guwahati@icai

E-Newsletter of the Guwahati Branch of EIRC of ICAI

Volume VII, Issue 4, June 2013

Contents

Write to Editor

'Information is Power' and our ever-evolving profession needs more and more of that today than ever before. Do you have any relevant points to make, experiences to share, and views to spread among the CA fraternity? If yes, e-mail us at newsguwahati.icai@gmail.com.

Chairperson's Message ...

Professional Friends, Colleagues & my dear Students,

"Happiness does not come from doing easy work but from the afterglow of satisfaction that comes after the achievement of a difficult task that demanded your best" The month of June was indeed very hectic, both from the members and the students' activities front. The mega event of this month was the hoisting of the National Convention for CA Students "Transcript of Transformation" on 22nd & 23rd June at the Royal Group of Institutions, Guwahati under the aegis of Board of Studies, ICAI for the second consecutive year in a row. The significance of students can never be overemphasized, mainly considering the fact that they are the custodians of the future. As such to guide them and channelize their immense energy to the right direction is akin to being indemnified against the vagaries of the hazy future.

We were fortunate to have our honorable Chief Minister Sri Tarun Gogoi inaugurate the function in the presence of President ICAI CA Subodh Kumar Agrawal, Chairman Board of Studies CA Vijay Kumar Garg, Chairman EIRC CA Ranjeet Kumar Agarwala, Chairman EICASA CA Subhash Chandra Saraf, etc. On the occasion Sri Tarun Gogoi threw light on some of the important issues of the state like increase of revenue resources and curtailing of state expenses and how CA professionals could help the state in these issues and also encouraged women entrepreneurship. Under his leadership he showed his support for enhancing the role of Chartered Accountants in the state's welfare and other activities. The encouraging words of the Chief Minister will go a long way in boosting the morale of the professionals specially the younger generation for churning out new opportunities in these times when the scope of work is dwindling day by day.

This event was a grand success where more than 600 students from all across the country participated. To commemorate the grand occasion, a souvenir was released under the guidance of CA. Pankaj Jain, Chairman of the Souvenir Committee. A cultural evening "Wake Your Dreams" was also organized by the students of the Branch under the apt leadership of CA. Mahabir Agarwala, Treasurer of the Branch. Ms. Neha Navlakha of Guwahati won the Best Paper Presenter award in the event.

"Know who you are, and be it. Know what you want, and go out and get it!" For all around development of its members & students we organised a workshop on "Personality Development" on 1st June, were Sisters from Brahmakumari Society guided the members for a Positive, Powerful & Attractive Personality by "Rajyoga Meditation" and also spoke on "Self Improvement".

"Enhancing the Quality of Audits" - a seminar on auditing standards was held 8th June where CA. Khurshed Pastakia from Mumbai, Debashis Mitra, CA. Abhijit Bandyopadhyaya & CA. Ravi Kumar Patwa addressed on various topics relating to auditing. This program was a grand success where we had a near full house attendance.

On 19th July Friday, we will be organizing an Investor Awareness program & on 27th July Saturday we will be having a IT Workshop.

"Don't judge each day by the harvest you reap but by the seeds that you plant."

We have lined up a lot of activities for celebrating CA Day on 1st July in a grand way. Starting with flag hoisting at 9.30 am at the ICAI Bhawan, we will be having a special interaction with the members where a few senior members of our profession will be felicitated and we will also be having social activist Sri Kanak Sen Deka as the Chief Guest. A blood donation camp is also being organised, after which we will be donating for the Uttarkhand disaster & thereafter will be visiting the Missionaries of Charity Centre in the city. A members' family get together is also being organised at Hotel Rajmahal from 6.30 onwards. I request all the members to come forward and participate in the program in a befitting manner.

However much we try, the success of every program depends on your participation. Guwahati Branch now falls under the category of a large branch with over 1000 members. Accordingly more and more programs have to be organised. I therefore implore upon all of you to please participate in huge numbers and make each program a memorable one.

– CA. Kaberi Bhuyan

"In order to succeed, your desire for success should be greater than your fear of failure." - Bill Cosby

Ambubachi Mela

The weather hardly matters when it comes to festivals, and Guwahati, which beams with pride, living with Maa Kamakhya on its side, gets ready each year, to welcome lakhs of pilgrims to the Ambubachi Mela. The festival is held annually during monsoon in the Kamakhya Devi Temple at Guwahati, Assam. This year it began on June 22nd and ended on June 26th. It is widely believed that Goddess Kamakhya goes through her menstrual cycle during these days and therefore the temple remains closed for three days. The doors are reopened on the fourth day and the deity is believed to attain fertility and bless the land with good crops.

