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CHAIRMAN'S MESSAGE



Dear All,

I look forward to communicate with you through these pages to keep you abreast with the developments that are taking place in our Branch and our profession. With every communication I see time ticking by and feel that there are so many things to do in the limited time at my disposal. However, I am sure that with relentless pursuit and single minded purpose I will be able to carry out the task effectively this year. I would amply draw on your encouragement and support which would be my source of inspiration and strength.

ICAI has decided to implement its go-green initiative. As rightly said by Our President that the first step planned is to reduce the use of paper that will help us preserve the earth's ecosystem. It has decided that agenda and other related documents may be circulated electronically at all its meetings. Moreover, technology can also be used for videoconferencing which can ultimately save the cost of organisational operations. Thus, Our Branch also plans to minimise the use of paper, and safeguard tree and environment in the long run.' However, it's really appreciable that our branch is circulating E-Newsletter from the inception itself.

Key Professional Developments

Parliament Legislates Insolvency and Bankruptcy Code, 2016: The Parliament of India has legislated the Insolvency and Bankruptcy Code, 2016, which aims to consolidate the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, presently contained in a number of legislations, into a single legislation. This consolidation will provide great clarity in the law and facilitate the application of consistent and coherent provisions to different stakeholders affected by business failure or inability to pay debt. Considered as the biggest economic reform next only to GST, it is a landmark move for India, as this will address time-bound settlement for insolvency cases.

Real Estate (Regulation and Development) Act, 2016: The Parliament of India has recently passed the Real Estate (Regulation and Development) Act, 2016, which has received the assent of the President on 25th March 2016. It is an Act to establish the Real Estate Regulatory Authority for the regulation and promotion of real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner. The Act also aims to protect the interest of consumers in the real estate sector and establish an adjudicating mechanism for speedy dispute redressal.

Income Disclosure Scheme, 2016: Income Disclosure Scheme that starts from 1st June 2016 will be available for a period of four months allowing people with undisclosed income in the country to come clean by availing the benefit of this scheme. The aim of this Scheme is to widen the tax net and provide an opportunity to the domestic tax payers who have not paid full taxes in the past to come forward and disclose their undisclosed income and assets. The proposed effective tax rate of 45 per cent is quite encouraging, in comparison to similar schemes introduced in the past. Also, another positive is that immunity will be provided from prosecution, subject to prescribed provisions.

Members should be vigilant in handling such cases and help in implementation of the Scheme in its true spirit to make it successful.

I am happy to mention that several provisions of the abovementioned Act will offer many new professional opportunities to the Chartered Accountants. I call upon my member colleagues to take note of this development and update accordingly so as to provide virtuous professional services to their clients and organizations in conformity to the principles enacted under the Act.

1st International Study Tour at Bhutan-Land of Happiness:

It's give me immense pleasure that our Branch is going to arrange 1st ever International Study Tour at Bhutan. We got overwhelming response for the same, and almost 35 participants are enrolled for the aforesaid tour. Friends, looking at the response, we are also planning a 1st ever Member's RRC in the month of either December or January at Jaisalmer, the details will be given to you in due course of time.

CA Day Celebrations

CA Day, July 1, is approaching. With this, we are reminded of our professional responsibility with which the foundation of accountancy profession in India had been led by our great responsible forefathers. We take pride to accept that we have been responding quite responsibly to the call of our nation on all instances, whether it is a case of responding to a natural calamity or to the Government's appeal for professional help. 1st July is celebrated as Chartered Accountants Day across the nation by the Institute. Let us celebrate this Day this year too with enthusiasm. We shall undertake some activities at District level so that through our united efforts, our nation witnesses the impact and our profession gets the due visibility. With the coordination of our Regional Councils and other programme organising units, we will celebrate this auspicious CA Day in a structured manner. Let us join hands and show our solidarity. I sincerely request you to send your suggestions on how we can celebrate in a more socially- and professionally-relevant way.

