guwahati@icai

E-Newsletter of the Guwahati Branch of EIRC of ICAI

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Editorial Board

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 ...

Dear Professional Friends, Colleagues & My Dear Students,

The month of August has had its fair share of monsoon rains that lashed the city all throughout, but we held our spirit high despite the usual inundation of the streets of Guwahati after such torrential rains. It is rather sad that we have not yet been able to eradicate this annual menace yet. May I request all my friends and colleagues to ponder about the problem, and come up with some suggestions in their respective wards, now that after many years, we have an elected body taking over the reins of the Guwahati Municipality ? I am sure all of you will agree with me that we can't live completely independently, for ***"No Man Is An Island"***

We started the month with a full day Seminar on Direct Taxes on 8th August, which was attended by none other than the CIT (Appeals) Sri Anadee Nath Misshra, as the Chief Guest and chairman the first technical session. The session was very lively with a lot of interaction from the members and CA Sanjay Bhattacharyya addressed the gathering with his usual aplomb and incisive analysis on the various provisions of the Act, in view of the latest requirements of an auditor's responsibility and the nuances of filing of Income Tax Returns which has become mandatory now. CA. Vivek Newatia also gave an illustrative power point presentation and enlightened the members. The Chief Guest was very forthright in his concluding remarks with his charismatic element of humour and I am especially grateful for his clarion call to the members for rising to the occasion and doing the duty as learned professionals, in tandem with the revenue authorities so that transparency and clarity are upheld in true spirit of the amendments sought to be brought in.

I visited Dibrugarh, Tinsukia, Sibsagar and Jorhat on the 10th and 11th August in connection with the visit of the President of ICAI, CA. Subodh Kumar Agrawal, accompanied by Branch Vice Chairman CA. K P Sarda & MC member CA. Sharad Agarwalla, and we had a few good interactive sessions with the members & students of the respective regions and also a few press meets.

Independence day was celebrated with the hoisting of the National Flag at the Branch premises, which was followed by a Cultural Function, organized for the first time by the members and the students, which was attended by a lot of members and their friends & family. The success of the function emboldens us to make this event an annual feature from now on.

The highlight of the function was an enthralling solo, one act play written & performed brilliantly by CA. Vivek Jalan on Swahid Bhagat Singh which not only had us spell bound, but also kindled certain emotions as we remembered the sacrifices made by these great patriots for our free and better world. But what have we done in return? Do we really deserve this? Have we been able to live upto the expectations of the departed freedom strugglers? Have we done our bit too for the future generations?

17th August was the day when Royal School of Commerce organised a joint Seminar with Gauhati University on the topic "Revised Schedule VI". It was indeed an honour for me to inaugurate this full day program as the Chief Guest. I was also privileged to share the dais with Dr. Sujit Sikidar, Professor, Dept. of Commerce, GU, noted member speaker, Dr. Debashis Mitra & of course our beloved teacher, Prof. B B Dam, retired professor of Gauhati Commerce College & present Dean of the Royal School who was instrumental in imbibing the concepts of accountancy in our heads when most of us were at logger heads tying to understand what was debit & credit. I am sure most of us owe our capability in tackling any problem relating to accounts to this great teacher who has not let any obstacles come in his way, even in this late stage of his life. **"A teacher affects eternity; he can never tell where his influence stops."** -Henry Adams

On 23rd August, we had a brain storming session for the proposed National Conference in the month of December; and senior members and managing committee members discussed in its first joint meeting the issues related to organizing such a mega event and broadly charted out a road map for successful hosting of this event. The theme of the conference "SARATHI - MARCHING AHEAD" was unanimously passed by all present **"An early bird catches the worm"**

On 24thAugust, we hosted an Inter School Debate Competition on the subject, "Social Media - a Boon or a Bane?" The event was held for students of class XI and XII, and altogether Nine (9) teams of Guwahati Schools and Colleges participated in the debate. Prof Dilip Kumar Baruah, retired Principal of the Cotton College was the Speaker, with Dr. Priyam Goswami, Professor of History in Gauhati University and CA. Sunil Sharma as Judges for the event. I am very happy to note that the event generated a lot of enthusiasm and most of the participants were very articulate and forceful in expressing their views and gave the Jury a tough time in selecting the winners. Maria Public School won the best school trophy whereas Ms. Snigdha Bhagwati of the same school was the best debater. She will be representing our branch in the Regional level Debate contest to be held at Kolkata and we are hopeful that she will bring laurel in this contest too.

It gives me immense pleasure to share with you that Miss Neha Navalakha, a student of our branch was adjudged as the Best Paper presenter in the recently concluded National Students Convention in Surat. Kudos to Ms Neha from all of us! May she continue to bring more accolades in the future for our branch.

In the end let me conclude my message for the month with a quote from Swami Vivekananda ...

...All the powers in the universe are already ours. It is we who have put our hands before our eyes and cry that it is dark.

– CA. Kaberi Bhuyan

FACE OF THE MONTH

A princess to her parents, a pillar of support to her husband, and a protective mother to her children — a girl plays diverse roles, each role important; something arguably much more important than what a man does. Ironically, society treats women inferiorly in terms of her rights and dues when compared to men. Men have dominated the world and women are often considered fit only for doing domestic chores. This is changing now. Girls are marching ahead shoulder to shoulder with the boys. In fact, girls have shown their excellence in many fields and are ahead of their male counterparts.

