

**RAIPUR BRANCH**  
**OF CENTRAL INDIA REGIONAL COUNCIL OF**  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

JANUARY - FEBRUARY 2013

FOR MEMBERS ONLY



*Chairman  
Writes...*



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Dear Professional Colleagues,



It is indeed a matter of great honour and privilege for me and my entire team to have an opportunity to serve Raipur Branch. We have inherited a legacy which has a glorious past and splendid tradition. I take pride in assuming as chairman of Raipur Branch. I express my deepest heartfelt thanks and gratitude to my seniors, my colleagues and my fellow managing committee members who have reposed their confidence in me and allowed me to have an opportunity to lead Raipur Branch. It is none less than a dream come true.

As we have already crossed a milestone of acquiring land for our own branch building, for which I congratulate the immediate past managing committee for their dedicated efforts. The target now set before us is even bigger and tougher i.e. to construct the branch building during the tenure 2013-2016. This would require guidance from seniors, support and trouble shooting from colleagues and execution from the team members, for which I am sure that as we have received the help, guidance in past we would continue to receive the same whenever it was required and with the support of all the target set is definitely achievable and possible.

It has been rightly said that a long journey begins from a single step. The journey becomes enjoyable and the target becomes achievable when we fully get determined and geared up towards achievement of our goal. The time has come when we need to pull up our socks and roll up our sleeves for implementation of challenging task.

The new financial year is on hand and would be soon knocking at our door step. The month is hectic and demanding but the Chartered Accountants are known for their dedication, deliverance and their hard work which none other can deliver. With these words I pray to the almighty god that may this financial year ushers peace, prosperity, health and wealth into everybody's life.

**CA Sidharth Parakh**  
(Chairman)





## NEWS LETTER



### HIGHLIGHTS OF BUDGET 2013-14: INDIRECT TAXES

#### Service tax

Compiled by : CA Sakshi Gopal Agrawal

- Voluntary Compliance Encouragement Scheme, 2013 (VCES) is proposed to be introduced to encourage voluntary compliance and broaden the tax base. In this scheme, it is proposed to provide one time amnesty by way of (i) waiver of interest and penalty; and (ii) immunity from prosecution, to the stop filers, non-filers or non-registrants or service providers (who have not disclosed true liability in the returns filed by them during the period from October 2007 to December 2012) who pay the "tax dues".
- Service tax to be paid on 30% of the value of the unit having carpet area exceeding 2000 sqft or where the amount charged is more than Rs.1 crore. Though taxability on residential unit less than 1 crore / 2000 sqft. Space will continue on 25% of taxability.
- All restaurants with air-conditioning or central air heating (including restaurants not serving liquor as well) in any part of the establishment at any time during the year to be liable to service tax.
- Exemption to transportation of petroleum and petroleum products, postal mails or mail bags and household effects by railways and vessels will not be available while the benefit of transportation of agricultural produce, food stuffs, relief materials for specialized purposes, chemical fertilizers and oil cakes, registered newspapers or magazines and defence equipments would be available to GTA.
- The following exemptions are withdrawn:
  - Services provided by an educational institution by way of renting of immovable property or education auxiliary service.
  - Temporary transfer or permitting the use or enjoyment of a copyright relating to cinematographic films was fully exempt so far; now, this exemption will be restricted to exhibition of cinematograph films in a cinema hall or a cinema theatre.
  - Services by way of vehicle parking to general public.
  - Services provided to Government, a local authority or a governmental authority, by way of repair or maintenance of aircraft.
- Courses in 'designated trades' offered by Industrial Training Institute or Industrial Training Center affiliated to State Council of Vocational Training to be covered under the negative list.
- Definition of "process amounting to manufacture or production of goods" to include processes on which duties of excise are leviable under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 thereby bringing the same under the negative list.
- Testing activities directly related to agriculture production of any agricultural produce like soil testing, animal feed testing, testing of samples from plants or animals, for pests and disease causing microbes to be covered under the negative list.
- A show cause notice issued for fraud cases, if not found sustainable by an appellate authority or tribunal or court, to be deemed to be a notice issued for a period of eighteen months.
- Maximum penalty for failure to obtain registration to be restricted to Rs.10,000 only as against earlier penalty of Rs.10,000 or Rs.200 per day of default whichever is higher.
- Director, manager, secretary or other officer of the company, who is in any manner knowingly concerned with specified contraventions, to be liable to a penalty of Rs.1 Lakh. The specified contraventions would include evasion of service tax, issuance of invoices, bill, challan without the provision of taxable service, availment and utilization of credit without actual receipt of taxable service or excisable goods or failure to pay any amount collected as service tax to the credit of the Central Government beyond the period of 6 months from the date on which such payment becomes due.
- Appellate tribunal may admit an appeal or permit the filing of memorandum of cross objections even after the expiry of the period of 3 months in case of assessee appeal also.
- Any person who collects service tax exceeding Rs. 50 lakh, but fails to deposit the same to the Central Government within 6 months, shall be punishable with imprisonment for a term which may extend to 7 years but not less than 6 months.
- Section 90 is proposed to be introduced to specify and differentiate the offences provided in section 89(1) into cognizable offences from non-cognizable and bailable offences.
- Commissioner of Central Excise is to be empowered to authorize any officer of Central Excise not below the rank of Superintendent of Central Excise to arrest a person for offences specified under clauses (i) & (ii) of section 89(1) i.e where the amount exceeds Rs. 50 Lakh.





