



From the Chairman's Desk

Dear Professional Colleagues,

Greetings for a Happy & Prosperous Deepavali. The Dasara Festivities were on a grand scale this year in Mysore and hopefully you enjoyed them with your friends and kith & kin. The e-news letter of our Chapter continues to encourage good response from our fraternity in Mysore. We have some articles contributed by our members. I would encourage you to share your insight into areas of common interest to us by regularly contributing articles/News update etc., by 10th each month so that our E-News letter could carry these for the benefit of the members in Mysore and elsewhere. Please feel free to chip in with your suggestions, views, and articles to add more value to this important communication tool.

The State's budget provoked strong reaction from the industry & trade and prompted the Government to exempt certain goods from proposed levy of the Entry Tax. The recent hike in prices of Petroleum products has triggered strong reaction from all sections of the society for the manner of increase proposed on an ongoing basis! This is bound to drive the inflation rate to dizzy heights!

During the month, the Chapter conducted Professional Development Program on "Concept Paper on Company Law" on three Sundays. These program had the approval of the ICSI for one credit hour each. The Oral Coaching Classes for June 2005 Intermediate Examination with about 20 students commenced as planned on 15th October 2004, and the participation is encouraging. The Chapter also organized a study cum pleasure trip for the students that had good participant and was the first of its kind in the history of the Chapter.

As mentioned earlier, our chapter would be celebrating its Silver Jubilee Foundation Day next year. This would be a landmark 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 met on 10th October at the Chapter to discuss the plan for this momentous event. I would encourage you to actively participate in this meeting.

With warm regards,

C.K.Sabareeshan

November 9 2004

Newsletter-12

November 2004

Chapter News

Study Circle Meets

Students met four times in October. On 3rd, 17th and 31st of October there were discussions on various difficulties faced in different subjects. On 24th of October discussions were focused on the Constitution of India. Growing enthusiasm towards combined study was observed. Regular visits to the chapter and increasing usage of library is putting more responsibility on Management Committee to upgrade the library.

Students Registration

As of now 60 students have registered for intermediate 15 for foundation and 4 for final. Though far behind the target number, the interest being shown by the registered students is confirming their quality.

Oral Coaching

Oral Coaching classes have been commenced for Group II of the intermediate from 15th of October 2004. Encouraging number of 22 students are getting coaching in this batch. Classes are by and large going on as per schedule with very good response from Students.

Silver Jubilee Trip

Students of Mysore Chapter went on a trip to several places of Kodagu District on 7th November 2004. Detailed report is in next page.

"Slow down and enjoy life. It's not only the scenery you miss by going too fast - you also miss the sense of where you are going and why."

Eddie Canto





Journey of learning...

It was long back Mr. Sabareeshan gave this idea of outing for CS students for a day. The root for idea was the blues seen on the faces of students. Now all degree education is under Semester Scheme. CS exams are also being held twice a year. At all times in the year, students should keep on studying for one or the other exams.

Adding to this, CS students have become like floating population. There is an acute necessity of bringing all together. Then only they can grow together.

Real opportunity came in the Silver Jubilee year. When the idea was put on in a study circle meeting. Every student backed it. Pracheta, Omkar, Srinivas and Kasturi volunteered to organize the entire event with Dattatri as coordinator. Chapter in charge Ramesh joined hands with them. Plan was ready to visit Golden Temple, Nisarga Dhama, Abbi falls and Raja Seat with lots of funs with learning. Kasturi took lead to conduct activities. Trip date was fixed to be 7th November 04. Swaraj Mazda, food etc, were organized. 20 members expressed their willingness to join the trip. Nothing can be done without difficulties. This trip was not an exception. Heavy rains from Tuesday started threatening. No sign to stop! Petrol rates gone up steep. By Saturday transporters everywhere blackmailed their customers with double hike! Cost went up and one after the other participant started confirming that they are not coming. Food delivery location changed in the last minute and we had to collect it from far distance... On Saturday night organizers decided to conduct it any cost.

Sunday Morning gave a sweet surprise to all participants! No rains... absolutely!! Thanks to God!! Everything started moving as planned. Fantastic team of 15 participants started at 6.45 AM with no rest to voices. The locations were free from visitors. Magnificent Golden Temple brought complete peace of mind. Nisarga Dhama and Raja Seat Provided place for activities and flashed light on the talents of our Students. Abbi falls was full of waters and gave us a nice Wall Paper!!