One such shining example is that of our very own student, ***Miss Neha Navalakha.*** Neha, by dint of her talent and hard work, has brought name and fame not only to herself and her parents but to our Guwahati Branch of the Institute as well. She has been conferred with many awards recently. It is a moment of pride for us to unveil her achievements.

- Awarded as the Best Paper Presenter in Management Session in the National Convention for CA Students at Surat on 9th and 10th August,2013
- Awarded the Best Paper Presenter in the National Convention for CA Students at Guwahati on 22nd and 23rd June,2013
- Won the Branch-level Quiz and Elocution Contests "Pratibha" held at Guwahati on 7th July, 2013.
- Successfully anchored the cultural evening in the National Convention for CA Students, Guwahati for two successive years in August,2012 and June,2013 along with co-host Rishi Jain.

We convey Neha our heartiest congratulations. May she work harder so that we can see her grow and blossom with much more success in the future.

In this moment of pride, ICAI Guwahati branch would like to convey a message to all parents in particular and to society in general -- A girl child is the most precious gift of God. Appreciate her importance, let her explore her dreams. Give her opportunity to step beyond her conventional roles and watch her bloom.

readers write

Dear Editor,

It's really great and worthwhile to spare some time for your branch newsletter. I find it to be amongst the best in content and quality. Activities at your branch are an inspiration for all the branches across the country. My best wishes to you, members of the editorial board and other managing committee members.

Regards

CA. Manoj Sipani
Past Chairman
Bikaner Branch of CIRC of ICAI

Editor's Desk...

Dear Colleagues and Student friends,

hello!

After partaking in revelry and festivities of Eid, Independence Day, Raksha Bandhan and Janmashtami all in quick succession, we now embark upon a very busy month in our profession. The additional requirements of E-filing Tax Audit Reports and filing half-yearly Service Tax Returns (for March 2013) add to the already hectic schedule. Trying to keep abreast with the provisions of the new Companies Bill, 2013 which has now received President's assent, bring an additional burden. We wish that our professional brethren manage their time wisely enough to meet all the professional commitments and amidst the melee also find time enough to go through this E-Newsletter! **"Know the true value of time; snatch, seize, and enjoy every moment of it"!**

The accounting profession globally is standing at the crossroads of breathtaking developments. Revolutionary progress in the fields of information technology, telecommunication and multimedia has created a tremendous impact on the profession. All these developments are inevitably changing the outlook, approach and methodology towards accounting and there is an urgent need for a paradigm shift in the vision and thought process of the accounting professionals. The profession has to gear up to this formidable challenge and has to play its role in national and global development. **"It is not the strongest or the most intelligent who will survive but those who can best adapt to the change."**

On a personal front, it was indeed a memorable experience to accompany our President during his visit to the Upper Assam Region very recently. His down-to-earth demeanor was really something to learn from and emulate. During his visit discussions were made for the finalization of a branch in the Upper Assam Region. It might not be a decision which would be much favoured by members of Guwahati. But in view of the growing numbers and increasing needs of the members of the region outside Guwahati, and in the larger interest of our profession, we have to recognize and accept the harsh reality of the partition. As they say, **"smaller provinces can definitely be better administered".**

The month however was not so memorable for the managers of the nation's finances. With onions and petrol gaining the status of luxury items beyond the reach of the common man, the value of Rupee spiraling out of control and the capital markets in doldrums. Investors now lack the confidence, as the central bank tries to battle India's stagflation. **"Take your money out first, ask questions later"**, one investor said.

It is high time for us to delve deep into the roots of the problem and to find out what we, as partners in nation building, can do to save our economy from disintegrating and to arrest its fall into the abyss.

We thank you very much for the continued support and hope that you will enjoy reading the month's edition.

Happy Reading!

– CA. K P Sarda

CESTAT Kolkata Bench

No Requirement of Return if no Service Rendered

by CA. Manoj Nahata

Summary of Judgment

Recently, the Central Excise & Service Tax Appellate Tribunal (CESTAT) - Kolkata Bench, in case of **Suchak Marketing (P.) Ltd. v. Commissioner of Service Tax, Kolkata [2013] 35 taxmann.com 360 (Kolkata - CESTAT)** delivered an important judgment whereby the Hon'ble Tribunal held that if no service is rendered by service provider, there is no requirement to file ST-3 Returns, as he is not liable to pay any service tax. Further the late filing fee and penalty levied in case of belated filing of return was also dropped. Before discussing the said judgment, it is important to understand the exact provision of law first to have a clear idea on the topic.

Provisions of law

Section 70 of Finance Act,1994 provides for furnishing of service tax returns including belated filing of returns. The service tax return is required to be filed under Section 70 of the Act read with rule 7 of the Rules, by ***'any person liable to pay the service tax'***. This return is required to be filed on a half yearly/quarterly basis, in Form ST-3.An'Input Service Distributor' is also required to file this return. Further Finance Act, 2007 had amended section 70(1) to provide for belated furnishing of service tax returns on payment of prescribed late fees which shall not exceed ₹ 2,000 (presently ₹ 20,000). Simultaneously, section 94(2) has also been amended so as to empower the Central Government to make rules to prescribe the form, manner and frequency of service tax returns to be furnished and the prescription of late fees for delayed furnishing of returns by the assessee under section 70(1).

