is fostering RBI to reduce Bank rate.
- Reduction of Bank rate will improve liquidity in the market and trigger expansion activities for various business houses that in turn will increase demand for credit.
- Improvement in Economy will also lead to increase in corporate earnings that will ultimately bring down the NPAs level.

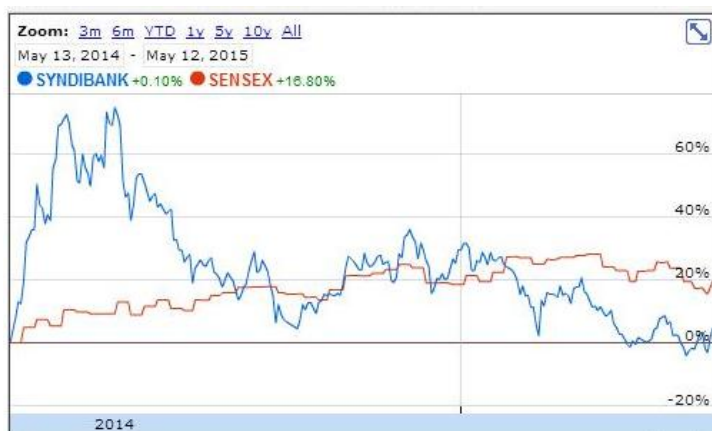
Comparisons with Peers:

Particulars (Q3-15)	Syndicate Bank	SBI Bank	ICICI Bank
Financials synopsis			
Total Revenue (Rs. In Cr.)	5921	43785	15527
Operating Profit	838	9294	5468
Net Profit after Tax	305	2910	2922
Operating Ratios			
NPA %	2.38	2.80	1.12
NIM %	5.06	3.50	3.46
Increase in Advances %	19.00	6.90	12.81
Yield in Advances %	9.42	10.57	8.92
Cost of Deposits %	6.78	6.32	6.17
Dividend Yield	3.00%	0.54%	1.48%
Return on Assets %	0.44	0.68	1.85
Return on Equity %	13.17	11.12	14.1
Valuation Ratios			
CMP	101.85	277.25	311.8
Face Value (In Rs.)	10	1	2
52 week high	179.10	335.90	393.30

52 week low	95.00	203.55	247.00
P/E	4.31	16.92	16.59
EPS	23.61	16.39	18.80
P/B	0.50	1.75	2.47

Rationale on buying:

- Compare to its peers, Syndicate Bank is highly undervalued stock.
- Trading at 1/4th of P/E of largest Public Sector Bank and Private Sector Bank.
- Dividend yield itself will provide 3% after tax return i.e. 50% of yield in F.D. after tax.
- Better NIMs will help to fuel growth in operating profits in coming quarters.
- Better Advances growth than peers will improve further when growth in credit will pick up.
- With the improvement in the Economy, NPAs of the bank will come down and reduce provision expenses thereby boosting the net profit.



With market trading at all time high, investors should be prudent in stock selection and should go for value buying.

Stocks that have outperformed in past 1 yr are highly valued and do not provide attractive buying opportunity at these levels.

Investors should seek to invest in stocks that have corrected well enough recently or have not participated in the rally well enough.

Sensex has outperformed the Syndicate Bank in YTD as seen in the Graph.



The Bank has corrected the most as compare to its peers (see graph on left side), thereby making it more attractively priced than its peers. The bank has corrected up to 26% since dec-2014 (Sensex corrected 6% in the same period) offering buying opportunity.

Graph showing Syndicate Bank's performance as compare to ICICI Bank and SBI Bank in last 3 months.

Recent Q4 result of syndicate bank has shown 20% jump in operating profit than corresponding last year figures. Net profit figures were flat largely due to higher provision, on account of increase in NPAs and

flat NIIs. Board of Directors also declared Rs. 4.7 dividend (For FY 2014-15) per share, to be received on record date that are yet to be declared. Investors will get dividend yield of 4.7% (CMP Rs. 100) that itself covers 75% after tax return from fixed deposits.

From long-term trading perspective Syndicate Bank is a good bet to place.

Disclaimer: The author of the report has prepared and issued report for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable; however we do not guarantee the accuracy or completeness of this report.



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Key points for HR-Legal –What we should know!