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- Exemption limit of Rs. 25 lakh will not be available in case of charitable organizations.

### Central excise

- Speed post with proof of delivery or courier approved by the Central Board of Excise & Customs would also be the prescribed modes of delivery for any decision or order or any summons or notices.
- Advance ruling may also be sought on the matters relating to credit of service tax paid or deemed to have been paid on input services.
- Offences relating to excisable goods, (with the duty liability exceeding Rs.50 lakh) which are punishable for evasion of payment of any duty or contravention of any of the provisions relating to credit of any duty to be cognizable and non-bailable.
- An offence involving evasion to be punishable with a term of imprisonment extending to seven years with fine in case the duty leviable exceeds Rs. 50 lakh instead of earlier Rs. 30 lakh.
- "Resident public limited companies" to be eligible for seeking advance ruling on central excise and service tax matters as is available under Customs.
- Money due to the Government may now be recovered from any person other than from whom money is due after giving a proper notice, if that other person holds money for or on account of the first person.
- Recovery provisions provided under rule 14 of the CENVAT Credit Rules, 2004 to apply in case of failure to pay the amount on removal of inputs/capital goods as such, after use and writing off the value of the inputs/capital goods.
- Service of a statement containing details of duty not paid, short levied or erroneously refunded to be deemed to be a show cause notice.
- The officer-in-charge of police station to admit the arrested person to bail to appear before the Magistrate or in default of bail forward him in custody of Magistrate only where the offence is non-cognizable.
- Interest on refund arising out of finalization of provisional assessment to be paid as per the provisions of section 11BB.
- MRP based valuation prescribed with 35% abatement for non-allopathic medicaments.
- Excise duty on following goods enhanced:-
  - Mobile phones of retail sale price exceeding Rs 2000/-.
  - Cigarettes
  - Marble tiles and slabs
- Full exemption from excise duty on ships and other vessels. Hence, there will be no CVD on import of the same.
- 'Zero excise duty route' restored in respect of branded readymade garments and made ups.

### Customs

- Duty free allowance in respect of jewellery for an Indian passenger who has been residing abroad for over one year or a person who is transferring his residence to India raised from Rs.10,000 to Rs.50,000 in case of a gentleman passenger and from Rs.20,000 to Rs.1,00,000 in case of a lady passenger.
- Duty free allowance for crew member of vessel/aircraft raised from Rs.600 to Rs.1500.
- Customs house agents to be known as customs brokers.
- It is proposed that the minimum amount of refund of customs duty will be Rs. 100.
- For issuance of the show cause notice, it is proposed that the minimum amount demanded should be Rs. 100.
- Interest free period for payment of import duty to be reduced from five days to two days.
- Import/export general manifest to be filed electronically. However, Commissioner of Customs may, in cases where it is not feasible to electronically present the same, allow the same to be delivered in any other manner.
- CBEC to be empowered to permit the landing of vessels and aircrafts at any place other than customs port or customs airport.
- Following specified offences would be non-bailable:-
  - (a) evasion of duty exceeding Rs.50 lakh;



