



# Newsletter - 63

Mysore Chapter

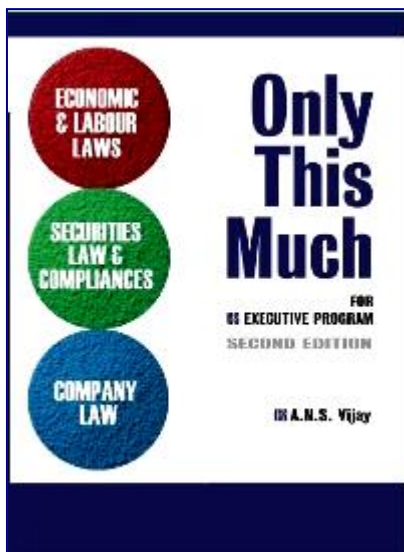
April 2009

For Private Circulation Only

## First ever Blood Donation Camp by ICSI Mysore



## Inter Collegiate Moot Court Competition at ICSI Mysore



CS Executive Program Specific  
Book Release

**‘ONLY THIS MUCH’**

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**CS. Anshuman**

Dear Readers,

The month of March has been an eventful month for the Mysore Chapter. A variety of programs were hosted for the members and students, the details of which are published elsewhere in this issue.

It is a matter of concern for all of us that the visibility of the profession is not up to the desired level. Very often, we find that senior faculty of even commerce colleges are not aware of our profession. I am glad to share with you that Mysore chapter has taken various steps in this direction. We have been organizing programs in association with members of Institute of Valuers, Bharatiya Note Mudran Private Limited, Certified Information System Audit etc. to increase the awareness about our profession in all segments of society. Organizing blood donation camp, issuing press notes, inviting dignitaries for chapter programs all contribute significantly to this cause. Through this column I appeal to the members to help the profession grow by increasing its visibility in their circles.

You will be glad to note that CS. Datla Hanumantha Raju, President of the Institute and other dignitaries have confirmed their visit to Mysore on 25th and 26th of April 2009. A variety of programs have been conceptualized on this occasion, the details of which will be circulated shortly.

\* \* \*

### Please note:

1. You may find all past editions of this eNewsletter at <http://www.esnips.com/web/icsimysore> and at <http://www.icsi.edu/mysore>
2. Mysore Chapter has its eParivaar "CSMysore". This is dedicated to the overall growth of the professionalism through sharing of knowledge. Its home page is <http://www.groups.google.com/group/csmysore>  
You are welcome to join the eParivaar.

Editors:

**CS. Dattatri H M**

**CS. Sarina C H**

**CS. Omkar N. G. &**

**'Spectrum' Team**



*Editorial Team welcomes  
new member to the team:*

**Ms. CS Rashmi M R,**  
Company Secretary, Vikram  
Hospital Pvt Ltd, Mysore



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## Words worth Millions

There are two kinds of failures. Those who think and never do, and those who do and never think.

If you do not stand for something, you will fall for everything.

# dinacharya

## Ayurvedic Principles for Daily Life: Part 2



Dr. GopalKrishnan, Ayurville, India Heritage Foundation, ISKCON, Mysore.

**So far...** With the help of simple Ayurvedic principles of life, there exists the possibility of improving your vitality, immunity, power, augmenting physical fitness, improving activity level and restoring the energy reserve of the body. Aahara, Vihaara, Vichara, Dinacharya, Rithucharya are some of such principles which give a better health and improve the quality of life. Based on the aspects of Dinacharya (Daily Regimen), few guidelines are given, which will be of help to you. Guidelines already given for:

- **Rising Early:**
- **Washing one's face, mouth and eyes:**
- **Oral Hygiene (DhanthaDhavanam):**
- **Eye Care (Anjanam):**
- **Nasal Medication (Nasyam):**
- **Oil Massage (Abhayangam):**
- **Exercise (Vajayamam):**

- 
- **Bath (Snanam):** Take bath in warm water after the exercise. Use cold or tepid water for head. Warm water will improve vigour, relieve exertion and give good appetite. Bathing clears pores of the skin. Use green gram powder to scrub the body instead of soap.

- **Meals:** After a good bath, consume a balanced and nutritious meal. Do not overeat or fast. Avoid spicy and oily food. Take easily digestible food. One should fill the stomach with ½ part food, ¼ part water and leave the balance ¼ part vacant. It is advisable to have breakfast between 7.30 to 8.00 a.m., Lunch between 12 noon to 1 p.m., Dinner around 7.30 p.m.

- **Activities after meals:** Taking 'Thamboolam' -betel leaves along with Cardamom, Areca Nuts, Nutmeg and Chukka (Calcium), without tobacco, after meals is good for digestion and heart function. Also, this is mouth freshening. People with pitha and vatha diseases should not do Thamboola sevnam. Walk at least 100 yards after meals. Avoid bathing, swimming, driving or body exertion after meals.

Ayurveda emphasizes on ways to promote health rather than just treat the diseases. Aahara, Vihaara, Vichara, Dinacharya, Rithucharya are some of such principles which give a better health and improve the quality of life. This ancient form of Indian Medical system envisages the person as the sum of body, mind and soul.

