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CHAIRMAN'S MESSAGE



Dear All,

Let me first wish all our readers moments of great inspiration that 2nd October as birthday of the father of our nation, Mahatma Gandhi, instills in the hearts of the people of India and the world.

At the same time, I would also like to remember that another great nationalist leader and freedom fighter was born on the same day. Born on 2nd October, 1901, Shri Lal Bahadur Shastri was a man of people and principles. He understood the common man's language, i.e. their needs and emotions. Deeply influenced by the political teachings of Mahatma Gandhi, Shastriji was also of the opinion: Hard work is equal to prayer. A man of integrity, Shastriji gave us a slogan of Jai Jawan Jai Kisan to enthuse both our soldiers and farmers asking them to do their best for the rise of the country and grow along with it.

Today our nation stands tall and strong despite the fact that a financial crisis has again struck the world. While other countries have started to become nervous about the size of their budget deficits, our fundamentals are still strong, and, India is ready to face the crisis.

'It is a pleasure to note that as required, the Government has already constituted the GST Council immediately after the Presidential assent, which will be a key body to decide on the functional modalities of GST, including tax rates, cess and surcharges, and the first meeting of this Council took place in New Delhi on 22nd-23rd September 2016, with the Government running ahead of the schedule in the matter regarding GST implementation.'

Some of the most significant professional developments that have taken place over the last month are:

Shri Mavjibhai Sorathia, Nominated as Trustee of Kandla Port Trust.

Ministry of Shipping & Kandla Port trust board has communicated the nomination of our senior member Shri Mavjibhai Sorathia, as Trustee of Kandla Port Trust. We had the occasion to meet and welcome him in our forthcoming CPE programmes.

All Set for ICAI's Mega International Conference in Hyderabad

I am glad to inform you that the stage which was all set for our mega two-day International Conference- JñānaYajña: The Quest for Excellence - on 22nd-23rd October 2016 in Hyderabad where some of the members of our branch participated and the themes that was discussed at this platform were-governance and sustainability through accounting standards, new economic order, financial reforms and way forward, public-sector financial management, internal financial controls for enterprise governance, outcome-based developmental model, SMEs empowerment and development, and business analytics and strategy.

Certificate Course on FAFD (Forensic Accounting & Fraud Detection)

As you are aware, continuous professional updation is the hallmark of our profession. The Institute has helped in organising various workshops and certificate courses and FAFD is one of the fascinating topics in the era of Information Technology. Our Branch is going to organise the same in the month of January 2017. The dates are going to be between 19th January to 29th January 2017. A brief of the same will be forwarded to you soon.

Block Your Dates for Jaisalmer Residential Refresher Course-GST

As you know, Gandhidham Branch will organise a three-day RRC Conference on 6th-8th January 2017 in Jaisalmer. Let me tell you that this Conference will give you an apt platform

to exchange your ideas and an opportunity to meet GST Challenges. The Conference will celebrate new thought on GST & Direct Taxation, etc., to augment growth for meeting the aspirations and expectations of society at large. I would request you all to block your dates and make it a point to attend and actively participate in the Conference.

Meeting with CIT-1 Rajkot and his felicitation

Friends, it's a matter of pride for our branch in association with Gandhidham Tax Consultant Association that we met with CIT-I Rajkot and felicitated him and convey our issues pertains to department with him.

National Convention for Members & Professionals in Gandhidham: Our Branch along with a GTCA colleague and All Gujarat Federation of Tax consultant jointly with All India Federation of Tax Practitioner going to organise one day Tax convention on 19th November 2017, Saturday. The details will be mail to you shortly, kindly avail the benefit of the same.

Festivals give us an opportunity to celebrate and provide us an opportunity to rejoice in community. Our elders used to say: joy when shared increases and pain when shared decreases. Joy and pain are actually relative, and absence of either of the two will result in a loss of the other. These require frames of reference to exist. We have already learnt that we cannot celebrate our joy in isolation, and that sharing is quite innate to happiness. Since, our surrounding helps us to rejoice, we will have to become more responsible and start respecting our surrounding. And, if we want to evolve our existence further, we will have to consciously acknowledge the presence of innateness even in the feelings of pain and grief. It is quite selfish that we call on others when we want to celebrate our joy and we willingly present us when it is time to share others' joy, but we keep ourselves away when it is time to share their pain and grief. Truth is, we will never experience real happiness if we keep our connection with our surrounding partial. We should not act selfish. We are not responsible if we do so. We cannot act selfish. It is our social responsibility to create a real and complete bond with our society where and on which we and our ventures thrive.

It is also time for me to extend my heartiest warm wishes to all of you on the occasion of Dussehra, Deepawali and Govardhan Puja. We also have Muharram, one of the four sacred months and first month of the Islamic year, which is observed due to the sacrifice of Prophet Mohammed's grandson Hussain.