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- (b) import or export of prohibited goods notified under section 11 which are also notified under section 135;
- (c) import or export of any goods not declared in prescribed manner and the market price of which exceeds Rs. 1 crore;
- (d) Fraudulent availment of drawback or exemption, if the amount of drawback or exemption from duty exceeds Rs.50 lakh.
  - The period of storage of imported goods, pending clearance, in a public or private warehouse to be reduced to thirty days. However, Commissioner of Customs may extend the period of storage for further period not exceeding thirty days at a time.
  - The threshold limit for punishment in an offence relating to evasion of duty or fraudulent availment of drawback or exemption from duty in connection with export of goods, to be increased from Rs.30 lakh to Rs.50 lakh.
  - It is proposed that any warehoused goods may be exported to a place outside India without payment of import duty if a shipping bill or a bill of export in prescribed form or label or declaration accompanying the goods as referred to in section 82 has been presented in respect of such goods.
  - Importation or exportation of goods to be prohibited for protection of "designs and geographical indications" also.
  - Provisional attachment of property may be ordered in case of non-payment of duty on account of fraud, suppression of facts etc as well.
  - Provisions relating to duty deferment to be omitted.
  - No duty liability on any sample of goods which is consumed or destroyed during the course of testing or examination.
  - Basic customs duty enhanced on the following goods:-
    - Yachts and motor vehicles
    - Raw silk
    - Set top boxes
    - Luxury cars (duty enhanced from 75% to 100%)

### Common points

- Rate of service tax, customs duty and excise duty not tinkered with.
- In cases where the delay in disposing of the appeal is not attributable to the appellant, the Tribunal may extend the period of stay by a period not exceeding 185 days subject to the condition that if the appeal is not disposed of within the total period of 365 days from the date of order, the stay order shall stand vacated.
- The producer or manufacturer allowed to seek advance ruling while starting a new line of business of production or manufacture. Similarly, the importer or exporter also would be allowed to seek advance ruling while starting a new line of business.
- Monetary limit of the Single Bench of the Tribunal to hear and dispose of appeals enhanced from Rs.10 lakh to Rs.50 lakh.

### Goods and Services Tax

Roadmap for GST announced. First decisive step taken by allocating a sum of Rs.9,000 crore towards the first instalment of the balance of CST compensation.. Draft Constitutional Amendment Bill for GST and Draft GST Bill to be placed in the Parliament within the next few months.





## NEWS LETTER



### RANI LAXMIBAI : EMBLEM OF VALOUR & PATRIOTISM

( 19 November 19, 1828 - June 17/18, 1858 )

***It is pride to state that Rani Laxmibai has been listed by the famous Time Magazine among 10 wives who were firm and determined even in troubled times.***

Manikarnika alias Rani Laxmibai was born at Kashi (Varanasi) on 18<sup>th</sup> November 1828. Unfortunately at the age of four, she lost her mother and the responsibility of raising her fell upon her father. While pursuing studies, she also took formal training in martial arts, which included horse riding, fencing as well as shooting.

She got married to the Maharaja of Jhansi, Raja Gangadhar Rao in the year 1842 and in the year 1851 she gave birth to a son. Unfortunately, the child did not survive more than four months. In the year 1853, Gangadhar Rao fell sick and became very weak. So, the couple decided to adopt a child. To ensure that the British do not raise an issue over the adoption, Lakshmibai got this adoption witnessed by the local British representatives. On 21<sup>st</sup> November 1853, Maharaja Gangadhar Rao died.

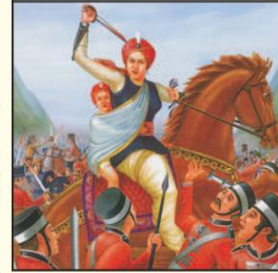
On 7<sup>th</sup> March 1854, the British issued a gazette dissolving the State of Jhansi. Rani Lakshmibai was enraged due to the injustice when an English officer, Major Ellis came to meet her. He read out the official declaration dissolving the State. The furious Rani Lakshmibai told Ellis "Meri Jhansi Nahin Doongi".

