

# CRYPTOBUDGET

2018-19



Reviewed by  
Shah Teelani & Associates

**BUDGET ANALYSIS**  
**2018-19**

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Dear Reader,

From highly sophisticated laboratories to our door steps, technology has travelled a great distance during first two decades of 21<sup>st</sup> century. Dot com boom of late 20<sup>th</sup> century to crypto currency phenomena now, technology has only created greater space for itself in every walk of life.



While the world reaped the benefits of technological advancements, a new form of technology, i.e. crypto currencies, slowly started startling the World financial wizards. Amidst mystery around its legality and lack of intrinsic value, value of crypto currencies continued sky rocketing before correcting itself briefly. Banking stalwarts, who once questioned the sheer existence of crypto currencies, were forced to accept the power of this new asset class. Perhaps, proving, how technology would drive the way mankind lives in foreseeable future.

However, as crypto currencies gain their weightage from the word "crypto", which broadly means something not visible to naked eyes, union budgets also carry lot of mystery around them.

Union Budget 2018 was construed to be a test of the Government choosing between developmental agenda and populist measures. While, the Budget emphasized on rural economy and healthcare, it failed to generate optimism amongst investors. Salaried employees and middle class once again saw their expectations being ignored. Taxing LTCG on shares and that too without indexation would really dampen the investors' sentiments. It's heartening to see that the Govt. is sticking to fiscal deficit target. However, rising crude oil prices, pressure to create employment, need to boost infrastructural spends and shrinking exports would definitely make this a herculean task and would test the Government for its financial prudence.

### **Acknowledge**

We sincerely thank to our partner **CA Utkarsh Desai** and our Energetic team for their relentless effort in compiling this book, our family for encouragement.

Your Suggestions are welcome.

Yours Sincerely,

For, Shah Teelani & Associates

CA Jinesh Shah

CA Jitendra Teelani

# THE BUDGET BLOCKCHAIN

| Sr. No.    | Particulars  | Page No. |
|------------|--|----------|
| <b>(A)</b> | <b>Budget Analysis 2018-19</b>   |          |
|            | 1) Highlights of the Budget  | 1        |
|            | 2) Changes in Provisions relating to Business & Profession                   | 3        |
|            | 3) Changes in Provisions relating to Capital Gains                           | 4        |
|            | 4) Changes in Provisions relating to Income from other Sources & Salaries    | 5        |
|            | 5) Changes in Provisions relating to Carry forward & Set off of Losses & TDS | 5        |
|            | 6) Changes in Provisions of Deductions u/s 80 & Other                        | 5        |
|            | 7) Change in Provision relating to Corporate Taxation                        | 6        |
|            | 8) Changes in Provisions relating to Procedures & Assessment                 | 7        |
|            | 9) Changes in Provisions of Custom Duty                                      | 8        |
|            | 10) Changes in Provisions of Excise Duty                                     | 10       |
| <b>(B)</b> | <b>Goods &amp; Services Tax (GST)</b>  | 11       |
| <b>(C)</b> | <b>Important Current year provisions</b>                                     |          |
|            | 1) Tax Structure Rates   | 17       |
|            | 2) Provisions relating to Deduction from Total Income                        | 18       |
|            | 3) Other Deduction u/s VIA   | 19       |
|            | 4) Provisions relating to TDS & TCS  | 20       |
|            | 5) Provisions relating to Capital Gain                                       | 21       |
|            | 6) Provisions relating to Presumptive Taxation                               | 22       |
|            | 7) Provisions relating to Registrar of Company                               | 22       |
|            | 8) Provisions relating to Security Transaction tax                           | 23       |
|            | 9) Useful Charts   | 24       |
|            | 10) Depreciation Chart as per Income Tax                                     | 25       |
|            | 11) Depreciation Chart as per Company law                                    | 26       |

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## **(A)BUDGET ANALYSIS 2018-19**

### **1. Highlights of The Budget**

- ✓ New Health and Education cess @ 4% on tax introduced and old education and SHE cess discontinued.
- ✓ Medical Insurance deduction u/s 80D increased to Rs. 50,000 for senior Citizen.
- ✓ Presumptive taxation u/s. 44AE shall be applicable on Ton basis for heavy vehicles and for other vehicles shall continue to be Rs. 7500 p.m.
- ✓ Taxation of construction contract and service contracts shall be taxed on the basis of Percentage of Completion method.
- ✓ Producer companies engaged in marketing of agriculture produce is exempt from 100% of Income Tax.
- ✓ Various amendments made in the tax laws for making taking uniform with the ICDs standards.
- ✓ Trading on commodity transaction shall not be considered as speculative if CTT is paid on such transaction.
- ✓ Foreign exchange rate variation shall be recorded based on the rate as on the last day of the financial year.
- ✓ Conversion of Business Assets into Capital Asset shall be taxed as business income and value for such conversion shall be value as on the date of conversion.
- ✓ No TDs shall be deducted by bank for Interest paid upto Rs. 50,000 to senior Citizen as per new section 80TTB.
- ✓ Difference in Stamp Duty value and Sale value upto 105% shall be accepted.
- ✓ Corporate taxation shall be @ 25% for all companies whose turnover in previous year is less than 250 Cr. This will benefit 99% of the MSME company registered in India.
- ✓ Various Amendments are made in the Business and Professions Head to made comply with the Insolvency and Bankruptcy Code, 2016.
- ✓ Loss and set off of carry forward of losses allowed if there is change in share capital of more than 51% due to Insolvency and Bankruptcy Code restructuring order.
- ✓ Block in period for investment of Bonds u/s. 54EC from 3 to 5 Years.



- ✓ Income distributed by Mutual Fund on equity based funds shall be liable to pay additional income tax @ 10%.
- ✓ Deemed Dividends will be taxed @ 30% under dividend distribution tax.
- ✓ MAT reduced to 9% for units located in International Financial Service Centre.
- ✓ Long Term capital gains on equity in excess of Rs. 1,00,000 shall be charged @ 10% and base price shall be the value as on 31.01.2018, if benefit of indexation is availed than gain shall be taxed @ 20%.
- ✓ PAN shall be compulsory for non-individual undertaking financial transaction above Rs. 2.5Lacs in a year.
- ✓ E-Assessment shall be introduced in PAN India for assisting scrutiny Assessment.
- ✓ Standard deduction of Rs. 40,000 shall be available for salary and government has done away with Transport and Medical Allowance.
- ✓ Penalty for non filing of Specific Financial Transaction increased to Rs. 500 per day.
- ✓ Authority for advance ruling for Custom will be setup independently to expediate the Customs Procedure.
- ✓ TDS provisions shall apply to the Trust, non-deduction by trust will result in disallowance of expenditure to the extent 30%.
- ✓ Trust is restricted in making payments in excess of Rs. 10,000 in cash.
- ✓ Custom Duty on Various Mobile phones and Accessories increased.
- ✓ Social Welfare Surcharge @10% is being levied on imported goods. Education Cess and She Cess are done away with.
- ✓ Definition of "Business Connection" now includes the person undertaking the transaction on behalf of the non-resident.
- ✓ Custom Duty on television increased along with LCD and Monitors.
- ✓ A Road and Infrastructure Cess as an Additional Duty of Customs shall be levied on Petrol and Diesel.
- ✓ All income based deduction as per sections 80H to 80RRB shall be allowed only if return is filed within the time limit.



## 2. Changes in Provision Relating to Business and Professions

- ✓ Company having turnover below 250 Cr shall be taxable @ 25%. Major relief for all SME companies.
- ✓ Stock in trade converted into Capital Asset than gain on such conversion will be taxable as business income. Fair market value on the date of conversion of such Capital Asset shall be deemed to be full value of consideration.
- ✓ Currently Notional loss (i.e. Market to Market Loss) not allowed as deduction under Income Tax, however to make uniformity with the ICDS Notional Loss will be allowed as deduction Under Business.
- ✓ New section 43AA inserted which provides for giving effect to the changes in foreign exchange rates on the closing date and recognize the loss or gain irrespective of whether such change is due to business transaction or loan transaction.
  - It shall also cover the gain or loss arising due to change in foreign exchange rates relating to monetary and non-monetary items, translation of financial statements of foreign operations; forward exchange contracts and **foreign currency translation reserves**. This amendment will take effect retrospectively from 01<sup>st</sup> April, 2017.
- ✓ Income/Loss on agriculture commodity derivative carried on recognized stock exchange and which is chargeable to commodity transaction tax will not be considered as speculative. This amendment will take effect from 01<sup>st</sup> April, 2019.
- ✓ New section 43CB inserted which provides profits and gains of a construction contract or contract for providing services shall be decided on the basis of percentage of completion method in accordance with ICDS.
  - For deciding the profits on service contracts with duration less than 90 days project completion method will be considered.
  - In case of contract for provision of services involving indeterminate number of acts over a specific period of time shall be determined on the basis of straight line method.
  - It is also clarified that contract revenue shall include retention money and the contract costs shall not be reduced by any incidental income in the nature of interest, dividends or capital gains.
  - This amendment will take effect retrospectively from 01<sup>st</sup> April, 2017



- ✓ Changes are made under presumptive taxable income u/s. 44AE relating to plying, hiring or leasing of trucks which is as follows
  - For a heavy goods vehicle, the profits shall be an amount equal to one thousand rupees per ton of gross vehicle weight for every month or an amount claimed to have been actually earned from such vehicle, whichever is higher.
  - Other than heavy goods vehicle, amount equal to seven thousand five hundred rupees for every month or part of a month or an amount claimed to be actually earned by the assessee, whichever is higher, shall be deemed to be the aggregate income.
  - This amendment will take effect from 1<sup>st</sup> April, 2019.
- ✓ New section 145B inserted where in Interest on compensation, enhanced compensation. Claim or enhancement claim and subsidy, Export incentives to be taxed in the year of receipt. Amendment will take effect retrospectively from 01<sup>st</sup> April, 2017.