1. An employee cannot be retired in the absence of specific clause in the appointment letter.
2. If the terms and conditions are not specified in the appointment letter, an employee will not be bound to abide by subsequent conditions.
3. Before availing leave, an employee has to apply and get it sanctioned.
4. When an employee is appointed for a fixed period, no notice or compensation will be payable on his termination.
5. An employee can be transferred only when there is a specific clause in the appointment letter.
6. Once a benefit is extended to an employee, it cannot be withdrawn by the employer.
7. House Rent Allowance and overtime payment does not attract provident funds contributions.
8. An employee cannot claim leave as a matter of right. It should be mutually agreed between employer and employee.
9. Under no circumstances the provident fund dues of an employee can be adjusted towards any of his dues towards his employer.
10. Provident fund is payable on Basic + DA + VDA and any other allowances which is not defined and justified.
11. Even though an employee dies by suffering a massive cardiac arrest after returning from office to his residence, still he would be entitled to employee's compensation under the ECA Act, 1923 on the basis of notional extension theory.
12. Gratuity needs to be paid to an employee within 30 days from the date it becomes due.
13. If the Company fails to have its own certified standing orders, then the model standing orders as specified under the Industrial Employment (Standing Orders) Act, 1946 shall apply.
14. An employee cannot be terminated for act of misconduct, unless proper domestic inquiry is conducted.
15. Any establishment undertaking any construction activities by engaging 10 or more workers which is not covered under the Factories Act, 1948 and Mines Act, 1952 is compulsorily required to obtain approval under Building and Other Construction Workers (Regulation of Employment and Conditions of Services) Act, 1996
16. An employee under the Karnataka Shops and Establishment Act, 1961 cannot work more than 50 hrs of overtime for period of continuous three months (per quarter)
17. Every employee of an Establishment under the Karnataka Shops and Commercial Establishment Act, 1961 shall be entitled for compulsory 05 National Festival Holidays viz., 26th Jan, 01st May, 15th Aug, 02nd Oct, 01st Nov. **(to be continued...)**

Labour law News

Center is preparing to launch India's biggest overhaul of labour laws since independence in a bid to create millions of manufacturing jobs

<http://www.financialexpress.com/article/economy/narendra-modi-to-launch-indias-biggest-labour-overhaul-in-decades/82260/>
<http://in.reuters.com/article/2015/06/09/india-economy-reforms-idINKBNoOP13V20150609>

Believe me, it works!...

There was once a man who got lost in the desert. The water in his canteen ran out two days ago, and he was on his last legs. He knew that if he didn't get some water soon, he would surely perish. The man saw a shack ahead of him. He thought it might be a mirage or hallucination, but having no other option, he moved toward it. As he got closer he realized it was quite real, so he dragged his weary body to the door with the last of his strength.

The shack was not occupied and seemed like it had been abandoned for quite some time. The man gained entrance, hoping against hope that he might find water inside.

His heart skipped a beat when he saw what was in the shack: a water pump... It had a pipe going down through the floor, perhaps tapping a source of water deep under-ground.

He began working the pump, but no water came out. He kept at it and still nothing happened. Finally he gave up from exhaustion and frustration. He threw up his hands in despair. It looked as if he was going to die after all.

Then the man noticed a bottle in one corner of the shack. It was filled with water and corked up to prevent evaporation.

He uncorked the bottle and was about to gulp down the sweet life-giving water when he noticed a piece of paper attached to it. Handwriting on the paper read: "Use this water to start the pump. Don't forget to fill the bottle when you're done."

He had a dilemma. He could follow the instruction and pour the water into the pump, or he could ignore it and just drink the water.

What to do? If he let the water go into the pump, what assurance did he have that it would work? What if the pump malfunctioned? What if the pipe had a leak? What if the underground reservoir had long dried up?

But then... maybe the instruction was correct. Should he risk it? If it turned out to be false, he would be throwing away the last water he would ever see.

Hands trembling, he poured the water into the pump. Then he closed his eyes, said a prayer, and started working the pump.

He heard a gurgling sound, and then water came gushing out, more than he could possibly use. He luxuriated in the cool and refreshing stream. He was going to live!

After drinking his fill and feeling much better, he looked around the shack. He found a pencil and a map of the region. The map showed that he was still far away from civilization, but at least now he knew where he was and which direction to go.



He filled his canteen for the journey ahead. He also filled the bottle and put the cork back in. Before leaving the shack, he added his own writing below the instruction: "Believe me, it works!"