Let us all celebrate the spirit of humanity together.

TOUCH THE SKY WITH GLORY



CA Rajiv Singh
Chairman
Gandhidham Branch of WIRC of ICAI



- 1. National Conference on GST - 19th November**
- 2. Start Up India jointly with Committee on Management Accounting – 25&26 November**
- 3. Trust & NGO and Section 14A of Income Tax Act – 3rd December**
- 4. Plant Visit at IFFCO, Kandla – 10th December**
- 5. Saurashtra Kutch Tax Conclave – 17 & 18th December**
- 6. Certified Course on FAFD – 19-22 January 2017 & 26-28 January 2017**

Diwali!

Stories of Indian Army – Making us Proud

- Compiled by CA Rajiv Singh

Here are five stories of Indian Army that will Swell your Heart with Pride

1. The war of 1967: When the brave Indian soldiers defeated China and defended Sikkim

Nathu La Incident: Since border tactics was a common thing that the Chinese Army used to instigate India, the Indian Army decided to lay down wire to fence the border. As soon as the fencing work commenced, the Chinese Commissioner came to the Indian side and asked them to stop the work. There was a heated argument and the Commissioner left. And just after a few minutes, Chinese troops indulged in heavy gun fire. Contemplating China's aggression, Indian side opened fire too. The effective firing resulted in the damage of Chinese bunkers and the death toll was over 400, resulting in China's defeat.



Cho La Incident: China couldn't accept their defeat at Nathu La incident, and they planned an unprecedented attack again at Cho La pass. China lost its 40 elite commandos. The end of the battle witnessed China leaving Sikkim once and for all. Two brave officers – Capt. Dagar and Major Harbhajan Singh died a valiant death.

2. When Captain VikramBatra displayed an example of valor

Captain VikramBatra, was an officer of the Indian Army and was posthumously awarded with the ParamVir Chakra, India's highest and most prestigious award for valour, for his actions during the 1999 Kargil War in Kashmir between India and Pakistan.



He celebrated the capture of Point 5140, at an altitude of 17,000 feet, which was under the illegal possession of the Pakistani soldiers. Despite being fired at by heavy machine guns, Captain Batra and his men managed to destroy 2 machine gun posts. Captain Batra's gallantry was proved when he single-handedly killed 3 enemy fighters in a dangerous combat.

He died rescuing an injured officer while leading his men on a successful assault on Point 4875.

3. When the Indian Army helped in the annexation of Goa, against Portuguese Republic in 1961

When India became independent in 1947, Goa remained under Portuguese control. The Indian government of Jawaharlal Nehru insisted that Goa, along with a few other minor Portuguese holdings, be turned over to India.



The 1961 Indian annexation of Goa was an action by India's armed forces that ended Portuguese rule in its Indian enclaves in 1961. The operation, code named 'Operation Vijay' by the Indian government involved air, sea, and land strikes for over 36 hours, and was a decisive victory for India, ending 451 years of Portuguese colonial rule in Goa.

4. When 2nd Lt. Arun Khetarpal single-handedly destroyed numerous Pakistani tanks and troops, denying Pakistan to enter the Indian soil

During the 1971 Indo-Pak war, a bridge was constructed across Basantar River so that the soldiers could crack the enemy-mine field. But half way through, the enemy raided the bridge. The sufficiently armored Pakistan regiment, attacked the Indian troops, which were outnumbered.

Therefore, the commander of Squadron sought assistance from Arun Khetarpal. As soon as he got the message, he got into the enemy's neck and captured many soldiers. Meanwhile, Pakistan blew India's second tank. Arun Khetarpal single-handedly destroyed 4 tanks of Pakistan. In return, Pakistan wrecked the other two tanks, one of which was Arun Khetarpal's. He didn't accept defeat and continued to fight even in his flaming tank.



The commander of his troop ordered to abandon his tank, but Khetrapal replied: **“No Sir. I’m not going to abandon my tank. My gun is working and I’ll get these bastards.”**

And because of this gallant soldier, Pakistan couldn’t enter the Indian soil.

5. When Captain Manoj Kumar Pandey’s bravery led to India’s victory in the 1999 Kargil War

“If death strikes before I prove my blood, I swear I will kill death.”

These were the words of Captain Manoj Kumar Pandey.

During the 1999 Kargil war, he led his troop to capture the Jubar top. During this, Pakistan continued to fire on his men. Demonstrating an act of bravery, he went ahead of his troop and fired a lot of bullets. He was wounded by bullets on the leg and shoulder.



As a part of Operation Vijay, he was asked to clear the enemy positions amidst heavy shooting. Bravely striking the 1st enemy position, he killed 2 enemies and destroyed the 2nd position by killing 2 more. While clearing 3rd, bullets injured his shoulder and legs. Undaunted, he continued to lead the assault on the 4th, which he destroyed with a grenade. At the end, a bullet penetrated his forehead.

