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CHAIRMAN'S MESSAGE



Dear All,

A philosopher of repute born on 5th September, 1888, Bharat Ratna Dr. Sarvepalli Radhakrishnan was a philosopher-king in the real sense, a fact that he great Bertrand Russell ardently appreciated and celebrated. Dr. Radhakrishnan became the Vice-Chancellor of the established Andhra University and Banaras Hindu University. Through his philosophic investigations, he tried to bring the East closer to the West, i.e. by introducing our philosophical dialogue to the West. He recommended education could build bridges between cultures. His views on the responsibility towards our nation at one of our offices were simply amazing: When we talk about patriotism, it is no use talking of your language or border...if we depart from...(our)...ideal and great traditions and try to build up man-made barriers, I am afraid, the day of our declines will start. We must knock down these barriers and learn to live as free citizens. By free citizens, he meant people having equal opportunities. He went on to become the first Vice- President and the second President of India. On 5th September, we celebrate his birthday, as Teachers' Day in India.

Abraham Lincoln cites another perspective:.... teach the children so that it will not be necessary to teach adults. It wouldn't be wrong to vouch for the opinion that a teacher affects eternity, and that it wouldn't be possible to measure the influence of a teacher. That is why, Dr. Radhakrishnan always wanted the teachers to be amongst the best minds of the nation. And I completely agree with him. It would only be wise that our educational institutions take a serious note of his viewpoint.

In the CA curriculum, the relationship between Principal and Article Trainee is that of a teacher and a student. As Principal, our members play a significant role in nurturing their articulated trainees and molding them to acquire professional skills that ultimately lead them to success—in examination as well as in their professional life post-examination. Swami Vivekananda said: He alone teaches who has something to give, for teaching is not talking, teaching is not imparting doctrines, it is communicating. I request Principals to act as a true teacher and play an active role in helping their articulated trainees in acquiring holistic knowledge and having diverse experience in various areas of the profession.

We Welcome Passage of Constitutional Amendment Paving Way for GST

We welcome the passing of Constitutional Amendment (GST) Bill by the Parliament, which has to be ratified by more than half of the States; already 12 States, have ratified the same. After the President's assent, the GST Council would be created to pave the way to passing of the CGST and IGST Laws that are expected to be passed in the Winter Session of the Parliament and SGST Law by respective State assembly to implement the GST with effect from 1st April 2017. Hon'ble Prime Minister Shri Narendra Modi has opined that the GST will free the nation from the menace of tax terrorism.

GST is the country's most comprehensive and biggest tax reform since its independence. GST will subsume at least 11 central and state taxes and Govt has given a slogan "One Nation One Tax". Its implementation is expected to bring in new opportunities for Chartered Accountants, e.g. consultancy, IT supports, supply-chain management and transition to new tax regime, etc. The provision for audit under Section 42(4) of the said Model GST Law akin to tax audit will provide ample opportunities to chartered accountants to prove themselves as caretaker of financial health of the country.

We as a member of ICAI is committed to the smooth rollout of GST and a process is already underway to prepare a clear pathway for the rollout of GST through a series of countrywide awareness and training programmes for the members and other stakeholders.

Let's Perform Tax Audit as a National Duty

Tax audit season that is at its peak gives us enough opportunity to test and make the best use of our expertise to the core. Rightly go the sayings, we all are aware that taxes are what we pay for civilised society' and these are the fuel which move the wheels of growth and progress. In this backdrop, Chartered Accountants have been entrusted with a very important responsibility to keep the wheel of growth running while ensuring compliance with the provisions of Income-tax Act and Rules thereof of certain class of assesseees by way of tax audit. As such, it is an important national and social duty for the CAs and this has to be performed to the expectation of both the clients and the Government. Let's perform this onerous task efficiently and effectively. I wish success to all of you for an effective completion of tax audits..

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.

1st Ever Indoor Sports Competition

Friends, it's a matter of pride for our branch in association with Gandhidham Branch of WICASA, that we have hosted one of the premier event of the year, the Indoor Sports Competition comprises of Table Tennis, Badminton, Chess, Carrom & Swimming. More than 70 participants had played the games. A special thanks to Chief Coordinator CA. Deepak Joshi, the way he had handled the entire tourney is really commendable.