Whoever you are, whatever you are doing, whatever you are going through....Life, of late, might have been unfair to you, people might have broken your heart to pieces, you might be facing a challenge much bigger than what you can face, even if it feels impossible.... smile and pass it on! Think about anything that makes you laugh and laugh your heart out. And then see....things will feel better. Let's spread smile.

Touch the Sky with Glory

CA Rajeev Singh

Chairman

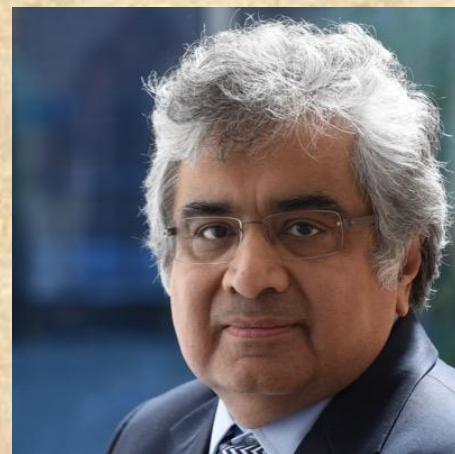
Gandhidham Branch of WIRC of ICAI



- 1. International Study Tour at Bhutan**
 - 2. Start Up India and Project Finance**
 - 3. CA Day Celebration along with Tree Plantation and Swachh Bharat Abhiyaan**
 - 4. Students CA Day Celebration**
 - 5. Fraud Detection Workshop**
 - 6. Real Estate Seminar**
-

CA With A Difference

Compiled by CA Karan Thacker



CA Harish Salve

Salve qualified as a Chartered Accountant and practiced as a CA specializing in taxation before qualifying as a lawyer and moving to the legal profession. He was inspired by Nani Palkhivala, an eminent tax lawyer from Mumbai. He began his legal career in 1980 as an intern at J. B. Dadachandji & Co first as an intern and later as a full-time lawyer. During this time, he assisted Palkhivala in the Minerva Mills case (case citation: AIR 1980 SC 1789). Salve was later designated

as a Senior Counsel by the Delhi High Court. Salve worked with former Attorney General, Soli Sorabjee from 1980–1986.

Salve was appointed Amicus Curiae by the Supreme Court in cases mostly relating to the preservation of the environment. However, in 2011, he rescued himself from this position during a hearing on illegal mining, on the grounds that he had previously appeared for one or more of the parties. In 2013, Salve was admitted to the English Bar and he subsequently joined the Blackstone Chambers.

Sr. Adv. Harish Salve argued the first Anti-Dumping case in the Supreme Court of India. He frequently represents large corporations like Reliance Industries Limited, Tata Group and ITC Limited whom he has represented on various matters. Salve represented Vodafone in its \$2.5 billion tax dispute with the Indian government. He initially lost the case in the Bombay High Court, but later won it at the Supreme Court. In 2009, India Today magazine ranked him the 18th most powerful person in the country.

He is fond of music and is a passionate piano player. Salve admitted to losing over 35 kilograms over a period of 30 months, apparently at the behest of his daughters. He said he would perhaps like to teach at Oxford University one day. Salve frequently appears on English television debates on weeknights.



Legal Updates

(Contributed by CA Meet Palan)

INCOME TAX

TDS

CBDT has vide **Notification No 1/2016 Dated: 09th June, 2016** notified due date for furnishing 15G/15H declarations for the period from 10.10.2015 to 31.03.2016 and for the period starting from 01.04.2016.

The declarations received during the period 1.10.2015 to 31.3.2016 should be filed on or before 30th June 2016.

The due date for quarterly furnishing of 15G/15H declarations received by the payer from 1.4.2016 onwards shall be:

Sr. No.	Date of ending of the quarter of the financial year	Due Date
1	30th June	15th July
2	30th September	15th October
3	31st December	15th January
4	31st March	30th April

CBDT has made the entire procedure relating to filing of form 15G/15H online vide Notification no. 4/2015 dated 01.12.2015.