Notification No. 20/2007-ST dated 12.5.2007 inserted new Rule 7C in Service Tax Rules so as to provide for amount to be paid for delay in furnishing the prescribed return under section 70. Rule 7C provides that the prescribed late fee shall be as under —

Delay of 15 days (from the last due date)	₹ 500
Delay of more than 15 days but up to 30 days(from the last due date)	₹ 1000
Delay of more than 30 days (from the last due date)	₹ 1000 Plus ₹ 100 per day of delay from the 31st day till the date of furnishing the return.

The late fee shall be subject to the maximum amount of ₹ 20,000/- per default. The new rule also prescribes that if the amount as stipulated above is paid by the assessee for the delayed filing of return any proceedings initiated for delayed submission shall be deemed to be concluded.

W.e.f. 1.3.2008, a third proviso was inserted in Rule 7C by Notification No. 4/2008-ST dated 1.3.2008 whereby powers have been provided to revenue officers to reduce or waive penalty for delayed filing of returns where gross amount of service tax payable is nil. Accordingly, rule 7C now empowers the Central Excise Officers to either reduce or waive altogether the levy of late fees for filing a belated return, where gross amount of service tax payable is nil. The discretion to reduce or waive vests with the Central Excise Officer and is final. It does not clash with section 80 and no reasonable cause is required to be shown by the assessee.

Facts of the case & judgment thereon

In the instant case, the appellant company had filed six nil returns in ST-3 form for the period from September, 2005 to March, 2008 on 18-11-2008. Consequently, show-cause notice was issued to them proposing penalty under Rule 7C of the Service Tax Rules, 1994 and Section 77 of the Finance Act, 1994.In appeal, the ld. Commissioner (Appeals) dropped the penalty under Section 77 of the Finance Act, but confirmed the penalty of ₹ 12,000/- against the appellant under Rule 7C of Service Tax Rules.

The Hon'ble Tribunal held that undisputedly, the appellants were registered with the service tax Department for providing taxable services. It is also not in dispute that during the period April, 2005 to March, 2008, they have not provided any service and also they have not filed any returns with the Department. In view of the Board's Circular No.97/8/07-ST dated 23-08-2007, in the event when no service is rendered by the service provider, there is no requirement to file ST-3 returns. The ld. D.R. could not produce anything contrary to the said Circular. Besides, as per Rule 7C of the Service Tax Rules, in the event when nil returns are filed, the Assessing Officer had the discretion to waive the late fees for filing the ST-3 Returns. Hence the Tribunal held that it is a fit case to invoke the proviso to Rule 7C and waive the late fees relating to the nil returns filed by the appellant during the period April, 2005 to March, 2008. A similar view had been held by the same Tribunal in the case of **Amrapali Barter (P.) Ltd. v. CST [2013-TIOL-32-CESTAT-KOL]**. In these circumstances, the order of the ld. Commissioner (Appeals) was set aside and the appeal filed by the appellants was allowed.

Author's Comments

This judgment is a welcome step from the view point of reducing litigations to some extent. Presently, there is much litigation on the issue of levy of penalty for non-filing of service tax returns even in case of NIL returns. The departmental officers are not willing to exercise their discretionary powers under the third proviso to Rule7C in favour of the assessee without satisfaction. It is really paradoxical that the department is demanding late fee/penalty higher than the amount of tax.

It is very clear in terms of provisions of section 70 read with rule 7 of Service Tax Rules, that the Service Tax return is required to be filed by ***'any person liable to pay the Service Tax'***. Now, the next question which arises is whether persons who are not liable to pay service tax because of an exemption including turnover based exemption, are required to file ST-3 return? The answer would be a no in the light of the para 6 of the Board's Circular no.97/8/07-ST dated August 23, 2007.

However it should be noted that a person who is liable to pay service tax but has NIL liability either because of CENVAT credit or because no service has been provided during a particular period would not stand absolved from the requirement of filing return.

The return in such cases will still include information relating to CENVAT credit taken, services received under reverse charge, etc. etc. Even rule 9 of the CENVAT Credit Rules, 2004 requires that return should be filed in Form ST-3 specifying Cenvat credit details. Moreover, the fact that proviso to rule 7C provides for waiver of late fees in case of NIL return, also proves that law requires filing of even NIL return as otherwise the provisions of rule 7C would be rendered otiose. The instant case was however not argued from this point of view. Further the third proviso to rule 7C was inserted w.e.f. 01.03.2008 onwards for waiver of late fee but what will be the fate of the earlier cases is also not clear. Therefore it is suggested that the assessee should be careful in seeking reliance upon the said judgment.

In a clarification issued on the Service Tax Voluntary Compliance Encouragement Scheme, 2013 (VCES) the Board in its Circular no: 170/5/2013 – ST dated: 08.08.2013 clarified that cases where no tax is pending but return have not been filed do not come under the ambit of the Scheme. However, Rule 7C of the Service Tax Rules provides for waiver of penalty in deserving cases and in such cases the assessee may seek relief under that provision.

