Issue – 5 | May 2008

SNK Newsletter

DIRECT TAXES

Judicial Pronouncements

Develop*ment* Consultants Pvt. Ltd. (Kolkata Bench)

During the Financial Years (FY) 2002-03 and 2003-04, the assessee had undertaken various international transactions with its Associated Enterprises (AE's), based in Bahamas and USA. In course of assessment, the case was referred by the Assessing Officer (AO) to the Transfer Pricing Officer (TPO) for determination of Arm's Length Price. As per the provisions of section 92E the Income-tax Act, 1961 ("the Act") the assessee was required to obtain accountant's report in Form 3CEB. It was also required to maintain necessary documents in relation to international transactions under section 92D and furnish the same before the TPO. However, for FY 2002-03 and FY 2003-04 there were certain delays and latches on part of the assessee to submit the necessary documents. The assessee, in good belief, had accepted its failure on procedural requirements but subsequently submitted all necessary documentation at the time of assessment and appeal. However, the TPO ignored the analysis made by the assessee and made a TP adjustment for both FY 2002-03 and FY 2003-04.

The AO completed regular assessment under section 143(3) of the Act, following the orders of the TPO. The assessee being aggrieved, filed appeal before the CIT (Appeals). However, CIT (Appeals) also upheld the order passed by the AO.

Hence, the assessee filed an appeal before the Tribunal.

Significant Conclusions of the Tribunal

The significant conclusions of the Tribunal are summarized below -

(a) At the onset of the ruling, the Tribunal took a pragmatic view and clarified that there was no lack of opportunity on part of the lower authorities to verify in depth and detail the documents, evidences and other explanations filed by the assessee. Hence, the parties were requested to restrict the arguments before the Tribunal on the merits of the case only, rather than technical grounds.

(b) Given the fact that the assessee had different international transactions with various AEs, the Tribunal confirmed that the arm's length price should be determined on a transaction-by-transaction basis and not on an aggregate basis as had been done by the TPO and sustained by the CIT(Appeals).

(c) In an important step towards the judicial development of the Indian transfer pricing legislation, the Tribunal affirmed that in order to select the most appropriate method for determining the arm's length price, it is first length level as determined through the foreign benchmarking exercise, after allowance of the 5% flexibility from arithmetic mean as per provisions of the Act. As a result, the ssessee was allowed significant relief on the TP adjustments for FY 2002- 03 and FY 2003-04.

(d) In respect of the international transactions with the assessee's AEs based in US, the Tribunal again referred to the 'tested party' concept and agreed that the assessee itself should be the 'tested party' and the profit margins earned by the assessee on such international transactions should be benchmarked against comparable uncontrolled transactions. The Tribunal took on record the

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comparable internal / external benchmarking performed by the assessee for these transactions and also agreed that neither the TPO nor the CIT(Appeals) have controverted the analysis performed by the assessee. The internal / external benchmarking exercise proved that the assessee had earned more than the arm's length profit level. As a result, the Tribunal

Spice Telecom v. ITO (ITA No. 932 of 2002)(Bang. ITAT)

Payment made by assessee for liaison with legal and financial advisors and negotiations with vendors and financial institutions for extension of vendor loans and syndication of long term project finance was not royalty within the meaning of Article 12 of Indo Mauritius DTAA and no tax was deductible at source from such payment.

CIT v. Mahaan Foods Ltd. (Del)

Whether deduction under section 80-IA is to be allowed in case of reconstruction of business already in existence?

Assessee having set up an industrial undertaking with latest technology and increased capacity with fresh investment of Rs. 104.88 lacs as against investment of Rs. 20.86 lacs in old plant and machinery which was less than 20 per cent of total investment, it could not be said that assessees new unit was a result of reconstruction of old business, hence assessee was entitled to deduction under s. 80-IA.

Malayala Manorama Co. Ltd. v. CIT (SC)

Book profit under Section 115J- Adjustment for depreciation- ITO has no jurisdiction to rework the book profit under s. 115J by substituting the rates of depreciation prescribed in Schedule XIV of the Companies Act, 1956, for the rates prescribed in the IT Rules which have been consistently applied by the assessee company.

K P Mohammed Salim v. CIT 2008-TIOL-84-SC-IT

The question before the Apex Court was the applicability of Sec 127 of the Income Tax Act to the block assessment case? Sec 127 is related to the transfer of a case from one jurisdiction to another by the Revenue for more effective and coordinated investigation.