- **Drinking Hot water:** A glass of hot water in the morning clears the digestive tract and cleanses the kidneys. It also stimulates intestinal activities. Starting the day with tea or coffee is not recommended. Habit of bed coffee/tea has a weakening effect on the kidneys.

- **Posture:** Maintain a straight and up right posture while sitting or walking. The energy within the body rises up throughout the spine, which helps you to be pleasant and alert.

- **Practicing certain habits:** Certain positive qualities in one's life and personality can be termed as 'Dharma Vrithi':

- ❖ Do a profession, which is noble, respected, beneficial to you and the Society.
- ❖ Be humble, charitable, enthusiastic and perform holy duties. Spend time in the company of good people and follow the scriptures.
- ❖ Avoid "dashavidha papas" like cruelty to other living beings, stealing, unlawful sex, backbiting, telling lies, hard speech, hatred, jealousy, misunderstanding and faithlessness in God.

- ❖ Take light meals in the night and sleep well by keeping your head in east or south direction.
- ❖ Recollect the events of the day. Thank God and Nature for taking care of you.
- ❖ Never suppress urges of flatus, faeces, urine, thirst, hunger, sleep, vomiting, cough
- ❖ One should adopt what is best for the life.

In conclusion, Ayurveda emphasizes on ways to promote health rather than just treat the diseases. The aim is to maintain health of healthy people and cure diseases of the sick people. Ayurvedic therapies and treatments offer excellent possibilities of regaining strength, well being and balanced frame of mind. This ancient form of Indian Medical system envisages the person as the sum of body, mind and soul.

The theories and principles of Ayurveda constitutes a path towards Healthy Life.



### CELEBRATION OF FOUNDATION DAY

The Chapter was inaugurated on 8<sup>th</sup> March 1980 by Hon. Justice M.K. Srinivasa Iyengar of Karnataka High Court. The chapter celebrated the 30<sup>th</sup> Foundation day on 08<sup>th</sup> March 2009 by organizing a variety of programs with a star program on "Cross Cultural Sensitivity" by Mrs. Tara Ravikumar, an acclaimed trainer of soft skills.

### SECOND TRAINING ORIENTATION PROGRAM

2<sup>nd</sup> March 2009 to 6<sup>th</sup> March 2009. Program consisted of 19 Technical Sessions and a Group Discussion. Faculties for the technical sessions were experts in their own fields and comprised of a judicious mix of Industry Experts, Soft skills Trainers and Professional Consultants. The Best Participant Award was awarded to Mr. Rajesh N. The First Place in the Group Discussion was awarded to Mr. Rakesh S. The prizes were handed over by Mr. V. Lokesh of Messrs. Larsen & Toubro.

### CAREER GUIDANCE

1. CPC Polytechnic, Mysore. Counselor: CS. Anshuman A.S. About 150 students participated.
2. 26<sup>th</sup> March 2009. Govt. Women's Polytechnic and management students of Govt. Arts College, Hassan. Counselor: CS. Anshuman A.S.

### SEMINAR ON GLOBAL FINANCIAL MELTDOWN



21<sup>st</sup> March 2009 ICSI Mysore jointly with M/s. Pooja Bhagavat Memorial Mahajana Post Graduate Centre. The Seminar was

inaugurated by PDG R. Vasudeva Murthy, President of Mahajana Education Society.

### WORKSHOP ON EFFECTIVE CONTRACT MANAGEMENT

The chapter organized a thematic workshop on 21<sup>st</sup> and 22<sup>nd</sup> March 2009 at Bharatiya Reserve Bank Note Mudran Limited, Mysore. The program was attended by our members, students, high level officials of industries.



### BLOOD DONATION CAMP

22<sup>nd</sup> March 2009. The camp was organized at Rotary Mysore Chandrakala Blood Bank. CS. Subash V. S., Treasurer, SIRC of ICSI,

inaugurated the camp by donating blood. The camp was a huge success.



### ANNUAL INTERCOLLEGIATE MOOT COURT COMPETITION

Invitations were issued to all the law colleges in Mysore and surrounding districts and the Mysore units of professional institutes. 8 Teams participated in the preliminary round held on 22<sup>nd</sup> March 2009 representing various colleges and institutions. The team representing JSS Law College was declared the winner in the final round. The Runners up were the team lead by Mr. Gagan K. representing Mahajana Law College.

The competitions were judged by eminent lawyers including CS. Ramasamy K., Secretary, SIRC of ICSI, and Mr. S. Vivekananda, Bangalore, academicians and practicing Company Secretaries including CS. Subash V.S., Treasurer, SIRC of ICSI.

### INTERACTION WITH CS. SUBAS V S, TRASURER OF SIRC OF ICSI

CS. Subas V.S., Treasurer, SIRC of ICSI interacted with the students and members of the chapter on 22<sup>nd</sup> March 2009.



**INTERACTION WITH CS. RAMASAMY K. SECRETARY OF SIRC OF ICSI:** CS. Ramasamy K., Secretary of SIRC of ICSI had an interaction meeting with the students and members of the chapter on 29<sup>th</sup> March 2009.