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Members' Section

Note on TDS on Immovable Property (New Rules & Forms Notified)

- As per Section 194IA every buyer at the time of making payment or crediting of any sum as consideration for transfer of immovable property other than agricultural land shall deduct tax at source @ 1% of such amount where the total consideration for the transfer of the immovable property is Rs.50 lakhs or more.
- This provision has come into force from 1st June,2013 and accordingly all transactions on or after 1st June,2013, where the consideration is not less than Rs.50 lakhs shall be covered by TDS.
- TDS deducted under section 194IA shall be paid to the credit of the Central Government within a period of 7 days from the end of the month in which the deduction is made.
- TDS under section 194IA is to be deposited by a Challan cum Statement on Form 26QB.
- Online Payment of TDS is mandatory. Online payment challan is available in TIN NSDL Website.
- TDS certificate must be issued to deductee (buyer) in Form 16B within 15 days from due date of deposit.
- TDS Certificate must be downloaded from online TDSCPC website.
- Both Transferee (Buyer) and Transferor (Seller) must have PAN.
- Transferee (Buyer) does not require to hold/obtain TAN for e payment of TDS.
- Quarterly Return in Form 24Q has been substituted with new return form.

Contributed by

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Members' Update

Extension of date for service tax returns

In exercise of the powers conferred by sub-rule(4) of rule 7 of the Service Tax Rules, 1994, the Central Board of Excise & Customs has extended the date of submission of the Form ST-3 for the period from 1st October 2012 to 31st March 2013, from 31st August, 2013 to 10th September, 2013. Detailed notification can be read at:
http://www.servicetax.gov.in/notifications/notfns-2013/stodr-04-2013.htm

TDS breather on service tax portion

The Rajasthan High Court, in the case of Rajasthan Urban Infrastructure Development Project, ruled that no tax need be withheld under Section 194J on the service tax payable on professional/ technical fees.

Interestingly, the Central Board of Direct Taxes had in an earlier circular held that the scope of withholding tax under Section 194J includes 'any sum' by way of professional/ technical services, and withholding tax applies on the service tax component as well.

However, the High Court ruled that if service tax is payable in addition to professional/ technical fees under the contract, the withholding tax will be restricted to the fees, thereby highlighting that examination of contract terms is imperative.

This ruling may also be relevant in the context of other similarly worded withholding tax provisions.

Full text of the case law can be read at:
www.allindiantaxes.com/doc/96bd1967.doc

Multipurpose Empanelment Form 2013-14 : Extension of last date

The last date for online submission of Multipurpose Empanelment form for the year 2013-14 (including form for empanelment of Bank Branch Auditors' for the year 2013-14) hosted on the website www.meficai.org has been extended up to 2nd September, 2013 and that of receipt of duly signed declaration up to 12th September, 2013.

Companies Bill 2013 receives President's assent

The new Companies Bill has received President's assent on August 29, 2013 , that will make it into a law replacing the nearly six-decade old regulations that govern corporates in the country. However the notification is still awaited.

CBDT Instruction Regarding Unmatched TDS Challans In Form 26AS

Pursuant to the judgement of the Delhi High Court in Court on Its Own Motion vs. UOI 352 ITR 273, the CBDT has issued Instruction No. 11 of 2013 dated 27.08.2013 stating that where the report by the deductor in the TDS statement are not found available in the OLTAS database resulting in TDS mismatch, the CPC(TDS)/ AOs(TDS) shall immediately issue letters to the deductors, in whose case TDS challans are unmatched, with a view to verify and correct these challans. If necessary, the deductors may be asked to file correction statements, as per the procedure laid down and necessary follow up action be taken. It has been directed that the task should be completed by 31st December 2013 for FY 2012-13 in the case of CPC (TDS) and FYs 2011-12 & earlier in case of AOs (TDS)

Branch Activities

Seminar on Direct Taxes


A 6 hour CPE programme on Direct Taxes was organised by the Guwahati Branch at its auditorium on Thursday, the 8th of August. The day's proceedings were initiated by Chairman, CPE Committee CA. Vikash Jain. Welcome address was delivered by Branch Chairperson CA. Kaberi Bhuyan who also informed the participants about the functioning of the branch and the progammes scheduled for the near future.

The First session was chaired by Mr. Anandee Nath Mishra, Commissioner of Income Tax (Appeals) Guwahati. CA. Sanjay Bhattacharyya from Kolkata addressed on the topic “Tax Audit” followed by CA. Vivek Newatia also from Kolkata who spoke on the topic “Changes in ITR- Special emphasis on new uploading mechanism of Tax Audit Report”

The second Technical session was chaired by our senior member CA. B. L. Purohit. CA. Anil Kumar Agarwala, Past Chairman of the Branch spoke on the topic “Critical Issues of AMT & MAT” followed by CA. Sanjay Mody who spoke on the topic “Recent Judicial Pronouncement- Special reference to 80IB, 80IC and Tax Audit”

Large number of CAs, Tax Practitioners, Legal Professionals and Students participated in the programme which was applauded by all.

President’s Tour to Upper Assam Region

The President of ICAI, CA. Subodh Kr Agrawal was on his tour to Upper Assam Region i.e. Tinsukia, Dibrugarh, Sibsagar and Jorhat on 10th &11th of August. Branch Chairperson CA. Kaberi Bhuyan, Vice- Chairman CA. K. P. Sarda and MC Member CA. Sharad Agarwalla accompanied him during his entire tour.