The Apex Court has held that the provisions of Sec 158BH categorically states that all other provisions of the Act shall apply to assessment made under this Chapter, and Section 127, which falls under Chapter XIII would therefore mutatis mutandis apply to Chapter XIV-B particularly when the jurisdiction of the Income Tax Authorities relates to passing an order of assessment.

ACIT v. Apollo Hospitals Enterprises Ltd. (2008) 215 CTR 460 (Mad.)

The assessee is a hospital in which another hospital amalgamated which cannot be said to be industrial undertaking. The AO having allowed set off of unabsorbed depreciation u/s 72A without any discussion on the subject matter in assessment order, reassessment proceedings have been validly initiated.

Worley Parsons Services Pty. Ltd. v. Director of Income tax (International Taxation) A.A.R. No. 750 of 2007 (2008-TIOL-05-ARA-IT)

The applicant is an Australian company. It specializes in providing professional services such as engineering, procurements and project management. It entered into a contract with Gas Authority of India Limited (GAIL) in July, 2003. Under the said Contract, the applicant had to monitor the 'Dehej – Vijaipur Gas Pipeline Project' being undertaken by GAIL as project monitoring consultant. The applicant was given the responsibilities of overall supervision of the project.

The applicant submits that most of the services relating to the work assigned to it were performed in India and the employees of the applicant were present in India for 165 days during the year 2003-2004.

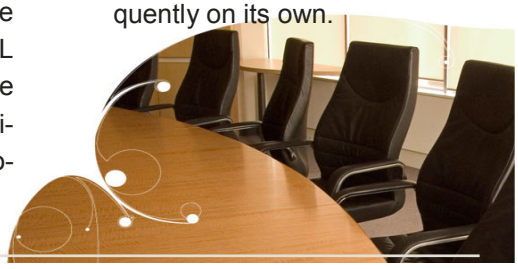
The Authority observes that,

a) the payments received by the applicant under the contract with GAIL does not constitute 'royalty' income. In the Indo-Australian Treaty (DTAA), royalties and fees for technical services are combined in one Article i.e. Article 12. The term 'royalty' as defined in Article 12.3 includes certain categories of services also.

b) The relevant clause is clause (g). It has no application in the present case inasmuch as no technical knowledge, experience, skill or know-how is 'made available' to GAIL on account of rendering the services. Mere rendering of services is not sufficient to attract clause (g), but those services should result in technical knowledge, etc. being made available to the other contracting party.

If you win you need not explain. But if you lose you should not be there to explain.

c) Monitoring and supervision of project work with a view to ensure its timely completion within the approved cost does not amount to making available to GAIL the technical knowledge, experience, etc. which can be made use of by GAIL subsequently on its own.



d) The Revenue argued that the receipts from the contract in question is in the nature of fee for technical services (which is deemed to be income under s.9(1)(vii)(b) of the Income-tax Act 1961). Even then, it cannot be subjected to tax under the Act in derogation of the treaty provisions.

e) As the income in question could be brought within the purview of Article 7 of DTAA which deals with business profits, that provision alone comes into play.

f) the fees or payment received by the applicant for carrying out the responsibilities under the contract does not fall within the scope of Article 12 as the services are not of such a nature as contemplated by Article 12(3)(g). There is no other Article in the DTAA which deals with the fees for technical services other than those coming within the purview of Article 12. If so, the payments received by the applicant in connection with the contract would be taxable as business profits and as the applicant admittedly carried-on on its business through a permanent establishment, so much of the profits of the enterprise attributable to the permanent establishment are liable to be taxed in India in terms of Article 7.

g) As already noted the applicant itself stated that very little work was done outside India and about 90 per cent or more of the activities were carried out in India by setting up a permanent establishment.

Thus, the Authority concluded that the receipts under the contract with GAIL are not in the nature of royalties as defined in Article 12 of the DTAA between India and Australia. However, the income from such receipts are liable to be taxed as business profits in India in view of Article 7 of DTAA and only the profits attributable to the permanent establishment in India are liable to be taxed as per the provisions of Income Tax Act, 1961.

M/s Millennium Infocom Technologies Ltd. v. ACIT (2008-TIOL-166-ITAT-DEL)

Rentals for hosting websites on servers are not in nature of interest or royalties or fee for technical services is chargeable to tax in India.

Loans to employees written off are not business expenditure.