SERVICE TAX

KEY CHANGES w.e.f 01.06.2016

1. Rate of service tax will change from 14.5% to 15%, to include levy of Krishi Kalyan Cess (KKS) @ 0.5%.
2. Unlike SBC, Cenvat credit of KKS can be taken, but the credit of KKS shall be available for the payment of Krishi Kalyan Cess only. Also it is clarified that the said cenvat credit shall not be adjustable when payment of Krishi

Kalyan Cess is required to be made under Reverse Charge Mechanism. Hence Cess payable at the time of RCM will have to be paid by challan only.

3. Annual returns to be filed by service provider by 30th Nov every year.

Service Tax Audit by the Department has no statutory backing [Mega Cabs Pvt. Ltd. V. Union of India & Ors. (2016) (Delhi HC)]

Brief of the Case

1. Rule 5A(2) of Service Tax Rules, 1994 as amended in terms of Notification No. 23/2014- Service Tax dated 5th December 2014 of the Central Government, to the extent that it authorizes the officers of the Service Tax Department, the audit party deputed by a Commissioner or the CAG to seek production of the documents mentioned therein on demand is ultra vires the Finance Act, 1994 ("FA").
2. The expression 'verify' in Section 94 (2)(k) of the FA cannot be construed as audit of the accounts of an Assessee and, therefore, Rule 5A(2) cannot be sustained with reference to Section 94(2)(k) of the FA.
3. Circular No. 181/7/2014-ST dated 10th December 2014 of the Central Government to be ultra vires the FA.
4. CBEC Circular No. 995/2/2015-CX dated 27th February 2015 on the subject —Central Excise and Service Tax Audit norms to be followed by the Audit Commissionerates and the Central Excise and Service Tax Audit Manual 2015 issued by the Directorate General of Audit of the CBEC are ultra vires the FA, do not have any statutory backing and cannot be relied upon by the Respondents to legally justify the audit undertaken by officers of the Service Tax Department.
5. The basic philosophy appreciated by the Court is that as envisaged under Sec. 72, 72A, 73 or 82 of FA, documents can be called for by the department only if they have a reason to believe that the service provider has failed to pay the tax or file the returns.

GUJARAT VAT

Notification No. (GHN-18) GEA-2016-(S.3)(6)-TH dated 01.04.2016

The Government of Gujarat hereby specifies the items mentioned in Schedule appended hereto as “specified goods” and levies Gujarat Tax on Entry amending Notification no. (GHN-20) GEA-2008/(S.3)(3)-TH dated 01.04.2008 –

(i) for entry at Sr. No. 1, the following entry shall be substituted –

Sr. No.	Specified goods	Rate of Tax
“1.	Motor vehicles including chassis of motor vehicles and the body which is built on chassis of motor vehicles other than the Specified goods covered under entries at Sr. No. 10 & 11 of this Schedule	15%

(ii) after the entry at Sr. No. 9, following entries shall be added –

Sr. No.	Specified goods	Rate of Tax
“10.	Motor vehicles including chassis of motor vehicles and the body which is built on chassis of motor vehicles brought by Companies, Firms, HUFs, Societies, Institutes, Association of Persons, Body of Individuals whether incorporated or not, Clubs, Trusts, Government departments, Government undertakings, Boards-Corporations, Local self-government bodies and artificial juridical person (except school buses, college buses, passenger buses and goods carrier trucks and its chassis and body built thereon)	20%
11.	Luxury cars, Luxury SUVs and Luxury two wheelers including chassis of such motor vehicles and the body which is built on chassis of such motor vehicles. Explanation – Luxury Car/SUV – Price > Rs. 15 Lacs, Luxury two wheelers – Price > Rs. 2.50 Lacs	20%
12.	All taxable goods under the Gujarat Value Added Tax Act, 2003 where the Importer facilitates to bring such goods through online purchase, web based software application or by teleshopping platform.	At applicable rates under GVAT on sale or purchase of such goods

CST

Jain Manufacturing (India) Pvt. Ltd. vs. The Commissioner Value Added Tax & Anr. (Delhi HC)

Brief of the Case

If the Selling dealer has after making a diligent enquiry confirmed that on the date of the sale, the purchasing dealer held a valid CST Registration and is also issued a valid C Form, then such dealer cannot later be told that the C Form is invalid since the CST Registration of the purchasing dealer has been retrospectively cancelled.