### **3. Changes in Provisions relating to Capital Gain**

- ✓ Difference in the valuation of Stamp Duty and Sale consideration is less than 5% of total sales value than no adjustments will be made for calculation of capital Gain. This amendment will take effect from 1<sup>st</sup> April, 2019.
- ✓ Non-Resident Transferring any Capital asset, Global Depository Receipt or Rupee Denominated Bond at any International Financial Service Centre and consideration of such transfer is payable in foreign currency, than such transfer will not be liable for Capital Gain. This amendment will take effect from 1<sup>st</sup> April, 2019
- ✓ Amendment made u/s. 54EC where lock in period of bonds for claiming deduction of capital gain is increased from current 3 years to 5 years from 01<sup>st</sup> April, 2018. Investment made under such bonds can be redeemed after 5 years.
- ✓ Long term capital gain on sale of equity shares, unit of equity oriented mutual funds are taxable at the rate of 10% without benefit of indexation. If indexation benefits is considered than tax rate on such gain shall be at the rate of 20%. Further following explanation was give with respect to taxation of Long Term Equity Gains of Shares,
  - Long term capital gain shall be taxable in excess of Rs. 100,000 @ 10%.
  - Further benefits of basic exemption limit will also be available along with rebate u/s. 87A.
  - Cost of acquisitions shall be higher of,
    - a. Cost of acquisitions (purchase).
    - b. Fair market value as on 31<sup>st</sup> January, 2018.

#### **4. Changes in Provisions relating to Income From Other Sources & Salaries.**

- ✓ Any person buying immovable property for a consideration which is less than Stamp Duty Value of property than difference of consideration and stamp duty value shall be charged to tax under head "Income From Other Source". This amendment will take effect from 1<sup>st</sup> April, 2019.
- ✓ Compensation received by any person in connection with the termination of his employment or the modification for terms and conditions relating thereto shall be chargeable to income tax under head "Income From Other Sources". This amendment will take effect from 1<sup>st</sup> April, 2019.
- ✓ Standard deduction upto Rs. 40,000 will be available for all salaried persons in lieu of transport allowance and medical reimbursement. It will be available from 01/04/2019.

#### **5. Changes in Provision relating to Carry Forward And Set Off Of Losses & TDS**

- ✓ Set off and Carry forward of losses shall be allowed even if there is change in share holding pattern for more than 51% due to resolution plan under Insolvency and Bankruptcy Code, 2016. This amendment will take effect from 01<sup>st</sup> April, 2018.
- ✓ Tds shall be deducted on bonds of 7.75% Savings Bonds along with 8% Savings Bonds.
- ✓ Bank shall not required to deduct TDS on interest upto Rs. 50,000 if such interest income is earned by the Senior Citizen.
- ✓ TDS provisions now will also cover the trust and non-payment or non-deduction of TDS by trust shall be liable for 30% of disallowance and such disallowance shall be considered as income from business and professional.
  - Expenditure in excess of Rs. 10,000 paid in cash by trust shall be disallowed .

#### **6. Changes in Provisions of Deductions u/s. 80 & Other Deductions.**

- ✓ All income based deduction as per sections 80H to 80RRB shall be allowed only if return is filed within the time limit. It excludes the deduction claimed u/s. 80C to 80GGC, same can be claimed if return in not filed in time.
- ✓ Deduction under 80D for medical insurance for senior citizen increased from Rs. 30,000 to Rs. 50,000. This amendment will take effect from 1<sup>st</sup> April, 2019.



- ✓ In case of single premium health insurance policies having cover of more than one year, it is proposed that the deduction shall be allowed on proportionate basis for the number of years for which health insurance cover is provided. This amendment will take effect from 1<sup>st</sup> April, 2019.
- ✓ Deduction for medical treatment u/s. 80DDB for critical illness for individual and family members increased to Rs. 1,00,000. This amendment will take effect from 1<sup>st</sup> April, 2019.
- ✓ In order to promote start-up, following changes are made u/s. 80-IAC for eligible start-up units which is as under,
  - The benefit would be available to start up company incorporated between 01/04/2019 and 31/03/2021;
  - The requirement of turnover not exceeding Rs. 25 crore would apply to 7 previous years commencing from the date of incorporation;
- ✓  minimum period of 240 days during the year. Deduction shall be allowed to the manufacturer even if an employee hired in last year continues to remain in employment in current year for more than 240.
  - For, apparel, footwear and leather industry employment is required for 150 days. This amendment will take effect from 1<sup>st</sup> April, 2019.
- ✓ New section 80PA inserted where producer company is exempt from 100% of Income Tax for income accrued from marketing of agriculture produce grown by its member. Benefits of exemption will be available from 01<sup>st</sup> April, 2019 and same will continue to exempt upto 1<sup>st</sup> April, 2025.
- ✓ New section 80TTB inserted which provides deduction of up to Rs. 50,000 to the senior citizen who has earned interest income from deposits with banks or post office or co-operative banks.

## **7. Changes in Provisions Relating to Corporate Taxes.**

- ✓ Domestic Companies is allowed to avail the concessional tax rate @ 25% as per the section 115BA. This will be applicable retrospectively from 01<sup>st</sup> April, 2017.
- ✓ Amendment in section 115JB it has been provided that in case of companies whose application for insolvency has been admitted aggregate amount of unabsorbed depreciation and brought forward loss would be allowed to be reduced while computing book profits for MAT purposes. This will be applicable from 01<sup>st</sup> April, 2018.



- ✓ Minimum Alternate Tax (MAT) u/s. 115JC reduced to 9% for the unit located in the International Financial Service Centre. This will be applicable from 01<sup>st</sup> April, 2019.
- ✓ Deemed Dividends will be taxed @ 30% under the scope of dividend distribution tax.
- ✓ Any income is distributed by a Mutual Fund being, an equity oriented fund, the mutual fund shall be liable to pay additional income-tax at the rate of 10% on income so distributed. This will be applicable from 01<sup>st</sup> April, 2018.
- ✓ Company whose application is admitted by Insolvency and Bankruptcy Code, 2016, the return shall be verified by the insolvency professional appointed by such Adjudicating Authority.

### **8. Changes in Provisions Relating to Procedures and Assessments.**

- ✓ Following person requires mandatory application of pan
  - Non-individual enters into financial transaction exceeding Rs. 2.5Lacs in a financial year.
  - Managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer or any person competent to act on behalf of such entities shall also apply for PAN.
- ✓ For undertaking an assessment it is proposed to prescribe a new scheme of E-Assessment will be introduced so as to impart greater transparency and accountability, by eliminating the interface between the Assessing Officer and the Assessee.
- ✓ No adjustment will be made in the intimation with respect to the addition of income appearing in form 26AS or Form 16A/16 which has not been included in computing the total income in the return.
- ✓ Valuation of inventory & securities (not listed) shall be in accordance with ICDS and shall not be lower of cost or market value, it shall be charged as business income. Other measures are provided wherein adjustment required to comply with ICDS for listed security will be taxed under business.
- ✓ Order passed by the Commissioner of Appeals u/s. 271J also appealable to Appellate Tribunal. Amendment will apply from 01<sup>st</sup> April, 2018.
- ✓ Penalty for non filing of Specific Financial Transaction increased from Rs. 100 to Rs. 500 per day for Not Filing and Rs. 500 to Rs. 1000 for Not Filing within time limit given in Notice.



- ✓ Authority for advance ruling for the custom will be setup independently as per section 245-O, move will help to expedite the ruling under Custom Act.
- ✓ Education Cess and SHE Cess levied @ 3% on tax amount shall be discontinued. New Cess Health and Education Cess @ 4% on tax including surcharge wherever applicable.
- ✓ For deciding the place of business, definition of "business connection" further includes the authority which plays as principal role leading for conclusion of contracts of non-residents .
- ✓ For deciding the income accrued in India for non-residents the definition of "Business Connection" and "Significant Economic Presence" shall now includes the business generated through promotions by digital means in India.
- ✓ Even it covers all such transactions where in the business is generated through transaction above the specified amount during the year, such income shall be deemed to accrue in India even though non-resident has no place of business in India.