CWT v. M/s Sona Properties Pvt Ltd. (2008-TIOL-239-HC-MUM-WT)

The question before the High Court was whether on the facts and in the circumstances of the case and in law, the Hon'ble ITAT was justified in holding that the Assessing Officer was not justified in re-opening the Assessment on the basis of the valuation report obtained by him subsequent to the date of completion of assessment?

From the provisions of the Act and the earlier judgments, the High Court summarized the position as:-

(a) It is not open to call for the report of the Valuation Officer after the assessment proceedings are completed and use that report to commence proceedings for reassessment.

(b) The law in such cases would be that the jurisdiction conferred on the Valuation Tax Officer is limited to calling for the report when the proceeding are pending and not when the Wealth Tax Officer becomes functious officio.

(c) It is therefore, a discretion to be exercised in the course of exercise of quasi judicial powers of W.T.O. Such exercise cannot be resorted to after the assessment is completed as it would be without jurisdiction.

(d) A report called by an authority having no jurisdiction would be a nullity at law and consequently proceedings based solely on such report considering the requirement of section 17 would be illegal and will have to be quashed. The report of the D.V.O. in such circumstances can not constitute reason to believe to reopen a concluded assessment.

Saurabh Srivastava v. DCIT (2008) 111 ITD 287 (Del.)(SB)

Assessment year 1998-99

Where compensation is received partly for transfer of capital assets, incidental to carrying on business and partly for undertaking restrictive covenant of not competing with business of assessees, compensation relatable to such activity would be a capital receipt.

- Since entering into a non-compete agreement for restrictive covenant could not be considered and treated as part of rendering services to employer company 'H', non-compete fee was not taxable under head 'Salary' under section 17(3)(i)/17(2)(v).

Judicial pronouncements

- Since assessee continued to be Managing Director of company 'H' even after takeover, payment of non-compete fees was not in any way directly or indirectly linked to termination of management and, therefore, non-compete fees was not covered under section 28(ii).

- Since non-compete fees did not arise to assessee from carrying on of business or profession, it would also not be taxable under section 28(iv).

- Since Legislature, in their wisdom, has specifically made taxable receipt of a non-compete fees under an agreement under clause (va) of section 28 inserted by Finance Act, 2002 with effect from 1-4-2004, non-compete fees in question could not be brought to tax under amended section also.

- Since assessee had not transferred any capital asset, non-compete fees was also not liable to be taxed under head 'Capital gains' under section 45.

- Since non-compete fees received by assessee was for undertaking restrictive covenants of not undertaking or engaging himself in business of assessee or joining employment with any other concern, same was also not liable to be taxed under head 'Income from other sources'.

- In view of ``aforesaid, it could be concluded that non-compete fees for undertaking restrictive covenants was in nature of capital receipt and, hence, not liable to be taxed under any head of income mentioned under section 14.

JCIT v. I.T.C. Ltd. (2008) 115 TTJ 45 (Kol. SB)

Employee's contribution to provident and pension fund is deductible only if payment is made before the due date as prescribed in the respective act, rule, order or notification governing such funds or within grace period allowed there under.

Employer's contribution to PF, if paid on or before the due date for filing return cannot be disallowed u/s 43B.

Amway India Enterprises v. DCIT (2008) 111 ITD 112 (DEL. SB)

Since computer software contained in a disk is tangible property by itself, use by the assessee of such software in his business is enough to allow the claim of depreciation u/s 32(1)(i) at the rate of 25%.

However w.e.f. 01-04-2003, computer software has been classified as a tangible asset under heading 'plant' in Appendix-I of Income Tax Rules, 1962, the assessee would be entitled to depreciation at the rate of 60% from the said date. The amendment is prospective and not clarificatory.

Aquarius Travels (P.) Ltd. v. ITO (SB) 111 ITD 53 (Del. SB)

Assessment year 1998-99 - Contention of assessee that in view of proviso attached to section 14A, by Finance Act, 2002 with retrospective date 11-5-2001, intendment as introduced in section 14A will debar all authorities in disturbing assessments of assessment year 2001-02 and earlier years through any course in any manner, cannot be accepted inasmuch as (i) proviso only restrains Assessing Officer from invoking provisions of sections 147 and 154 in relation to completed assess-ments for assessment year 2001-02 and earlier years; and (ii) proviso does not talk of restricting power of Commissioner (Appeals) or Tribunal.