Large number of devotees, sanyasis and pandas make a mad rush to the famous and ancient shakti shrine, Kamakhya temple, atop Nilachal hill overlooking magnificent Brahmaputra river in Guwahati when the temple reopens to receive the unique 'prasad' which is small bits of cloth, which is supposedly moist with the menstrual fluid of Goddess Kamakhya. It is considered highly auspicious and powerful. Ambubachi Mela is closely related to the Tantric cult and is also known as Ameti or Tantric fertility festival.

People have their own ways to earn blessings – some through social work, some through meditation, a few feel blessed through intoxicants while others dream of being blessed with power. Do people really get powers to cure or even destroy? – This however remains a matter of controversy.

readers write

Dear Editor,

The Newsletter is getting better by the month. My kudos to the team. Sections like 'Take a Break' are great additions. This month, write up on "Few Must have Apps for Smartphones" was very innovative and this kind of additional interesting information surely add lot of value to the Newsletter. Congratulations to the team once again and all the best for all its endeavors.

CA. Ravi Kr. Patwa, Silchar
Past Chairman
Guwahati Branch

Editor's Desk...

Dear Colleagues and Student friends,

hello!

On behalf of the whole editorial team, we extend a warm welcome to the readers of "Guwahati@ICAI". We are indebted to all our well-wishers for their encouragements and suggestions which have made our newsletter stand out amongst all others.

We congratulate every member and student of Guwahati Branch for the hugely successful national convention for CA students "Transcript of Transformation", where aspiring Chartered Accountants from all over the country had occasion to brainstorm on various topics under the apt guidance of iconic experts.

In the meantimepeople of our state were busy celebrating the Ambubachi Mela, a confluence of great religious importance. Over two lakh devoteesarrived in the cityfrom all over the world. Thisfour-day annual festival of the historic shakti shrine, Kamakhya ended on 26th June.However the divine blessings of Maa Kamakhya were not enough to avoid the great havoc that wrecked Uttarakhand. The region has been left in tatters in the face of Mother Nature's unbridled fury.Our army is still battling the odds to ensure that we donot lose further innocent lives because of decisions and actionson which we perhaps should have given much more thought.

"Why?" is the question that needs to be asked. Deforestation, human greed, exploitation, mindless projects in the garb of development, lack of accountability for inaction all done with administrative and political connivance – any or all of these could be the reason. This devastation would not have been so furious but for the years where we greedily ravaged nature beyond its level of tolerance and without any checks and bounds. When nature responded with its pent-up fury, our response was sluggish and confused. Sixty-six years after independence, despite our so called 'development', we were unable to get the basic essentials right.Perhaps there was a tragic inevitability to the current crisis, and Uttarakhand epitomizes a national pattern.In Assam too, floods occur along the Brahmaputra every year and we go through the same motions, year after year. We do not have any credible water management system that would mitigate this annual crisis. And after every such tragic incident, we are always left with the big question – "Why?"

Sometimes it takes a natural disaster to reveal our social character. We can only hope that like in the past, the entire country once again joins hands with the government in the recovery efforts, and pray that our citizens remain safe from the fallouts of such furies of nature.

Wish all the readers a very happy "CA Day."

Happy Reading!

– CA. K P Sarda

Members' Section

VAT collected by Forest Department: Whether Legally Tenable?

Omprakash Agarwalla, FCA

Issue in Dispute

In 2009, a dealer filed an application under section 105 before the Commissioner of Taxes, Assam seeking clarification on the disputed question whether the charging of sales tax on royalty by the Department of Environment & Forests was legally tenable. The application was found to be in order and was admitted and responded to vide clarification no. CTS- 14/2008/404 dated 2.02.2009.

The brief background of the case is that the petitioner is a works contractor extracting stones/pebbles/gravels/sand as per order of Forest Department upon payment of royalty and VAT and using the same in the execution of works contract.

The contention of the petitioner was that they are extracting sand, pebbles, gravel, sand stones etc. allotted by Forest Department upon payment of royalty as prescribed in Second Schedule as per lease granted under Assam Minor Mineral Concessions Rule,1994. The petitioner states that royalty paid against lease is not sale price of stone, sand etc. In support of his contention the petitioner has referred to orders of Hon'ble Supreme Court in *State of H.P. and Others v. Gujarat Ambuja Cement Ltd. and another (2005)142 STC 000IX, Gujarat Ambuja Cement Ltd and other-Vs-Assistant Excise and Taxation Commissioner [2000] 118 STC 03 15 (HP High Court), Tamilnadu Magnesite Ltd. -Vs- State of Tamilnadu and another (2007) 009 VST (Madras High Court), Associated Cement Co. Ltd. - Vs- Government of A.P. (1985) 058 STC 0223 (AP High Court),* etc. The common decision in all these judgments is that no sales tax is leviable on amounts which are either Royalty or Dead-rent payable under statutory lease deeds.