Motivational Story

The Strong man of India, all it takes is strong will and determination.

(Compiled by CA Kavita Bulchandani)



Rajendra Singh Rahelu was born on July 22, 1973 in Mehsampur Village, Jalandhar district, Punjab in a poor dalit family. His father was a band master and his mother worked as a maid. He is suffering from infantile paralysis. He contracted polio at the age of 8 months.

Youngest of 5 siblings, he decided to discontinue his studies after completing high school. In 1996, with encouragement from his powerlifter friend he pursued a career in this sport. In his 1st ever attempt he lifted 75 kgs but with rigorous training and motivation of 6 months he made himself strong enough to lift a weight of 115 kgs.

He used to move on a tri-cycle to college he practiced and moved around on his hand since the tri-cycle could not go everywhere that gave all the sportsperson in the college a great motivation.

He grabbed his 1st medal in powerlifting in 1997 at the Punjab Open Meet and since then never looked back. In 1998 he won the National Powerlifting Championship at Hyderabad. Won a bronze medal at the 2004 Summer Paralympics in 56 kg, in Athens, Greece category after lifting a total weight of 157.5 kgs and thus won 1st ever medal for India in powerlifting event of the Paralympics. In 2006, he was conferred by the President of India the Arjuna Award, India's second highest sporting award.

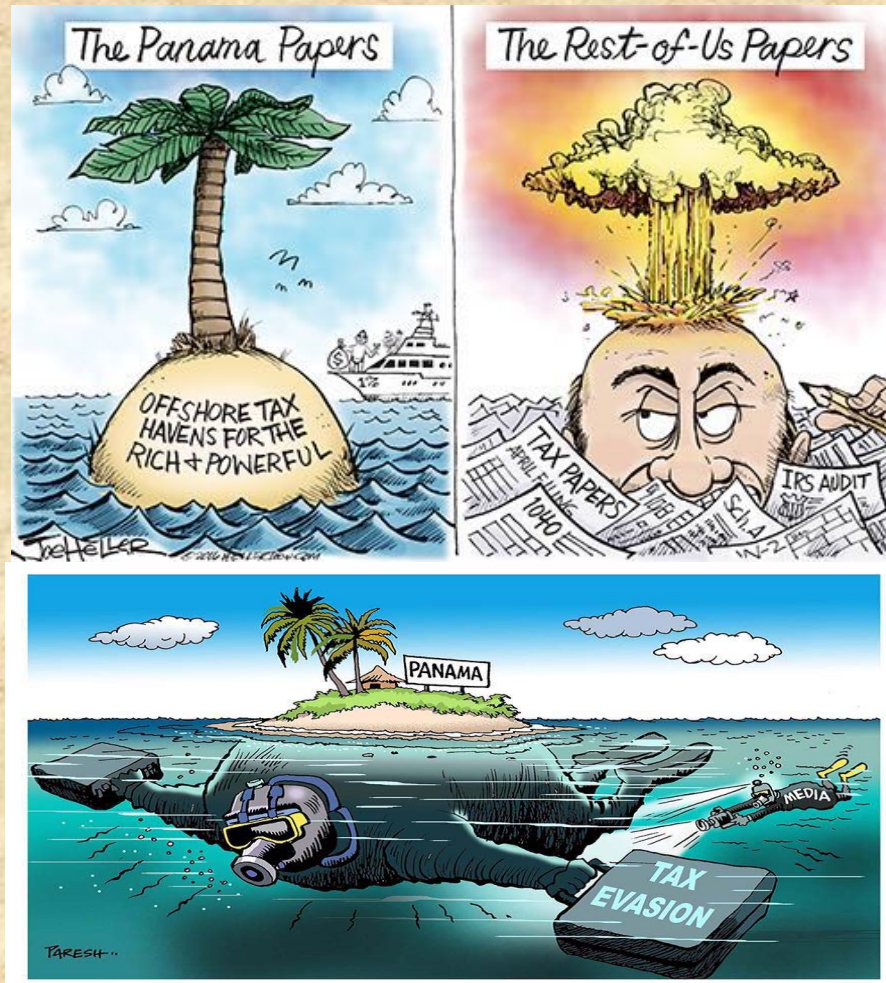
Rahelu's dedication and passion led him to this position and his continuous efforts have made Punjab government employ him as a coach at the Punjab sports department. He also trains specially-abled power lifters in Gohawar village.