President along with the office bearers of Guwahati Branch were felicitated at all the four gatherings. An interactive session with the President was also organized at all these places. In Jorhat, Dibrugarh and Tinsukia the interactive session was followed by a CPE meet. CA. Sushil Goyal, Past EIRC Chairman was the speaker for the CPE meet.

During the discourse, talks were held for finalizing the long awaited ICAI Branch in the Upper Assam Region. Tinsukia, Jorhat and Dibrugarh were shortlisted as probable places for the Branch and members of these places were asked to communicate amongst themselves for submitting the proposal after keeping in mind the strategic and other feasibility and institute norms required for the opening of a branch.

At Tinsukia

At Dibrugarh

At Jorhat

The tour was highly successful with the members and students of all the four places gathered in large numbers for the meet. The down to earth attitude of the president was highly appreciated by all.

Independence Day Celebration

On Independence Day, the flag of India is hoisted with due respect and major celebrations happen with pomp and gaiety across the country. The patriotic fervor of the Indian people on this day brings the whole country together even in her embedded diversity. Apart from the flag hoisting ceremonies the day also witnesses various cultural programs and events. As a part of celebration, the members of Guwahati Branch along with their families and friends also indulge in solemn

Branch Activities

reminder of the sacrifice of the martyrs and pay homage to them. The celebrations started with the hoisting of the Tricolour by our Chairperson CA. Kaberi Bhuyan, which was followed by a cultural program ”Swatantrata ko Salam” organized for giving a theatrical tribute to our freedom fighters.

The highlight of the event was the solo performance by CA. Vivek Jalan, who played the role of Shaheed Bhagat Singh and a UV light dance which was presented by dancers from 'Beat Bluster Dance Academy'. The offspring of our members also presented their talents on the occasion. The programme turned out to be a huge success and was attended by a large number of spectators.

Inter-school National Debate Competition

Guwahati Branch of EIRC of ICAI together with EICASA, Guwahati organized an inter school national debate competition for students of class XI and XII on August 24th at ICAI Bhawan on the topic “Social media- whether a boon or a bane”.

Students from nine different schools of the city participated in the competition. The speaker of the debate was former Principle of Cotton College, Prof. Dilip Kr. Barua, who is known as the quiz master of Guwahati. The participants were judged by Prof (Dr.) Priyam Goswami of Gauhati University and CA. Sunil Sharma, a leading member of the institute.

The programme started with the welcome addresses by Branch Chairperson CA. Kaberi Bhuyan and EICASA member Ms. Kiran Khetan. CA. Mahabir Agarwala, Treasurer of the Branch briefed the house about the rules and regulations of the competition.

Ms. Snigdha Bhagwati and Ms. Ankita Borkakoti of Maria's Public School came out to be the winner and the first runner up in the competition, while Mr. Vivek Kr. Lohia of Donbosco School was the second runner up. Maria's Public School was adjudged as the best school in the competition. The winner of this debate competition will participate in the regional level debate competition to be held at Kolkata.

The Programme turned out to be a huge success, with a large number of CA members, Students, parents and teachers of various schools attending the same.

Chairperson as Chief Guest at Royal Group of Institutions

A seminar on the “Revised Schedule VI” was jointly held by the Royal School of Commerce & Gauhati University on 17th of August 2013. Prof. B B Dam (retired professor of GCC & present Dean of Royal School) co-ordinated the event wherein branch chairperson CA. Kaberi Bhuyan was invited as chief guest to inaugurate the function. The session was chaired by Dr. Sujit Sikidar, Prof. Dept. of Commerce, GU while well-known member speaker Dr. Debashis Mitra explained the Schedule in details to the audience which comprised of professors, teachers & students from various commerce colleges from the city.

Branch Activities

Teleconferencing Programme

Arrangements were also made for viewing of teleconferencing programme on the following dates:

Date/Day	Topic	Faculty
23-08-2013 (Friday)	Overview of Corporate Social Responsibilities	CA. S. Ravi Sh. R. Krishnan, Director, HR, BHEL
14-08-2013 (Wednesday)	Recent Issues in Real Estate Transcations	CA (Dr.) Girish Ahuja
02-08-2013 (Friday)	Valuation of investments by banks vis a vis Income Tax IRAC norms for banks	CA. R.K. Gupta CA. K Sreedhar

Forthcoming CPE Programme

A 6 hour CPE programme on Service Tax is scheduled to be held on Saturday, 7th September 2013 at the Branch Auditorium. The progamme is being organized by the Indirect Taxes Committee of ICAI and hosted by Guwahati Branch of EIRC of the ICAI. The various topics to be discussed are:

Subject	Speakers
Definition of Service & its taxability & "Declared Service"	CA. Pankaj Jain, Delhi
Concept of Negative List of Services & "Exempted Service"	CA. Pankaj Jain, Delhi
Reverse and Joint Charge and Abatements	CA. Sushil Kumar Goyal, Kolkata
Procedural Aspects on Service Tax including e-filing	CA. Saiprasad A., Bengaluru

Company Credit Report (CCR)

The significance and role of Company Credit Report (CCR)

A good credit history plays a crucial role in determining the ability of a business to borrow money. Lenders today check the Company Credit Report (CCR) while determining the credit worthiness of Companies. Companies here includes not only Private & Public limited firms but also Partnerships, Trusts, HUF and Self Help Groups etc. CIBIL maintains the credit information of these various entities submitted to it by its members (Banks and Financial Institutions) across credit products. The credit products included are Cash Credit, Overdraft, Export bills purchased/discounted/advanced, Derivatives, Business loan etc. On the basis of this credit information a Company Credit Report (CCR) is generated.