When matter relating to assessment year 2001-02 or earlier years is pending before Commissioner (Appeals) and amended provisions of section 14A in applicable, then amended provision cannot be ignored if subject-matter pending for consideration before Commissioner (Appeals) involves issue requiring adjudication by applying section 14A; in such situation Commissioner (Appeals) can invoke provisions of section 14A in appeals pending before him.

Where assessment proceedings pertaining to assessment year 2001 -02 and earlier years have not been concluded or finalized and matter is pending before Tribunal involving issue relating to deduction of expenses which also includes expenses incurred in relation to exempted income, Tribunal can invoke provisions of section 14A in appeals pending before it.

The Tribunal can consider issue relating to applicability of section 14A in relation to assessment year 2001-02 and earlier years either when a ground is taken before it by any of parties or even *suo motu* if issue arising before it requires adjudication by making reference to section 14A and proviso attached thereto irrespective of fact that section 14A was not invoked by any of lower authorities.

Circulars/Notifications/Press Release

Clarification on deduction of tax at source (TDS) on service tax component on rental income under section 194-I of the ITA

1. Representations/letters have been received in the Board seeking clarification as to whether TDS provisions under section 194-I of the Income-tax Act will be applicable on the gross rental amount payable (inclusive of service tax) or net rental amount payable (exclusive of service tax).

2. The matter has been examined by the Board. As per the provisions of 194-I, tax is deductible at source on income by way rent paid to any resident. Further rent has been defined in 194-I as "rent" means any payment, by whatever name called, under any lease, sub-lease, tenancy or any other agreement or arrangement for the use of (either separately or together) any,-

   (a) land; or

   (b) building (including factory building); or

   (c) land appurtenant to a building (including factory building); or

   (d) machinery; or

   (e) plant; or

   (f) equipment; or

   (g) furniture; or

   (h) fittings,

   whether or not any or all of the above are owned by the payee;

3. Service tax paid by the tenant doesn't partake the nature of "income" of the landlord. The landlord only acts as a collecting agency for Government for collection of service tax. Therefore it has been decided that tax deduction at source (TDS) under sections 194-I of Income-tax Act would be required to be made on the amount of rent paid/payable without including the service tax.

4. These instructions may be brought to the notice of all officers working in your region for strict compliance.

5. These instructions should also be brought to the notice of the officers responsible for conducting internal audit and adherence to these should be checked by the auditing parties.

[F.No.275/73/2007-IT(B)] Circular No. 4/2008, Dated 28-4-2008

Press Release No. 402/92/2006-MC (18 of 2008) 3 April 2008

The Government of the Republic of India signed a Double Taxation Avoidance Agreement (DTAA) with the Government of the Union of Myanmar for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income on 2nd April, 2008.

The DTAA will cover in the case of India, income-tax and surcharge and in the case of Myanmar, the income tax and profit tax. The DTAA provides that business profits will be taxable in the source state if the activities of an enterprise constitute a permanent establishment in the source state. Examples of permanent establishment include a branch, factory, place of management, sales outlet etc. Profits of a construction, assembly or installation projects will be taxed in the state of source if the project continues in that state for 270 days or more. Profits derived by an enterprise from the operation of ships or aircraft in international traffic shall be taxable in the country of residence of the enterprise. Dividends, interest and royalty income will be taxed both in the country of residence and in the country of source. However, the maximum rate of tax to be charged in the country of source will not exceed 5% in the case of dividends and 10% in the case of interest and royalties. Capital gains from the sale of shares will be taxable in the country of source. The Agreement also incorporates provisions for exchange of information between tax authorities of the two countries and incorporates anti-abuse provisions to ensure that the benefits of the Agreement are availed of by the genuine residents of the two countries.

The Agreement will provide tax stability to the residents of India and Myanmar and facilitate mutual economic cooperation as well as stimulate the flow of investment, technology and services between India and Myanmar.

Analysis of further proposed amendments in Finance Bill, 2008

Sections 10A and 10B

Exemption available under sections 10A and 10B has been extended by one more year. Consequently, these exemptions will now be available up to the assessment year 2010-11.