Team with lots of discussion on various topics including problem tackling and personality growth, reached home by 10 in night. How do they felt? Lets listen....

(See Next Page...)



First Hit with Complete Success...

Special report by Ms. Kasturi

Dear Friends.

We would like to take you to an event of our chapter, which has created a world of zeal and entertainment by itself on 7th November 2004. Our Schedule was at 6.30 AM. When we left Mysore after performing a traditional Pooja to our Vehicle.

Hamara Pahala Kadam was towards Golden Temple of Bailkuppe. Here the people of Tibet Origin learn Buddhism. The Antakshari game kept the whole team cheerful throughout this journey. The colourfull painting on temple and the curiosity to know about Buddhism made us to stay there for more than one and a half hour.

Then we marched towards Nisarga Dhama which was about 20 Minutes from the Temple. Here we had nice breakfast with Idli, Chatni & Kesri Bath. Then we discovered a beautiful place in interior parts of Nisarga Dhama. It was very calm & Comfortable and not easy to reach for other tourists. Here we had a small but informative quiz program followed by tasty lunch. It was 2.45 PM when we left ND to move towards Abbi Falls Which took a travel of about two hrs. Wonderful waterfalls cheered us up.

It was about 5.15 pm when we reached Raja Seat - the highest place in Madikeri. After being a bit adventurous we settled over a beautiful platform on the Hill. Here we had wonderful entertainment session with good number of exciting rounds. Each one of us could hardly control ourselves from enjoying.

At last from Raja Seat we took the route of Mysore, off course reluctantly, by 6.20 pm. But zeal in us stood alive till the last moment. We again sung, exploded jokes, discussed on crisis handling, personality development and what not.

Reached back the chapter by 9.45 PM, with out having mood to return.

No doubt the educational trip was for the first time in the history of Mysore Chapter. But we are proud to say that we made it successful in the first attempt itself.

Continued from Previous Page...

Journey of Learning...

"The trip with value adding activities helped a lot and filled us with enthusiasm to prepare for the examination."

- Omkar N G

"The trip was both educational and entertaining. It improved our self-confidence. It gave us an opportunity to have good interaction with present and future Company Secretaries"

- Pracheta

"...Quiz competition and analytical skill tests were conducted by Dattatri and Kasturi, in beautiful natural locations like Nisarga Dhama and Raja seat, which found a great deal of success as far as bringing out one's skill, talent and confidence was concerned."

"Besides the fact the most of the students in the team were new to each other the way the program was conducted opened up every one and brought success to the team in respect of interpersonal learning."

- Madwesh



Updates

RBI

Automatic Route Window Widens

The government today announced the simplification of foreign investment procedures by putting three more categories under the automatic route: a hike in foreign equity in a company, transforming preference shares into equity capital and conversion of foreign loans taken by a company into equity. Of course, there is a caveat: there should not be a breach of the sectoral foreign investment caps.

In addition, the finance ministry also allowed the transfer of shares from resident to non-resident (including transfer of subscribers' shares to non-resident) other than in the financial services sector under the Reserve Bank of India's (RBI's) general permission route.

Entry of Regional Rural Banks into Insurance Business

Circular No. RPCD.CO.RRB.BC.No.51/03.05.33(G)/2004-05 Dated 27.10.2004: RBI has now decided to permit RRBs to undertake insurance business as corporate agent without risk participation subject to their fulfilling of certain terms and conditions. First and foremost, the RRB should have a positive net worth and the bank should have complied with the prudential norms on income recognition, asset classification, provisioning, investment norms, exposure norms. Also, the bank should have a good track record as regard to conduct and should be complying with the IRDA regulations.

FDI Limit Raised for Domestic Airlines

Dated 20.10.2004: Foreign Direct Investment (FDI) cap for Air Transport Services (Domestic Airlines) has been raised by the Government. The new guidelines permit 49 per cent through automatic route and 100 per cent by NRIs /Overseas Corporate Bodies through automatic route.

RBI: Banks must have own cheques clearing policies

The Reserve Bank of India (RBI) has asked commercial banks to formulate their own policies on local and outstation cheques. Thus, RBI has withdrawn its own instructions on the credit of cheques, the time frame of collection of cheques and interest payment for delayed collection. These policies should be comprehensive and transparent and should be relevant to the existing technological capabilities, systems and processes.



Service Tax

Service tax exemption to ERP Consultants

Exemption has been granted from the whole of service tax leviable in respect of ERP Software system by a management consultant.