Visit of WIRC Chair-person & Office Bearers

The WIRC Chair-person CA. Shruti Shah, WICASA Chairman CA Pradeep Agarwal, Secretary CA. Kamlesh Saboo & RCM Sarvesh Joshi along with RCM Purshottam Khandelwal visited our branch and noted various activities of our branch. We had also requested her for Construction of Branch Building Premises. They assured us with positive response.

Before I conclude Let me take this opportunity to wish all of you on the upcoming festivals of August-Janmashtami (also known as Krishna-Janmashtami or Krishnashtami, where we celebrate the birth of Lord Krishna), Parsi New Year (i.e. Nowruz) and Paryushan (A holy Jain

festival). We must appreciate that these festivals give us opportunity to enjoy our community life and celebrate our togetherness and diversity.

Dalai Lama says: This is my simple religion. There is no need for temples; no need for complicated philosophy. Our own brain, our own heart is our temple; the philosophy is kindness...Love and compassion is necessities, not luxuries. Without them, humanity cannot survive.

Being a land of diversity, India has quite successfully survived as one of the most tolerant countries in the world for decades. Let us preserve its diversity and integrity respecting the existence of everybody around us, while not disturbing the order of love and harmony of our nation.

TOUCH THE SKY WITH GLORY



CA Rajiv Singh

Chairman

Gandhidham Branch of WIRC of ICAI



- 1. Mock Test for Students - September**
- 2. National Conference on GST - 14th October**
- 3. RRC at Jaisalmer on Direct and Indirect Taxes**

About Unknown Teachers

- -Compiled by CA Karan Thacker

In India, September 5 is Teachers' Day, to celebrate the birth anniversary of the second president, Dr Sarvepalli Radhakrishnan, who was also a teacher. While it's often a day to thank and remember your teachers, there are others to be introduced to as famous personalities who also donned the teacher's hat at some point in their career.

Dr. Manmohan Singh:

Before his prestigious assignments as a bureaucrat and later, politician, India's former prime minister was a teacher, at Punjab University and, later, Delhi University. He has returned to this role after relinquishing office, accepting professorship for the Jawaharlal Nehru Chair at Punjab University. His daughter, Upinder Singh, is a Professor at Delhi University.

Mayawati Prabhu Das:

Former Uttar Pradesh chief minister and Bahujan Samaj Party supremo Mayawati worked as a school teacher in Delhi before joining the party she would go on to lead. She was simultaneously preparing for the civil service exams before Dalit leader Kanshi Ram persuaded her to enter politics.

Akshay Kumar:

After learning martial arts and working as a waiter and cook in Thailand, Akshay Kumar returned to Mumbai, where he began teaching martial arts. His stint as a model began when one of his students, a photographer, recommended him

Jack Ma:

The billionaire Chinese entrepreneur taught at a college for six years before turning entrepreneur. A trip to the US in 1995 introduced him to the internet but he saw that there was hardly anything online on China. When he got back, he quit and launched his first internet startup, China Yellow Pages. A few years later, he launched a B2B marketplace online called Alibaba. In 2014, it mopped up \$25 billion at its IPO

Hugh Jackman:

Before embarking on his Hollywood career, the superstar of the X-Men series taught briefly at Uppingham School in 1987. Fans of the Australian actor wouldn't be surprised to know which subject he was teaching: physical education. He even ran into one of his students, who had become a reporter, on the red carpet.

JK Rowling:

JK Rowling's rags-to-riches story is fairly well-known — from living on welfare to being a multimillionaire. Less well-known is that she also taught English as a foreign language for a while, at an institute in Portugal. She worked on the first Harry Potter book during this time, carrying the first three chapters with her when she moved back to Scotland in 1993. After finishing the manuscript in 1995, she enrolled for a teacher training course.