Clarification Issued

The Commissioner issued the following clarification:

"On perusal of Government letter No. FRM/l17/2005/15 dated 29.10.2005 addressed to CCF(T), Assam, it is seen that Government has allowed extraction of specified quantity of stones on permit on payment of simple Government Royalty and VAT during the period of project. There is no order of granting lease to the petitioner. Therefore, as per the clarification given by CCF(T), Assam and the permission letter from Government, it is clear that no mining lease has been granted to the petitioner. Therefore, the cases referred to by the petitioner do not apply in this case.

It would appear from actual course of conduct of the parties namely Forest Department of Assam and M/s. Gayatri ECI (JV) that the consideration i.e. royalty realized by the former is essentially sale price against the specified quantity of stone/boulder lifted by the letter.

Therefore, the Forest Department being the seller is liable to pay VAT on consideration i.e. royalty charged by them. The Forest Department is rightly charging VAT from the petitioner and depositing in the Government Account".

Issues arising out of the clarification

In the above clarification, I believe that at least two vital issues have been left untouched.

a. Power to collect tax

Even if it is assumed that the Forest Department is a dealer and is actually selling the Sand, Gravel etc., the power to collect taxes (VAT) as per the Assam Value Added Tax Act, 2003 has only been provided to the dealers *registered* under the Act. Sub-section (1) of section 31 clearly stipulates that no person other than (a) registered dealer, or (b) a person required to deduct any amount by way of tax under the provisions of this Act can collect any amount by way of tax under this Act.

> I am really apprehensive that the clarification issued under section 105 holding that the Forest Department is rightly charging VAT from the petitioner and depositing in the Government Account runs contrary to the provisions of the Assam Value Added Tax Act, 2003

As an unregistered dealer, although the forest department is liable to pay VAT on its taxable turnover, it is not authorised to collect such tax from its customers. As per provisions of section 31, the amount of tax so collected against the provisions of section 31(1) is liable to be forfeited and the said forfeited amount is liable to be refunded to the effected persons.

b. Power to Deduct tax at Source

Requirement of deduction of tax has been stipulated under section 47 of the Act and I did not find any provision therein regarding collection of tax at source on *sale*. It therefore cannot be assumed that the Forest Department is empowered to collect taxes under section 47 of the Act and such collection cannot be treated as deduction of taxes at source.

In view of the above, I am really apprehensive that the clarification issued under section 105 holding that the Forest Department is rightly charging VAT from the petitioner and depositing in the Government Account runs contrary to the provisions of the Assam Value Added Tax Act, 2003, more particularly to section 31 of the said Act.

As it appears to me, the forest department in these cases is collecting tax at source without any express provision in the Act. The concern of the department for proper collection of tax on forest products can be appreciated, but it is to be remembered that the said collection should be constitutional and lawful. It is true that there is no constitutional bar on collection of tax at source, but for being lawful, the said collection must be authorised by the embedded provisions of law.

Even if for the sake of argument it is assumed that collection of tax in the instant case is legitimate, a further question arises - what is the mechanism and provision in the Act to provide the credit of such tax to the vendors? I have come across cases wherein the Appellate Authority has been kind enough to allow input tax credit to the tax payer dealer against such collection of VAT by the forest department. Perhaps the said credit has been allowed on the strength of the *proviso* to sub-section (4) of section14 of the Act. But then the situation is far from ideal and can hardly be described as desirable.

I invite opinions of learned readers on the aforesaid issues.

The author is a practising Chartered Accountant and can be reached at opg_fca@sify.com

Obituary

Guwahati Branch of EIRC of ICAI deeply mourns the sad demise of CA. Jay Kumar Jain (Membership No. 050526) who left for his heavenly abode on Sunday, June 23, 2013 leaving behind his wife, one son and a daughter.

Branch Activities

CPE Programmes:

Personality Development

A 2 Hour CPE programme was held on Saturday, the 1st day of June 2013 in our branch auditorium on "Personality Development".

BK Puspa from Delhi spoke on "self improvement", while BK Maushumi from Guwahati spoke on "Rajyoga Meditation". This programme provided the ever busy professionals with the opportunity to get acquainted with their own inner self and learn some basic tricks about how to draw a perfect balance between their family and profession.

Enhancing the quality of Audits

A 6 Hour CPE programme was held on Standards of Auditing "Enhancing the Quality of Audits" under the aegis of Auditing and Assurance Standards Board, at our Branch Premises on Saturday, 8th June 2013.

The first technical session was chaired by CA. (Dr.) Debashis Mitra, Past EIRC and Guwahati Branch Chairman, who also spoke on the subject "Provisions of Companies Bill relating to Audit & Auditors". The other speaker was CA. Khurshed Pastakia of Mumbai who deliberated on "Risk Assessments and Fraud Risk Considerations for Auditors".