Uses of a CCR:

The advantages of accessing one's Company's Credit Report are many fold:

1. **While applying for a loan** - If one has a business enterprise of his own and is looking to further expand the scale of operations, then this may require additional financing. This is when the importance of the CCR is significant. As a record of its company's credit history, this report is used by Credit Institutions to make informed lending decisions- quickly and objectively. Therefore, a CCR plays a crucial role in the loan approval process. By accessing its own CCR, it can better understand its financial standing.
2. **Builds reputational collateral with business partners** - The Company's Credit Report acts as an indicator of the company's financial strength. It can help one negotiate better credit terms while doing business.
3. **Re-evaluate the existing trade credit practice** – One may ask its own business partners to build reputational collateral and share their Company's Credit Report. This would give one an understanding of its potential business partner's creditworthiness, thus allowing one to periodically re-evaluate the trade credit.

Understanding CCR:

One can check its company's credit health by accessing the CCR for a fee by simply logging on to www.cibil.com, completing the online request form and uploading the company's KYC details. Important sections in CCR are as follows:

- Credit Facility details: In this section, one can locate the details of the credit facilities availed by its company and the repayment pattern.
- Guarantor details: This section provides details of the business entity/individual that has guaranteed the particular credit facility (if any) availed by the company.
- Credit facilities guaranteed: This section details out the credit facilities that have been guaranteed by the company. Since the company is the guarantor, it is also one's responsibility that the concerned business entity honours their credit obligation.
- Enquiry details: This section contains the details of all the enquiries, i.e., the number of times the company's credit information has been requested by the member (Banks and Financial Institutions) from CIBIL over a period of last 2 years.
- Suit Filed Account(s) of the Borrower - Details of any suit filed against the company are captured here.

Credit Reports: What Small Businesses Don't Know Can Hurt Them

- For small-business owners, the consequences of a bad credit report can be dire. A low rating prompts banks and other lenders to charge more interest, or reject an applicant for a loan or line of credit, of course. But beyond that, a low score also may prompt suppliers to demand shorter payment periods, or even cash-on-delivery. The resulting pinch in cash flow can leave businesses unable to finance new sales, grow inventories when demand rises or even pay their workers at the end of the week. Generally small businesses don't have large cash reserves to help them manage unexpected gaps in the business cash flow. Thus, roughly half of the nation's small businesses—most which are sole proprietorships—operate with some form of trade credit, by deferring payment for goods and services to keep their businesses running and cash coming in and as such, trade credit is the largest source of business financing.

Why business credit reporting?

An objective, accurate business credit report provides access to critical information needed for making informed financial

Company Credit Report (CCR)

business decisions, with whom business is done and at what price. The chart below presents what data might be available and how it helps:

What you get:	How it helps:
Business background information	Decide whether to do business with a company
Comprehensive financial information	Assess business risk of extending terms and credit levels
Credit risk factors	Avoid surprises from current customers when you review them for credit increases
Banking, trade and collection history	Know what to expect based on an account's historical business practices
Past liens, judgments, business registrations and bankruptcies	Quickly determine whether you can confidently make a credit decision concerning a new customer or if further investigation is needed
Uniform Commercial Code (UCC) filings	Determine your credit position relative to other creditor positions that may already be in place

Just for reference and quick recap, Credit Information Bureau (India) Limited (CIBIL) is India's first Credit Information Company (CIC) founded in August 2000. CIBIL collects and maintains records of an individual's payments pertaining to loans and credit cards. These records are submitted to CIBIL by member banks and credit institutions, on a monthly basis. This information is then used to create Credit Information Reports (CIR) and credit scores which are provided to credit institutions in order to help evaluate and approve loan applications. Since its inception, CIBIL has come to play a critical role in India's financial system. Whether it is to help loan providers manage their business or help consumers secure credit faster and at better terms, the use of CIBIL's products have led to a significant change in the way the credit life cycle is managed by both loan providers and consumers.

In the late 1990s, the need for a credit information system was increasingly felt in order to enable informed credit decisions and aid fact based risk management. It was also imperative to arrest growth of fresh non-performing assets (NPAs) in the banking system through an efficient system of credit information on borrowers as a first step in credit risk management. In this context, the requirement of an adequate, comprehensive and reliable information system on the borrowers through an efficient database system was keenly felt by the Reserve Bank of India and the Government as well as credit institutions. A Working Group with representatives from select public sector banks, IDBI, ICICI, Indian Banks' Association and Reserve Bank was constituted by the Reserve Bank in the year 1999, to explore the possibilities of setting up a Credit Information Bureau (CIB). The Working Group had recommended setting up a CIB under the Companies Act, 1956 with equity participation from commercial banks, FIs and NBFCs registered with the Reserve Bank. As per the recommendations made by the Working Group, Credit Information Bureau (India) Ltd., (CIBIL) was set up in January 2000. The Credit Information Companies (Regulation) Act, 2005 was subsequently passed with a view to regulating credit information companies and facilitating efficient distribution of credit and for matters concerned or incidental to it.