### TALK ON INCORPORATION OF COMPANY

1<sup>st</sup> March 2009. Speaker: CS. Shrinivas M. Devadiga

### TALK ON 'TIPS AND TRICKS OF IPR'

8<sup>th</sup> March 2009. Mr. Lokesh V., DME,M.Com,PGDBA, PGDIPRL, AMIMA, IP Management, Strategic Planning and Initiatives **L&T Ltd**, Mysore. The audience was spell bound by the depth of knowledge and practical expertise of the speaker.

### TALK ON DERIVATIVES

15<sup>th</sup> March 2009. Mr. S. Ramu of Way2Wealth Securities Pvt. Ltd. delivered a talk on Derivatives for the benefit of our students at the Chapter. Mr. Ramu explained the audience in simple terms about derivatives.

**COMPANY LAW QUIZ :** 1<sup>st</sup> March 2009. The team consisting Ms. Kavita Rao D.B., Shruthi R and Prashant was declared winners. Ms. Kavita Rao D.B. was declared as the best participant.

**ELOCUTION COMPETITION:** 8<sup>th</sup> March 09. Mr. Vishwas Krishna was the winner.

**PICK AND SPEAK COMPETITION:** 15<sup>th</sup> March 2009. Mr. Vishwas Krishna, an executive program student was declared winner of the Competition.



## Disclaimers and Fine Prints in the Era of CRM

Anand Wadadekar, M.Com, M.A (Eco), MBA, DIT, Pune, Maharashtra

Consumers/Customers/Investors like you and I must have surely come across something called 'Fine Prints and Disclaimers' - which can be found in each and every agreement, contract, sale and purchase transactions, etc. In a layman's language, Fine Print means, the terms and conditions relating to a particular transaction, which are needed to be understood before entering into a transaction or else, one may face serious losses. It's called by that name because these small conditions are typed or written in small and fine print type. Disclaimers mean, the declaration of non-claiming of responsibility by the other party to the transaction in the event of loss due to lack of knowledge on the part of the investor or first party to the transaction. Though sounding simple, in reality, this is not so. Fine Prints means the terms and conditions in Print that do not leave the prospective investor / customer / consumer in a Fine or Happy state. Disclaimers mean the declaration, which holds responsible the investor / consumer solely for his / her contractual deeds and actions.

We come across the first disclaimer at the start of the day i.e. when we go to purchase 'milk'. If you are new to the vendor, he says '*Doodh kharaab hua to hamari jimmedari nahi* (If the milk gets spoiled, we are not responsible and milk will not be compensated)". Same kind of disclaimers and fine prints are observed in our day to day life, only the degree of severity is different or more or less damaging.

Take the case of the print media (Newspapers, magazines). It says, "Views expressed in the articles are solely of the author. The Editor does not necessarily subscribe to them" or "Views expressed are personal" or "Neither the publisher nor the Editor, nor the Printer will be responsible for any damage or loss to anybody arising out of any error or omission in the issue" or "We do not own any responsibility legally or otherwise for correctness of the same."

Take the case of educational institutions, admission to courses, etc. Here also disclaimers are found. For example, "Fees once paid will not be refunded or transferred" or "We will not be responsible for non-delivery or non-receipt of forms sent through postal authorities or courier". In Fine Print, we can find "The courses are not recognized or approved by UGC or AICTE".

Same is the case when we buy some consumer durables or eatables. Here we come across something like "Goods once sold

will not be taken back or exchanged" or "Rules are liable to change without prior notice and intimation".

It applies to Fine Prints. The terms and conditions of a concerned advertisement, offer, sale, etc. is written in so small letter fonts that it's literally difficult to read them with naked eyes. Such information is so important that, it should be actually written in visible fonts and should be given more emphasis. If the reader misses out to read the Fine prints, then it is for sure that he will find himself in soup and it would be too late to protest.

Surprisingly these Fine Prints and Disclaimers are believed to be a part of Customer Relationship Management. Is this exploitation in the name of CRM, a good management concept? Probably, the answer lies in a certain concept explained in the Sale of Goods Act, 1930. The concept speaks about the responsibility when buying or purchasing goods. It's called 'Caveat Emptor Rule'. This means "Let the buyer beware". By reading these numerous disclaimers, one can conclude that, this concept is being misused for nothing but holding the buyer solely responsible for the transaction. Though the Rule has few exceptions, it's very difficult to prove them.

From the sellers' perspective, it has to be accepted that, if the sellers do not resort to the Fine Prints and Disclaimers it will be a mess for them to handle the litigations arising. According to those resorting to disclaimers and fine prints, there are approximately 35% of the total customers who look for a chance to claim service and benefit and take undue advantage if such disclaimers and fine prints are not mentioned. The sad part is, due to this 35%, the remaining genuine consumers suffer.

The after sale service contracts have probably, the maximum number of fine prints and disclaimers. After reading those, it's for sure that, the customers would not feel up to going back to their seller, in case of a defect, instead

purchase a new item. These disclaimers only hold the concerned customer responsible for any fault in the item or service and agree to satisfy the customer only when the customer has satisfied its numerous 'ifs' and 'only'. It's also true that, all Disclaimers and Fine Prints may not be necessarily legal. This is an extreme use of the Caveat Emptor Rule by the sellers just to avoid responsibility.