The Second technical session was chaired by Council Member & Chairman, AASB, ICAI, CA. Abhijit Bandyopadhyay who also gave a presentation on "New Audit Reporting Standards- SA 700, SA 705, SA 706 & SA 720. The other speaker of this technical session was our past Chairman CA. Ravi Kumar Patwa of Silchar who deliberated on "Audit Documentation- SA 230 & Subsequent Events- SA 560"

Investor Awareness Programme

Branch Chairperson CA Kaberi Bhuyan attended the Investors Awareness Programme organized by Marwari Yuva Manch on 26th May 2013 as Chief Guest. She appraised the initiative taken by the ministry of Corporate Affairs of spreading the knowledge of Capital and Financial Markets and bringing in the right kind of education to prospective investors through conducting Investors Awareness Programme across different parts of the country.

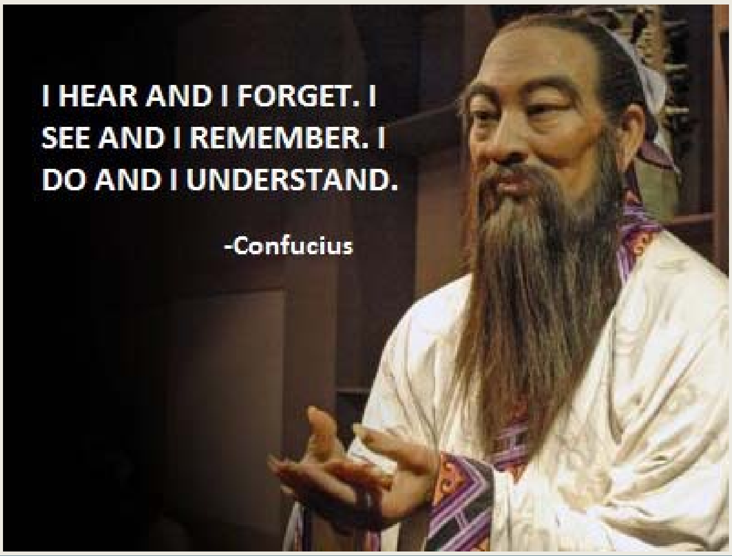
In addition to this, arrangements were also made for viewing of teleconferencing programme on the following dates:

Date/Day	Topic	Faculty
29/05/2013 (Wednesday)	CA Detection of Frauds & Forensic Audit	CA. S Y Joshi CA. Puneet Grewal
07/06/2013 (Friday)	E-Filing of Tax Audit Report etc. & Changes in New TDS Statements, TDS Certificates, ITRs	CA. Rajeev Khendelwal
19/06/2013 (Wednesday)	Independent Auditor's Report & Auditors Rotation and Restricted Advisory Services: Proposal under Companies Bill 2012	CA. Gopalji Agarwal CA. Aseem Chawla
26/06/2013 (Wednesday)	Important Amendments in exemptions & other issues	CA. P. Rajendra Kumar

Forthcoming CPE Programmes :

At Guwahati :

Date/Day	Subject	Speakers
19/07/2013 (Friday) *CPE Hours 3	Investor Awareness Programme	CA. Ashok Kanawala Mr. P Tripathy
27/07/2013 (Saturday) *CPE Hours 3	IT Workshop	CA. Ankit Jalan CA. Chandan Patni

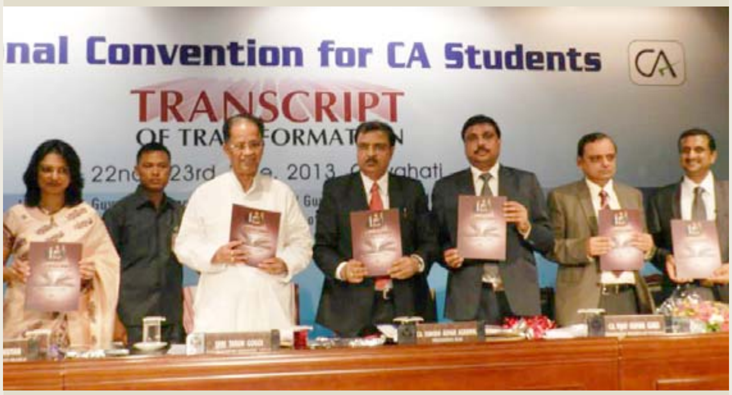


Students' National Convention

A two day National Convention for CA Students – "Transcript of Transformation" was hosted by the Guwahati Branch of EIRC of ICAI in association with the Guwahati Branch of EICASA under the Aegis of Board of Studies, ICAI on the 22nd & 23rd of June, 2013 at the Royal Group of Institutions, Guwahati. The Event was a huge success and was attended by around 600 students from across the nation. Members of the institute were also present in large numbers during the programme to ensure the smooth functioning and to boost the morale of the students.

The Honorable Chief Minister of Assam, Shri Tarun Gogoi graced his presence at the event making it a memorable one; he was the Chief Guest of the Event, while CA. Subodh Kumar Agrawal, President ICAI was the Guest of Honor. Other dignitaries attending the convention included amongst others CA. Vijay Kumar Garg, Chairman BOS, CA. Sumanta Guha, Council Member, CA. Ranjeet kumar Agarwala, Chirman EIRC and CA. Subhash Chandra Saraf, Vice-Chairman EIRC.

