



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



NEWS LETTER

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AHMEDABAD BRANCH OF WIRC OF ICAI



Arise ! Awake!
and stop not until the goal is reached.

- Swami Vivekanand



Chairman's Message

CA. Vikash Jain

Dear Colleagues,

Its May and as the Summer Sun boils down and temperatures soar, activities at Ahmedabad Branch continue with a roar ! It is vacation time for some of our Members, the time to recharge themselves for the upcoming season by spending quality time with their families yet we witnessed active participation

from Members in all our events.

Ours is a profession that requires constant up-gradation in knowledge as well as learning & unlearning of topics and techniques. In this endeavor we have conducted various CPE & non-CPE events in the month of April, 2016. Our Branch has always been very Vibrant and Active, and unparalleled number of events was organized. In the month of April. We had Seminars on topics like Deeming Fictions & Logical Discussions on Income Tax Provisions, Service Tax Issues in Construction Sector, CENVAT Credit Rules, Practical Issues on International Taxation, Recent Changes in Companies Act 2013, and Government Subsidies which were very well received by the members.

We at the Branch strongly believe and recognize the importance of upgrading the Information Technology skills of our Members and with this intention a seminar on Social Media and Cloud Drive was organized. Also we had deep dive into the key aspects of IFCR through a Seminar. Also there was a Seminar on SEBI (LODR) Guidelines & Mergers jointly with ICSI & GCCI. Also we conducted Training for Peer Reviewers.

On the side of Social Responsibility we had a Programme at Gandhi Ashram Residential School where nearly 100 under-privileged students reside. We distributed the things of their need and

OFFICE BEARERS

CHAIRMAN

CA. Vikash Jain
93277 15892

VICE CHAIRMAN

CA. Chintan Patel
90999 21163

SECRETARY

CA. Nirav Choksi
98254 91291

TREASURER

CA. Harit Dhariwal
99789 42299

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CA. Fenil Shah

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EX. OFFICIO MEMBERS

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98250 29950

CA. Aniket Talati, RCM
98255 51448

CA. Purushottam Khandelwal, RCM
98250 20844

CA. Priyam R. Shah, RCM
98240 96112

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spend quality time with them. CPT Batch for June 2016 also commenced and Branch organized a Seminar on Rapid Reading & Entrepreneurship for Students who are future of our profession. Also we conducted Mock Tests for IPCC & Final Students which was well received by students.

Wishing you a good time full of fun and joy with your families this summer. To sum up,

We are what our thoughts have made us; so take care about what you think. Words are secondary. Thoughts live; they travel far. - Swami Vivekananda.

Sincerely Yours,

CA. Vikash Jain
(CHAIRMAN)



Editorial

CA. Fenil Shah

Dear Professional Colleagues,

After receiving a very positive response to the April Edition on the theme of "HEALTH", It gives me immense pleasure to publish the Newsletter of May 2016 on the Theme "Swami Vivekananda". Swami Vivekananda was an Indian Hindu monk chief disciple of the 19th-century Indian mystic Ramakrishna. Born into an aristocratic Bengali family of Calcutta, Vivekananda was inclined towards spirituality. His teachings have created a positive impact on his followers. By this edition, we shed some light on some of his inspirational quotes.

Hereby I take this opportunity to thank the contributors of updates till now and sparing time for the Profession. Let me also admit that in order to make this newsletter more resourceful, your support by way of contributing Updates, useful tips, etc. is required. We request you to send your contributions on the topics of Direct & Indirect Tax, Corporate Law, VAT, Information Technology, Economics and other interesting topics. Kindly mail your contributions, achievements, etc. on ahmedabad@icai.org The Editorial Team will publish the best contribution at its own discretion. I extend thanks to the Editorial Team for their hard work to publish this Newsletter.

"We are responsible for what we are, and whatever we wish ourselves to be, we have the power to make ourselves. If what we are now has been the result of our own past actions, it certainly follows that whatever we wish to be in the future can be produced by our present actions; so we have to know how to act." – Swami Vivekananda

CA. Fenil R. Shah,
Chairman, Editorial Team

IDEA – DEDICATION – DREAM – DESIRE

"Take up one idea. Make that one idea your life; dream of it; think of it; live on that idea. Let the brain, the body, muscles, nerves, every part of your body be full of that idea, and just leave every other idea alone. This is the way to success, and this is the way great spiritual giants are produced."