Legal Updates

INCOME TAX

Unlimited time for assessing income

There can be no argument about the need to take big actions to catch tax evaders. Even then, it is difficult to digest disruptive and chaotic provisions in law. Section 197 of Finance Act, 2016 states, for removal of doubts, that if an income has accrued or asset is acquired therefrom, prior to 01-06-2016, and no declaration is made in respect thereof under Income Declaration Scheme 2016, income shall be deemed to accrue or the asset shall be deemed to be acquired in the year in which notice under section 142/143/148/153A/153C is issued.

It is difficult to believe that such a provision can be there. However, reply to question 4 in Circular dated 25th June, 2016, based on aforesaid provision, states that income of A.Y. 2001-02 will now be taxed if not declared under the Scheme (although time limit under section 149 is 6 years). The latest circular dated 14th July, 2016 confirms that the amendment means exactly that.

From what we can understand, this can have some absurd results. Literally reading, value of ancestral house acquired decades earlier may be assessed now only for the reason that relative income is not disclosed under the Declaration Scheme. Also section 197 applies so as to require it to be considered income of the year in which notice under section 148 is issued. If notice is issued in July 2017, the notice would apparently not be for Assessment Year 2018-19 while the Income will become assessable in Assessment Year 2018-19.

TDS on payments to banks

As per notification dated 17th June, 2016, tax is not required to be deducted at source from following payments to scheduled banks:

- (i) bank guarantee commission;
- (ii) cash management service charges;
- (iii) depository charges on maintenance of DEMAT accounts;
- (iv) charges for warehousing services for commodities;
- (v) underwriting service charges;
- (vi) clearing charges (MICR charges) including interchange fee or any other similar charges by whatever name called charged at the time of settlement or for clearing activities under the Payment and Settlement Systems Act, 2007;
- (vii) credit card or debit card commission for transaction between merchant establishment and acquirer bank.

That is end of avoidable litigation but unfortunately, the effect is given prospectively

SERVICE TAX

Procedural Error while payment of Challan

[Devang Paper Mills Pvt Ltd vs UoI – Gujarat HC]

While depositing the duty under challan, the petitioner, due to oversight, mentioned the assessee Code No.AADCD7232REM001 instead of the correct Code No.AADCD7232REM002. The petitioner immediately communicate it to the Audit Officer, explaining the background leading to the error; the revenue authorities wrote to the petitioner that the assessee code now cannot be changed and only remedy available to the petitioner would be to seek refund; that the duty paid in the wrong assessee code cannot be treated as payment of excise duty for the month of July 2014; and that the assessee should therefore make payment of the said amount again - The departmental communication was followed by a notice proposing recovery of duty with interest an penalty under Rule 8(3A) of the Central Excise Rules, 2002. The Honorable High Court observed that whatever be the accounting difficulty, when undisputed fact is that the petitioner did pay a certain excise duty, merely mentioning wrong code in the process, cannot result into such harsh consequence of the entire payment not being recognized as valid, incurring further liability of repayment of the basic duty with interest and penalties ; it is not the case of the respondents that the petitioner had any other code by the number AADCD7232REM001 and for which there was separate manufacturing

activity inviting separate duty liability; indisputably, thus, the petitioner had singular duty liability for which the actual payment was also made. Under the circumstances, the Honourable High Court quashed the impugned communication dated 05.05.2015 and notice dated 21.07.2015 and directed the revenue authorities to give credit of the duty paid by the petitioner for a sum of Rs.22.15 lacs by making necessary accounting entries on the basis that the same was paid at the relevant time

Excess Tax Paid

[Schwing Stetter India (P.) Ltd. vs CCE, LTU, Chennai – Chennai Cestat]

Excess tax paid in a month/quarter can be adjusted against any of the subsequent months / quarters (i.e., even beyond next month/quarter) and for this purpose, word 'month/quarter' in rule 6(4A) of Service Tax Rules, 1994 would include 'months /quarters'.

VAT

Resolution for Single Common Login ID

[G.R. No. GST-1016-1068-GST Cell dated 1st September 2016]

The taxpayers under the Gujarat Value Added Tax, 2003, The Central Sales Tax Act, 1969, the Entry Tax on specified Goods into Local Area Act, 2001, Professional Tax Act, 1976, Entertainment Tax, 1977, and Luxury tax Act, 1977, were required to obtain different ID for utilization of different services such as obtaining registration, filling of return and making payments etc.