Any customer service will be satisfactory only when the Disclaimers and Fine Prints are reduced to minimum and the conditions will be 'open' than 'hidden'. Customer Relationship Management will prove its real meaning and worth only then.

Disclaimers and fine prints are observed in our day-to-day life; only the degree of severity is different or more or less damaging. Surprisingly these Fine Prints and Disclaimers are believed to be a part of Customer Relationship Management. Is this not exploitation in the name of CRM?



## Copyright for Music Recording and Playing

**Abhishek Bharadwaj**  
CS Qualified, Mysore

If we think of music then we should think of the musicians also. What is the protection for their art? Legally what protection they can expect to their work? To promote the development in this sector there are two organizations which are recognized by Government of India to provide licenses under the Copyrights Act, 1957 to the work of musicians. One is The Indian Performing Right Society Limited (IPRS) and the other is Phonographic Performance Limited (PPL-India). PPL is mainly engaged in Administering the Broadcasting / Telecasting and Public Performance Rights on behalf of over 139 music companies which are its members. According to IPRS website, "The business of IPRS is to issue Licences to users of music and collect Royalties from them, for and on behalf of its Members i.e. the Authors, the Composers and the Publishers of Music and distribute this Royalty amongst them after deducting its administrative costs. The IPRS came into existence on 23rd August 1969. The Society is a non-profit making Organisation and is a Company Limited by Guarantee and Registered under the Companies Act, 1956. It is also registered under Section 33 of the Copyright Act, 1957 as the Only Copyright Society in the Country to do business of issuing Licences for usage of Music.

To promote the development in Music sector the Copyrights Act, 1957 has made it mandatory for all those who play Pre-recorded music in the form of Gramophone Records, Music cassettes or CDs in public places to take prior permission from the Copyright Society for Sound Recordings.

There is a provision in Copyrights Act that it is mandatory for all those who play Pre-recorded music in the form of Gramophone Records, Music cassettes or CDs in public places to take prior permission from the Copyright Society for Sound Recordings, these two organizations are listed in the Copyrights Society to provide such permission.

The primary work of these two organizations is:

**Providing license:** The Societies grants blanket Licences for a moderate annual charge, which enables the holders thereof to comply with the provisions of the Copyright Act, 1957

**Protection of members:** Any performance of Indian or International music from Sound Recordings of the members in Public Places or Commercial Establishments such as Hotels, Restaurants, Cinema Halls, Discotheques etc, without first having obtained a License from these organizations, constitutes an Infringement of copyright under The Copyright Act of 1957. Such violation of copyright is Cognizable & Non-bail able offence, attracting heavy Penalties.

For more details visit: [www.pplindia.org](http://www.pplindia.org) and [www.iprs.org](http://www.iprs.org).

### IPR News highlights

#### Europe split on music copyright extension

Music performers' and producers' hopes of getting extended royalties in Europe in the near future have been dealt a blow because of the inability of European Union countries to agree on lengthening the copyright terms for music recordings. Diplomats in Brussels said that a sufficient number of states had been opposed to legislative proposals which are currently in the pipeline to constitute a "blocking minority" - with the result that the issue was not put to a vote in ambassadorial meetings this week.

[www.ft.com](http://www.ft.com) March 28 2009

#### Patent suit accuses Microsoft of infringing on updating tech

According to an [87-page PDF file](#) on BackWeb Technologies' website, the Israeli firm is accusing Microsoft of using its technologies in key components of Windows Update, Windows Server Update Services, Microsoft Update, and other Microsoft update technologies. BackWeb, which has US offices in San Jose, California, filed its lawsuit in San Francisco federal court last week, charging that Microsoft's Background Intelligent Transfer Service (BITS) infringes on four of its patents, granted between 1999 and 2003.

<http://arstechnica.com> Mar 30, 2009



# Commercial and Legal Standing of EDs vis-à-vis NEDs

CS. U Padma Shenoy

Company Secretary, Totem Infrastructure Limited, Hyderabad

Practically, Non-executive Director means any director who is not paid a salary. However, the Managing Director is termed as an Executive Director, even if he is not entitled for any salary emoluments. Is there actually any significant difference between the Executive Director and the Non-Executive Director?

Many companies practice to designate employees as Executive Directors, who are actually not on the Board of the company. In the absence of clear definitions in the Companies Act, 1956, generally, any employee who is also a Director is called an Executive Director. However, according to the regulatory requirements, an Executive Director is an individual holding managerial position and bestowed with decision-making powers for his whole-time service to the company. Further, Form 25C is required to be submitted for appointing a person as Whole-time Directors and the same is not required for Executive Directors.

Explanation to section 197A, makes clear that a Non-Executive Director does not undertake to devote his whole working time to the company. Whereas an Executive Director extends his professional service to the company. The latest trend in the corporate sector is the appointment of an "Associate Director", who may or may not be part of Board. As the company cannot induct all the top Executives to the Board or designate them as Whole-time Directors, the idea of a new roles like Chief Officers was initiated.

In the absence of any provision in the Articles of Association of the company, the Non-Executive Director is not obligated to tender his resignation to the Board and seek the acceptance from the Board. To ward off any future complications, he may send a copy of the resignation to the relevant Registrar of Companies.