### **9. Changes in Provisions Relating to Custom Duty.**

- ✓ Social Welfare Surcharge @ 10% is being levied on imported goods with effect from 2nd February 2018. Education and secondary & higher education cess levied on imported goods are being abolished .
- ✓ Basic Custom Duty (BCD) on Cashew nuts in shell (raw cashew) falling under tariff item 0801 31 00 is being reduced from 5% to 2.5%.
- ✓ BCD on crude edible vegetable oils like Ground nut oil, Olive oil, Cotton seed oil, Sunflower seed oil, Saffola Oil, Coconut oil, Palm oil, linseed oil, Maize corn oil, castor oil, sesame oil, other fixed vegetable fats and oils is being increased from 12.5% to 30%.
- ✓ BCD on refined edible vegetable oil like ground nut oil, Olive oil, Cotton seed oil, Sunflower seed oil, Saffola Oil, Coconut oil, Palm oil, linseed oil, Maize corn oil, castor oil, sesame oil, other fixed vegetable fats and oils edible margarine, salt modified linseed oil, modified castor oil, specified goods of heading 1518 is being increased from 20% to 35%
- ✓ BCD on orange fruit juice falling under tariff items 2009 11 00, 2009 12 00 or 2009 19 00 is being increased from 30% to 35% and tariff items 2009 21 00 to 2009 90 00 is being increased from 30% to 50% and also cranberry juice falling under tariff heading 2009 81 00 or 2009 90 00 will be attract 50% BCD tariff rate.
- ✓ BCD on all goods falling under sub heading few Alcoholic Preparations is being increased from 30% to 50%.

- ✓ A Road and Infrastructure Cess as an Additional Duty of Customs at rate of Rs 8 per liter is being imposed on petrol and high speed diesel oil and further the Additional Duty of Customs (Road Cess) at the rate of Rs 6 per liter on said goods are being abolished.
- ✓ BCD on Perfumes, Beauty Care, Essential Oils and Dentals Care is being increased from 10% to 20%.
- ✓ BCD on all goods falling under Candles and Tapers is being increased from 10% to 25%.
- ✓ BCD on specified parts, charger or sub parts or accessories related to Mobiles is increased from 10% to 15%. BCD on cellular mobile phone is being increased from 15% to 20%
- ✓ BCD on truck and buses radial tyres is being increased 10% to 15%.
- ✓ BCD on LED TV, LCD Screens and other modes of Screens & TV increased from Nil to 10%.
- ✓ BCD on kites and silk fabrics are being increased from 10% to 20%.
- ✓ BCD on all goods falling under Foot wears and Soles being increased from 10% to 20% and Parts of footwear is being increased from 10% to 15%.
- ✓ BCD on all goods falling under tariff item Blocks, Tiles and ceramic goods is increased from 5% to 7.5%.
- ✓ BCD on solar tempered glass for manufacture of solar cell/panels/modules is being reduced from 5% to NIL and BCD on preform of silica is being increased from NIL to 5%
- ✓ BCD on cut and colored gemstone, diamonds is being increased from 2.5 to 5%
- ✓ BCD on all goods falling under imitation Jewellery is being increased from 15% to 20%.
- ✓ BCD on spark ignition engines and electrical ignition is being increased from 7.5% to 15%.
- ✓ BCD on Wrist wearable device falling under tariff item 8517 62 90 is being increased from 10% to 20%.
- ✓ BCD on LCD/LED/OLED panels of television is being increased from 7.5% to 15% and other parts of LCD/LED/OLED TVs is being increased 10% to 15%
- ✓ BCD on CKD (completely Knocked Down) import of motor vehicle is being increased from 10% to 15% and BCD on CBU (completely Build Unit) import of motor vehicle is being increased from 20% to 25%
- ✓ BCD on Parts and accessories of motor vehicle is being imposed from 10% to 15%.
- ✓ BCD on medical devices falling under heading is being increased from 7.5% to 10%

- ✓ BCD on raw materials, parts or accessories for the manufacture of cochlear Implants is being reduced from 2.5% to NIL
- ✓ BCD on Sun glasses falling is being increased from 10% to 20%.
- ✓ BCD on all goods falling under heading Wrist watch and Clocks is being increased from 10% to 20%
- ✓ BCD on seats whether or not convertible into beds and parts thereof is being increased from 10% to 20%.
- ✓ BCD on all goods Mattress and Bedding is being increased from 10% to 20%
- ✓ BCD on all goods falling under heading Tri-cycles and other wheeled Toys is being increased from 10% to 20%.

**10. Changes in Provisions Relating to Excise Duty**

- ✓ Road and Infrastructure Cess as an additional duty of Excise is being imposed on petrol and high speed diesel at Rs 8 per liter and simultaneously the basic excise duty on petrol and high speed diesel oil is being reduced by Rs 2 per Liter
- ✓ The road and infrastructure cess on ethanol blended petrol and diesel blended with bio diesel is being exempted.
- ✓ Table below summarizes the changes in various duties applicable to petrol and diesel:

| Item                      | Duty rates applicable prior upto 01.02.2018 [Rs per litre] |                 |      |                   | Duty rates applicable with effect from 02.02.2018 [Rs per litre] |                 |      |                   |
|---------------------------|--|-----------------|------|-------------------|--|-----------------|------|-------------------|
|                           | Basic Excise Duty (BED)                                    | AED (Road cess) | SAED | Total Excise Duty | Basic Excise Duty (BED)  | AED (Road cess) | SAED | Total Excise Duty |
| <b>Petrol (unbranded)</b> | 6.48   | 6               | 7    | 19.48             | 4.48   | 8               | 7    | 19.48             |
| <b>Petrol (branded)</b>   | 7.66   | 6               | 7    | 20.66             | 5.66   | 8               | 7    | 20.66             |
| <b>Diesel (unbranded)</b> | 8.33   | 6               | 1    | 15.33             | 6.33   | 8               | 1    | 15.33             |
| <b>Diesel (branded)</b>   | 10.69  | 6               | 1    | 17.69             | 8.69   | 8               | 1    | 17.69             |

Thus total excise duty on motor spirit commonly known as petrol and high speed diesel oil remains unchanged.

## **(B)GOODS & SERVICES TAX (GST)**

### **1. Recommendations made in the 25<sup>th</sup> GST Council Meeting**

- ✓ **The major decisions taken by the Council in the Meeting are listed below** Uploading of Sale Invoices will be reviewed and new patter of return filling will be announced soon. Council has assured for simplification of the returns filing process.
- ✓ GST rate on small used cars has been reduced to 12% and for big cars reduced to 28% without application of surcharge cess.
- ✓ E-way Bill shall be mandatory from 01.02.2018 for Inter-State Movement and from 01.06.2018 for Intra-States Movement
- ✓ If WCS attracts 5% GST, their sub-contractor also be liable for 5% GST

### **➤ Following services have been completely exempted from GST.**

- ✓ Providing information under RTI Act, 2005.
- ✓ Legal services provided to government, local authority, governmental authority and government entity.
- ✓ Transportation of goods from India to a place outside India by Air & Sea up to September 30, 2018.
- ✓ Naval Insurance Group Fund's services by way of life insurance to personnel of Coast Guard under the group insurance scheme of the central government retrospectively w.e.f. July 1, 2017.
- ✓ Dollar denominated services provided by financial intermediaries located in International Financial Service Center.
- ✓ Lease of land by government or local authority to governmental authority or government entity.
- ✓ To exempt services relating to admission to, or conduct of examination provided to all educational institutions, as defined in the notification.
- ✓ To exempt reinsurance services in respect of some exempted insurance schemes.
- ✓ Fumigation in a warehouse of agricultural produce.
- ✓ Subscription of online educational journals/periodicals by educational institutions.
- ✓ Renting of transport vehicles for students, faculty and staff to an educational institution providing education up to higher secondary or equivalent.

### **➤ Other Changes in services**



- ✓ Extension of GST exemption on Viability Gap Funding (VGF) for a period of 3 years from the date of commencement of RCS airport from the present period of one year.
- ✓ GST on the small housekeeping service providers, notified under Section 9 (5) of GST Act, who provide housekeeping service through ECO, at 5% without ITC.
- ✓ ITC of input services in the same line of business at the GST rate of 5% in case of tour operator service.
- ✓ The exemption limit of Rs 5,000 per month per member enhanced to Rs 7,500 in respect of services provided by Resident Welfare Association to its members against their individual contribution.
- ✓ To exempt pure services provided to government entity.
- ✓ To expand pure services exemption to include composite supply involving predominantly supply of services i.e. up to 25% of supply of goods.
- ✓ The limit enhanced to Rs. 2 lakh against Rs. 50,000 for exempts services of life insurance business provided under life micro insurance product approved by IRDAI.