His daredevil act led to the capture of Khalubar.



Legal Updates

ROC FILINGS

EXTENSION OF DATE FOR FILING OF ANNUAL ROC FORMS

General Circular No. 12/2016

Dated: October 27, 2016

Relaxation of additional fee and extension of last date of in filing AOC-4, AOC-4 (XBRL) AOC-4 (CFS) and MGT-7 e-forms under the Companies Act, 2013 –

Last date for filing of financial statements and annual returns e-forms AOC-4, AOC-4 (XBRL) AOC-4 (CFS) and MGT-7 as the case may be, without payment of additional fee, wherever applicable has been extended till 29th November, 2016.

INCOME TAX

CHAPTER VIA DEDUCTION ON ENHANCED PROFITS AFTER DISALLOWANCE ELIGIBLE

Circular No. 37/2016- Income Tax,

Dated: November 2, 2016

Chapter VI-A of the Income-tax Act, 1961 (“the Act”), provides for deductions in respect of certain incomes. In computing the profits and gains of a business activity, the Assessing

Officer may make certain disallowances, such as disallowances pertaining to sections 32, 40(a)(ia), 40A(3), 43B etc., of the Act. At times disallowance out of specific expenditure claimed may also be made. The Board has accepted the settled position that the disallowances made under sections 32, 40(a)(ia), 40A(3), 43B, etc. of the Act and other specific disallowances, related to the business activity against which the Chapter VI-A deduction has been claimed, result in enhancement of the profits of the eligible business, and that deduction under Chapter VI-A is admissible on the profits so enhanced by the disallowance.

Addition for mere appearing of TDS credit in form 26AS not justified. [P.K. Rajasekar vs. ITO (ITAT Chennai)]

The learned members of the ITAT opined that even though the burden of proof is initially on the shoulder of the assessee, the AO is also equally responsible to find out whether the credit entry is genuine or not. The AO cannot take advantage of the ignorance or handicap of the assessee and say that there was undisclosed receipt by the assessee. When the assessee claims that the entry is a wrong entry, the AO in all fairness has to examine the same and find out whether there was genuine entry or not. The AO was conferred the power of civil court to examine and find out the real nature of transaction. If the AO could not exercise the power conferred on him, it is not known how the individual citizen of this country will be able to find out the genuineness of the transaction. Therefore, in order to meet the ends of justice, this Tribunal is of the considered opinion that the AO has to find out whether so called credit is a genuine transaction or it is a wrong entry. Thereafter, the AO has to decide the same in accordance with law. Accordingly, the learned members of the ITAT set aside the orders of the authorities below and the entire issue was remitted back to the file of the AO for re-examining the matter afresh in the light of the material available on record and thereafter decide the same in accordance with law after giving a reasonable opportunity to the assessee.

S.14A cannot be invoked if no regular activity in respect of Investment [M/s Power Grid Corporation of India Ltd. Vs DCIT (ITAT Delhi)]

The assessee received dividend incomes. From the annual accounts of the assessee company, it is observed that there is no change in the investments during the year. The dividend received from the companies has been credited to the bank account. Also, there is no regular activities were undertaken by the Assessee in respect of the investments to earn income there from. Therefore, there was no basis for the AO to hold that the expenditure as disclosed by the Assessee towards earning exempt income was insufficient. The appeal of the assessee was allowed.

S.54 Exemption despite non completion of new Property Purchase deal [CIT Vs Mrs. Shakuntala Devi (Karnataka High Court)]

It was held by Karnataka High Court that the intention of Legislature was to encourage the investment in the acquisition of residential house or construction thereof and the condition precedent for claiming benefit under said provision is that the capital gains realized from sale of a capital asset should be reinvested either in purchasing a residential house or utilised for constructing a residential building and thus, if it is established that consideration so received on alienation of property has been invested in either purchasing a residential building or spent on construction of residential building, an assessee would be entitled to the benefit of Section 54 irrespective of the fact that transaction not being complete in all respects.

SERVICE TAX

SC Stays Delhi HC judgment on Service Tax Audit by Department or CAG [Union Of India Vs. Mega Cabs Pvt. Ltd. (Supreme Court)]

In the case of Mega Cabs Pvt. Ltd. Vs. Union Of India & Ors. dated 03.06.2016 , Honorable Delhi High Court has Declared Rule 5A(2) of the Service Tax Rules, as amended, to the extent that it authorises 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, as ultra vires the Finance Act and, therefore, struck it down to that extent.

On Appeal by the department against the Ruling, Honorable Supreme Court has stayed the operation of judgment in the case of Mega Cabs Pvt. Ltd. Vs. Union Of India & Ors. dated 03.06.2016.