In order to promote ease of doing business in the State as also to ensure reduction in the cost of compliance for tax payers in the state, Government of Gujarat has decided to facilitate the tax payers to login in to any of the portals associated with the provisions of e-services for the purpose of above Act by a Single common login ID from 1st September, 2016 in the state.

Motivational Story

Compiled by CA Kavita Bulchandani

Life started for her as an unwanted child, and followed by an abusive husband who abandoned her when she was nine months pregnant and she became a 'Mother to over 1400 homeless children.'

Sindhutai Sapkal, known as **Mother of Orphans** was born on 14 November 1948 at Pimpri Meghe village in Wardha district Maharashtra to Abhimanji Sathe, a cowherd by profession. Being an unwanted child, she was nicknamed 'Chindhi' (torn piece of cloth). Abject poverty, family responsibilities and an early marriage forced her to quit formal education after she passed 4th grade.



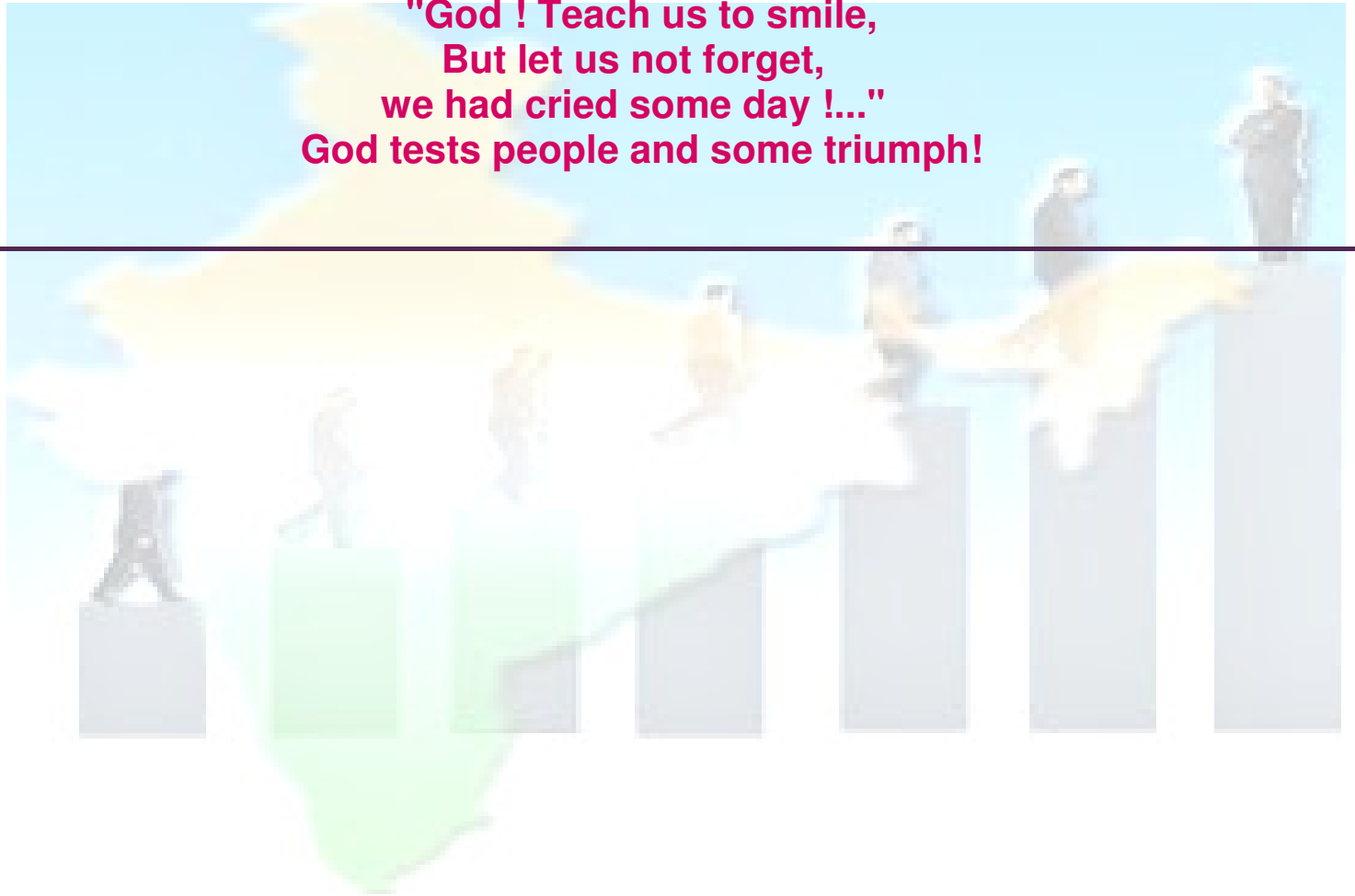
At the age of 10, she got married to Shrihari Sapkal alias Harbaji, a 30-year-old cowherd from Navargaon village in Wardha District. To take revenge a strong man exploiting villagers managed to convince her husband to abandon her following her successful agitation. She was refused shelter by all and while managing keeping away thoughts of suicide she gave birth to a girl, this was major even her life while she realised that there are so many children abandoned by their parents and she adopted them by her own and started begging on railway platforms more rigorously to feed them.