No.16/2004-ST dt.10-9-2004

Service tax on Outdoor Caterer - Effective rate of duty

Exemption has been provided @ 50% of the gross amount charged in respect of Outdoor caterers provided food is also supplied.

No.20/2004-ST dt.10.9.2004

Service tax- Exemption to service provided by air craft operator for transport of export cargo Exemption has been provided to the service provided by an aircraft operator for transport of export cargo

No.28/2004-ST dt.17.9.2004

Exemption has been given to banking and other companies for services relating to overdraft, cash credit and discounting facilities

Notification 29/2004-ST dt. 22.9.2004.

Consumer Matters

Smt. Savita Garg Vs. The Director, National Heart Institute

The petitioner's husband was admitted to the National Heart Institute for medical treatment. But since he did not receive proper medical treatment and on account of negligence of the doctors of the Heart Institute, he died. Prior to the said treatment he was being treated at G.B. Pant Hospital and since there was no improvement in his condition, his case was referred to the National Heart Institute by one of his employers. Later his angiography had been carried out at the Institute and blood transfusion had taken place, which resulted in jaundice and ultimately his death.

The Supreme Court while allowing the appeal held that the Consumer Forum was primarily meant to provide better protection to the interests of the consumers and not to short circuit the matter or defeat the claims on technical grounds. While examining the relevant facts of the case, the Court held that it is very difficult for a patient to give details as to which doctor had treated the patient and whether the doctor was negligent.

Therefore, the petitioners were not at fault in not impleading all those doctors who had treated the patient. Further the Court also said that in cases where the hospital was negligent and this resulted in the death of the patient, the burden of proof was on the hospital and the doctor who treated the patient, to prove that there was no negligence involved in the treatment. As regards the payment of compensation, the Court ordered the respondents to pay an amount of Rs. 45 lacs to the petitioner.

Dr. V. Pahwa Vs. Surinder Mohan Ghose

The complainant on encountering certain problems in his eyes contacted the appellant doctor, who suggested that certain tests were to be carried out. On completion of the said tests, except B-scan, the petitioner carried out the surgery. But during the surgery, it was found that the lens could not be implanted. Later, the condition of the complainant's eye worsened and this resulted in loss of sight. During one of the visits, the doctor told the complainant that his eye could not be cured. This led to the filing of the present petition by the complainant.

The main issue in this case was firstly, whether this was a case of medical negligence and secondly, as regards the amount of compensation to be paid in such circumstances.

The National Consumer Disputes Redressal Commission while dismissing the appeal held that operating a person without the B-scan report was of no consequence, since only through this report, could the status of the eye including the retina detachment, be ascertained. Therefore, this was a clear case of medical negligence. As regards the amount of compensation payable in such circumstances, the Court while applying the principle of whether the loss resulted directly from negligence or not, ordered for payment of a sum of Rs. 1 lakh, in favor of the complainant.

Income Tax:

Advance Tax

It was held that carry-forward of tax credit available to an assessee under section 115JAA reduces liability towards payment of advance tax and interest under section 234B and 234C can be levied only on that deficiency in payment of advance tax which arises after giving credit to set off of brought forward tax credit under section 115JAA.

[Synthetic Industrial Chemicals Ltd. V. Dy. CIT 90 ITD 851 Cochin.]

Salary TDS Installment Of Each Month Need Not Necessarily Be Accurate

The Bombay Tribunal in the case of Vinsons vs Third ITO held that TDS instalment of each month need not necessarily be accurate.

The Tribunal held that no interest u/s 201(1A) was chargeable for mere Short-deduction of tax at source in the initial months, unless the total tax deducted by the end of the year is less than the tax deductible on the salary paid to the employee in that year. S. 192(1) nowhere mandates that each installment of TDS recovered should be exactly 1/12th of the total tax deductible at source. A reading of S. 192(1) and S. 192(3) makes it further clear that TDS installment of each month need not necessarily be accurate as otherwise, the expression "increase or reduce the amount to be deducted under this Section for the purpose of adjusting any excess or deficiency arising out of any previous deduction or failure to deduct during the financial year" used in S. 192(3) will have no meaning.

Companies Not To Get Export Benefits On Income From Sale Of Depb Licences

In a measure that will affect most corporates with export earnings, the tax authorities have sent instructions to deny export benefits on income arising from the sale of Duty Entitlement Passbook Scheme (DEPB) licenses, which generally forms a significant part of income for most exporters.