➤ **The List of Goods where GST Rates have been revised:**

**Rate Reduced To 18% From 28%**

- ✓ Buses for public transport, which run on bio-fuels
- ✓ Old & used motor vehicles (medium & large cars and SUVs) on the margin of the supplier

**Rate reduced to 12% from 28%**

- ✓ Old and used motor vehicles other than medium and large cars and SUVs

**Rate reduced to 12% from 18%**

- ✓ Sugar boiled confectionery
- ✓ Drinking water packed in 20 liter bottles
- ✓ Fertilizer grade phosphoric acid
- ✓ Bio-diesel
- ✓ 12 categories of bio-pesticides
- ✓ Bamboo wood building joinery
- ✓ Drip irrigation system including laterals, sprinklers
- ✓ Mechanical Sprayer

**Rate reduced to 5% from 18%**

- ✓ Tamarind kernel powder
- ✓ Mehendi paste in cones
- ✓ LPG supplied for supply to household domestic consumers by private LPG distributors
- ✓ Scientific and technical instruments, and consumables required for launch vehicles and satellites and payloads.

**Rate reduced to 5% from 12%**

- ✓ Articles of straw, of esparto or of other plaiting materials; basket ware and wickerwork.

**Rate reduced to 5% from 12% (With no refund of un-utilised ITC)**

- ✓ Velvet fabric

**Rate reduced To 0.25% From 3%**

- ✓ Diamonds and precious stones

**Rate Increased to 12% from 5%**

- ✓ Cigarette filter rods

**Rate increased to 5% from Nil**

- ✓ Rice bran (other than de-oiled rice bran)

**2. Provision relating to E Way Bill under GST**

➤ **What is an E-Way Bill??**

- ✓ A waybill is a receipt or a document issued by a carrier giving details and instructions relating to the shipment of a consignment of goods and the details include name of consignor, consignee, and the point of origin of the consignment, its destination, and route.
- ✓ Electronic Way Bill (E-Way Bill) is basically a compliance mechanism wherein by way of a digital interface the person causing the movement of goods uploads the relevant information prior to the commencement of movement of goods and generates e-way bill on the GST portal.
- ✓ Through **Notification No. 9/2018- Central Tax dated 23.01.2018**, the Central Government has notified *www.ewaybillgst.gov.in* as the Common Goods and Services Tax Electronic Portal for furnishing electronic way bill.
- ✓ Through the **Notification No. 27/2017- Central Tax dated 30.08.2017**, the provisions related to E-way bill has been introduced under Rule 138 to Rule 138D in Central GST Rules, 2017 along with formats of relevant forms
- ✓ The Council also recommended several changes in the rules related to E-way bills which were recently been notified by the Central Government vide **Notification No. 3/2018- Central Tax dated 23.01.2018**
- ✓ E-way bill is an electronic way bill for movement of goods which can be generated on the GSTN (common portal) = <http://ewaybill.nic.in>

➤ **When to generate E-Way Bill?**

- ✓ E-way bill is required to be generated when there is a movement of goods in a vehicle/ conveyance of value more than Rs. 50,000 (either each Invoice or in aggregate of all Invoices in a vehicle/ Conveyance) –
  - In relation to a 'supply'
  - For reasons other than a 'supply' (say a return, branch transfer, job work, etc.)
  - Due to inward 'supply' from an unregistered person
- ✓ For this purpose, a supply may be either of the following:
  - A supply made for a consideration (payment) in the course of business.
  - A supply made for a consideration (payment) which may not be in the course of business.
  - A supply without consideration (without payment). In simpler terms, the term 'supply' usually means a:
    - I. Sale – sale of goods and payment made
    - II. Transfer – branch transfers for instance
    - III. Barter/Exchange – where the payment is by goods instead of in money
- ✓ Therefore, e-Way Bills must be generated on the common portal for all these types of movements.
- ✓ For certain specified Goods, the e-way bill need to be generated mandatorily even if the Value of the consignment of Goods is less than Rs. 50,000.
  - Inter-State movement of Goods by the Principal to the Job-worker
  - Inter-State Transport of Handicraft goods by a dealer exempted from GST registration

➤ **Who should generate the e-way bill and why??**

- ✓ **Registered Person**– E-way bill must be generated when there is a movement of goods of more than Rs 50,000 in value to or from a Registered Person. A Registered person or the transporter may choose to generate and carry e-way bill even if the value of goods is less than Rs 50,000
- ✓ **Unregistered Persons**– Unregistered persons are also required to generate or e- Way Bill. However, where a supply is made by an unregistered person to a registered person, the receiver will have to ensure all the compliances are met as if they were the supplier
- ✓ **Transporter**– Transporters carrying goods by road, air, rail, etc. also need to generate e-Way Bill, if the supplier has not generated an e-Way Bill

- ✓ Further, it has been provided that where goods are sent by a principal located in one State to a job worker located in any other State, the e-way bill shall be generated by the principal irrespective of the value of the consignment.

➤ **Cases where E-Way Bill is NOT required to be generated**

- ✓ No e-way bill is required to be generated in the following cases:
  - Transport of goods as specified in Annexure to Rule 138 of the CGST Rules, 2017
  - Goods being transported by a non-motorised conveyance;
  - Goods being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs
  - In respect of movement of goods within such areas as are notified under rule 138(14) (d) of the SGST Rules, 2017 of the concerned State; and
  - Consignment value less than Rs. 50,000/-

➤ **Validity of e-way bill**

- ✓ The recipient shall communicate his acceptance or rejection of the consignment covered by the e-way bill within 72 hours
- ✓ In case the recipient does not communicate his acceptance or rejection within 72 hours of the details being made available on the GST Website, it shall be deemed that he has accepted the said details.

| Sr. No. | Distance                                | Validity           |
|---------|---|--------------------|
| 1       | Up to 100 Km                            | One Day            |
| 2       | Up to 100 Km or Part Thereof thereafter | One Additional Day |

➤ **List of Notifications Issued So Far in 2018 by CBEC**

➤ **Central Tax Notifications**

| Sr | Notification No        | Notn. Date | Purpose   |
|----|------------------------|------------|---|
| 1  | 01/2018-Central        | 01/01/2018 | Reduction in effective rate of composition to 1%  |
| 2  | 02/2018-Central<br>Tax | 20/01/2018 | Extension of last date of filling GSTR 3B from 20 <sup>th</sup> Jan to 22 <sup>nd</sup> Jan, 2018       |
| 3  | 03/2018-Central<br>Tax | 23/01/2018 | E Way Bill Rules Notified   |
| 4  | 04/2018-Central<br>Tax | 23/01/2018 | Reduction of Late fee in case of delayed filling of Form GSTR 1 from 100 Rs. per day to 50 Rs. per day  |
| 5  | 05/2018-Central<br>Tax | 23/01/2018 | Reduction of Late fee in case of delayed filling of Form GSTR 5 from 100 Rs. per day to 50 Rs. per day  |
| 6  | 06/2018-Central<br>Tax | 23/01/2018 | Reduction of Late fee in case of delayed filling of Form GSTR 5A from 100 Rs. per day to 50 Rs. per day |

|    |                     |            |   |
|----|---------------------|------------|---|
| 7  | 07/2018-Central Tax | 23/01/2018 | Reduction of Late fee in case of delayed filling of Form GSTR 6 from 100 Rs. per day to 50 Rs. per day  |
| 8  | 08/2018-Central Tax | 23/01/2018 | Extension of last date of filling GSTR 6 from to 31 <sup>st</sup> March, 2018   |
| 9  | 09/2018-Central Tax | 23/01/2018 | Notification of official website for generating E-Way Bill ( <a href="http://www.ewaybillgst.gov.in">www.ewaybillgst.gov.in</a> )             |
| 10 | 10/2018-Central Tax | 23/01/2018 | Amending notification No. 39/2017-Central Tax dated 13.10.2017 for cross-empowerment of State tax officers for processing and grant of refund |

➤ **Central Tax (Rate) Notifications**

| Sr. | Notification No            | Notification Date | Purpose  |
|-----|----------------------------|-------------------|--|
| 1   | 01/2018-Central Tax (Rate) | 25/01/2018        | Reduction in rates of various services as recommended by GST Council in its 25 <sup>th</sup> Meeting   |
| 2   | 02/2018-Central Tax (Rate) | 25/01/2018        | Exemption to certain services from GST as recommended by GST Council in its 25 <sup>th</sup> Meeting   |
| 3   | 03/2018-Central Tax        | 25/01/2018        | Seeks to amend notification No. 13/2017- Central Tax (Rate) so as to specify services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a registered person under CGST Act, 2017 to be taxed under Reverse Charge Mechanism (RCM). |
| 4   | 04/2018-Central Tax        | 25/01/2018        | Seeks to provide special procedure with respect to payment of tax by registered person supplying service by way of construction against transfer of development right and vice versa.  |
| 5   | 05/2018-Central Tax        | 25/01/2018        | Seeks to exempt Central Government's share of Profit Petroleum from Central tax  |
| 6   | 06/2018-Central Tax        | 25/01/2018        | Reduction in rate of various goods as recommended by GST Council in its 25 <sup>th</sup> Meeting   |
| 7   | 07/2018-Central Tax        | 25/01/2018        | Reduction in rate of various goods as recommended by GST Council in its 25 <sup>th</sup> Meeting   |
| 8   | 08/2018-Central Tax        | 25/01/2018        | Reduction in rate of various goods as recommended by GST Council in its 25 <sup>th</sup> Meeting   |
| 9   | 09/2018-Central Tax        | 25/01/2018        | Seeks to amend Notification No.45/2017-Central (Rate)  |