Vat Updates

(Contributed by CA. Monish S. Shah)

shahmonish@hotmail.com

NOTIFICATIONS AND CIRCULARS AND NEWS

- 1) Circular dated 29/04/2016 has been published where in it has been stated that no stoppage of trucks will be done on Checkpost if the newly registered for less than one year of registration for those dealer if have a default not exceeding Rs. 5000/- and those dealers who are registered for more than one year have Rs. 50000/- as chalan default of one period vide circular no CCC/checkpost/vehicle detention/2016-17/Javak 180/95.
- 2) Vide Notification no GHN-23 VAT -2016S.5 (2)(49)th dated 30th April 2016 the government amends (GHN-35)VAT-2006-S.5(2) and deletes the entry no 53. The entry relates to kerosene sold through the public distribution system. The schedule entry is 46A.
- 3) GHN-24 VAT 2016-S.41(1)(16) now gives remission of amount of tax payable u/s7 of the Act on kerosene sold through the public distribution system with following conditions:
 - a) The dealer shall not issue tax invoices
 - b) The dealer shall not charge tax from the purchaser
 - c) He shall not be allowed any remission from the date of the contravention of any provisions of the act or rules made there under
- 4) The payment has to be made vide electronic media if the payment exceeds in any month or quarter over and above Rs. 50000/- and thereafter for all month or quarter the said provision has been extended till 31st March 2016. Any chalan including interest and penalty payable till then no rules have been broken. Issued vide circular Gujka/VAT-2015/15-16/Javak 181/156.
- 5) Department has issued an internal circular no 1139 1169 and 1211 in relation to stay against demand. The circular are in relation to stay against demand:
 - a) Any order against which the appeal is preferred in that disputed demand and undisputed demand are to be taken into consideration. It is now declared that undisputed demand should be paid in total and minimum 20% of disputed demand and 25% of demand in case of enforcement order to be deposited.
- b) Where stay is granted for limited period in all those appeals, it should be decided within 2 months. Because of stay for shorter period of stay the dealer has to again and again go to department for extension of stay and hence it is decided that where the matter is preferred by the Government then if it is further appealed or appeal is made but stay is not granted or in any tribunal or court has stayed further proceedings of recovery, in all cases barring this cases and those cases where there is evasion of tax over and above partial payment a bank guarantee must be furnished. in such cases instead of 2 months, 1 year of stay is to be granted and it should be seen that the case is decided within that period of 1 year.
- c) In relation to first circular in cases other than Enforcement if in any case of tax evasion is found then in all those matters for the protection of the Government Revenue undisputed demand should be deposited in total.
- d) Disputed Demand as per above referred ratio and for the rest of the demand by obtaining Bank Guarantee and then stay should be granted. At the stage of preliminary hearing the amount of payment towards Interest Penalty should be encouraged.
- 6) Mahadev Enterprise vs State of Gujarat Special Civil Application 90 of 2016 decided on 5.5.2016 - Judgement of Madhav steel corporation is distinguished by Gujarat high court.. it has been held that input tax credit cannot be disallowed merely on the basis of ab initio cancellation of registration of seller..there has to be finding by authority that transactions were not genuine..also further held that revision cannot be initiated from material not forming part of assessment record. Disallowance of ITC in revision by relying on information not forming part of record held illegal.

Now, the dealer gets tax credit on proving purchases are genuine.. no matter subsequently registration of vendor is cancelled ab initio.

ACCEPTING & ADAPTING CHANGES & CHALLENGES

"In a day, when you don't come across any problems - you can be sure that you are travelling in a wrong path"

"You cannot believe in God until you believe in yourself."





Company Law Updates

(Contributed by CA. Chintan Patel)

chintan@nareshco.com

1. Alteration in rule 3 of the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015.

Issue date: 04th April, 2016

MCA issued notification for alteration in rule 3 of the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 by enforcing the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules, 2016. The following proviso substituted, namely:-

"Provided that the companies in banking, insurance, power sector, non-banking financial companies and housing finance companies need not file financial statements under this rule."

http://www.mca.gov.in/Ministry/pdf/Rules_06042016.pdf

2. Substitution in Schedule III of the Companies Act, 2013.

Issue date: 06th April, 2016

MCA has issued notification for substitution in Schedule III of the Companies Act, 2013:-

1. For the heading "General instructions for preparation of Balance Sheet and Statements of Profit and Loss of a Company" the following substituted, namely:
"Financial Statements for a company whose Financial Statements are required to comply with the Companies (Accounting Standards) Rules, 2006 and"
2. In the Companies Act, 2013, in schedule III, at the end

the following inserted, namely:-

"Financial Statements for a company whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015.
http://www.mca.gov.in/Ministry/pdf/Notification_04072016.pdf

3. Guidance Note on the Companies (Auditor's Report) Order, 2016 issued by ICAI

Issue date: 24th April, 2016

The Auditing and Assurance Standards Board of ICAI has issued Guidance Note on the Companies (Auditor's Report) Order, 2016.