She has **nurtured over 1050 orphaned children**. Many of the children whom she adopted are well-educated lawyers and doctors, and some, including her biological daughter, are running their own independent orphanages. One of her children is doing a PhD on her life. She has been honoured **with over 273 awards** for her dedication and work. She used award money to buy land to make a home for her children. Construction has started and she is still

looking for more help from the world. Sanmati Bal Niketan is being built in Manjari locality at Hadapsar, Pune where over 300 children will reside.

She accepted her apologetic husband as her child. A marathi film '**Mee Sindhutai Sapkal**' **released in 2010**, is a biopic inspired by the true story of Sindhutai Sapkal. The film was selected for **world premiere at the 54th London Film Festival**.

**"God ! Teach us to smile,
But let us not forget,
we had cried some day !..."
God tests people and some triumph!**



SERVICE TAX ON FOOD SERVED IN RESTAURANTS



By CA Kavita Bulchandani

This has become a major topic of discussion among members of society who dine out often. They always see the restaurant with an eye of doubt with respect to the service tax and VAT charged on their bills thanks to the posts on social sites. Some people even go to the extent of posting their research on the matter on the blogs and post it on social sites and promote for general awareness. Ignorance is a bliss for them and sometimes an evil for others.

Lets touch upon same matter here!

When is service tax levied on restaurants?

The Restaurant should be air conditioned.

Whether service tax is levied on entire sum?

Service tax is a tax on service so it is charged on service element only. To bring standardization Rule 2C of Service Tax (Determination of Value of Rules) provides that ,

'Service tax should be charged only on 40% of the Food Bill (including service charge) and **not on total bill**.

Lets take an example:

I went to dine in an air conditioned restaurant and the food bill is of INR 100, service charge INR 10

Total: INR 110

Then the correct tax on same will be as under:

TOTAL FOOD BILL	100
SERVICE CHARGE	10
TOTAL	110

Service tax: $\text{INR } (110 \times 40\% \times 15\%) = \text{INR } 6.60$

Note:

1. In case food is served in form of outdoor catering services the service tax shall be levied @ 60% of total bill.
2. No service tax on home delivery of food since dominant nature is sale not service.
3. Since service tax is charged on 40% of bill, VAT should be charged only on balance 60%.

Relevant recent judgements:

Service Tax- Constitutional validity of Section 65 (105) (zzzzv) & 65 (105) (zzzzw) of the Finance Act

[Federation Of Hotels And Restaurants Association Of India And Ors. Vs. Union of India And Ors. (Delhi High Court) date of judgement 12/08/2016]

ST - Provision of short-term accommodation in hotels envisaged in FA, 1994 is a taxable event that is entirely covered by the term 'luxuries' in the State List and, therefore, outside the legislative competence of Parliament: HC

Constitutional validity of Section 65 (105) (zzzzv) read with Section 66E (i), Section 65 (22) of the Finance Act, 1994 as well as Rule 2C of the Service Tax (Determination of Value) Rules, 2006 is upheld;

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 operationalize the levy are unconstitutional and invalid.