The Lightning of the lamp by the Chief Minister along with CA. Subodh Kumar Agrawal marked the start of the auspicious event. The various dignitaries sharing the dais expressed their best wishes for the success of the event in their inaugural speech. A Souvenir on the event was also released under the supervision of CA. Pankaj Jain, Chairman of the Souvenir Committee. Speaking to the young breed of the profession, the president pointed out the vast opportunities and scope of the profession. Even in this period of recession the demand of the profession has not gone down. He also offered to provide the able assistance of the institute to the state administration, for skillful management of



the state finance. And as regards the students, he announced that the Board of Studies is planning to provide free coaching at all parts of the country in the near future.

In his speech the Chief Minister of Assam, Shri Tarun Gogoi appraised the role of the CA professionals in the management of the Public Finance. He also congratulated the organizers for the efficient management and wished the event to be a grand success.

After the Inaugural Session there was a Special Interaction Session for the students to interact with the CA. Subodh Kumar Agrawal and CA. Vijay Kumar Garg. The students present took full advantage of the opportunity and acquainted the top authorities of the institute with their problems. The complaints, suggestions and queries of the students were listened to by them and proper answers were provided to each of the student to their satisfaction.

A delicious lunch waited the students and members present as they came out of the auditorium after the mesmerizing Interaction Session.

After lunch two technical sessions were held. The first session on "Corporate and Business Laws" was chaired by Expert Speaker CS. Mamta Binani from Kolkata. Mr. Abhilash Gandhi from Rajkot and Ms. Gita Lalwani from Madhya Pradesh gave their presentations on the topic "Revised Schedule VI: Raising Presentation Level by Indian Corporates", While Mr. Akhilesh Pachipulusu from Chennai presented his paper on the topic "Companies Bill 2012: Enhancing Corporate Governance". CS. Mamta Binani also spoke on the topics and at the same time pointed out the strong and weak points of the student speakers so that they can work on them.

CS. Mamta Binani, Kolkata

CA. Madhukar N Hiregange, Bengaluru

The second session on “Indirect Taxes” was chaired by CA. Madhukar N Hiregange from Bengaluru. The student speakers for this session were Mr. Khushal R. Suchak from Nagpur, Mr. Naresh Chandrasekar from Chennai and Mr. Rakesh Kumar Agrawal from Kolkata. The first two speakers spoke on the topic “Negative List under Service Tax”, While Mr. Rakesh spoke on “CENVAT Credit”. The learned speaker CA. Madhukar N Hiregange graced the students with his expert speech on both the topics along with providing some basic tips on public speaking.

The end of the second technical session paved the path for the start of the most awaited cultural programme “wake your dreams”under the supervision of CA. Mahabir Agarwala, Branch Treasurer and Chairman of the Cultural Committe. The Programme consisted of Solo Songs, Dance, Skits and others. The out of box performance by the participants made the audience go spellbound. The Cultural Programme came to an end with a very heart touching skit on women safety in India.

A delightful dinner marked the end of the first day of the convention.

The Second Day of the event started with the 3rd technical session on “Information Technology” which was chaired by CA. Babu Jayendran from Bengaluru. Student speaker Ms. Saloni Bansal from Guwahati spoke on the topic “IT & Information System Audit - Future Benefits, Opportunities as a CA” While Mr. Swapnil R. Jain from Aurangabad and Ms. Mythili Venkatesh from Chennai spoke on the topic “SAP & ERP Implementation”. The prominent Speaker CA. Babu Jayendran graced the students with his expert knowledge on the topic. He also shared his views on the presentations made by the students.

The fourth session on “Direct taxes” was chaired by the eminent speaker CA. (Dr.) Girish Ahuja from Delhi. Student speaker Ms. Binisha Agarwalla from Guwahati presented her paper on the topic “Section 56: Broadening of Scope by the successive Annual

CA. Babu Jayendran, Bengluru

CA. (Dr.) Girish Ahuja, Delhi

CA. Vikash Jain, Kolkata

Finance Acts”; while Mr. Abhishek Bajoria from Jharkhand and Ms. Swati Todi from Guwahati spoke on the topic “Tax Incentives : Investment Linked vs. Profit Linked”. The Learned speaker CA. (Dr.) Girish Ahuja graced the students with his fruitful lecture on both the topics.

After lunch, the fifth technical session began. This final session was headed by CA. Pankaj Jain from Kolkata. Student speaker Ms. Sikha Bajaj from Guwahati spoke on the topic “Inflation in Emerging Economics” while Ms. Manasi Ganesh Kelkar from Nagpur and Ms. Neha Navalakha from Guwahati presented their papers on the topic “Balancing of Time by a Articled Student : Training/Study/Co-Curricular”. The renowned speaker CA. Vikash Jain won the hearts of all present through his deliberate speech.