Imagine the power lying within you.

“Strength does not come from physical capacity. It comes from an indomitable will”

— Mahatma Gandhi

JUST IN GIST- CARTOON CORNER



VAT AN EXCURSION

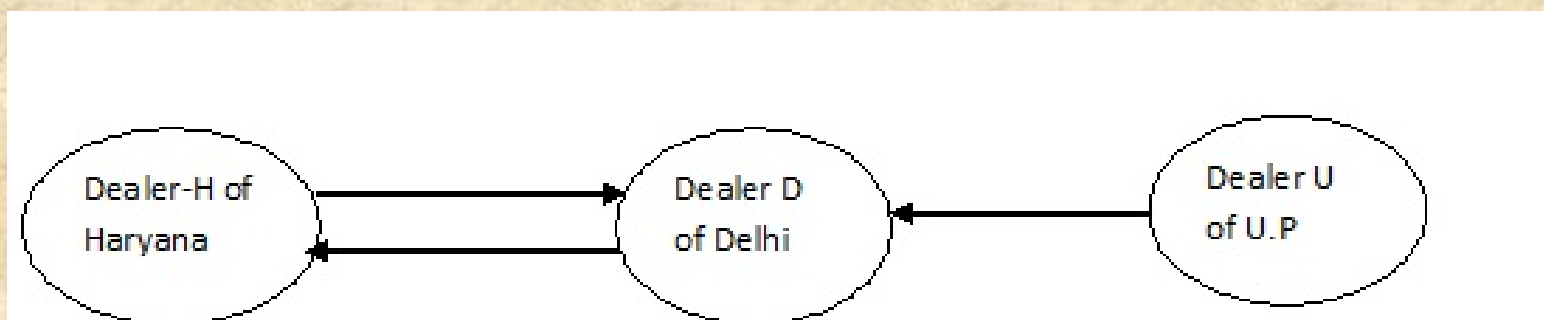
Goods Movement Form under CST Act 1956; E1- E2 Form at a glance

Contributed By CA Kuldeep Khangarot

What is E-I E-II Sales:

Before starting this article it is important to explain the meaning of E-I and E-II sales. As per CST law tax is levied at single point i.e. when the goods are sold from Haryana to Delhi then tax should be levied in Haryana only even if the goods are sold further during their movement from Haryana to Delhi subject to certain conditions. If your client is buying goods from another State and selling the same during its movement to the Dealer of another State or same state then same shall be exempt from CST if certain conditions of Section 6(2) are satisfied:-