A direct impact of this decision by the tax authorities is that tax will be levied on such income, which, according to industry estimates, is anywhere between two to three thousand crore.

DEPB is an entitlement given to the exporters for importing duty free goods, in proportion to their export earnings. This license is saleable. While calculating the export income exempt from tax under the section 80 HHC of the Income-tax Act, the exporters also include the revenue arising from sale of the DEPB license.

In a note issued on September 8 to the Federation of Indian Export Organisation (FIEO) the Central Board of Direct Taxes (CBDT), the apex body for tax administration has clarified that such income is not eligible for tax benefit under section 80 HHC of the Income-tax Act.

Withholding Of Gratuity

In this case ex-employee had not vacated employee's quarter so company withheld his gratuity. It was held that pension & gratuity are no longer matters of any bounty to be distributed by the government but are valuable rights acquired and any delay in the settlement and disbursement whereof should be viewed seriously and dealt with severely by imposing penalty in the form of payment of interest.

Supreme court held that withholding of the quarters allotted while in service even after retirement without vacating the same cannot be a valid ground to withhold the disbursement of the terminal benefits.



Interest Income under Section 10B

Interest income does not qualify for deduction under section 10B although interest paid may be set off against interest received on proving that interest bearing loans were used for buying interest earning deposits.

In this case the Delhi Bench of Tribunal has held that where interest bearing funds were utilised for making fixed deposits, then interest paid to the bank would have to be allowed as set off against the interest on fixed deposits. However, such interest cannot be said to qualify for deduction under section 10B.

PICRIC Ltd., v. JCIT , 269 ITR 108

MAT Calculation

For calculating MAT the real book profits have to be considered, which have been earned by the company and not the artificial income, which have not accrued to the company but only credited to the profit and loss account as per the accounting principles

In this case the Mumbai Bench has held that for calculating MAT a provision made for a certain future liability, which can be ascertained with substantial accuracy, which is an accrued liability is deductible from the book profits as such provision is a charge against the profits. On the other hand if the liability is anticipated but cannot be determined, it may be contingent and a reserve may be created. Such reserve being an appropriation from profits is not eligible for deduction from book profits.

Hitkari Fibers Ltd. v. JCIT, 90 ITD 654

Warehousing charge, is it rent?

Warehousing charge paid to a warehouse is rent and not payment to a contractor or a sub-contractor.

In this case the Delhi Bench has held that the payment of warehousing charges paid to a warehouse is covered under the definition of rent for the purpose of TDS and hence the applicable rate of TDS is 20%

Hindustan Coca- Cola Beverages (P) Ltd. v. JCIT, 90 ITD 720

System of Accounting & 43B

The method of accounting whether cash system or mercantile system is not the basis for deciding the disallowance of expenses under section 43B.

In this case the Mumbai Bench as held that :

- The provisions of section 43B are mandatory and applicable to the sums specified therein irrespective of the method of accounting followed by the assessee.
- The provisions of section 43B are also applicable to the employer's contribution to PF, ESI, or other welfare funds for the employees.

A.T.E. (P.) Ltd. v. ACIT, 17 CAPJ Part 1

Payment of Income Tax through Internet

Payment of income tax through Internet has now become possible with the inauguration of the facility by M/s IDBI Bank Ltd. on 16.10.2004. Account holders of IDBI Bank Ltd., who are registered for net banking with the bank, can avail of this facility and pay Income Tax 24 X 7 X 365.

No Reassessment Order Can Be Issued Merely On Changed Opinion

This is how it was perceived by M/s Transworld International Inc, an MNC which produces TV programs on sports event. It was issued a notice for reassessment by the AO under Section 148 and the company filed a writ before the Delhi High Court. After hearing the case the HC has allowed the petition with costs and quashed the notice.

The Division Bench held that on the information supplied by the assessee a different view was sought to be taken and this was nothing but a mere change of opinion and that would not amount to escapement of income. Mere change of opinion would not confer jurisdiction upon the Assessing Officer to initiate proceedings under Section 147 of the Act.

Furnishing Of Return Of Income On Internet Scheme, 2004.

This scheme may be called the Furnishing of Return of Income on Internet Scheme, 2004.

It applies to an individual who has been allotted Permanent Account Number and who has income under the head "Salaries" but does not have any income under the head "Profits and gains of business or profession", who is assessed or assessable to tax in any of the cities specified in Schedule 'A' of this scheme.