JUST IN GIST- CARTOON CORNER



"We're going to parachute in and do a surprise audit, but I want to keep the whole thing low key."

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"Stockings and guns are allowed, but you can only claim a portion of your car. How often was it used to get away?"



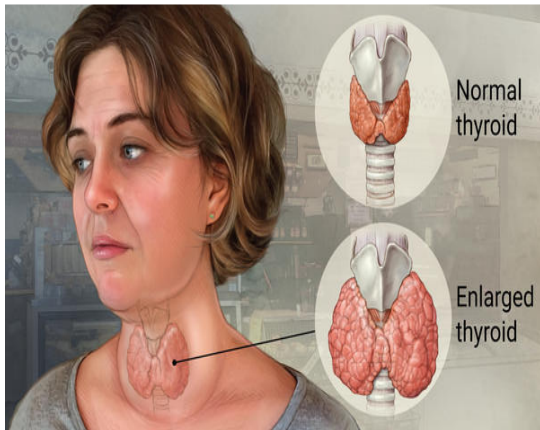
EXCUSE ME, 62756076 IS NOT MY ACCOUNT NUMBER.

YOU'RE RIGHT, THAT'S YOUR COUNCIL TAX.



the

PINK PAGE

**WHAT IS GOITER?**

A goiter, is an enlarged thyroid gland.

This butterfly-shaped gland plays a critical role in regulating the metabolic processes of the body by producing thyroid hormone.

Heart rate, blood pressure, growth, and breathing are examples of the many processes that depend upon thyroid hormone from the thyroid gland.

When the gland becomes enlarged due to diseases or tumors, the gland is referred to as a goiter.

CAUSES

1. Over function of thyroid gland
2. Under function of thyroid gland
3. Inflammation and tumors
4. Deficiency of iodine
5. Thyroid stimulating hormone from pituitary gland.

Less common causes of goiter include the following:

1. Nodules - benign lumps, single or multiple
2. Smoking - thiocyanate in tobacco smoke interferes with iodine absorption
3. Hormonal changes - pregnancy, puberty and the menopause can affect thyroid function
4. Thyroiditis - inflammation caused by infection, for example
5. Lithium - the psychiatric drug can interfere with thyroid function
6. Overconsumption of iodine - too much iodine can cause goiter, just as too little does
7. Radiation therapy - particularly if to the neck.



SYMPTOMS

Most goiters are asymptomatic (produce no symptoms). The following are most common symptoms of goiter:

1. Throat symptoms of tightness, cough and hoarseness.
2. Trouble swallowing (dysphagia)
3. In severe cases, difficulty in breathing (possibly with high-pitch sound).

Some signs of hyperthyroidism:

Nervousness, fatigue, hyperactivity, increased sweating, heat hypersensitivity, increased appetite, constipation, cold intolerance, forgetfulness, personality changes, hair loss and weight loss.

DIAGNOSIS

1. Physical examination of neck, palpating for the swelling.
2. Blood tests that measure levels of thyroid stimulating hormone (TSH) and thyroxine (T4)
3. A measurement of triiodothyronine.
4. Radioactive iodine scan.
5. Ultrasound scan.
6. Fine-needle aspiration- a biopsy.



TREATMENT

1. Adequate dietary intake of iodine.
2. Synthetic replacement of thyroid hormone for under active/over active thyroid.
3. Anti thyroid drugs or radioactive iodine for hyperactive thyroid.
4. Surgery to reduce size in case swelling causes difficulty in breathing or swallowing.



Consult your doctor and live healthy!



Before



After



Independence Day Celebration by Gandhidham Branch of WIRC on August 15,2016





Sports Day Celebration by Gandhidham Branch of WIRC on August 21, 2016



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Vande Mataram !! Jay Hind!!