Finally, the marvelous mega event came to an end with the valedictory session. Where all the winners, cultural evening participants, paper presenters, volunteers, Paper approvers, Judges, EICASA managing committee members, Branch managing committee members etc. were given recognition for their hard work by the EICASA Chairman CA. Dhiraj Jain and Branch Chairperson CA. Kaberi Bhuyan. The first prize for paper presentation was won by Ms. Neha Navalakha followed by Ms. Swati Todi at the second position, both from Guwahati. For the third position there was a tie between Mr. Swapnil R. Jain from Aurangabad and Ms. Mythili Venkatesh from Chennai. It is to be noted that CA. Ravi Kumar Patwa, CA. Anil Kumar Agarwala and CA. Sunil Sharma were the paper approvers and CA. Devajit Sharma and CA. Bikash Agarwala were the judges for the above convention.

The organizers left no stone unturned to make the event a grand success and to propagate it at its best. It got huge media publicity as almost all the big players of the print as well as electronic media have widely covered the entire event.

Students' Activities

In addition to above National Convention, the following activities were also undertaken for the students of the branch in the last month:

A Full Day CA students' seminar was organized by EICASA Guwahati Branch at the branch Auditorium on 26th May, 2013. Speaker of the first session was CA. Niraj Harodia who spoke on the topic "Practical Aspects of Company Audit". CA. Kamal Mour from Guwahati spoke on the topic "Stock & Receivables Audit in Bank" in th 2nd technical session. While, CA. Manoj Agrawala spoke on the topic "CA Students: Yesterday-Today-Tommorow", during the third technical session.

The first ever E-Newsletter of EICASA Guwahati Branch "EICASA@GUWAHATI" edited by EICASA Chairman Guwahati Branch, CA. Dhiraj Kumar Jain with the support from CA. Anil Kumar Agarwala, Mr. Himanshu Haloi and Mr. Anuj Choudhury was realeased on the same day. It was inaugurated by CA. K P Sarda, Vice-Chairman of the Branch to commemorate the occasion. A packed auditorium marked the success of the programme and it was covered by leading local dailies.

The 27th Batch of Orientation Training Programme started on 3rd June 2013 and completed on 10th June 2013. A total number of 49 students attended the classes.

The Second Batch of GMCS-1 Class started from 13th June 2013 and is expected to be completed by 30th June 2013. 50 students are attending the same.

Two batches of Information Technology Training have been started simultaneously in Morning and Evening shifts from 27/06/2013 for the convenience of the students. As many as 80 students have enrolled themselves in each these classes. The classes are expected to get over by 29/07/ 2013

EICASA Guwahati Branch has also proposed to organize the following student activities in addition to regular Orientation, IT Training & GMCS classes:

1. Quiz & Elocution Contest scheduled to be held on 07/07/2013;

2. Annual General Meeting of EICASA Guwahati Branch to be held in the month of July 2013; &

3. One Industrial Visit is also proposed.

Service Tax Capsule

Reverse Charge Matrix

Sl. No.	Nature of Services Provided or agreed to be provided	Services Provided by following Persons called Services Provider (SP)	Services Received by following persons called Service Receiver (SR)						Service Tax Liability	
			Individual/ HUF	Proprietorship firm	Proprietorship firm (Factory or Dealer under Excise) or Association of Persons (AOP)	Partnership Firm	Company	LLP	% of Liability of Service Provider (SP)	% of Liability of Service Receiver (SR)
1	Transport of Goods by Road	Goods Transport (GTA)	N	N	Y	Y	Y	Y	NIL	100%
2	Sponsorship Services	Any Person	N	N	N	Y	Y	Y	NIL	100%
3	Arbitral Services	Arbitral Tribunal	N	Y	Y	Y	Y	Y	NIL	100%
4	Legal Consultancy Services	Individual or Partner in Firm of Advocate	N	Y	Y	Y	Y	Y	NIL	100%
5	Support Services	Government or Local Authority	N	Y	Y	Y	Y	Y	NIL	100%
6	Renting of Motor Vehicle Services (on abated value)	Individual or HUF or Partnership firm or AOP	N	N	N	N	Y	Y	NIL	100%
7	Renting of Motor Vehicle Services (on non-abated value)	Individual or HUF or Partnership firm or AOP	N	N	N	N	Y	Y	60%	40%
8	Supply of Manpower services	Individual or HUF or Partnership firm or AOP	N	N	N	N	Y	Y	25%	75%
9	Services portion in execution of works Contract Services	Individual or HUF or Partnership firm or AOP	N	N	N	N	Y	Y	50%	50%
10	Any Services	Any Person Located in Non-Taxable Territory	N	Y	Y	Y	Y	Y	NIL	100%
11	Director Services	Director of a Company	N	N	N	N	Y	N	NIL	100%
12	Security Services	Individual or HUF or Partnership firm or AOP	N	N	N	N	Y	Y	25%	75%