### Remuneration:

1. The company can pay up to 1% of its profits as remuneration to the Non-Executive Director without

breaching the provisions of Schedule XIII, as the this Schedule makes provisions for the remuneration to be paid to Managing Director, Whole-Time Director and Executive Director.

2. Also, in case there is more than one Executive Director, then as per Schedule XIII the total managerial remuneration should not exceed 10% of the profits. However, the corresponding tabular representation should be followed for each individual separately as per the terms of the appointment.
3. An approval from the Central Government is required if the remuneration paid to the Non-Executive Director exceeds the limit set forth in Schedule XIII. If any Director holds any key responsibilities in the company, the prime test for payment of remuneration would be to check whether such Director be considered as a Non-

Executive Director; because by virtue of the nature of work, such Director will be automatically treated as an Executive Director.

4. Only a Whole-time Director or an Executive Director is eligible for Sweat Equity Shares (Sec 79A)
5. The premium paid by the company on "Employer - Employee Insurance Policy" for its Executive Directors will be treated as requisite.

### **Conclusion:**

However, in practice the appointment of Non-Executive Independent Director has become an arrangement of convenience with the idea of "Good Corporate Governance" going for a toss. Unless such Independent Directors have significant stakes in the company, it will be naïve to assume that they would be allowed / willing to assert their independence. When Non-Executive Directors get attractive remuneration they would not jeopardize this opportunity by being too assertive or independent in real sense. Also, only directors with real involvement will take active interest in the affairs of the company and contribute to its obligations to shareholders, employees, customers, suppliers, etc.

Many companies practice to designate employees as Executive Directors, who are actually not on the Board of the company. The latest trend in the corporate sector is the appointment of an "Associate Director" of a particular department, who may or may not be part of Board.

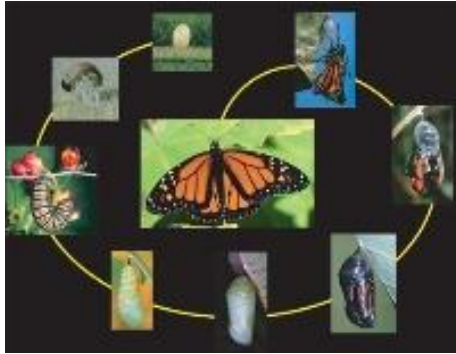


## Life Cycle

CS. H M Dattatri,

Chief Manager - Legal & Company Secretary, Essilor India Private Limited, Bangalore

**When** we hear the word 'life cycle', what comes to our mind is the life cycle of a butterfly that we studied in our school days. The life cycle of a butterfly is so fascinating that the



phenomenon makes everyone gape with wonder. Where life cycle of butterfly is having a span of one generation, in case of certain birds, it extends to two-three generations. Current generation bird

starts migrating to

another part of the world. On the way, these birds stop, lay eggs and nurture the young ones. By the time the fledglings are ready to fly, the parent birds' lives end. New birds continue the journey and reach other part of the world and give birth to third generation. These third generation birds start migrating back to its original location. However, on the way back, these birds give birth to fourth generation and finally forth generation reaches back the original destination! Again, next generation bird starts migrating!

We have a general impression that human beings do not have the life cycle. We feel that we only evolve, evolve and evolve. However, we have seen from the history that man has built many big civilizations and because of his own mistakes ruined everything! Dynasties rose and fell. Again somewhere new civilization is built - again mistakes - again ruining! Is this not a life cycle? Some times, it may extend to several generations; some times, it may get over within one generation.

Whether organisations are also having life cycle?

We 'know' that ups and downs are natural and normal to an organisation. There are profits in some years and no profits or losses in some years. Every one would nod his head in agreement to this universal phenomenon. However, the question is, does it happen 'naturally' or because of human errors?

You might have heard people talking about cost cutting initiatives in organisations. Whenever company enters loss zone or slow growth zone, the chanting of cost cutting mantra begins. Every activity comes under scanner to find its usefulness for the organisation. Do we need these many people? Do we need these many activities? Do we need to organise these events? Why should we rent a five star hotel for this meeting? Can we redesign the employee pick up and drop routes? Can we negotiate better with external service providers? So on and so forth! You might have also heard that lots of reports are being asked by 'head quarter', lots of analysis are being done, it has become so hectic these days.....

One can understand easily that even during good times of an organisation, these expenses and activities should have been questioned; these analysis should have been carried out on a routine basis. May be organisation would have stayed healthy! However, during good times we allow the growth of the flab. When diseases warn us, we start doing everything possible to cut fat. If do not listen to such early warnings, fat may end our lives.

*Whenever company enters loss zone or slow growth zone, the chanting of cost cutting mantra begins. However, even during good times of an organisation, this mantra needs to be chanted. May be organisation would have stayed healthy by that!*

*Whether being alert and disciplined always is unnatural for us? ...!*

Whatever is true for human being is also true for organizations, as organisations are made up of human beings. When organisation starts making profit, every one slowly forget the systems, analysis and usefulness of every rupee spent. This leads to failure in the business. Many companies get up when early warnings are seen and start tightening the loose ends. Those who ignore early warnings certainly end up in crash!