Example of Form E-I



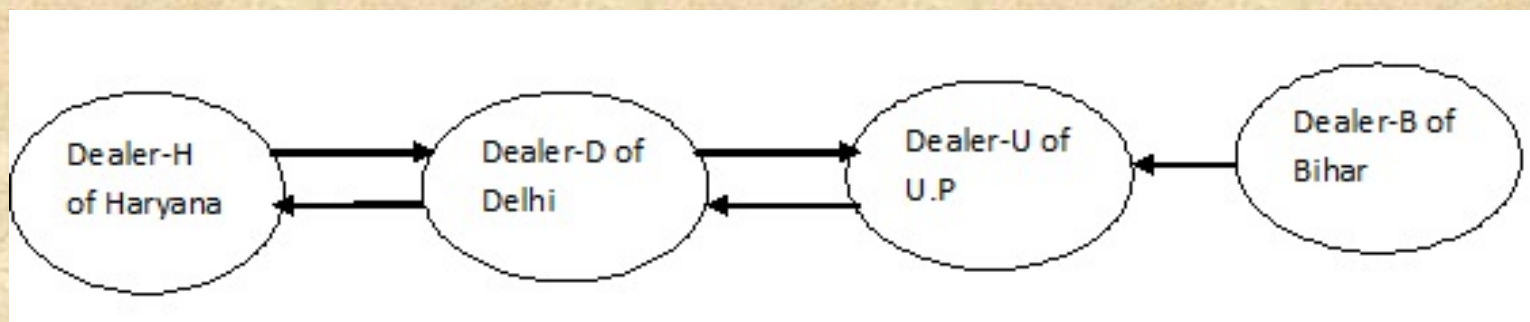
In the above example Dealer H of Haryana selling goods to Dealer D of Delhi and Mr. D is subsequently selling the same goods to Mr. U of U.P without taking the delivery i.e. in transit.

In this transaction Mr. H will charge CST in his invoice from Mr. D but Mr. D will not charge tax in the above transaction.

Now to claim exemption

- 1.Mr. D has to obtain form E-I from Mr. H and give him form C.
- 2.Mr. U has to give form C to Dealer in Delhi and not any other form.

Example of E-II Sales:-



In case of E-II sales the Mr. H of Haryana selling goods to Mr. D of Delhi and Mr. D is transferring the documents of title to goods in favor of Mr. U during their movement and after this Mr. U is again transferring the title of goods in favor of Mr. B. Mr. B is taking actual delivery of goods and movement of goods terminate after he takes the delivery of goods.

Now

1. Mr. H will issue form E-I to Mr. D

and

Mr. D will issue form C to Mr. H,

2. Mr. D will issue form E-II to Mr. U
and
Mr. U will issue form C to Mr. D.

3. Final Dealer Mr. B will issue form C to Mr. U of U.P.

The number of parties may be more than above example in case of E-II sales, but every party after first party has to issue form E-II to his buyer until he is the final Dealer.

Necessary conditions to claim exemption:

1. Goods must remain during movement when transfer of documents is made.
2. First sale may be 3(a) or 3(b) sales but subsequent sale must be by transfer of documents.
3. Sales must be made to a registered dealer.
4. Proper declaration forms must be furnished by each party.



TCS - Tax Collected At Source

Contributed By CA Jyoti Harsh

Finance Act, 2016 imposed TCS on cash sale of goods or services with effect from 1-6-2016.

Finance Act 2016 has made the following amendments in section 206C of the Act:

New Sub Section (1D) of Section 206C is as follow

Every person, being a seller, who receives any amount in cash as consideration for sale of bullion or jewellery or any other goods (other than bullion or jewellery) or providing any service shall, at the time of receipt of such amount in cash, collect from the buyer, a sum equal to one per cent of sale consideration as income-tax, if such consideration,—

- (i) For bullion, exceeds two hundred thousand rupees; or
- (ii) For jewellery, exceeds five hundred thousand rupees or
- (iii) For any goods, other than those referred to in clauses (i) and (ii), or any service, exceeds two hundred thousand rupees

Provided that no tax shall be collected at source under this sub-section on any amount on which tax has been deducted by the payer under Chapter XVII-B