CIBIL houses credit histories on over 220 million trades across individuals and businesses, organised into two divisions: Consumer Bureau and Commercial Bureau.

The Consumer Bureau was launched in 2004 with 4 million records, and now maintains more than 260 million records.

The Commercial Bureau was launched in 2006 with 0.7 million records, and now maintains more than 12 million records.

CIBIL is ISO 27001:2005 certified- the most recognized security standard in the world. CIBIL is one of the 1000 companies in the world, which have achieved ISO 27001 certification, and one of the first few in India.

CIBIL issues a 3-digit credit score and Credit Information Report(CIR) which is used extensively by banks and lending institutions in India. CIBIL score ranges from 300 to 900 and indicates credit worthiness of the individual. A person with good credit background would have a higher score. Often lenders prefer those with CIBIL score more than 700.

CIR is also used by lenders in their loan approval decision when a borrower approaches them. It has various sections throwing light on the individual's past credit and repayment behaviour.

Since April 2011, individuals who have borrowed before or have a credit card can seek information on their credit score from CIBIL for a fee. Banks keep updating their credit records with CIBIL which uses them to work on the score.

Contributed by Ms. Mamta Binani, FCS
Practising Company Secretary and Past Chairperson (EIRC of ICSI)

Students' Section

AGM of EICASA, Guwahati Branch

Annual General Meeting of EICASA, Guwahati Branch was held on 28th Day of July, 2013 wherein Annual Accounts for the year ended on 31st March 2013 as well as Annual Report were adopted.

New Committee for the year 2013-14 was elected by Voting. The members of the new committee are as under:

1. Mr. Lohit Poddar	2. Miss Monika Jain	3. Mr. Vijay Sharma
4. Shubham Agarwal	5. Miss Kiran Khaitan	6. Mr. Manabendra Bora

Updates

- An International conference for CA students organized by the Board of Studies, ICAI is scheduled to be hosted on the 14th & 15th of September, 2013 at Science City Auditorium, Kolkata by EIRC of ICAI & EICASA. The conference bears the theme "ACCOUNTING PROFESSIONAL – ACE, ASTUTE & ADAPTABLE". Union Minister of Minority Affairs, Shri K Rahman Khan along with ICAI president CA. Subodh Kumar Agarwal and other dignitaries will elite the programme with their presence. The full details about the same can be viewed at http://220.227.161.86/29984bos19625.pdf
- Revision of syllabus of Group–I–Paper-4-Taxation and Group–II–Paper–7-Section A: Information Technology of Intermediate (IPC) Course; and Group–II–Paper–6 Information Systems Control and Audit and Group–II–Paper–8–Indirect Tax Laws of Final Course. Full details at: http://220.227.161.86/30545bos20300.pdf
- The Board of Studies of the ICAI is providing Optional Articles Placement Scheme for selection of Articled Assistants by CA Firms through its Articles Placement Portal. The services of the Online Articles Placement Portal are available free of charge for both CA Firms and students. Full details at: http://220.227.161.86/30406bos20035.pdf

Take a Break !!

HOW TO BE A PROFESSIONAL AT WORK?

"Sheer effort enables those with nothing to surpass those with privilege and position."

We often hear how important it is to behave "professionally" in the workplace. But what does "being professional" actually mean?

Take a few minutes of your daily schedule and think, what do you know or have known about being professional. Professionalism is an attitude, the way in which an individual conducts oneself in certain situations, the way one speaks, dresses, and the way one is organized. Professionalism is rarely taught; you're supposed to pick it up on your own through a combination of observations and osmosis, but that's not always easy to do. And learning on the job can be fraught with land mines, since you might not even see your mistakes coming.

Rules for being a professional-

Jot down everything according to priority: A good professional knows the difference between things he need to get done urgently and things that can wait. He/she sets priorities and works accordingly.

"It is not a daily increase, but a daily decrease. Hack away at the inessentials."

Don't wait for tomorrow: Finish off things whenever you get the time so that you don't need to stay late to finish it.

"Tomorrow is promised to no one."

Be systematic: Get yourself a time table made so that you can work with breaks and time slots.

"Make use of time, let not advantage slip."

Enjoy what you do: Be comfortable with your workplace and position at first. Have patience and keep calm over petty issues.

"How poor are they that have not patience! What wound did ever heal but by degrees?"

Feedback on your work, even critical feedback is part of the job. Critical feedback is part of the job; it's not personal.

"A good review from the critics is just another stay of execution."

Self-Upgrading: Rather than letting your skills or knowledge become outdated, you seek out ways of staying current.

"There is nothing noble about being superior to some other man. The true nobility is in being superior to your previous self."

Enhance communication skills: Effective communication is a pre-requisite in any form of organization in order to ensure efficiency.

"Assumptions are the termites of organizational harmony."

Take responsibility rather than making excuses: Moving up to another level in your career is all about showing a willingness to take on more responsibility. Responsibility educates.

"Responsibility finds a way. Irresponsibility makes excuses!"

Openly share information. We confirm our reality sense of teamwork by sharing information at work.

"When we share - that is poetry in the prose of life."