By tightening loose ends, and by chasing the new targets, organisation will come back to prosperity again. However, once prosperity starts showing up, tightened ends slowly starts loosening. Cycle continues.

*Whether being alert and disciplined always - itself is unnatural for us? ...!*





## Selfari - Where Books are in Plenty

If you are one who loves reading and cannot find books of your choice in the library, here is one library that will offer any book by a click of your mouse [www.shelfari.com](http://www.shelfari.com). This site gives you all kinds of books. People who believe their best friends are books will love to be on this site. Not only can you read, but can also build a shelf to display the books you've read, want to read or are reading now. One can also put forth his thoughts about the book he has read.

It not only allows you to read, but also allows finding what others are reading and recommending him/her about the book. Reading is the best habit a person can develop. What better than being on sites like Shelfari?



## IT For Professionals

Amitkumar Hegde, B.Com, MCA

## StickySorter

From Microsoft Office Labs

*For organizing ideas.*

Normally, Brainstorming sessions come up with varied ideas and opinions on any given topic. In this case arranging the ideas and data is done with a technique called "Affinity Diagrams". This technique is commonly used in project management where in large number of ideas to be sorted in to different categories for review and analysis. Affinity diagramming typically involves a group of people gathering in a room, writing down individual ideas or observations on post-it notes, pasting the notes on a wall or whiteboard, and then arranging the notes into meaningful groups.

StickySorter, a Microsoft Office Labs sponsored spare-time project, which was developed to solve a problem encountered in a project. You can achieve the following with MS StickySorter:

- Organize ideas into named groups, which can easily be rearranged and manipulated.
- Create custom views of data imported from spreadsheets or directly entered in the application.
- Create and manage large collections of notes.
- Display structured information on a note.

Download the application from <http://www.officelabs.com/>

## Yoga Asanas & Meditation

## Letters



**N.A. Srinivasan,**

Sr. Manager (Legal) & Company Secretary, Cetex Petrochemicals Limited

I am practicing Yoga Asanas and Meditation for the last 15 years. From my experience, I wish to give my inputs. Practicing Yoga and Meditation is more of a discipline. Many people learn it, but only a few practice it regularly and continually.



Generally most of us think that it is a One-Stop-Solution for all our physical and mental ailments. In addition, we expect quick results, which is why many times people shift from one technique to another, only to get disappointed. Whatever is the method of practice, everything gives almost the same result, if practiced regularly. Regular practice of Yoga and Meditation, helps our body and mind to align with nature, i.e. which helps us to approach our life in a balanced and natural way. This removes the accumulation of stresses and strains in our body and mind which help in healing or preventing many of the ailments. Whether one is home-maker or a corporate professional, same principle shall be applied. One has to systematically allot some time everyday according to their nature of work and practice it regularly. Adhere to the following three basic principles:

1. Choose an appropriate Guru and learn.
2. Don't expect quick results.
3. Practise regularly

## Customs

### Notifications/Circulars

DFT benefit extended for Least Developed Countries.

*Customs Notification No. 24/ 2009 dated 20/03/2009*

Telephones sets for cellular networks or other wireless networks are chargeable to NCCD (National Calamity Contingent Duty).

*Customs Circular No. 12/2009 dated 12/03/2009*

### Case Law - Valuation

Declared TV of imported goods cannot be rejected in the absence of contemporaneous imports

*Longani Brothers Vs CC (2009 (235) ELT 113)*

Technical know-how fees paid to a foreign supplier not to be included in the TV

*Hosur Instruments Pvt. Ltd. Vs CC (2009 (235) ELT 492)*

### Case Law - Others

Insisting for Bank guarantee during the pendency of a stay petition is a "coercive measure"

*Lanco Kondapalli Power Private Limited Vs Union of India (2009 (162) ECR 181)*

Advance ruling by the AAR is binding only on the parties before the AAR.

*Vodafone Essar South Ltd., Vs. CC (2009 (90) RLT 842)*

## Foreign Trade Policy (FTP)

### Notifications/Circulars

Central Government has notified various amendments to the FTP

*DGFT Public Notice No. 151 (RE-2008)/ 2004-09 dated 26/02/2009 and M C & I (D C) Notification No. 88 (RE-2008) / 2004- 2009 dated 26/02/2009*

Central Government has amended Schedule I (Imports) of ITC (HS) to align it with the Customs Tariff.

*M C & I (D C) Notification No. 94 / (RE- 2008) / 2004-2009 dated 02/03/2009 and DGFT Policy Circular No. 69 (RE-2008) / 2004-2009, dated 02/03/2009*

Detailed procedures regarding reimbursement of duty in lieu of

drawback to SEZ developers against supply of goods by DTA unit

*M C & I (D C) SEZ Division, Instruction No. 9, dated 18/02/2009*

Under DFIA Scheme the exporter has the flexibility to import alternative inputs/ products mentioned in the Standard Input Output Norms.