Analysis of Provision of TCS on cash sale of goods or services: Conditions

1. Sale of any goods or any services (other than bullion or jewellery)
2. Consideration for goods or services exceeds Rs. 2,00,000 in a (single) bill
3. Out of such consideration, any amount is received in cash

4. The seller will collect tax at the rate of 1% of sale consideration
5. The seller will collect tax at the rate if sale is made or service is rendered w.e.f 01.06.2016
6. Tax will be collected at the time of receipt of any amount in cash.
7. This Rule will be applicable irrespective of the fact whether the buyer is a manufacturer, trader or the purchase is for personal use. However, the purchaser can obtain a lower TCS certificate by submitting Form No. 13 to the Assessing Officer.
8. The seller will not be obliged to collect the tax, if the buyer has deducted the tax at source from the payment.
9. Seller/service provider is required to take PAN of the purchaser/recipient of service. The person raising bill shall ensure after verification that PAN has been correctly furnished and mentioned in the bill. If PAN is not available, a declaration in Form No. 60 should be taken from the purchaser/recipient of service. Such a person is required to retain Form No. 60 for a period of 6 years from the end of the financial year in which the transaction is undertaken.
10. The seller will furnish certificate to the buyer stating that tax has been collected, and specifying the sum so collected, the rate at which the tax has been collected.
11. Why TCS on cash sale of goods or services ?

As per the Memorandum explaining provisions of the Finance Bill, 2016, clarifies as under:

“In order to reduce the quantum of cash transaction in sale of any goods and services and for curbing the flow of unaccounted money in the trading system and to bring high value transactions within the tax net, it is proposed to amend the aforesaid section to provide that the seller shall collect the tax at the rate of one per cent from the purchaser on sale of motor vehicle of the value exceeding ten lakh rupees and sale in cash of any goods (other than bullion and jewellery), or providing of any services (other than payments on which tax is deducted at source under Chapter XVII-B) exceeding two lakh rupees.”

TCS on cash sale of goods or services: When not applicable ?

1. New proviso to sub-section (1D)

The seller will not be obliged to collect the tax, if the buyer has deducted the tax at source from the payment. Thus Provider of a service may not be obliged to collect tax, if the recipient has deducted tax at source.

E.g If Mr A rendered the services to Mr B for Rs 300000 and Mr B Deducted TDS on Rs 300000 before making the payment to Mr A, then Mr A is not obliged to deduct TCS of Mr B

2.New Sub-section (1E)

Nothing contained in sub-section (1D) in relation to sale of any goods (other than bullion or jewellery) or providing any service shall apply to such class of buyers who fulfil such conditions, as may be prescribed

Definition of 'seller' for TCS on cash sale of goods or services :-

In terms of the amendment in the definition of 'seller', an individual or HUF who provides services exceeding the limit specified in section 44AB(a) and (b) in the previous year, will be considered as seller for the purpose of the section. Accordingly, the provision of the section will apply to such service provider.

New Explanation (c) of Section 206C is as follow

(c) "seller" means the Central Government, a State Government or any local authority or corporation or authority established by or under a Central, State or Provincial Act, or any company or firm or co-operative society and also includes an individual or a Hindu undivided family whose total sales, gross receipts or turnover from the business or profession carried on by him exceed the monetary limits specified under clause (a) or clause (b) of section 44AB during the financial year immediately preceding the financial year in which the goods of the nature specified in the Table in sub-section (1) or sub-section (1D) are sold or services referred to in sub-section (1D) are provided.

Definition of Buyer for TCS on cash sale of goods or services :-

As per Explanation (aa) of Section 206C

(aa) "buyer" with respect to—

.....

(ii) sub-section (1D) or sub-section (1F) means a person who obtains in any sale, goods of the nature specified in the said sub-section;

the

PINK PAGE

HEALTH
TIPS ON
MALARIA

Compiled by CA Kavita Bulchandani

What is Anaemia?