Taxing the Excise Duty Refund

NEW DELHI, OCT 4 : IF a manufacturer gets excise duty refund coupled with hefty interest after many years of legal battle, should such refund be taxed as income under Section 41 (1) of the Income Tax Act? The Assessing Officer made the addition on the belief that such cash refund is nothing but an income in that particular year as a deduction for expenditure of duty payment was taken by the assessee in that relevant year when it had to make the deposit for the dispute. The interest received by the assessee is wholly taxable in the year under appeal.

(See full text of order in [2004-TIOL-93-ITAT-MUM](#) in 'Legal Corner')



FM clarifies provision regarding attachment of property

The Finance Minister, Mr. P. Chidambaram has clarified that tax authorities do not enjoy "untrammelled authority" when it comes to attaching the properties of tax defaulters.

While clarifying the provisions of Section 281-B, Mr. Chidambaram said that it contained three safeguards, namely: (i) provisional attachment of property can be made by an assessing officer only with the prior approval in writing of the Chief Commissioner of Income Tax; (ii) the property can be attached only for six months at a time and a total period of attachment cannot exceed two years and (iii) the assessing officer must follow the prescribed procedure for attachment that is laid down in the second schedule. Further, the owner will continue to enjoy the property as the assets are not physically taken over by the Income Tax department. He is merely restricted from selling or transferring the property.

Export Consultancy & 35B

NEW DELHI, OCT 7 : ARE weighted deductions allowed u/s 35-B for export consultancy charges, marketing survey expenses and quality control expenses?

The Delhi HC has ruled that export consultancy charges were an expenditure for conducting pre-investment surveys or the preparation of feasibility studies or project reports.

But before deductions are allowed the assessee needs to fulfill the conditions of obtaining a request in writing by the Central Government or by a foreign party to whom such goods, services or facilities were likely to be sold or provided by the assessee. In this particular case, there was no request in writing made by the Central Government and there is no evidence of any such written request on behalf of the foreign party either.

Excise:

Petroleum products - Warehousing facility without payment of duty withdrawn

Notification No 47/2001-CE(NT) dated 26.06.2001 has been rescinded where by the warehousing facility of removal of petroleum products from the refineries to warehouse or from one warehouse to another warehouse without payment of duty has been withdrawn with effect from 06.09.2004. For Details see C.B.E. & C. Circular No.796/29/2004-CX., dt 4-9-2004

Warehousing Exemption to removal of specified goods from factory to warehouse or between warehouses

Superseding the earlier Notification No.47/2001-C.E. (N.T.) Exemption has been given to remove the goods specified in the notification can be removed from the factory to warehouse or between warehouse without payment of duty. No.17/2004-C.E dt 4.9.2004

Sales Tax:

Entry tax collected forms part of sale price so that sales tax is payable thereon.

In the above case the Hon'ble Karnataka High Court has held that where the dealer collects entry tax from the customers, he is not collecting the same as an agent of State, but only passing on his burden of entry tax to his customers, as the entry tax is only the tax paid for causing the entry of goods. Such tax need not be collected from the customers. If such amount is collected the same will be includable in his taxable turnover.

State of Karnataka v. Hindustan Copper Limited, Bangalore. (2004) 57 KLJ 188.

Where the purchaser and seller are both in the same local area, there is no entry tax and there is no requirement of form 40.

The Hon'ble Karnataka High Court has held that where the purchaser and the supplier of the goods are in the same local area the question of entry tax does not arise as the goods have not moved from one local area to another. Hence form 40 for claiming the exemption need not be issued in such cases.

B.A.S.F. India Ltd, Mangalore v. State of Karnataka, (2004) 57 KLJ 241

Customs:

Advance licence for annual requirement with actual user condition issued to star Export houses - Exemption to imports there under

New Exemption Notification has been issued to grant exemption from the whole of customs duty and additional duty of customs leviable under section 3 of the Custom Tariff Act, 1975 in respect material imported into India against an Advance license for Annual Requirement with actual user condition issued to Star Export Houses in terms of paragraph 4.1.10 of the Foreign Trade Policy. This exemption is available subject to the conditions as provided in the notification.

No.94/2004-CUS dt.10/9/2004





Duty entitlement Pass Book (DEPB) Exemption to imports there under.