**B) IMPORTANT CURRENT YEAR PROVISIONS for F.Y. 2017-18****1. Tax Rate Structure for the A.Y. 2018-19****1) Tax Rates for Individual, HUF, AOP, BOI**

| Category                            | Exemption Limit | 5%                   | 20%                   | 30%             |
|-------------------------------------|-----------------|----------------------|-----------------------|-----------------|
| Individual/HUF, AOP, BOI            | 2,50,000        | 2,50,001 to 5,00,000 | 5,00,001 to 10,00,000 | Above 10,00,000 |
| Senior Citizen (Age 60 to 79)       | 3,00,000        | 3,00,001 to 5,00,000 | 5,00,001 to 10,00,000 | Above 10,00,000 |
| Super Senior Citizen (Age Above 80) | 5,00,000        | NIL                  | 5,00,001 to 10,00,000 | Above 10,00,000 |

**Note:-**

- ✓ If Total Income of Assessee Exceeds 50 Lacs and less than 1 crore additional Surcharge on tax @ 10% will be applicable
- ✓ If Total Income of Assessee Exceeds 1 Crore additional Surcharge on tax @ 15% will be applicable
- ✓ Additional Education Cess of 3% shall be levied on income tax charged.
- ✓ Rebate u/s. 87A of Rs. 2500 for individual if total income is less than Rs. 3.5 Lacs.

**2) Other Assesseees**

| Sr. No. | Total Income  | Rate of Tax (%) | Rate of MAT (Base Rate- 18.5%) |
|---------|---|-----------------|--------------------------------|
| 1       | <b>Tax Rates for Domestic Co.</b>                         |                 |                                |
|         | <b>Gross turnover for FY 2015-16 less than ` 50 Crore</b> |                 |                                |
|         | Upto ` 1 Crore  | 25.750          | 19.055                         |
|         | From ` 1 Crore to ` 10 Crores(Surcharge 7%)               | 27.552          | 20.389                         |
|         | Exceeding ` 10 Crores (Surcharge 12%)                     | 28.840          | 21.342                         |
| 2       | <b>Tax Rates for Domestic Co.</b>                         |                 |                                |
|         | <b>Gross turnover for FY 2015-16 ` 50 Crore or more</b>   |                 |                                |
|         | Upto ` 1 Crore  | 30.900          | 19.055                         |
|         | From ` 1 Crore to ` 10 Crores(Surcharge 7%)               | 33.063          | 20.389                         |
|         | Exceeding ` 10 Crores (Surcharge 12%)                     | 34.608          | 21.342                         |
| 3       | <b>Tax Rates for Foreign Co. – Base Rate 40%</b>          |                 |                                |
|         | Upto ` 1 Crore  | 41.200          | 19.055                         |
|         | From ` 1 Crore to ` 10 Crores (Surcharge 2%)              | 42.024          | 19.436                         |
|         | Exceeding ` 10 Crores(Surcharge 5%)                       | 43.260          | 20.008                         |
| 4       | <b>Tax Rates for Others – Base Rate 30%</b>               |                 |                                |
|         | Firms/LLP's/Local Authorities                             |                 |                                |
|         | Upto ` 1 Crore  | 30.90           | 19.055                         |
|         | Above ` 1 Crore (Surcharge 12%)                           | 34.61           | 21.342                         |

## 3) Tax Audit Limit for Business and Profession.

| Particulars               | Business  |                               |   | Professional   |                                    |
|---------------------------|---|-------------------------------|---|--|------------------------------------|
|                           | Section 44AD/ADA  | Section 44AB                  | Section 44AE  | Section 44AD/ADA   | Section 44AB                       |
| <b>Audit Not Required</b> | Turnover is less than 2 Crores & Net Profit is 8% of turnover or more | Turnover is less than 1 Crore | Less than 10 Vehicles < 7500 per month/part of month irrespective of vehicle capacity | Gross Receipts less than 50 Lacs & Net Profit is 50% of Gross Receipts or more   | Gross Receipt is less than 50 Lacs |
| <b>Audit Required</b>     | Turnover Exceeds 2 Crores & Profit is less than 8% of Turnover        | Turnover is more than 1 Crore | 10 or more vehicles OR Income is less than 7500 per month/per vehicle                 | Gross Receipts More Than 50 Lacs & Net Profit is less than 50% of Gross Receipts | Gross Receipt is more than 50 Lacs |

## 2. Provisions relating to Deduction from Total Income

- Following investments are allowed as deduction from total income of Individual and HUF upto maximum of ₹ 1,50,000/-. (Sec. 80C, 80CCC & 80CCD)

| Nature of Investment                                    | Applicability  |
|---|--|
| Life Insurance Premium.                                 | For Individual/HUF, payment should be made in the name of following persons:<br>✓ Individual / Spouse / Any child.<br>Premium paid to the extent of <b>10% of Sum Assured</b> qualify for the deduction.   |
| Any payment for statutory or recognized provident fund. | For Individual only.   |
| Any payment in Public Provident Fund. (PPF)             | For Individual/HUF, payment should be made in the name of following persons:<br>✓ Individual / Spouse / Any child.   |
| Investment in National Saving Certificate (NSC)         | For Individual and HUF.  |
| Investment in Mutual Fund.                              | For Individual and HUF.<br>Subscription to the notified units of any mutual fund covered u/s. 10(23D) shall be allowed as deduction.   |
| Tuition Fees.   | For Individual only.<br>✓ Expenses allowed for any two children of the Individual.<br>✓ It is for full time education, paid to any school, college, university or other eligible institution.<br>✓ Donation or development fees are not allowed. |
| Repayment of Housing Loan.                              | For Individual and HUF.  |

|  |   |
|--|---|
| Investment in Term Deposit.  | For Individual and HUF.<br>✓ For a fixed period of not less than 5 years with a schedule bank in accordance with the scheme notified by the central government. |
| Investment in<br>✓ Specified Bonds Issued by NADARD.<br>✓ Certain Pension fund/ notified Pension Scheme of Central Govt.<br>✓ Time Deposit under Post Office (5year).  | For Individual only.  |
| Deposit in Sukanya Samruddhi Account   | For Individual and HUF.   |
| Investment in Infrastructure Bonds as notified   | For Individual and HUF.   |
| Account under Senior Citizen Saving Scheme 2004 (SCSS)   | For Individual only   |
| Any sum paid as subscription to any scheme of:-<br>✓ Company engaged in providing long term finance for houses in India.<br>✓ Housing Board constituted in India for the purpose of Development of Cities/towns. | For Individual and HUF.   |

### 3. Following Other Deductions are available under Schedule - VIA

|            |  |   |
|------------|--|---|
| 80CCD (1B) | Additional Deduction for Contributed to NPS<br>( <i>Note: Deduction Over and above 80 /CCC/CCD of ₹ 1,50,000</i> )   | Up to ₹ 50,000  |
| 80CCG      | Rajiv Gandhi Equity Saving Scheme (RGESS) – Applicable only to New Retail Investor. (not available after 01.04.2018) | 50% of Investment or ₹ 25,000 whichever is lower  |
| 80D        | <b>Medical Insurance</b><br>✓ Individual/Senior Citizen  | ₹ 25,000/30,000   |
| 80DD       | <b>Medical Treatment(handicapped)</b><br>✓ Permanent Disability/SevereDisability                                     | ₹ 75,000/1,25,000   |
| 80DDB      | <b>Medical Expenditure Specific Diseases</b><br>✓ Non Senior Citizen<br>✓ Senior Citizen/Super Senior Citizen        | ₹ 40,000<br>₹ 60,000/80,000   |
| 80E        | Interest on Loan for Higher Studies  | Actual Interest on Loan   |
| 80EE       | Deduction on Interest on Housing Loan (Single Home) and Loan amount is below 35 Lacs                                 | ₹ 50,000  |
| 80G        | Deduction for Donation up to either 100% or 50% With/Without restriction of 10% of GTI                               | Depending upon type of donation   |
| 80GG       | Deduction on House rent Paid.  | Lower of:-<br>✓ Rent Paid Less 10% of Total Income.<br>✓ ₹ 5,000 Per Month.<br>✓ 25% of Total Income. |
| 80GGA      | Donation to scientific research or rural development.  | Actual Amount   |
| 80GGB      | Deduction of Contribution to Political Parties or Electoral Trust by Companies.                                      | Actual Amount   |
| 80GGC      | Deduction of Contribution of Political Parties or Electoral Trust by Individuals.                                    | Actual Amount   |
| 80TTA      | Deduction of Interest on Saving A/c  | ₹ 10,000  |
| 80RRB      | Income Received by way of Royalty in Respect of Patent.  | ₹ 3,00,000/- or income  |



|       |  |   |
|-------|--|---|
|       |  | Received whichever is less                        |
| 80QOB | Income Received By way of Royalty or Copyright.                                    | ₹ 3,00,000/- or income Received whichever is less |
| 80U   | <b>Deduction for Disabled Person</b><br>✓ Physical Disability / Severe Disability. | ₹ 75,000/1,25,000                                 |

➤ **Deductions to Start-Up Companies:-**

- ✓ Sec.80IAC provides 100% deduction of income to the Eligible Startup Companies for 3 assessment years. Eligible Startup shall be companies or LLP incorporated between April, 2016 to March, 2019, subject to fulfillment of other conditions as specified in the section.
- ✓ Sec. 54GB provides exemption for long term capital gain on sale of residential house, if the net consideration is invested in subscription of equity shares of Eligible Start-up Companies.