<http://resource.cdn.icai.org/42017aasb230416.pdf>

4. Clarification with regard to Companies (Accounting Standards) Amendment Rules, 2016.

Issue date: 27th April, 2016

MCA vide its General Circular No. 04/2016 has clarified that the amended Accounting Standards should be used for preparation of accounts for accounting periods commencing on or after the date of notification.

http://www.mca.gov.in/Ministry/pdf/General_Circular_27042016.pdf

ICAI has also issued clarification on applicability of Accounting Standards amended by MCA vide Notification dated 30 March 2016".

According to the announcement, to have a consistent approach by companies on the applicability of the Accounting Standards as amended by the Companies (Accounting Standards) Amendment Rules, the amended Accounting Standards should be followed for accounting periods commencing on or after the date of publication of the notification in the Official Gazette.

SOCIAL ACTIVITY : UNDERPRIVILEGED CHILDREN - AMBEDKAR JAYANTI ON 14.04.2016



SELF BELIEF

"All power is within you; you can do anything and everything. Believe in that, do not believe that you are weak; do not believe that you are half-crazy lunatics, as most of us do nowadays. You can do any thing and everything, without even the guidance of any one. Stand up and express the divinity within you."



Service Tax Updates

(Contributed by CA. Rahul Maliwal)

ray1associates@gmail.com

Circular No. 192/02/2016-Service Tax

Clarification on issues regarding levy of Service Tax on the services provided by Government or a local authority to business entities.

Any service provided by Government or a local authority to a business entity has been made taxable w.e.f 1st April 2016. But the word an

S. No.	Issue	Clarification
1.	Services provided by Government or a local authority to another Government or a local authority.	Such services have been exempted vide Notification No. 22/2016 – ST dated 13.4.2016 . However, the said exemption does not cover services specified in sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act, 1994.
2.	Services provided by Government or a local authority to an individual who may be carrying out a profession or business.	1. Services by way of grant of passport, visa, driving license, birth or death certificates have been exempted vide Notification No. 22/2016 – ST dated 13.4.2016 2. Further, for services provided upto a taxable value of Rs 5000/- has been exempted
3.	Service Tax on taxes, cesses or duties.	Taxes, cesses or duties levied are not consideration for any particular service as such and hence not leviable to Service Tax. These taxes, cesses or duties include excise duty, customs duty, Service Tax, State VAT, CST, income tax, wealth tax, stamp duty, taxes on professions, trades, callings or employment, octroi, entertainment tax, luxury tax and property tax.
4.	Service Tax on fines and penalties	1. It is clarified that fines and penalty chargeable by Government or a local authority imposed for violation of a statute, bye-laws, rules or regulations are not leviable to Service Tax. 2. Fines and liquidated damages payable to Government or a local authority for non-performance of contract entered into with Government or local authority have been exempted vide Notification No. 22/2016 – ST dated 13.4.2016 Even it's a declared Service.
5.	Services provided in lieu of fee charged by Government or a local authority.	It is clarified that any activity undertaken by Government or a local authority against a consideration constitutes a service and the amount charged for performing such activities is liable to Service Tax. It is immaterial whether such activities are undertaken as a statutory or mandatory requirement under the law and irrespective of whether the amount charged for such service is laid down in a statute or not. As long as the payment is made (or fee charged) for getting a service in return (i.e., as a quid pro quo for the service received), it has to be regarded as a consideration for that service and taxable irrespective of by what name such payment is called. It is also clarified that Service Tax is leviable on any payment, in lieu of any permission or license granted by the Government or a local authority. 2. However, services provided by the Government or a local authority by way of: (i) registration required under the law; (ii) testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, required under the law have been exempted
6.	Services in the nature of change of land use, commercial building approval, utility services provided by Government or a local authority	Regulation of land-use, construction of buildings and other services listed in the Twelfth Schedule to the Constitution which have been entrusted to Municipalities under Article 243W of the Constitution, when provided by governmental authority are already exempt under Notification No. 25/2012 – ST dated 20.6.2012. The said services when provided by Government or a local authority have also been exempted from Service Tax vide Notification No. 22/2016 – ST dated 13.4.2016

STRENGTH

"Strength is Life, Weakness is Death. Expansion is Life, Contraction is Death.

Love is Life, Hatred is Death."