Section 40(a)(ia)

TDS default

The scheme of disallowance under section 40(a)(ia) has been modified with retrospective effect from the assessment year 2005-06 on the following lines—

a) If tax is deductible but not deducted, no deduction in the current previous year if tax is deducted in any subsequent year, the expenditure will be deducted in the year in which TDS will be deposited by the assessee with the Government.

b) Tax is deductible (and is so deducted) during the last month (i.e., in the month of March) of the previous year but it is not deposited on or before the due date of submission of return of income under section 139(1)

c) No deduction in the current previous year if tax is deposited with the Government after the due date of submission of return of income, the expenditure will be deductible in that year in which tax will be deposited.

d) Tax is deductible (and is so deducted) during any month but other than the last month (i.e., any time before March 1) of the previous year but it is not deposited on or before March 31 of the previous year

e) No deduction in the current previous year if tax is deposited with the Government after the end of the current previous year, the expenditure will be deductible in that year in which tax is deposited.

Section 44AB

Compulsory Tax Audit

From the assessment year 2008-09, audit report under section 44AB should be obtained on or before September 30 of the assessment year.

Section 80-IB

Deductions to industrial undertakings other than infrastructure under-takings

If an undertaking begins refining of mineral oil on or after April 1, 2009, deduction will be allowed to such undertaking only if the following conditions are satisfied—

a) It is wholly owned by a public sector company or any other company in which a public sector company or companies hold at least 49 per cent of the voting rights.

b) It is notified by the Central Government before June 1, 2008.

c) It begins refining during April 1, 2009 and March 31, 2012.

Section 115JB

Minimum alternate tax

With effect from the assessment year 2001-02, the amount of deferred tax and provision therefore, if debited to profit and loss account, shall be added back to the net profit to convert it into book profit. Conversely, the amount of deferred tax, which is credited to the profit and loss account, shall be deducted from the net profit to find out book profit.

Section 194C

Deduction of tax at source - Payment to contractors/sub-contractors

With effect from June 1, 2008, an association of persons/body of individuals, whether incorporated or not, shall be liable to deduct tax at source under section 194C(1) if the books of account of the association of persons/ body of individuals are required to be audited under section 44AB(a)/(b) during the immediately preceding financial year.

INDIRECT TAXES

Judicial Pronouncements

CCE v. Reliance Industries Ltd. (2008) 224 ELT260 (CESTAT Ahd.)

In cases where inputs i.e. in this case petroleum have lost in transit due to its volatile nature i.e. naturally, there is no warrant for seeking reversal of credit of duty on inputs.

Excel Fin. Cap. Ltd. v. CCE (2008) 13 STT 48 (Bang. CESTAT)

No service tax could be demanded on handling and terminal charges collected by a stock broker.

Praveen Autofin (P.) Ltd. v. CCE (Appeal No. ST/22 of 2007) (CESTAT, Bang.)

Section 65 of Finance Act, 1994 - Banking and other financial services - Period 16-7-2001 to 31-2-2003 - Assessee was engaged in lending finance to various persons for purchase of automobile and collect interest from them - Revenue considering, agreement entered by assessee as for 'Hire Purchase Service' demanded service tax under category of banking and other financial services - Whether since assessee had not rendered services of hire purchase and had only lent money to borrowers, it could not be brought under category of taxable service under category of banking and other financial services' - Held, yes

Analysis of further proposed amendments in Finance Bill, 2008

Customs

Anti Dumping Duty – EOUs: Articles imported by EOUs are not subject to Anti Dumping Duty, as per section 9A of the Customs Tariff Act. Now they will be subject to duty if the goods are cleared to the DTA.

Items mostly ferrous and Basmati Rice added to Export Tariff.

Central Excise

Tariff rate of Cement enhanced to Rs.900/- per tonne.

OTHER LAWS

Judicial Pronouncements

Companies Act, 1956

V.S. Krishnan v. Westfort Hi-Tech Hospitals Ltd. (2008) 83 SCL 44 (SC)

Right shares cannot be offered to outsiders without a special resolution by 2/3rd mahority of shareholders.

Labour Legislation

Manipal Academy of Higher Secondary Education v. Provident Fund Commissioner 2008 LLR 1254 (Mad.)

PF contribution is not payable on leave encashment paid. Employee's Provident Fund Organization vide Circular No. Co-ord/3(4)2004/ clarification/7731, dated May 06, 2004 had stated PF contribution is payable on leave encashment. It was advised to enforce recovery from May 1, 2005. Now this circular is not valid.

Circulars/Notifications

SEBI

Press Release No. 101/2008, Dated 25-4-2008

SEBI, vide Notification dated April 16, 2008 has amended SEBI (Mutual Funds) Regulations, 1996 to permit mutual funds to launch Real estate Mutual Funds (REMFs).