**4. Rates & Exemption limit of TDS**

| Sec.  | Nature of payments made to resident  | Threshold Limit (In ₹) | Company, Firm, Co-op Soc | Individual HUF |
|-------|--|------------------------|--------------------------|----------------|
| 192A  | Pre Mature withdrawl from EPF  | 50,000                 | 10                       | 10             |
| 194   | Deemed Dividends   | 2500                   | 10                       | 10             |
| 194A  | Interest paid by <b>Banks</b>  | 10,000                 | 10                       | 10             |
|       | Interest paid by <b>Others</b>   | 5000                   | 10                       | 10             |
| 194B  | Winning from lotteries / Crossword Puzzle  | 10,000                 | 30                       | 30             |
| 194BB | Winnings from horse race   | 10,000                 | 30                       | 30             |
| 194C  | Payment to Contractors:-   |                        |                          |                |
|       | - Single transaction   | 30,000                 | 2                        | 1              |
|       | - Aggregate during FY  | 1,00,000               | 2                        | 1              |
| 194D  | Insurance commission   | 15,000                 | 5                        | 5              |
| 194DA | Maturity of Insurance Policy   | 1,00,000               | 1                        | 1              |
| 194F  | Repurchase units by MFs  | -                      | 20                       | 20             |
| 194G  | Commission – Lottery   | 15,000                 | 5                        | 5              |
| 194H  | Commission/ Brokerage  | 15,000                 | 5                        | 5              |
| 194I  | Rent Land / Building   | 1,80,000               | 10                       | 10             |
|       | Rent Plant/ Machinery  | 1,80,000               | 2                        | 2              |
| 194IA | Transfer of Immovable Property, other than Agriculture Land                                  | 50,00,000              | 1                        | 1              |
| 194IB | Rent payable by an individual/HUF not covered u/s 194I(w.e.f. 01.06.2017)                    | 50,000 p.m.            | -                        | 5              |
| 194IC | Payment of consideration (not in kind) under joint development agreement (w.e.f. 01.04.2017) | -                      | 10                       | 10             |
| 194J  | Professional Fees  | 30,000                 | 10                       | 10             |
|       | Director fee   | -                      | 10                       | 10             |
|       | Payment to person engaged in the business of call center (w.e.f.01.06.2017)                  | 30000                  | 2                        | 2              |
| 194LA | Compensation on Property other than Agriculture Land   | 2,50,000               | 10                       | 10             |

➤ **TCS Description & Rates**

| Description   | Rate % |
|---|--------|
| Alcoholic Liquor for Human Consumption and Indian Made Foreign Liquor           | 1      |
| Timber obtained under a forest lease or any other mode and other forest produce | 2.5    |
| Scrap and Minerals, being coal or lignite or Iron ore                           | 1      |
| Parking Lots, Toll Plaza Lease and Mine Quarry Lease                            | 2      |
| Tendu Leaves  | 5      |
| Bullion or Jewelry  | 1      |
| Cash Purchase for Bullion exceeding ` 2 Lacs & Jewellery exceeding ` 5 Lacs     | 1      |
| Cash Purchase for any Goods/Services Exceeding ` 2 Lacs                         | 1      |
| Motor Vehicle of value Exceeding ` 10 Lacs                                      | 1      |

**Note:** If case of Non-Resident upto 1 Crore there will be Cess @ 3% and Above 1 Crore there shall be Surcharge @ 10% also. TDS is not applicable on Service Tax Part is Service Tax is shown Separately.

➤ **Various Important dates for TDS & TCS**

| Due Dates of Payment of TDS & TCS                                |                                |
|--|--------------------------------|
| Tax Deductible between April to February                         | 7 <sup>th</sup> of next month. |
| Tax Deductible in March  | 30 <sup>th</sup> April.        |
| Due Dates for Filing TDS & TCS Return                            |                                |
| Period   | Date of Filing                 |
| For 1 <sup>st</sup> Quarter ending on 30 <sup>th</sup> June      | 31 <sup>st</sup> July          |
| For 2 <sup>nd</sup> Quarter ending on 30 <sup>th</sup> September | 31 <sup>st</sup> October       |
| For 3 <sup>rd</sup> Quarter ending on 31 <sup>st</sup> December  | 31 <sup>st</sup> January       |
| For 4 <sup>th</sup> Quarter ending on 31 <sup>st</sup> March     | 31 <sup>st</sup> May           |

## 5. Provisions relating to Capital Gain

| Particular   | Short Term capital Gain tax Rate       | Long Term Capital gain Tax Rate |
|--|--|---------------------------------|
| Sale transactions of equity shares/unit of an equity oriented fund which attract STT | 15%                                    | NIL                             |
| <b>Sale transaction other than mentioned above:</b>                                  |  |                                 |
| Non-resident Individual  | Slab rate                              | Listed - 20%<br>Unlisted - 10%  |
| Resident Individual  | Slab rate                              | 20% with indexation             |
| Firm Including LLP (resident and non-resident)                                       | 30%                                    | 10% without                     |
| Resident Companies   | 30%                                    | Indexation                      |
| Overseas financial organizations specified section 115AB                             | 40% (corporate)<br>30% (Non-Corporate) | 10%                             |
| FII's  | 30%                                    | 10%                             |
| Other Foreign Companies  | 40%                                    | 20%/10%                         |
| Local Authority  | 30%                                    | 20% with indexation             |
| Co-operative Society   | Progressive slab rate                  | 10% without Indexation          |

**6. Provisions relating to Presumptive Taxation****All Resident Taxpayer**

| <b>Business &amp; Profession</b>   | <b>Rate which income is presumed</b>   |
|--|--|
| (a) Small Business [excluding (b) ] Section 44AD(Note i,ii,iv,v)   | Other than Cash 6% of gross T/o /Receipt   |
|  | Cash - 8% of gross T/o / Receipt   |
| (b) Playing, leasing or hiring of trucks (person should not have owned over 10 goods carriages at any time during the previous year )[Section 44AE]( Note ii,iii,iv) | ₹ 7500 per month/ part of month irrespective of vehicle capacity (from AY 2015-16 onwards) |
| (c) Professionals (Section 44ADA)(Note i,ii,iv )   | 50% of gross receipt   |

**Non Resident Taxpayer**

| <b>Business</b>            | <b>Rate which income is presumed</b> |
|----------------------------|--------------------------------------|
| Shipping                   | 7.5% gross receipts                  |
| Exploration of mineral oil | 10% gross receipts                   |
| Operations of Aircraft     | 5% gross receipts                    |
| Trunkey power projects     | 10% gross receipts                   |

- I. The assessee is eligible for the option of presumptive Taxation if the gross receipt of the taxpayer does not exceed ₹ 2 crore in case of business and ₹ 50Lacs in case of profession
- II. All deductions/expenses (including depreciation) deemed to be allowed
- III. Additional deductions of partner's interest & remuneration in case of firm is allowed
- IV. The taxpayer can claim lower profits, if he keeps and maintains specified books of accounts and gets its actual audited u/s 44AB

Applicable to individuals, HUF and firm - excludes LLP tax payer availing deduction under section 10A/10AA/10B/10BA or chapter VI-A(C) of the ACT

**7. Provision relating to Registrar of companies:-**

| Particular   | Date       |
|--|------------|
| Last Day of convening AGM                                      | 30.09.2018 |
| File Copies of Annual Accounts with ROC wi Thin 30 days of AGM | -          |
| File of Annual Return with ROC wi Thin 30 days of AGM          | -          |
|  |            |
|  |            |