NOTES/ CONDITIONS:

Note 1: In case of Goods Transport Agency Services,(i) Service provider (SP) would have issued Consignment Note, (ii) Liability to pay freight to the SP should be of Service Receiver (SR)

Note 2: In all cases, service recipient should be located in the Taxable Territory

Note 3: Services provided by arbitral tribunal would not be covered under RCM if provided to :
(i) to any person other than business entity, (ii) to business entity with turnover upto 10 lakhs in preceding FY

Note 4: Services provided by individual as an advocate or partnership firm of advocate would not be covered under RCM if provided to:
(i) to any person other than business entity
(ii) to business entity with turnover upto Rs. 10 lakhs in Preceding FY
(iii) to advocate, or partnership firm of advocates are not covered under reverse charge

Note 5: In case of works contract services, the recipient and provider may opt for different valuation method if they so desire

Note 6: In cases of services of director, if executive director is paid remuneration (in nature of salary) would not be covered under RCM

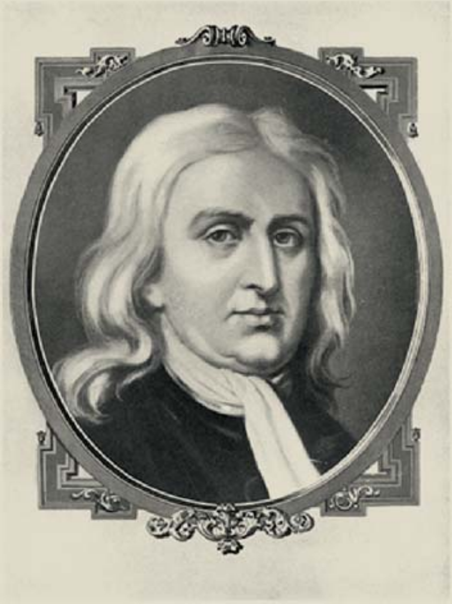
Note 7: For supply of manpower services, control and supervision of the manpower must be with the service receiver for applying RCM

Note 8: For Renting of Motor Vehicles service, provider and receiver should not be in same line of business

Note 9: Sl No. 1 to 10 : Made applicable w.e.f. 01.07.2012, Sl no. 11 & 12 made applicable w.e.f. 07.08.2012

(Contributed by CA. Raginee Goyal)

Take a Break !!



Philosophies of Isaac Newton

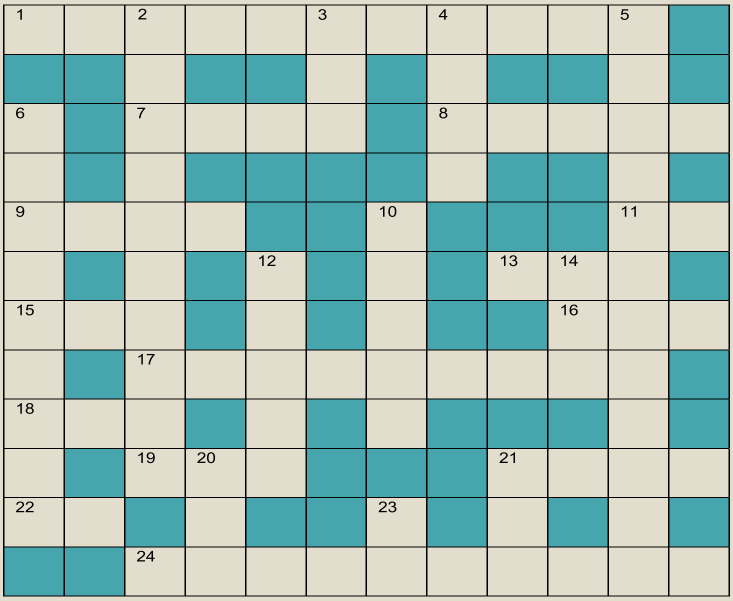
Sir Isaac Newton (1642-1727), mathematician and physicist, was one of the foremost scientific intellects of all time. After schooling he entered Cambridge University in 1661, he remained at the university, lecturing in most years, until 1696. Of these Cambridge years, 1665-1667 could be singled out as the height of creative power for young Newton. During these two to three years of intense mental effort he prepared, Principia, although this got published, twenty years later, in 1687. The Principia that states Newton's law of motion is "Justly regarded as one of the most important works in the History of Science."

Newton has been regarded as the founding exemplar of modern physical science, his achievements in experimental investigation being as innovative as those in mathematical research. With equal, if not greater, energy and originality he also plunged into chemistry, the early history of Western civilization, and theology. He never married and lived modestly, but was buried with great pomp in Westminster Abbey.