This story is all about life. We must give before we can receive abundantly. Faith plays an important role in giving. The man did not know if his action would be rewarded, but he proceeded

regardless. Without knowing what to expect, he made a leap of faith.

Water in this story represents the good things in life. It can represent money, love, friendship, happiness, respect, or any number of other things you value. Whatever it is that you would like to get out of life, that's water.

The water pump represents the workings of the karmic mechanism. Give it some water to work with, and it will return far more than you put in.

Whatever goodness you want from life, give it to others first. Give it cheerfully and willingly, without calculating your gain versus loss as if you are working a balance sheet. Initiate the circular exchange and relax in the certain knowledge that no one ever gets shortchanged.

The only thing we need is the courage to take charge and jump starts the water pump.

Believe me, it works!



Licensing of IPR

Dear Readers,

Over the last few updates, we have been focusing on one important and practical aspect of IPR – interim injunction(s) restraining acts which allegedly infringe intellectual property. In addition to principles of law, we have looked at actual instances, and also rights in the nature of or rights associated with intellectual property. Such rights become very important, since these are essential to the enjoyment of IP.

In order to avoid such disputes and injunctions, it is quite common for parties to enter into a license, wherein the party alleging infringement benefits by way of royalty/ license fee, and the counter party is able to go ahead with its business, without worry about spending time, effort and money in defending infringement claims. In this update, we shall look at two primary aspects to be borne in mind while negotiating such licenses.

In the case of most kinds of IPRs, more particularly patents, the Hon'ble Supreme Court of India has held that the mere fact that a patent has been granted, does not imply that the patent is conclusively valid. It is still open for any affected party to challenge the grant of such patent. For example, if the counter party is able to prove that the subject matter of a granted patent is a mere mathematical or business method, or computer program or just an algorithm, the same is not an invention. Thus, the counter party seeking license should be clear - does it want to challenge the very validity of such IPR? If yes, then seeking a license will imply that such counter party recognizes the existence of valid IPR with the claimant party.

Seeking a license on one hand, and at the same time, denying the validity of such IPR is a contradiction and Courts are bound to question the bona fide intention of such counter party. Hence, the stand to be taken on a given IPR is the fundamental issue to be borne in mind by a counter party before negotiating such license.



Secondly, the counter party seeking license need not be hassled by extremely one sided or unreasonable terms, if any, sought by the party claiming IPR. The counter party can insist that the terms of license be fair, reasonable and non-discriminatory. If negotiations fail due to high handedness of the party claiming IPR, the counter party can always approach the courts to represent its bona fide intentions.

There have been instances where such counter party has been engaged in negotiations for several years with the party claiming IPR, and has simultaneously initiated petitions seeking revocations of such IPR, approached the Intellectual Property Appellate Board, filed complaints with the Competition Commission of India (CCI), and alleged that discriminatory terms are being proposed in license negotiations - and so on. While it may seem that such strategy results from boldness of such counterparty, it may be seen by Courts more as either lack of clarity, or a mere litigating intent.

To conclude, such counter party, before deciding on whether – to acknowledge the IPR claims of the claimant and seek a license, or to challenge the validity of the given IPR, should thoroughly evaluate the situation and take a considered, long term and consistent stand that can be defended in Courts.

News Room

- Column by: CS Chakri Hegde, CS Vijayalakshmi



India's patent law may face legal hurdle at WTO

Potential challenge from US, Switzerland over provision which defines inventions could hurt Indian drug makers
Geneva: India's amended national patent law, particularly a provision which defines what inventions are, could face a legal challenge arising from an aggressive move by the US and Switzerland.

The move, which could hurt India's pharma companies, arises from efforts by the US and Switzerland to terminate the existing moratorium on non-violation complaints to the World Trade Organization's trade-related intellectual property rights (TRIPS) agreement.

Non-violation complaints refer to complaints by a WTO member that claims another member's actions or policies caused it a loss, even if there is no violation of a WTO agreement. Developing countries such as India are understandably wary of these complaints. Currently, there is a moratorium on such complaints till later this year.