The salient features of REMFs are as under:

a) Existing Mutual Funds are eligible to launch real estate mutual funds if they have adequate number of experienced key personnel / directors.

b) Sponsors seeking to set up new Mutual Funds, for launching only real estate mutual fund schemes, shall be carrying on business in real estate for a period not less than five years. They shall also fulfill all other eligibility criteria applicable for sponsoring a MF.

c) Every real estate mutual fund scheme shall be close-ended and its units shall be listed on a recognized stock exchange.

d) Net asset value (NAV) of the scheme shall be declared daily.

e) At least 35% of the net assets of the scheme shall be invested directly in real estate assets. Balance may be invested in mortgage backed securities, securities of companies engaged in dealing in real estate assets or in undertaking real estate development projects and other securities. Taken together, investments in real estate assets, real estate related securities (including mortgage backed securities) shall not be less than 75% of the net assets of the scheme.

f) Each asset shall be valued by two valuers, who are accredited by a credit rating agency, every 90 days from date of purchase. Lower of the two values shall be taken for the computation of NAV

g) Caps will be imposed on investments in a single city, single project, securities issued by sponsor/ associate companies etc.

h) Unless otherwise stated, the investment restrictions specified in the Seventh Schedule shall apply.

i) No mutual fund shall transfer real estate assets amongst its schemes.

j) No mutual fund shall invest in any real estate asset which was owned by the sponsor or the asset management company or any of its associates during the period of last five years or in which the sponsor or the asset management company or any of its associates hold tenancy or lease rights.

k) A real estate mutual fund scheme shall not undertake lending or housing finance activities.

l) The amended regulations have also specified accounting and valuation norms pertaining to Real Estate Mutual Fund schemes

We are all manufacturers. Making good, making trouble, or making excuses.

FOREIGN EXCHANGE MANAGEMENT ACT

A.P. (DIR Series) Circular No. 37, Dated 16-4-2008

It has been decided, as a sector specific measure, to enhance the limit for direct receipt of import bills / documents from USD 100,000 to USD 300,000 in the case of import of rough precious and semi-precious stones by non-status holder exporters. Accordingly, AD Category - I banks may allow remittance for imports up to USD 300,000 where the importer of rough precious and semi-precious stones has received the import bills / documents directly from the overseas supplier and the documentary evidence for import is submitted by the importer at the time of remittance. AD Category - I banks may undertake such transactions subject to the fulfillment of certain basic conditions.

OTHER LAWS

HIGHLIGHTS OF RBI'S CREDIT POLICY

- RBI hikes CRR by 0.25 per cent to 8.25 per cent with effect from May 24
- Keeps repo, reverse repo, bank rate unchanged
- Repo rate at 7.75 per cent reverse repo and bank rate at 6 per cent
- GDP growth for 2008-09 to be in range of 8-8.5 per cent
- Inflation to be brought down to 5.5 per cent in 2008-09
- Resolve to bring it between 4-4.5 per cent
- Medium term objective for inflation around 3 per cent
- Deposits to increase by around 17 per cent
- Bank loan limit for individuals for housing up to Rs 30 lakh
- Adjusted non-food credit projected to rise 20 pc in FY'09
- Domestic oil refiners to be allowed to hedge price risks
- Currency futures to be launched in bourses; framework by May
- Loans to RRBs for farm classified as indirect agri finance
- Dissemination of details of charges levied by banks
- Supervisory review of banks' exposure to commodity sector
- E-payment of transactions of Rs 1 crore and above.

Due Dates of key compliances pertaining to the month of May - 08:

5th May	*Payment of Service Tax & Excise duty for April*
6th May	*Payment of Excise duty paid electronically through internet banking*
7th May	*TDS/TCS Payment for April*
10th May	*Excise Return ER1 / ER2 /ER6*
15th May	*PF Contribution for April, Excise payment by SSI*
21st May	*ESIC Payment for April*
31st May	**TDS/TCS Payment for amount credited on 31st March**

The information contained in this newsletter is of a general nature and it is not intended to address specific facts, merits and circumstances of any individual or entity. We have tried to provide accurate and timely information in a condensed form however, no one should act upon the information presented herein, before seeking detailed professional advice and thorough examination of specific facts and merits of the case while formulating business decisions. This newsletter is prepared exclusively for the information of clients, staff, professional colleagues and friends of SNK.