Service Tax on Short Term Hotel Accommodation Unconstitutional [Federation Of Hotels And Restaurants Association Of India And Ors. Vs. Union of India And Ors. (Delhi High Court)]

The constitutional validity of Section 65 (105) (zzzzw) of the FA was challenged whereby the provision by a hotel, inn, guest house, club or camp-site by whatever name called to any provision, accommodation for a continuous period of less than three months has been made amenable to service tax.

The Court struck down Section 65 (105) (zzzzw) of the Finance Act 1994 pertaining to levy of service tax on the provision of short-term accommodation and the corresponding instructions/circulars seeking to operationalise the levy as unconstitutional and invalid.

OF DEEPAWALI FILL
TH HAPPINESS

Diwali !

CA With a Difference

- Compiled by CA Karan Thacker

In this issue of Newsletter, we bring to you stories of 2 CA, who are associated with Gandhidham Branch of WIRC under the column "CA with a Difference"



CA Rajesh Khandol

CA Rajesh Khandol, completed his CA in May-1990 after completing graduation in science with Mathematics as a main subject and started his own practice.

He has been a researcher and has written columns for various reputed newspapers of the region in the field of Share Markets and the various explorations possible on the same.

He has also served to the profession as a vice president of Gandhidham Tax Consultant Association, Secretary of Kutch Tax Consultant Association, Member of Managing Committee of Gandhidham Branch of WIRC of ICAI, Member of Managing Committee of Bhuj Branch of WIRC of ICAI, Tax Consultant Association, and Member in advisory committee of FOKIA (Federation of Kutch Industrial Association). He was one of the active delegates visiting Canada for

representing the India Canada Trade relations development tour conducted by the Kutch Chamber of Commerce.

He has recently got the degree of Doctor of Philosophy (P. Hd.) from Sardar Patel University under the subject "Economic Development of Kutch after Earthquake of 2001 and analytical study of major growth areas & selected Institutions". In his research he has worked upon the development post earthquake, dated 26th January 2001, which killed perhaps 15,000 people, injured 1,67,000 people and losses of assets worth in several billions.



CA Mavjibhai Sorathia

CA Mavjibhai Sorathia, after completing his Chartered Accountancy Course and graduation from M. S. University and Diploman in German & French Language started his own practice.

He is currently the Director of The Kutch District Co-operative Bank and Trustee of Ramkrishna Seva Kendra (Adipur), Shri Yadvanshi Sorathia Ahir Gyanti (Anjar), Convenor of Maa Shri Arvind Sadhna Kendra (Gandhidham).

He had in past too been actively involved in Professional Activities by holding post of Chairman of Taxation Committee of Gandhidham Chamber of Commerce, Bulletin Committee of Anjar Chamber of Commerce & Industries, Direct Tax Committee of Anjar Chamber of Commerce & Industries and President of Kutch management Association, Kutch Management Association (Gandhidham), Gandhidham Tax Consultant Association, Gujarat Ahir Kedavani Mandal (Rajkot).

He was also President of Anjar Municipality, Convener CA Cell Kutch-BJP, Joint Secretary Akhil Gujarat Nagarpalika Parisad (Gandhinagar) and other positions in the said area.

Kandla Port, after Independence, was planned and constructed under the leadership of Shri Sardar Vallabhbhai Patel, in place of Karachi. Kandla Port Trust, a body created under Major Port Act, is an independent body run by the Board of Trustees. CA Mavjibhai Sorathia, a Trustee elected by the government, is a member of Board of Trustees which is a decision making Board for the major affairs of the Port.

OF DEEPAWALI FILL
TH HAPPINESS

Diwali!

JUST IN GIST- CARTOON CORNER

©Marty Bucella E-Mail: MJSTOONS@aol.com



"That program supplies you with all kinds of ways to cheat on your taxes and even calculates the amount of jail time you'll do if you get caught."

FROM NOW ON, I
WANT YOU ALL
TO BE FRIENDLY
AND
COURTEOUS
TO THE
TAXPAYERS



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"This return looks mighty suspicious, Irv. This family spent less than they earned."

I never appreciate
my kids more than
when I'm doing
my taxes.

someecards





Meeting of Commissioner of Income Tax, Rajkot by the Members of Gandhidham Branch

Diwali!



Delegates from Gandhidham Branch at ICAI International Conference

jnana yajna - The Quest for Excellence



GANDHIDHAM BRANCH OF WIRC OF ICAI

(IT Training Centre Cum Sales Counter)

Office No. 205-206, Sai Krupa Complex, 2nd Floor,

Plot No. 575, Ward - 12/C, Above Guru Nanak Super Market,

Gandhidham - Kachchh, Gujarat - 370201, Ph. No.: 02836 - 230305

E-Mail - gandhidhambranch.wirc@gmail.com

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Vande Mataram !! Jay Hind!!