The US and Swiss IPR officials made a strong case that the time has come for terminating the moratorium saying that if there is no consensus on extension of moratorium at the 10 ministerial conference in Nairobi then non-violation complaints will automatically apply, according to participants at the meeting. Source- Livemint

India to resist Japan and South Korea's push for patent legislation at RCEP

India will resist a push by Japan and South Korea for stringent patent legislation at the eighth round of negotiations for Regional Comprehensive Economic Partnership (RCEP), according to a senior official.

New Delhi has maintained that its intellectual property rights regime is WTO compliant and will not talk beyond its global commitments made under Trade-Related Aspects of Intellectual Property Rights (TRIPS). India, instead, is pushing for protection of traditional knowledge. As per the draft text submissions, Japan

and South Korea have proposed provisions beyond the WTO, such as patent term extensions, data exclusivity and lowering of the patentability criteria. Source – Economic Times

India loses poultry case against US at WTO

India has lost a case at the WTO, with the World Trade Organization on Thursday ruling that Indian ban on import of poultry meat, eggs and live pigs from the US was "inconsistent" with the international norms. India will have 12-18 months to implement this ruling, after which the US can begin exports of these products to India. – Source ToI

13 out of world's top 20 polluted cities in India, only three in China

India may be lagging behind China on several economic indicators but when it comes to environmental degradation, the country has definitely outsmarted its giant neighbour. Of the world's top 20 polluted cities, 13 are in India compared to just three in China. Air pollution slashes life expectancy by 3.2 years for the 660 million Indians who live in cities, including Delhi. In China, the corresponding dip is marginally lower at three years.

The Ganga and Yamuna are ranked among the world's 10 most polluted rivers. China has just one. An evaluation in February ranked Vapi in Gujarat and Sukinda in Odisha among the 10 most environmentally-degraded zones in the world. China had no entries on the list. Source- hindustantimes

'Look East' turns to 'Act East'

Modi spent 53 days of his first year in office on visits abroad to the United States, Canada, Germany, France, Australia and a dozen other countries, including some in India's immediate neighbourhood. This year he is expected to touch down in Singapore, Vietnam and Indonesia among other destinations, as well as attend the East Asia Summit and Asean Summit from Nov 18-22 in Malaysia. Source- bangkokpost



Crowd Funding. What it is?

Crowd funding is solicitation of funds (small amount) from multiple investors through a web-based platform or social networking site for a specific project, business venture or social cause. It is a means of raising money for a creative project, a benevolent or public-interest cause or a business venture, through small financial contributions from persons who may number in the hundreds or thousands. Those contributions are sought through an online crowd-funding platform, while the offer may also be promoted through social media. The crowd funding model is fueled by three types of actors: the project initiator who proposes the idea and/or project to be funded; individuals or groups who support the idea; and a moderating organization (the "platform") that brings the parties together to launch the idea.

Crowd-funding can be divided into four categories: donation crowd funding, reward crowd funding, peer-to-peer lending and equity crowd funding. A very few jurisdictions have come out with regulations for crowd funding. Two areas that have seen rapid growth in recent years are Peer-to-Peer Lending and Equity Crowd funding. Financial Reward (FR) crowd-funding globally has grown rapidly in the last 5 years, with data suggesting that the peer-to-peer lending market doubles each year. It accounts for approximately \$6.4 billion outstanding globally. Collectively, the US, UK and China make up 96% of the overall FR crowd funding market, with USA accounting for 51%, China for 28% and UK for 17%.5.

Did You Know?

UNDP Youth

In response to the worldwide phenomenon of young men and women calling for meaningful civic, economic, social and political participation, including in recent consultations on the post-2015 development agenda, UNDP's Youth Strategy identifies development challenges and issues facing youth today, and more importantly offers forward-looking recommendations for strategic entry points and engagement of a broad range of partners, including young people themselves, in addressing youth empowerment issues around the world.

The UNDP Youth Strategy offers key entry points for systematic and coordinated action to support youth within an increasingly complex development context for their social, economic and political development.

SERVICE TAX ONLY IN AC RESTAURANTS

The Service Tax is now leviable only in the restaurants which have the facility of air conditioning or central air heating in any part of the establishment at any time during the year in relation to serving of food or beverages. In such restaurants, 60% of the value is to be deducted from the total amount charged while applying the rate of service tax and tax is to be calculated on the balance 40%.

Pick of the month

Regulatory Updates

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CUSTOMS & FTP

Notifications/Circulars/News

The Central Government has withdrawn the Duty Free Import Authorisation (DFIA) scheme on import of 'raw sugar' with effect from 1 May, 2015.