New Exemption Notification has been issued granting exemption to the importer goods under DEPB Scheme. This exemption is available subject to the conditions specified in the Notification. No.96/2004-CUS dt. 17/9/2004

Export Promotion Capital Goods Scheme (EPCG)- Effective rate of duty for imports there under

New exemption Notification has been issued granting exemption to capital goods imported under EPCG Scheme under Foreign Trade Policy 2004-09.

No.97/2004-CUS dt. 17/9/2004

New Clause 49: Highlights

New clause 49 will be effective as follows:

1. For the companies listing for the first time, at the time of seeking principle approval.
2. Existing listed entities having paid up capital more than Rs. 3 (three) crores or net worth Rs. 25 (twenty five) crores: 31st March 2005,
3. First report June 30 2005.

Board of directors

1. Definition, Scope, of independent director is expanded: An independent director means Non-Executive directors or Independent director.
2. Fee / remuneration to Non-executive director includes fee to independent directors fixed by Board of directors and shall require the **prior approval** of shareholder in the General Body Meeting.
3. The shareholder resolution shall specify the limit for the maximum number of stock Option to the Non-executive director in any financial year in aggregate.
4. The Board to meet at least 4 (four) times a year, with a gap between two Board meetings not exceed 3 (three) months.
5. Annual disclosure as to the committee position he occupies in the other companies is mandatory.
6. Board to review compliances report of all laws applicable to the company, prepared by the company, steps taken to rectify non-compliances.

Mandatory to review

1. MDA of financial condition and result of operation.

SEBI

Guidelines for Investor Protection Fund/Customer Protection Fund at Stock Exchanges

Circular No. MRD/DoP/SE/Cir-38/2004 Dated 28.10.2004: In the view of the fact that the Stock Exchanges were following varying practices with respect to the setting up, management of and the disbursements from the IPF/CPF, SEBI, after a due consultative process with the public, has issued the guidelines for Investor Protection Fund/Customer Protection Fund at Stock Exchanges, so as to insure the uniformity.

Securities Exchange Board of India has amended Clause 49 vide its circular No. SEBI/CFD/DIL /CG/1/2004/12/10 dated 29th October 2004. **B Varadaraj Padiyar** of Automotive Axles Limited is placing before you the highlights of the new amendment. Please provide your feedback

2. Statement of significant related party transaction and transaction not at arming length.
3. Internal control workmen used by the statutory auditor.
4. Internal audit workmen.
5. The appointment, removal and term of the internal auditor.

Subsidiary Companies

1. At least the independent director on the Board or holding company shall be a director on the Board of director of a material non-listed Indian subsidiary company.
2. To review the financial statements, investment made in the unlimited subsidiary company.
3. Minutes of Board meetings of unlimited company shall be placed before Board of listed holding company, and also significant transaction or arrangements entered into by the unlimited subsidiary companies.
4. To lay down procedure about the risk assessment and minimization procedure and to review periodically.
5. Arranging to publish criteria of making payment to non-executive director in its annual report. Alternatively put in web site and reference to drawn in A/R.

6. To disclose the number of shares and convertible debenture held by the non-executive director of the annual report.
7. Non-executive director to disclose their shareholder in the listed company in which they are prepared to be appointed, prior to their appointment. These directors should mention in the notice to the General Meeting.

CEO/CFO Certification.

The CEO, i.e. the Managing Director or Manager appointed in terms of the Companies Act, 1956 and the CFO i.e. the whole-time Finance Director or any other person heading the finance function discharging that function shall certify to the Board in the given format.

Code of conduct

1. Board to by draw the code of conduct for all Board member and senior management of the company, and should be published on the website of the company.
2. Board members / Senior management personnel shall affirm compliances with the code on annual

Board meeting. The A/R to contain declaration to their extent signed by the CEO.

3. Senior management: core management team excluding Board of Directors. All members of the management on level below the executive director including all functional heads.

Audit committee

1. Two third of members of audit committee should be independent directors. All members should be from financial background and one of them should possess financial expertise.
2. When required external auditor shall present as invitee for the meeting of the audit committee.
3. Quarterly report to be submitted to the audit committee before submission to the Board.
4. Meetings: should meet at least 4 (four) times a year.
5. Committee to review Related party transactions to examine conflict of interest with the company or not.
6. Committee to review whether whistler mechanism in case the same is in existence.

Cartoon Corner...



"I don't have time to write performance reviews, so I'll just criticize you in public from time to time."



"We were way ahead of schedule, so we revised the schedule. Now we're way behind schedule because we lost too much time revising the schedule. What we need is a schedule to help us revise our schedules on schedule."