*DGFT Policy Circular No. 72 (RE-2008)/ 2004-09 dated 24/03/2009*

DTA sales entitlement of a 100% EOU should be computed with reference to physical exports only

*DGEP Letter No. DGEP/EOU/74/2008 dated 02/01/2009*

Procedures prescribed for certification of invoices for supply of goods from the DTA to 100% EOUs

*M. F. (D.R.) Circular No. 10/2009-Cus dated 25/02/2009*

Items of exports mentioned in ITC(HS) Book shall not be entitled for DEPB credits

*M C & I (D C) Notification No. 87 (RE-2008) / 2004-2009 dated 17/02/2009*

### Case Law

The power to amend the FTP is exclusively vested with the Central Government.

*Atul Commodities Pvt. Ltd. Vs. CC (2009 (235) ELT 385)*

Policy Relaxation Committee cannot amend EXIM policy.

*Century Textiles & Industries Ltd. Vs. Union of India (2009 (235) ELT 47-Bom)*

## CENVAT

### Case Law on Manufacture/Dutiability

Cabinets, wardrobes, luggage racks, etc, fixed to the walls are immovable goods and are hence not excisable

- as they cannot be removed or shifted from one place to another without losing their identity.

*Interscape Vs. CCE (2009 (235) ELT 257)*

The activities of assembly and installation of onshore/offshore radar stations in deep sea water are not excisable as the platform is in the nature of immovable property.

*Bharath Electronics Ltd. Vs. CCE (2009 (235) ELT 321)*

## Valuation

No education cess is payable on the paper cess which is not levied by the Ministry of Finance

*Andhra Pradesh Paper Mills Ltd. Vs. CCE (2009 (235) ELT 474),*

Free samples of products are not subject to the MRP based valuation scheme.

*CCE Vs. ACME Healthcare (2009 (235 ELT 682)*

## CENVAT/MODVAT

Hanging cards used for holding razor blades are packing materials and are hence eligible for CENVAT Credit.

*CCE Vs. Harbans Lal Malhotra (2009 (235) ELT 621)*

Manufacturer is entitled to avail credit on plastic crates used as material handling devices within the factory premises.

*Banco Product (India) Ltd. Vs. CCE (2009 (91) RLT 216)*

No CENVAT credit is required to be reversed on partially processed inputs sent for job work.

- in case of destruction of such goods at the job worker's premises .

*Sabero Organics Gujarat Ltd. Vs. CCE (2009 (91) RLT 252)*

### Others

CENVAT credit on inputs is not deniable to the job worker merely for the reason that goods are cleared without payment of duty.

*CCE Vs. J. H. Kharawala (P) Ltd. (2009 (235) ELT 332)*

## Service Tax

### Notifications/ Circulars

Amendment of current Form ST - 3 in order to incorporate details of the Service Tax Return Preparer, in cases where the returns have been prepared by such a person.

*Notification No. 10 /2009 dated 17.3.2009*

Various procedural issues in relation to the refund scheme for exporters of goods.

*Circular No. 112 /6 /2009 - ST dated 12.3.2009*

## Case Law

Service tax paid on services received from the Airport Authority is eligible for input tax credit.

*Force Motors Limited Vs. CCE [2009(13) STR 692]*

Service tax paid on 'rent a cab service' used for bringing employees to the factory, is an eligible input service

*CCE Vs. Cable Corporation of India Ltd [2009 (19) STT 158]*

Services rendered by one company to its sister concern are not covered under the taxable category of management consultant services.

*Sara Services & Engineers (P) Ltd Vs. CCE, [(2009) 19 STT 192]*

Sale of technical know how is not chargeable to service tax under the taxable category of consulting engineer services.

*CCE&C Vs. Ambalal Sarabhai Enterprises Ltd (2009 (16) STJ 349)*

Credit of taxes paid on input services cannot be denied on the ground that the invoices pertaining thereto indicate the overseas address of the service provider

*General Electric International Vs. CCE [2009 (13) STR 565]*

## Sales Tax

### Notifications

Interstate sales Exemption has been granted to manufacturers of computers and computer systems

[Notification No G.O.Ms.No.88/F2/2009 dated February 27, 2009]

## New Book Release

# Only this much

*"Only this much" new book for CS Executive Program covering Company, Economic, Labour & Securities Law, authored by Mr. A N S Vijay. What is there inside this book? Mr. A N S Vijay gives us an insight.*

Yes...3 subjects, one full month (May 09), continuous exams (June 2009...do you think its THAT MUCH!!!!)

**COMPANY LAW (100 Marks)**, where understanding the provision matters! Figures, whether it's Section or E-form shows your **AUTHORITY** on the subject. It's your take of either of the following or both.

- Approximately 300 Sections to remember
- Approximately 50 e-forms to remember

## Only this much

Author: A N S Vijay  
Publisher: KWP publishers  
New Delhi.  
Price: Rs. 425/-  
Available from: 15.04.2009

For more details, contact:  
[onlythismuch@lawlabz.com](mailto:onlythismuch@lawlabz.com);  
<http://onlythismuch.lawlabz.com>

Just visit <http://www.mca.gov.in> and [click download e-forms link](#), take a print of the page, keep memorizing... the e-form numbers along with the particulars, so that you can quote it wherever possible.