No. 05/2015-2020 dated 1 May, 2015

The Central Government has amended the policy, treating import of High Speed Diesel (HSD) and Light Diesel Oil (LDO), brought on board in old ships/ vessels for purpose of breaking, and which are incidental to such ships/ vessels as "Free".

No. 07/2015-2020 dated 20 May, 2015

The Central Government has reduced the Export Obligation period for "raw sugar" imported under Advance Authorisation scheme to six months from the date of clearance of each consignment by customs authority.

No. 08/2015-2020, dated 1 May, 2015

The Central Government has notified ANF3B-2 for claiming benefit of Served From India Scheme (SFIS) for foreign exchange earned in the year 2014-15.

No. 14(RE 2013)/2009-14, dated 25 May, 2015

The Central Government has notified a revised procedure to be followed for issue of Pre-Shipment Inspection Certificates (PSICs), with effect from 1 June, 2015.

No. 12/2015-2020, dated 18 May, 2015 & Circular No. 15/2015-Customs dated 18 May, 2015

The Central Government has extended the levy of anti-dumping duty on imports of Morpholine, falling under the CTH 2933 39 17 of CTA, originating in or exported from the People's Republic of China, European Union and the United States of America, up to 19 September, 2016.

No. 18/2015-Customs (ADD) dated 18 May, 2015

The Central Government has levied anti-dumping duty on imports of Sodium Citrate, falling under the CTH 2918 15 20 of CTA, originating in or exported from the People's Republic of China for a period of five years from 20 May, 2015.

No. 19/2015-Customs (ADD) dated 20 May, 2015

The Central Government has levied anti-dumping duty on imports of Cast Aluminium Alloy Wheels or Alloy Road Wheels used in Motor Vehicles, whether or not attached with their accessories, of sizes in diameters ranging from 12 inches to 24 inches, falling under chapter 87 of CTA, originating in or exported from the People's Republic of China, Korea RP and Thailand for a period of five years from 11 April, 2014.

No. 21/2015-Customs (ADD) dated 22 May, 2015

The Central Government has levied anti-dumping duty on imports of USB Flash Drives, falling under chapter 84 and 85 of CTA, originating in or exported from the People's Republic of China and Chinese Taipei for a period of five years from 22 May, 2015.

No. 22/2015-Customs (ADD) dated 22 May, 2015

Case Law

When comparable goods were imported at a higher price by other importers, then it was open for custom authorities to re-determine the value of imported goods on the basis of contemporaneous imports.

CC v Pioneer Impex (2015 (319) ELT 355)

Liquid Crystal Devices (LCD) used as parts in electricity supply meter would be classifiable under Custom Tariff Heading (CTH) 9013 80 as Liquid Crystal Devices (LCD) and not as 'parts and accessories of electricity meters' under CTH 9028 90 10, since these products constitute 'articles' falling under CTH 9013.

Secure Meters Ltd v CC (2015-TIOL-100-SC-CUS)

Seeking bank guarantee upto 30% of the differential duty was sufficient for provisional release of goods, considering precedents of the Supreme Court in similar matters.

Aban Exim Pvt Ltd v CC (2015 (319) ELT 430)

The test of unjust enrichment was not qualified where Chartered Accountant certificate indicates that duty burden had been passed on to the customer.

Puja Enterprises v CC (2015 (319) ELT 82)

The refund of SAD in terms of Notification No. 102/2007-Customs dated 14 September, 2007 could not be denied for demand of additional documents not specified in the said notification.

Prabhat Steel Traders Pvt Ltd v CC (2015 (319) ELT 90)

Writ before the High Court was not maintainable when alternative remedy of filing appeal before the Tribunal was available.

Page Industries Ltd v CC (Appeals-II) (2015-TIOL-1231-HC-MAD-CUS)

Time taken to pursue the appeal in the wrong forum had to be excluded as mentioned in section 14 of the Limitation Act, even if the Customs Act provided for a specific period for which delay can be condoned, since implications of principles contained in section 14 of the Limitation Act will advance the cause of justice.

M P Steel Corporation v CCE (2015-TIOL-89-SC-CUS)

Order passed by the Settlement Commission without providing copy of the Customs Commissioner's report to the applicant, was a violation of the principles of natural justice, and hence the order was liable to be set aside.