Collaborate on important issues: Strategy is not really a solo sport – even if you're the CEO.

"It takes two flints to make a fire."

Focus on common purpose: Organizational success is the progressive realization of predetermined, worthwhile goals.

"Concentration of all and their thoughts upon the work at hand is vital. The sun's rays do not burn until brought to a focus."

Be positive about team members and their work: Teamwork makes the dream work.

"There is no 'I' in TEAMWORK".

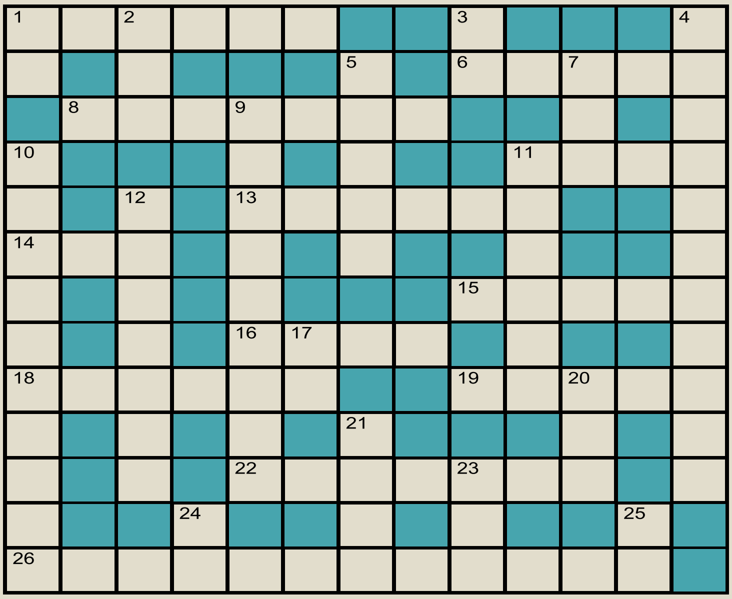
Professionals are the kind of people that others respect and value. They are a genuine credit to their organizations. A professional is someone who takes pride in the work that they do and is on task and focused every day. They are the ones who are going to go that extra mile to make sure that everything is done and ready to go for the day to day operations of the business.

This is why it's so important that we work to earn a professional reputation in the workplace. True professionals are the first to be considered for promotions, they are awarded valuable projects or clients, and they are routinely successful in their careers. Being professional provides that added tinge to our work which aids in the smooth conduct of work within the formal organization.

In our professional field, we are not likely to demonstrate all these characteristics to the people around us. We may find ourselves lacking in others: but to build our own professionalism, we need to focus on improving each of these characteristics.

(Compiled by Mr. Sriyansh Sharma, CA Finalist)

CROSSWORD # 06



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

QUICK CLUES

Across:

1 Largest coffee producer of the world (6)
6 Minimum number to form a society (5)
8 One of the basic accounting assumptions (7)
11 Maximum term of an auditor's office (4)
13 See 12 down (6)
14 Originally called (used in citing a former name especially a married women's maiden name) (3)
15 Foreigner (5)
16 Ours since 1949..... and now theirs too! (4)
18 The Red River in Tibet (with 22 across) (6)
19 He who is _______ amongst those that sleep (5)
22 See 18 across (7)
26 Casual vacancy in the office of auditor (12)

Down:

1 Chemical symbol of beryllium (2)
2 Part of a Circle (3)
3 Myself and another/others (2)
4 Director entitled to remuneration but not Stock Options (11)
5 Country to live in to live longest (5)
7 6 across in Roman Style (3)
9 His location decides place of provision of service when both provider and recipient are in taxable territory (9)
10 Period within which Service Tax Return can now be revised (10)
11 Not an Associate Member (6)
12 Cenvat credit on the basis of challans if service tax is paid under this mechanism (with 13 across) (7)
17 Executive head of a state (2)
20 Much ____ about nothing (3)
21 Circle of Light (4)
23 The Creator (3)
24 Otherwise (2)
25 Symbol for our state (2)

SOLUTION CROSSWORD # 05

1 S	2 I	D	3 B	I		4 C	E				5 I
	S		I			G		6 L		7 F	A
	8 T	9 E	S	S	Y	T	H	O	M	A	S
10 O		O				M		K		C	
11 R	A	N	12 G	E		13 S	A	P		14 E	N
C			A			E		A		B	
15 A	16 N	U	R	A	G			17 L	O	O	P
	E		U			18 N	C			O	
19 O	H		D			O		20 S	A	K	21 A
22 N	A	23 V	A	L	A	K	H	A			S
A		A				I		I			B
24 M	E	T	R	O	R	A	I	L		25 L	A

Congratulations to **CA. Deepak Jain** for submitting correct solution to crossword # 05

Guwahati Branch Managing Committee for the Session 2013-16 and Office Bearers for the year 2013-14

Designation	Name	Contact No.	E-mail
Chairperson	CA. Kaberi Bhuyan	9864095563	kaberibhuyan@sify.com
Vice-Chairman	CA. K P Sarda	9864060803	kpsarda@gmail.com
Secretary	CA. Rakesh Agarwala	9864020068	rakeshagrl_ca@yahoo.com
Treasurer	CA. Mahabir Agarwala	9435198133	mahabir_agarwala@rediffmail.com
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चलते चलते.....