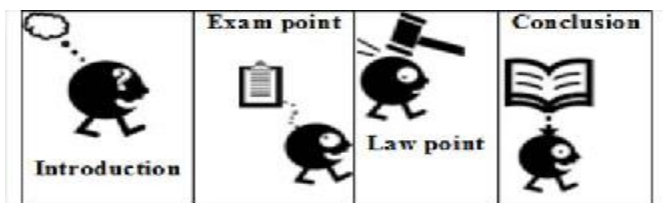
**ECONOMIC LAWS**, here again

understanding of the provision of merely 20 Acts for 60 marks!!! With regard to Consumer Protection Act, **CASE LAW** matters and FEMA, memorizing all 3 **Schedules** of Current Account Transaction matters the most. Pre-defined

limited **CASE LAWS** on Labour Law make it easy to score very good marks (40 marks) by spending a little time. **Remember** the FULL NAME of all 10 Acts along with its YEARS, which can itself occupy one line for every answer showing your **AUTHORITY** in the answer sheet.

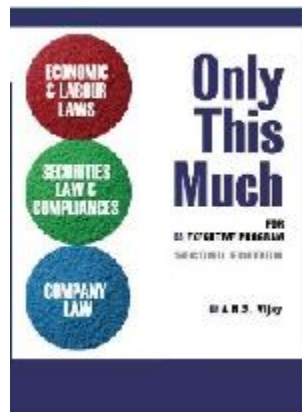
Yes, just one chapter which can get you more than 30 marks in Securities Law is SEBI (DIP) Guidelines governing **Public Issue** of Securities in the Part B of this paper. For Part A crack the legal areas i.e, **Acts**. Never miss - buy back provisions of listed & unlisted companies, symbols in Credit Rating & clause 49 of listing agreement dealing with Corporate Governance.

Yes, **ONLY THIS MUCH** for CS Executive Program is a 3-in-1 **BOOK** covering the syllabus of Module II with an exam-oriented & iconistic approach for the last-minute **mandatory** study.



*Nothing should be read, unless otherwise it is interesting*

We hope you will enjoy the book and don't forget to keep sending in those tidbits & ideas, as they go a long way in motivating us.



## Most predicted questions for June 09 Executive Program

by CS. ANS Vijay, Chennai

1. The paid-up capital limit for appointment of Company Secretary Appointment is increased from 2 crores to 5 crores.
2. Government Directors can be appointed under Section 408 for a period of 3 years – remember Satyam Issue!
3. Buy back of shares u/s. 77A – the effect of Recession! Many companies are buying back shares.
4. The various types of industries as defined in Micro, Small & Medium Enterprises Development Act – as Small Scale Industry notification is withdrawn!
5. The Star Export Houses or Status Holders from Foreign Trade Policy.
6. The definition of the term 'Independent Director' under Clause 49 of Listing Agreement.
7. The definition of the term 'Qualified Institutional Buyers' under DIP guidelines.
8. The definition of the term 'Intermediary' under SEBI (Intermediary) Regulations.
9. What do you mean by Fast Track Issue?
10. Indian Depository Receipts

### Pick of the Month

#### Can a Trust hold shares in its name?

No. Only trustees can hold shares on behalf of trust. Section 153 of the Companies Act, 1956 provides that no notice of any trust, express, implied or constructive shall be entered on the register of members or of debenture holders. Section 20 and Section 40 of The Industrial Trust Act, 1882 provides for investment by the Trustee on behalf of the Trust. It will also be subject to any direction in the instrument of trust, if any. Regulation 6 of Table A to Schedule I also provides for the same.

*[Readers' can send in your questions and we will pick one for every edition of our newsletter. Getting answers to your queries cannot be easier!]*



### Learner's Corner

Studying Hard is important but 'Studying Smart' is Essential!!

The curriculum of the CS course is indeed very comprehensive. Several subjects have been bifurcated into two or three segments. Optimize on such bifurcations. For instance: Paper 3 of Executive program, Tax Laws has three parts – Direct Taxes, Service Tax and Value Added Tax carrying 60, 20 and 20 marks respectively. Part B and Part C put together cover only two topics. Thus, an extensive study of these two topics will enable you to pocket 40 marks very easily. Part A may be covered subsequently to secure maximum marks. So, get your smart preparations going !!

### Did You Know?

It's Election Fever everywhere! The first phase of polling of the 15<sup>th</sup> Lok Sabha elections commencing tomorrow (April 16) and here is some interesting facts about Elections:



- Mysore Paints and Varnish Limited, a Government of Karnataka undertaking, manufacture the Indelible Ink is used to control fake voting. Once applied it dries up in 60 seconds and remains for some days. Any chemical, detergent or oil cannot remove it.
- 7700 Metric Tonnes and 8800 Metric Tonnes of paper was used for printing ballot paper in General Elections, 1999 and 1996 respectively! However, General Election in the year 2004 was conducted totally using 10.75 lakhs Electronic Voting Machines in the country. Electronic Voting Machines are here, Long live the trees!!
- The Voter Turnout in the 1<sup>st</sup> Lok Sabha Elections held in the year 1952 was 61.22% whereas in the 14<sup>th</sup> Lok Sabha Elections held in the year 2004, the voter turnout was 57.65%. Is mass education and awareness about elections really producing any results?

Do Exercise your Franchise in the forthcoming elections, for only a responsible citizen can be a true professional indeed!