Dream Yachts Pvt Ltd v Union of India and Ors (2015-TIOL-1175-HC-MUM-CUS)

Appeal before the Supreme Court was not maintainable when the matter was remanded by the Tribunal due to non-availability of adequate factual material.

CC v Reliance Industries Ltd (2015-TIOL-112-SC-CUS)

Customs officers were under an obligation to perform their statutory duties and were also required to act expeditiously.

An EOU, having fulfilled all the conditions of erstwhile exemption notification, would be eligible for availing exemption on goods transferred to another EOU for export from such unit.

CC v Alsa Marine and Harvests Ltd (2015 (319) ELT 237)

Production of 'Type Approval Certificate' issued by the manufacturer of car at the time of import was a procedural requirement to claim the benefits under EPCG scheme. As the certificate was eventually produced, though after import, benefit of exemption on import could not be denied.

Asian Hotels (North) Ltd v CC (2015 (319) ELT 141)

In case the supplier had not availed the exemption from Terminal Excise Duty (TED) on deemed export in terms of erstwhile FTP, he was eligible for refund of TED.

Alstom India Ltd v Union of India (2015 (319) ELT 434)

The Scope of section 15(1) of the Foreign Trade (Development and Regulation Act), 1992 (FTDRA, 1992) was quite large and covered an appeal against the rejection of refund for TED.

Motherson Sumi Electric Wires v Union of India (2015 (319) E.L.T 441)

There was no bar under the Customs Act, 1962, to lend the Importer Exporter Code (IEC), as further lending of IEC to a third party was not an offence under the Customs Act, 1962.

Gopal Agarwal v CC (2015-TIOL-907-CESTAT-DEL)

Ministry of Corporate Affairs Notifications/Circulars/News

In the Companies (Registration Offices and Fees) Rules, 2014, in rule 15, the following proviso shall be inserted: "Provided that no person shall be entitled under section 399 to inspect or obtain copies of resolutions referred to in clause (g) of sub-section (3) of section 117 of the Act."

The Companies (Registration Offices and Fees) Second Amendment Rules, 2014 dated 29th May 2015

In the Companies (Registration of Charges) Rules, 2014, in rule 3, in sub-rule (4), in clause (a), for the words 'under the seal of the company', the words "under the seal, if any, of the company" shall be substituted.

Companies (Registration of Charges) Amendment Rules, 2015 dated 29th May 2015

In the Companies (Incorporation) Rules, 2014, in rule 12 following proviso shall be inserted, namely; "Provided that in case pursuing of any of the objects of the company required registration or approval from any sectoral regulators such as RBI, SEBI, registration or approval, as the case may be, from such regulator shall be obtained by the company before pursuing such objects and a declaration in this behalf shall be submitted at the stage of incorporation of the company".

Rule 24 shall be omitted and New formats of Form INC - 13 and 16 introduced.

The Companies (Incorporation) Second Amendment Rules, 2014 dated 29th May 2015

In the Companies (Declaration and Payment of Dividend) Rules, 2014, in rule 3, sub-rule (5) shall be omitted.

The Companies (Declaration and Payment of Dividend) Second Amendment Rules, 2015 dated 29th May 2015

In the Companies (Share Capital and Debentures) Rules, 2014, in rule 5, in sub-rule (3),- (i) for the words 'issued under the seal of the company', the words 'issued under the seal, if any, of the company', shall be substituted (ii) for clause (b), the following clause (b) shall be substituted, namely: "(b) the secretary or any person authorised by the Board for the purpose, Provided that in case a company does not have a common seal, the share certificate shall be signed by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary: Provided further that, if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than a managing director or a whole time director:

Provided also that, in case of a One person Company, every share certificate shall be issued under the seal, if any, of the company, which shall be affixed in the presence of and signed by one director or a person authorised by the Board of Directors of the company for the purpose and the Company Secretary, or any other person authorised by the Board for the purpose, and in case the One person Company does not have a common seal, the share Certificate Shall be signed by the persons in the presence of whom the seal is required to be affixed in this proviso"

The Companies (Share Capital and Debentures) Second Amendment Rules, 2015. dated 29th May 2015

New formats of Form CRA - 2 and CRA - 4 introduced.