- This most beautiful system (The Universe) could only proceed from the dominion of an intelligent and powerful Being.
- ***If I have seen further than others, it is by standing upon the shoulders of giants.***
- No great discovery was ever made without a bold guess.
- I can calculate the motion of heavenly bodies, but not the madness of people.
- ***We build too many walls and not enough bridges.***
- If I have ever made any valuable discoveries, it has been due more to patient attention, than to any other talent.
- A man may imagine things that are false, but he can only understand things that are true, for if the things be false, the apprehension of them is not understanding.
- To me there has never been a higher source of earthly honour or distinction than that connected with advances in science.
- Trials are medicines which our gracious and wise Physician prescribes because we need them; and he proportions the frequency and weight of them to what the case requires. Let us trust His skill and thank him for His prescription.
- I do not know what I may appear to the world, but to myself I seem to have been only a boy playing on the sea-shore, and diverting myself in now and then finding a smoother pebble or a prettier shell than ordinary, whilst the great ocean of truth lay all undiscovered before me.
- It is the weight, not numbers of experiments that is to be regarded.
- If I have done the public any service, it is due to my patient thought.
- I keep the subject of my inquiry constantly before me, and wait till the first drawing opens gradually, by little and little, into a full and clear light.
- About the Time of the End, a body of men will be raised up who will turn their attention to the Prophecies, and insist upon their literal interpretation, in the midst of much clamour and opposition.
- Errors are not in the art but in the artificers.
- To every action there is always opposed an equal reaction. Yet one thing secures us whatever betide, the scriptures assures us the Lord will provide.
- ***Plato is my friend, Aristotle is my friend, but my greatest friend is truth.***
- What I'm trying to do with most of my work is establish this new modernism... If people don't walk out of theatres saying, "Yes, something is possible", then you've failed.
- We are to admit no more causes of natural things than such as are both true and sufficient to explain their appearances.
- ***Gravitation is not responsible for people falling in love.***
- I frame no hypothesis.
- And from true lordship it follows that the true God is living, intelligent, and powerful; from the other perfections, that he is supreme, or supremely perfect. He is eternal and infinite, omnipotent and omniscient; that is, he endures from eternity to eternity; and he is present from infinity to infinity; he rules all things, and he knows all things that happen or can happen.
- I have presented principles of philosophy that are not, however, philosophical but strictly mathematical – that is, those on which the study of philosophy can be based. These principles are the laws and conditions of motions and of forces, which especially relate to philosophy.
- I see I have made myself a slave to Philosophy.
- No more causes of natural things should be admitted than are both true, and sufficient to explain their phenomena.
- ***Truth is ever to be found in simplicity, and not in the multiplicity and confusion of things.***

(Contributed by CA Subhash Chandra Saraf, Vice-Chairman, EIRC, ICAI with the blessings of Mahatria Ra)

CROSSWORD # 04



Compiled by: CA. Kamal Mour and CA. Anil Kumar Agarwala

QUICK CLUES

Across:

1 Used by hedgers to reduce or eliminate risk (11)
7 ICAI mandated model for member website (with 10 down) (4, 5)
8 Forgery; (~ing) network masquarade attack (5)
9 Successor of LUNA theme; first introduced in VISTA (4)
11 NYSE symbol for Cola giant (2)
13 Minimum number required to form a LLP (3)
15 Closing Stock (3)
16 Gateway between a mobile network and another computer network (3)
17 See 2 down (10, 9)
18 Use of device with Internet access (eg 3G) as an access point for other devices (3)
19 Example of Electronic Money (3)
21 They mark the transition from closely-held company to listed entity (4)
22 Emotional Intelligence Quotient (2)
24 A measure of the liquidity of the stock (10)

Down:

2 An agreement where owner of security agrees to sell and then buy back at slightly higher price later (with 17 across) (10, 9)
3 American company founded in 1985 as Quantum Computer Services (3)
4 Indian company providing professional index management service (4)
5 Stock Market right which can be exercised any time on or before maturity (12)
6 Gossip spread by informal communication (9)
10 See 7 across (4, 5)
12 Unrestricted transfer of Articleship allowed during this year (5)
14 The Internet is an example of this (3)
20 Dabur instant fairness product line (3)
21 Fourth category of NBFC (for Infrastructure Financing sector) (3)
23 Current which is not AC (2)

SOLUTION CROSSWORD #3

1 O	2 P	T	I	3 O	N				4 Q		5 F
	R			F				6 T	R	A	I
7 A	U			F		8 W		I			F
	D		9 D		10 M	O	D	E	M		T
	E		I			O		B			Y
	11 N	A	G	P	U	R		R			L
12 I	C		I			13 I	D	E	A		A
14 P	E	R	T		15 A	B		A			K
			A			16 A	A	K	A	17 S	H
18 E			19 L	20 E	A	N		E		A	
D				P		21 K	22 E	R	A	L	A
23 P	E	R	I	L			U			E	

Congratulations to **CA. Deepak Jain** for submitting correct solution to crossword #3

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चलते चलते.....