SEMINAR ON TAXATION OF TRUST & LLP CONVERSION ON 02.04.2016



Seen (L to R) CA. Neerav Agrawal, CA. Purushottam Khandelwal, RCM, CA. Vikash Jain, Chairman, CA. Anup Shah, Faculty, CA. Ganesh Nadar and CA. Nirav Choksi

Speakers



CA. Anup Shah



CA. Rajesh Kadakia

JOINT PROGRAMME WITH GCCI & ICSI - SEBI (LODR) & M & A @ GCCI ON 07.04.2016



Seen (L to R) CA. Purushottam Khandelwal, RCM, CS. Jatin Jalundhwala, CA. Vikash Jain, Chairman, CA. Aniket Talati, RCM, CS. Tushar Shah, CS. Ashish Doshi, CA. Nirav Choksi



Seen (L to R) CA. Aniket Talati, RCM, CS. Tushar Shah, Mr. Amit Desai, Mr. Cyril Shroff, CA. Raghunath T V, CA. Purushottam Khandelwal, RCM and others

HALF DAY WORKSHOP ON SERVICE TAX ON 10.04.2016



Seen (L to R) CA. Bishan Shah, Mr. Avinash Lalwani, Faculty, CA. Vikash Jain, Chairman, CA. Naresh Sheth, Faculty, CA. Purushottam Khandelwal, RCM and CA. Amish Khandhar

Speakers



CA. Naresh Sheth



Mr. Avinash Lalwani



CA. Rajiv Luthia

SEMINAR ON WEBSITE - SOCIAL MEDIA, CLOUD DRIVE ON 15.04.2016



Seen (L to R) Kshitij Patel, CA. Nirav Choksi, CA. Vikash Jain, Chairman, CA. Rajeev Khandelwal, Faculty and CA. Ganesh Nadar

Speakers



CA. Nikesh Sheth
Mumbai



CA. Rajeev Khandelwal
Delhi



LECTURE MEETING ON INCOME TAX - 16.04.16



Seen (L to R) CA. Rohit Maloo, CA. Manthan Khokhani, CA. Vikash Jain, Chairman, CA. Rajni M. Shah, Faculty, CA. Nirav Choksi and CA. Mohit Tibrewal



CA. Rajni M. Shah
Faculty

SEMINAR ON INTERNATIONAL TAXATION - 20.04.16



Seen (L to R) CA. Nirav Choksi, CA. Rajiv Ravani, CA. Nisarg Trivedi, Faculty, CA. Vikash Jain, Chairman and CA. Ashish Sharma



CA. Nisarg Trivedi
Faculty

SEMINAR ON INTERNAL FINANCIAL CONTROL AND REPORTING ON 23.04.2016



Seen (L to R) CA. Ravi Jain, CA. Nirav Choksi, CA. Vikash Jain, Chairman, CA. Nitin Kohli, Faculty, CA. Sanjay Bathia, CA. Aniket Talati, RCM, CA. Sarvesh Joshi, RCM, CA. Purushottam Khandelwal, RCM and CA. Sunit Shah

Speakers



CA. Nitin Kohli



CA. Sanjay Bathia

OPEN HOUSE ON TDS-TRACES ON 23.04.2016



Seen (L to R) CA. Nirav Choksi, CA. Harit Dhariwal, CA. Kaushik D. Shah, CA. Vikash Jain, Chairman, Mr. Satpal Gulati, Commissioner of Income Tax (TDS), CA. Ganesh Nadar and CA. Mohit Balani

SERVICE TAX SERIES ON 28.04.2016



Seen (L to R) CA. Ruchita Shah, CA. Rashmin Vaja, CA. Nirav Choksi, CA. Vikash Jain, Chairman, CA. Bishan Shah, CA. Vinod Agrawal, CA. Sandesh Mundra and CA. Vaibhav Jajoo

ONE DAY TRAINING PROGRAMME FOR PEER REVIEWERS ON 30.04.2016



Inauguration Session : Seen (L to R) CA. Chintan Patel, CA. Nirav Choksi, CA. Vikash Jain, Chairman, CA. Purushottam Khandelwal, RCM, CA. Dhinal Shah, CCM, CA. Jay Chharia, CCM and CA. Ashok Kapoor

Speakers



CA. Sunil Talati
Past President, ICAI



CA. Arpit Patel



CA. Uday Sathe
Mumbai



CA. Amal Dhru



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8000 4444 11 / 77 / 99
sales@addorgroup.com
www.addorgroup.com



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AHMEDABAD BRANCH OF WIRC OF ICAI
ICAI Bhawan, 123, Sardar Patel Colony, Near Usmanpura Under Bridge,
Naranpura, Ahmedabad - 380 014
Phone : 079-3989 3989, 2768 0946, 2768 0537
Email : ahmedabad@icai.org Web : www.icaiahmedabad.org

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