The Companies (Cost Records and Audit) Amendment Rules, 2014 dated 12th June 2015

In view of the delay in availability of revised Form CRA-2 and CRA-4 on the MCA21 portal, however, the additional fee on account of any delay beyond the prescribed period of 30 days from the date of Board Meeting in which the appointment of the Auditor was made for filing of CRA-2 for the financial year starting on or after 1st April, 2015 is waived for all such filings till 30th June, 2015

General Circular No. 8/2015 dated 12th June 2015

In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2015 (21 of 2015), the Central Government hereby appoints the 29th May, 2015 as the date on which the provisions of sections 1 to 12 and 15 to 23 of the said Act shall come into force.

SO(E) Notification dated 29th May 2015

Ministry has notified various Exemptions to Government Companies under section 462 of CA 2013, please refer link for further detail

http://www.mca.gov.in/Ministry/pdf/Exemptions_to_govt_companies_05062015.pdf

GSR Notification dated 5th June 2015

Ministry has notified various Exemptions to Nidhis under section 462 of CA 2013 please refer link for further details

http://www.mca.gov.in/Ministry/pdf/Exemptions_to_nidhis_companies_05062015.pdf

GSR Notification dated 5th June 2015

Ministry has notified various Exemptions to Private Companies under section 462 of CA 2013 please refer link for further details

http://www.mca.gov.in/Ministry/pdf/Exemptions_to_private_companies_05062015.pdf

GSR Notification dated 5th June 2015

Ministry has notified various Exemptions to Section 8 Companies under section 462 of CA 2013 please refer link for further details http://www.mca.gov.in/Ministry/pdf/Exemptions_to_Section8_companies_05062015.pdf

GSR Notification dated 5th June 2015

CENVAT Case Law

Processing of original products with mere value addition does not amount to 'manufacture' unless its original identity also undergoes a transformation and it becomes a distinctive and new product.

Satnam Overseas Ltd v CCE (2015 (318) ELT 538)

Activity of assembling lottery terminal from various imported components amounted to 'manufacture'.

Leo Circuit Boards Pvt Ltd v CCE (2015-TIOL-894-CESTAT-MUM)

A job worker was not a related person merely because of taking a loan from the principal manufacturer, particularly when the goods were supplied by the job worker to principal manufacturer at the same rate at which other companies were supplying.

CCE v Baron International Ltd (2015 (319) ELT 3)

The retention of 75% of the sales tax amount under the Sales Tax Incentive Scheme would be treated as additional consideration after 1 July, 2000, since deduction of sales tax was available only when it was actually paid to the Sales Tax Department.

CCE v Shree Rajasthan Syntex Ltd (2015 (318) ELT 626)

The amount of freight, insurance and unloading charges for delivery of goods at buyer premises was includible in the assessable value when the place of removal was the buyer's place.

CCE v Roofit Industries Ltd (2015 (319) ELT 221)

The cost of the carton was includible in the assessable value when the final products were placed in such carton for sale from the factory gate, or for stock transfer.

CCE v Addisons Paints and Chemicals Ltd (2015 (318) ELT 17)

Transportation and handling charges for inputs sent to the job worker was includible in the assessable value of job worked goods.

KG Naidu Mills v CCE (2015 (318) ELT 680)

Transportation charges from factory to godown were includible in assessable value of final products.

CCE v Sharp Batteries and Allies Inds Ltd (2015 (318) ELT 506)

Cylinder rental charges and cylinder repair/testing charges were not includible in the assessable value of gas because such goods were marketable as such without being packed in any special container, and the same could be sold even in the cylinder brought by the customer.

CCE v Indian Air Gases Ltd (2015 (318) ELT 434)

When capital goods were bought by the lessor and transferred to the lessee's factory, CENVAT credit could be taken on the basis of endorsed invoices.

Kailash Steels v CCE (2015 (319) ELT 329)

Supplies to SEZ developers were to be treated as deemed export and hence there was no question of paying 10% of the price of goods in terms of rule 6.

Accosic Controls Pvt Ltd v CCE (2015-TIOL-765-CESTAT-MUM)

Eligibility of credit had to be determined with reference to the dutiability of the final product on the date of receipt of capital goods, and hence, credit would not be admissible if final products were exempted on the date of receipt of such capital goods.

Atcom Technologies Ltd v CCCE&ST (2015-TIOL-763-CESTAT-AHM)

Demand of 10% of the sale price would not be applicable in a case where exempted product emerged as an unavoidable waste or by-product during the course of manufacture of dutiable product.