➤ **Important E Forms prescribed under Companies Act 2013 :-**

| Sr No | E Form     | Purpose of form as per companies act 2013   |
|-------|------------|---|
| 1     | RUN        | Reserve Unique name   |
| 2     | INC-21     | Declaration prior to the commencement of business   |
| 3     | INC-22     | Notice of situation or change of situation of registered office and verification                                  |
| 4     | INC-24     | Application for approval of central Government for change name  |
| 5     | INC-27     | Conversion of public company into private company or vice versa   |
| 6     | PAS-3      | Return of allotment   |
| 7     | SH-7       | Notice to registrar for alteration of share capital   |
| 8     | CHG-7      | Application for registration of creation, modification of charge (other than those related to debenture)          |
| 9     | CHG-4      | Particular for satisfaction of charge   |
| 10    | MGT-7      | Form for filing annual return by a company  |
| 11    | MGT-14     | Filing of Resolution and agreements to the Registrar under section 117  |
| 12    | DIR-3      | Application for allotment of Director Identification Number   |
| 13    | DIR-11     | Notice of resignation of director to the Registrar  |
| 14    | DIR-12     | Particular of appointment of director and key managerial personnel and the changes amongst them                   |
| 15    | SPICs      | Simplified Performa for Incorporating Company Electronically(SPICs) with mandatory PAN & TAN application includes |
| 16    | SPICs MOA  | eMemorandum of association (SPICs MOA)  |
| 17    | SPICs AOA  | eArticles of association (SPICs AOA)  |
| 18    | ADT-1      | Information to the registrar by companies for appointment of Auditor  |
| 19    | ADT-3      | Notice of resignation by the Auditor  |
| 20    | AOC-4      | Form of filing financial statment and other document with Registrar   |
| 21    | AOC-4(CFS) | Form for filing consolidated financial statements and other document wit  |
| 22    | AOC-4 XBRL | Form for filing XBRL document in respect of financial statment and other document with registrar                  |

**8. Provision relating to Security Transaction Tax (STT) Rate :-**

| Transaction Type   | Rates  | Payable by       |
|--|--------|------------------|
| Purchase /Sale by Equity Shares (delivery base)  | 0.1%   | Purchaser/Seller |
| Purchase of units equity oriented mutual fund  | NIL    | Purchaser        |
| Sale of unit of equity oriented mutual fund (delivery base)  | 0.001% | Seller           |
| Sale of equity shares, unit of business trust, units of equity oriented mutual fund (non delivery based) | 0.025% | Seller           |
| Sale of option an security   | 0.05%  | Seller           |
| Sale of option an securities where option is exercised   | 0.125% | Purchaser        |
| Sale of a futures in securities  | 0.01%  | Seller           |
| Sale of unit of an equity oriented fund to the mutual fund   | 0.001% | Seller           |
| Sale of unlisted equity shares and units of business trust under an initial offer                        | 0.2%   | Seller           |

## 9. Useful Charts

### ➤ Cost Inflation Index

| F.Y.    | Index | F.Y.    | Index |
|---------|-------|---------|-------|
| 2000-01 | 100   | 2010-11 | 167   |
| 2001-02 | 105   | 2011-12 | 184   |
| 2002-03 | 109   | 2012-13 | 200   |
| 2003-04 | 113   | 2013-14 | 220   |
| 2004-05 | 117   | 2014-15 | 240   |
| 2005-06 | 122   | 2015-16 | 254   |
| 2006-07 | 129   | 2016-17 | 264   |
| 2007-08 | 137   | 2017-18 | 272   |
| 2009-10 | 148   |         |       |

### ➤ Carry Forward and Set Off of Losses

| Sr. | Type of Loss   | Set off Under/Against*              | Carried forward for |
|-----|--|-------------------------------------|---------------------|
| 1   | House Property   | All heads                           | 8 years             |
| 2   | Speculation  | Speculation                         | 4 years             |
| 3   | Unabsorbed Depreciation/<br>Cap Exp on SR/ Family Plan | Any Income<br>(other than salary)   | No Limit            |
| 4   | Other business losses                                  | All heads except salary head        | 8 years             |
| 5   | Short Term Capital Losses                              | Short Term/ Long Term Capital Gains | 8 years             |
| 6   | Long Term Capital Losses                               | Long Term Capital Gains             | 8 years             |
| 7   | Owning/ Maintaining race horses                        | Owning/Maintaining race horses      | 4 years             |
| 8   | Specified Business u/s 35AD                            | Specified Business u/s 35AD         | No Limit            |

\*No Loss can be set off against winning from lotteries, any sort of receipt from gambling or betting of any form or nature.\*For Loss to be carried forward for future periods, Return of loss must be filed in time.

### ➤ Partner Remuneration

| Book Profit                 | Amount deductible [u/s 40(b) for Business & Profession] |
|-----------------------------|---|
| Loss                        | Maximum ` 1,50,000                                      |
| Profit Upto ` 3,00,000      | ` 1,50,000 or 90% of Book Profit, whichever is more     |
| Profit More than ` 3,00,000 | 90% of ` 3,00,000 and 60% of balance Book Profit        |

### ➤ Capital Gain – Sec. 54 Exemption

| Sec. | Assets Sold                            | Assets Purch.        | Time Limit   | Exemption Amount   |
|------|--|----------------------|--|--|
| 54   | Residential House                      | Residential House    | <ul style="list-style-type: none"> <li>✓ 1 Year Before or</li> <li>✓ 2 Year After Sales.</li> <li>✓ For Under Construction within 3 years</li> </ul> | Actual Amount Invested in new asset<br><b>Benefit Available to</b><br>✓ Individual/HUF   |
| 54F  | Long Term other Than Residential House | Residential House    | <ul style="list-style-type: none"> <li>✓ 1 Year Before or</li> <li>✓ 2 Year After Sales.</li> <li>✓ For Under Construction within 3 years</li> </ul> | Net Consideration amount in new asset<br><b>Benefit Available to</b><br>✓ Individual/HUF |
| 54B  | Agriculture Land                       | Agriculture Land     | ✓ Purch. Within 2 years of sale  | Actual amount invested in new land.<br><b>Benefit Available to</b><br>✓ Individual/HUF   |
| 54EC | Any Long term Asset                    | Bonds of NHAI or REC | ✓ Investment within 6 Months   | Max. Exemption is Rs. 50 Lacs.<br><b>Benefit Available to</b><br>✓ Any Assessee          |

**10. Depreciation Chart as per Income Tax**

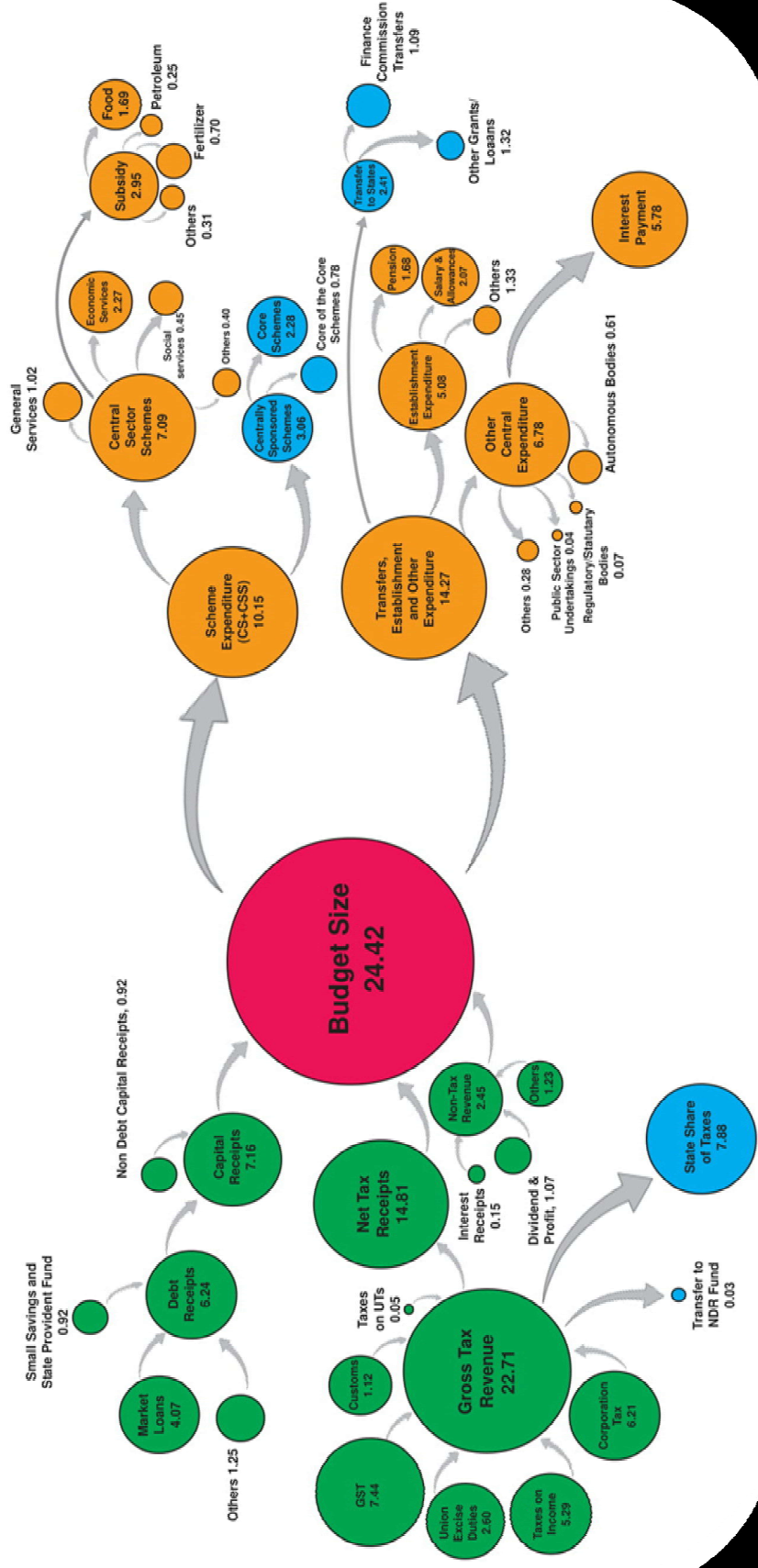
|          | <b>Nature of Asset</b>  | <b>Rate</b> |
|----------|---|-------------|
|          | <b>Building</b>   |             |
| Block 1  | Residential Building other than hotels and boarding houses  | 5           |
| Block 2  | Office, factory, godowns or building – not mainly residential purpose   | 10          |
| Block 3  | Temporary erection such as wooden structures  | 100         |
|          | <b>Furniture</b>  |             |
| Block 4  | Furniture – Any Furniture/fittings including electrical fittings  | 10          |
|          | <b>Plant &amp; Machinery</b>  |             |
| Block 5  | Any Plant or Machinery (not covered by block 6,7,8,9,10,11 or 12) & motor cars (other than those used in a business of running them on hire) acquired or put to use on or after April 1, 1990   | 15          |
| Block 6  | Ocean going ships, vessels ordinary operating on inland waters including speed boat   | 20          |
| Block 7  | Buses, lorries & taxies used in business of running them on hire, machinery used in semi-conductor industry, moulds used in rubber & plastic goods factories  | 30          |
| Block 8  | Airplanes , Life saving medical equipments  | 40          |
| Block 9  | Containers made of Glass & plastic used as refills , new commercial vehicle which is acquired during Jan 1, 2009 & Sept 30, 2009 & is put to use before Oct1, 2009 for the purpose of business/profession   | 50          |
| Block 10 | Computer including computer software, Books (other than annual publication) owned by a professional   | 60          |
| Block 11 | Energy saving devices; renewal energy devices; rollers in flour mills, sugar work & steel industry  | 80          |
| Block 12 | Air pollution control equipments; water pollution control equipments; solid waste control equipments, recycling & resource recovery systems; books (being annual publications) owned by assesses carrying on a profession or books (may or may not be annual publications) carrying on business in running lending libraries. | 100         |
|          | <b>Intangible Assets</b>  |             |
| Block 13 | Intangible assets (acquired after march 31, 1998) – Know-how, patents, copyrights, trademarks, licenses, franchises & any other business or commercial rights of similar nature.  | 25          |