Anaemia, is decrease in amount of red blood cells or haemoglobin in the blood. It can also be described as lowered ability of blood to carry oxygen. For men, anaemia is typically defined as haemoglobin level of less than 13.5 gram/100 ml and in women as haemoglobin level of less than 12.0 gram/100 ml. Anaemia currently affects an estimated 1.62 billion people in the world. It is strictly not a disease but a disorder. It is often a by product of other diseases that

Causes

1. Blood loss: The blood loss can be both rapid and chronic. Rapid blood loss, examples: surgery, childbirth or a ruptured blood vessel. Chronic blood loss, examples: result of stomach ulcers, cancer or tumor.

2. 3. Destruction of red blood cells: Body's immune system mistakenly identifying its own red blood cells. Decreased or faulty red blood cells: Lack of iron or vitamin rich foods.

cells a foreign substance and subsequently producing antibodies.

Symptoms

1. Feeling fatigue and lack of energy.
2. Paleness of skin
3. Fast or irregular heartbeat
4. Shortness of breath
5. Chest pain
6. Fever

Aplastic anaemia: nausea and skin rashes

Folic acid deficiency anaemia: irritability, diarrhea and smooth tongue

Hemolytic anaemia: signs of jaundice, leg ulcers and abdominal pains

Sickle cell anaemia: painful swelling of feet and hands, fatigue and jaundice.

Tests and Diagnosis

The most common test is CBC (Complete blood count) which measures several components and features of blood, including the patient's haemoglobin and hematocrit levels. A doctor may perform physical exam and ask for family's medical history.

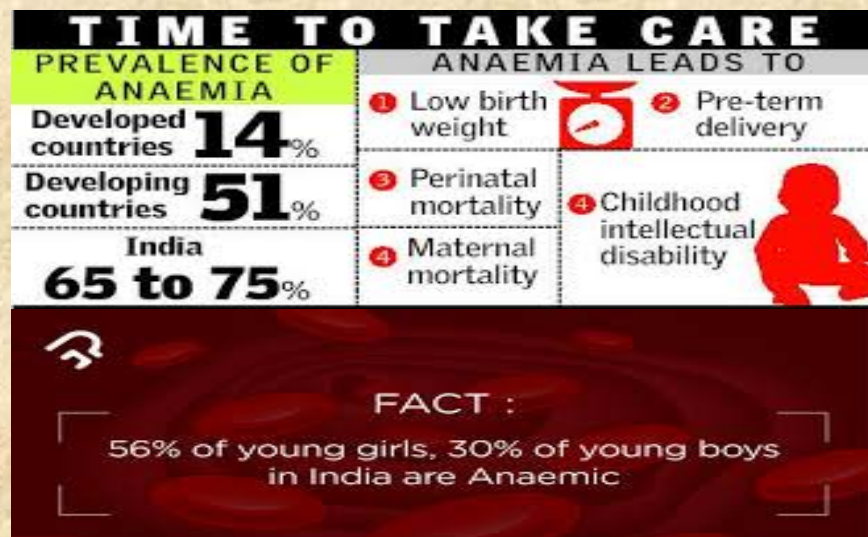
Prevention

Change in diet

A change to an iron-rich diet can help alleviate the symptoms of anaemia.

Iron and vitamin supplements are also available, particularly useful to patients who are on a restricted diet.

A change in your diet can boost iron, Vitamin B12, and folic acid levels, which all play a part in the production of healthy red blood cells.





Full Day Seminar on VAT organized by the Gandhidham Branch of WIRC of ICAI on 28th May, 2016 at Hotel Madhuban.

Speakers: CA Abhay Desai, Baroda & CA Soham Mashruwala, Ahmedabad.



2 Hour Workshop on Microsoft Excel organized by
the Information Technology Committee of
Gandhidham Branch of WIRC of ICAI on 21st May,
2016 at Computer Lab ITT Centre. Speaker: CA
Karan Thacker.



GANDHIDHAM BRANCH OF WIRC OF ICAI

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