Cadbury India Ltd v CCE (2015-TIOL-714-CESTAT-MUM)

VAT, Sales Tax and Entry Tax Case Law

Turnover discount through credit notes on quarterly basis was allowable as deduction from taxable turnover. The HC further held that it made no difference that discount was calculated on quarterly basis and accorded through 'credit notes' and not at the time of issuing the invoice itself.

MRF Limited v Commissioner of Trade and Taxes (2015-TIOL-1311-HC-DEL-VAT)

Giving buses on hire to Delhi Transport Corporation (DTC) for being plied as per requirements of DTC, where the custody of buses, possession of registration certificate/permits were retained by the bus owner, did not qualify as transfer of right to use goods and hence was not liable to VAT/ CST.

Hari Durga Travels v Commissioner of Trades and Taxes, Delhi (2015-TIOL-1300-HC-DEL-VAT)

An assessment order passed without issuing notice was liable to be quashed.

K Selvamurugan v Commissioner of Commercial Taxes (2015-TIOL-1289-HC-MAD-VAT)

Service Tax Case Laws

The activities, carried out by the appellant were of supervision and liaison with coal companies and the railways to see that the material required by the appellant's client was loaded as per the schedule. The appellant neither took custody of the goods, nor was responsible for arranging transportation of the goods. Accordingly, it was held that the activities rendered by the appellant could not be held liable to tax under 'clearing and forwarding agent' services.

Coal Handlers Pvt Ltd v CCE (2015-TIOL-101-SC-ST)

If a sovereign/ public authority provided a service which was not in the nature of a statutory activity, and the same was undertaken for a consideration, the same would be liable to tax as long as the activity undertaken fell within the scope of taxable services. Accordingly, it was held that the lease rental received by the appellant for allotting plots for business/commercial purposes would be liable to service tax under 'renting of immovable property services'. The High Court further held that since the applicable provisions did not carve out any distinction between short-term, long-term or lease in

perpetuity, the lease rentals would be liable to tax, irrespective of the tenure of the lease.

Greater Noida Industrial Development Authority v CCCE and Ors (2015-TIOL-1008-HC-ALL-ST)

Where the franchisee has been rendering services under a brand name, and the entire consideration for services rendered was directly billed and received by the brand owner, the franchisee would be liable to pay service tax only on the share of revenue received by it from the brand owner, and not on the entire amount received by the brand owner.

The Mumbai Tribunal, in Kunal IT Services Pvt Ltd v CCE (2015-TIOL-723-CESTAT-MUM)

Where the tax was paid under protest, the limitation period applicable to tax refunds as prescribed under section 11B of the Central Excise Act could not be applied. The Tribunal further held that where the provider of service informed the service recipients about the tax dispute with respect to services rendered, and it was clearly mentioned that the amount charged for services did not include the tax amount, the principle of unjust enrichment could not be applied in relation to such refund.

Ind Swift Lands Ltd v CCEST (2015-TIOL-826-CESTAT-DEL)

Where the appellant, an SEZ unit, applied to the committee for approval of eligible list of input services required for rendering output services much before the actual export, merely because the approval was granted after the date of export, the benefit of refund under Service tax Notification No. 17/2011 could not be denied.

Trizetto India Pvt Ltd v CCE (2015-TIOL-845-CESTAT-MUM)

The arrangement for hiring employees of the foreign associate on full-time employment basis created an employer-employee relationship between the appellant and the employees so hired. Despite the fact that a portion of salary of such employees had been paid at their home location through the foreign associate, the reimbursement of such cost to the foreign associate by the appellant could not be held liable to service tax under 'manpower supply services'.

Lear Automotive (I) Pvt Ltd v CCE (2015-TIOL-851-CESTAT-MUM)

RBI

RBI has issued the Master circular (compiling upto date circulars / notifications issued by RBI from time to time) dated 11th June 2015 in respect of the followings -

1. Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015
2. Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015
3. Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

Words Worth Millions

"The challenge of leadership is to be strong but not rude; be kind, but not weak; be bold, but not a bully; be humble, but not timid; be proud, but not arrogant; have humor, but without folly."

-Jim Rohn

"Average leaders raise the bar on themselves; good leaders raise the bar for others; great leaders inspire others to raise their own bar."

-Orrin Woodward

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