**11. Depreciation Chart as per Company Law**

| Nature of Assets   | Useful Life | Rate [SLM] | Rate [WDV] |
|--|-------------|------------|------------|
| <b>I. Buildings [NESD]</b>   |             |            |            |
| (a) Building (other than factory building`s) RCC Frame Structure   | 60 Years    | 1.58%      | 4.87%      |
| (b) Factory Building & building other than RCC Frame Structur.   | 30 Years    | 3.17%      | 9.50%      |
| (c) Fences, wells, tube wells  | 05 Years    | 19.0%      | 45.07%     |
| <b>II. Plant and Machinery</b>   |             |            |            |
| <b>(a) General rate applicable to Plant and Machinery not covered under Special Plant and Machinery</b>  |             |            |            |
| (i) Plant and Machinery other than continuous process plant not covered under specific   | 15 Years    | 6.33%      | 18.10%     |
| (ii) Continuous process plant for which no special rate has been prescribed under (ii) below   | 25 Years    | 3.80%      | 11.29%     |
| <b>(b) Special Plant and Machinery</b>   |             |            |            |
| (i) Plant and Machinery related to production and exhibition of Motion Picture Films Cinematograph films - Machinery used in The production and exhibition of cinematograph films, recording and reproducing equipments, developing machines, printing machines, editing machines, synchronizers and studio lights | 13 Years    | 7.31%      | 20.58%     |
| (ii) Plant and Machinery used in glass   |             | 7.31%      | 20.58%     |
| - Plant and Machinery except direct fire glass melting Furnaces- recuperative and regenerative glass melting furnaces  | 13 Years    | 11.88%     | 31.23%     |
| - Plant and Machinery except direct fire glass melting furnaces - Moulds [NESD]  | 10 Years    | 9.50%      | 25.89%     |
| - Float Glass Melting Furnaces [NESD]  |             |            |            |
| <b>III. Furniture and fittings [NESD]</b>  |             |            |            |
| (a) General furniture and fittings   | 10 Years    | 9.50%      | 25.89%     |
| (b) Furniture and fittings used in hotels, restaurants and boarding houses, schools, colleges and other education institutions, libraries, welfare centers, meeting halls, cinema houses, theatres   | 8 Years     | 11.88%     | 31.23%     |
| <b>IV. Motor Vehicles [NESD]</b>   |             |            |            |
| (a) Motor cycles, scooters and other mopeds  | 10 Years    | 9.50%      | 25.89%     |
| (b) Motor buses, motor lorries, motor cars and motor taxies used in a business of running them on hire   | 6 Years     | 15.83%     | 39.30%     |
| <b>V. Office equipments [NESD]</b>   |             |            |            |
|  | 5 year      | 19.00%     | 45.07%     |
| <b>VI. Computers and data processing units [NESD]</b>  |             |            |            |
| (a) Servers and networks   | 6 Years     | 15.83%     | 39.30%     |
| (b) End user devices, such as, desktops, laptops, etc.   | 3 Years     | 31.67%     | 63.16%     |
| <b>VII. Electrical Installation and Equipment [NESD]</b>   |             |            |            |
|  | 10 Years    | 9.50%      | 25.89%     |
| <b>VIII. Bridges &amp; Roads</b>   |             |            |            |
| (a) Bridges, culverts, bunders, etc  | 30 Years    | 3.17%      | 9.50%      |
| (b) Carpeted Roads- RCC  | 10 Years    | 9.50%      | 25.89%     |
| (c) Non-Carpeted Roads   | 3 Years     | 31.67%     | 63.16%     |
| <b>IX. Ships</b>   |             |            |            |
| (a) Ocean Going Ships  | 25 Years    | 3.80%      | 11.29%     |
| (b) Bulk Carriers and liner vessels  | 20 Years    | 4.75%      | 13.91%     |
| <b>X. Aircrafts &amp; Helicopters</b>  |             |            |            |
|  | 20 Years    | 4.75%      | 13.91%     |
| <b>XI. Laboratory Equipments</b>   |             |            |            |
| (a) General Laboratory equipments  | 10 Years    | 9.50%      | 25.89%     |
| (b) Equipments used in Educational Institutions  | 5 Years     | 19.00%     | 45.07%     |

(₹ लाख करोड़ में)  
(In ₹ lakh crore)

# बजट की रूपरेखा BUDGET PROFILE





**Mr. Arpan Shah**  
Finance Lead-International  
Business Development,  
Parnod Richard India

If implemented effectively , inclusive healthcare programme for the poor would be the best outcome of Budget 2018. So far this Govt has failed to create a mark in terms of execution excellence whether it's GST or demonetisation. The new healthcare programme would perhaps be the last chance to correct the course. Also Budget 2018 has disappointed investors and salaried class alike. Introduction of standard deduction and back door withdrawal of transportation and medical allowances would dent the Govt's reputation as the one with noble intent.

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**Mr. Bharat Pandya**  
Director,  
Technical  
Organics  
Pvt. Ltd.

This budget is post GST budget . Provisions are target 2019 election .

Farmers and infrastructure prime focus and health care for middle and lower income group in line with state government experience. Small and medium industry not taken care .limited resources and high ambition for welfare. We can say bold on vision and short on outlays .

In nut shell honest effort for overall upliftment of people .

.....

**Mr. Kuntal Shah**  
Director, Rosemoor  
Infrastructure Ltd.

This is a positive budget for the common man.

The Finance Minister has, in his speech, laid out a powerful report card by referring to the commitments made by him with regard to the farm and consumer sectors in the earlier years and not only giving the status of the outcome of various measures but also announcing various measures to promote this key sector.

He has re-iterated the Government's promise of doubling the income of the farmers by 2022 and also announced various additional allocation and funds in this sector.

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**Mr. Dattanand D Heranjali**  
CFO, Amul

The impact of 2018 budget is positive for Agriculture and Food Processing sector, affordable housing sector, health insurance industry and the textile sector.

This will boost the health insurance sector, health service providers, and also the pharmaceutical sector in general. Overall healthcare expenditure will get a boost.

For the above mentioned industries, the impact of 2018 budget is positive.

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**C.A. Utkarsh Desai**  
Partner

The Union Budget 2018-19 presented by Shri Arun Jaitley clearly shows the Government's vision of further developing Indian Economy by focusing more on Rural & Agricultural Sector, Infrastructure & MSME Sector, at the same time not leaving behind the salaried class and senior citizens. Thus, it is clearly a balanced budget.



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