Rani Lakshmibai took over the control of Jhansi and she made preparations to defend Jhansi from the likely attack by the British. Sir Hugh Rose was appointed by the British to capture Rani Lakshmibai, alive. Sir Hugh encamped with his army 3 miles away from Jhansi and sent a message to her that she should surrender; but rather than surrendering, she stood on the rampart of her fort motivating her army to fight with the British. Finally, the army of Sir Hugh Rose entered Jhansi by adopting the path of betrayal. The soldiers started looting people. Rani Lakshmibai decided to join Peshava by breaking the block of the enemy. In the night, with her troupe of trusted 200 cavalry, she tied her 12 year old son Damodar to her back left her fort and rode towards Kalpi.

After riding continuously for 24 hours covering a distance of 102 miles, the Rani reached Kalpi. Peshava judged the situation and decided to help her. He provided his squads of army to her as per her requested requirement. Sir Hugh Rose attacked Kalpi. Rani Lakshmibai rushed to the front like lightening whilst holding her sword. Her forceful attack resulted in a setback for the British army. Sir Hugh Rose disturbed with this setback brought his reserved camel troops onto the battlefield. The fresh reinforcement of the army affected the ardour of the revolutionaries and Kalpi was taken over by the British. Defeated Raosaheb Peshave, Nawab of Banda, Tatya Tope, Rani Lakshmibai of Jhansi and all the chieftains gathered at Gwalior. Lakshmibai suggested taking over Gwalior. Shinde, the Ruler of Gwalior, was pro-British. Rani Lakshmibai won over Gwalior and handed it over to Peshava.

Sir Hugh Rose had heard about the defeat of Gwalior by Rani Lakshmibai. He realized that the situation could go out of control if time was wasted; therefore, he marched towards Gwalior. Lakshmibai and Peshava decided to fight the British as Sir Hugh Rose touched Gwalior. Lakshmibai took it upon herself to safeguard the East side of Gwalior. The unprecedented valour of Lakshmibai inspired her army; even her maids attired in men's uniform took to the battlefield. The bravery of Lakshmibai, resulted in the retreat of the British army. On 18th June, the British attacked Gwalior from all sides. She decided to break the enemy front and go out rather than surrendering. While breaking the military front, she came across a garden. She was not riding her 'Rajratan' horse. The new horse started going round and round near a canal instead of jumping and crossing it. Rani Lakshmibai realized the consequences and turned back to attack the British army. She got injured, started bleeding and fell from her horse. Being in a man's costume, the soldiers did not recognize her and left her there. The faithful servants of Rani took her to a nearby Gangadas Math and gave her Gangajal. She expressed her last wish that her body should not be touched by any British men and embraced a brave death. The Queen of Jhansi breathed her last at the young age of 23 years.

She inspired many generations of Hindustani's, thus becoming immortal in the freedom fight. We bow our heads before such a courageous soul. The life history of the Rani of Jhansi, who preferred to sacrifice her life at the young age of 23 years in battle, is very inspiring. She surprised the British by showing extraordinary fighting spirit and valour in battles fought at Jhansi, then Kalpi and lastly at Gwalior. Such an extraordinary lady, who tied her son on her back while fighting the battle, will not be found in the history of the world. The valour and brave death she chose, which gave inspiration to the patriots belonging to the 'Gadar' party in the First World War, the organization of Shahid Bhagat Singh and to all revolutionaries from Swatantnyaveer Savarkar to Subhashchandra, is magnificent. Heroic poems have been composed in her honor especially by Smt. Subadhra Kumara Chauhan the last part of which renders as...



जाओ रानी याद रखेंगे ये कृतज्ञ भारतवासी,  
यह तेरा बलिदान जगावेगा स्वतंत्रता अविनासी,  
होवे चुप इतिहास, लगे सच्चाई को चाहे फाँसी,  
हो मदमाती विजय, मिटा दे गोलों से चाहे झाँसी।

तेरा स्मारक तू ही होगी, तू खुद अमिट निशानी थी,  
बुंदेले हरबोलों के मुँह हमने सुनी कहानी थी,  
खूब लड़ी मर्दानी वह तो झाँसी वाली रानी थी।।