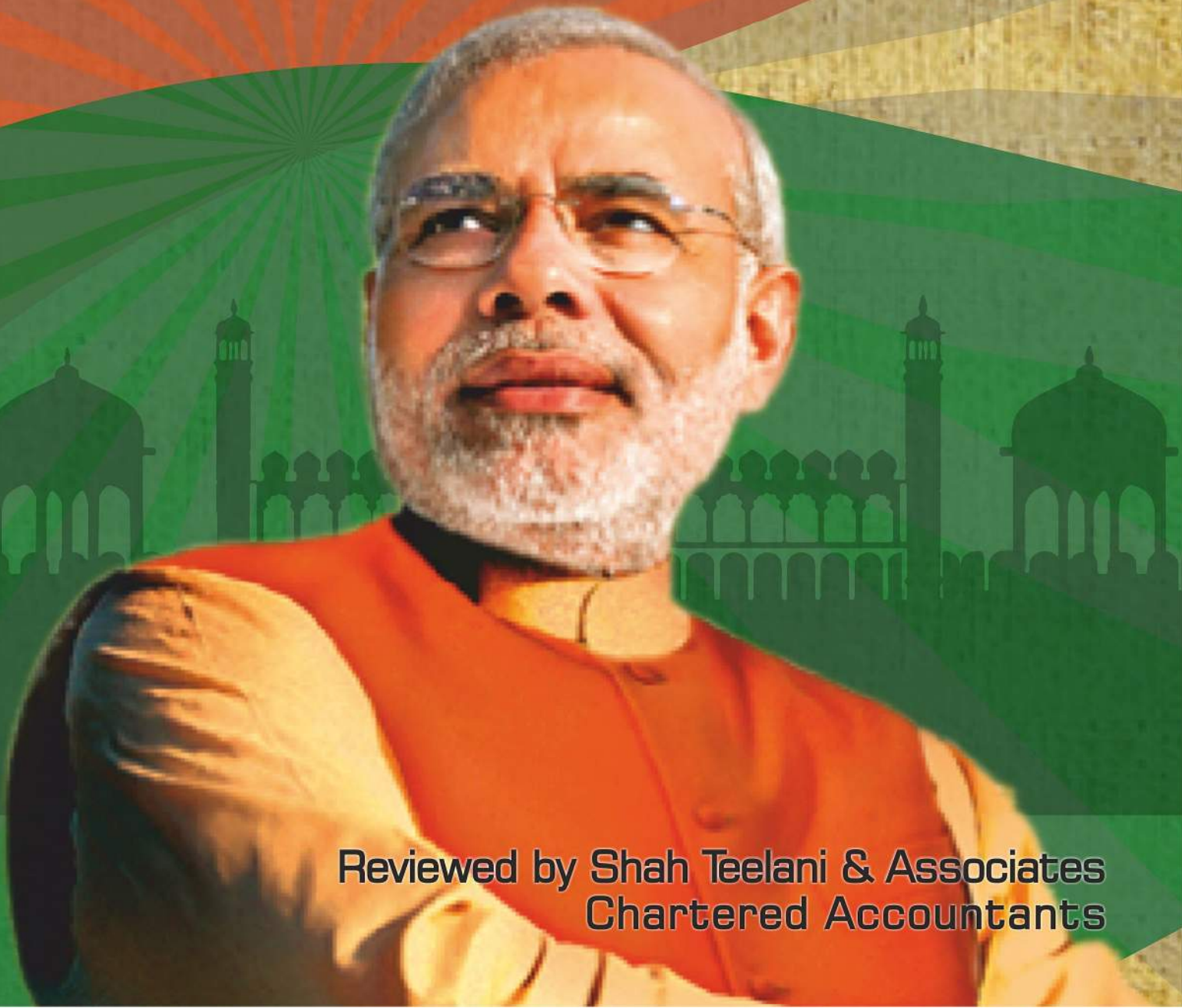


**THE**

# **MODIFIED**

**BUDGET 14-15**



**Reviewed by Shah Teelani & Associates  
Chartered Accountants**

# BUDGET ANALYSIS

2014 - 2015

By

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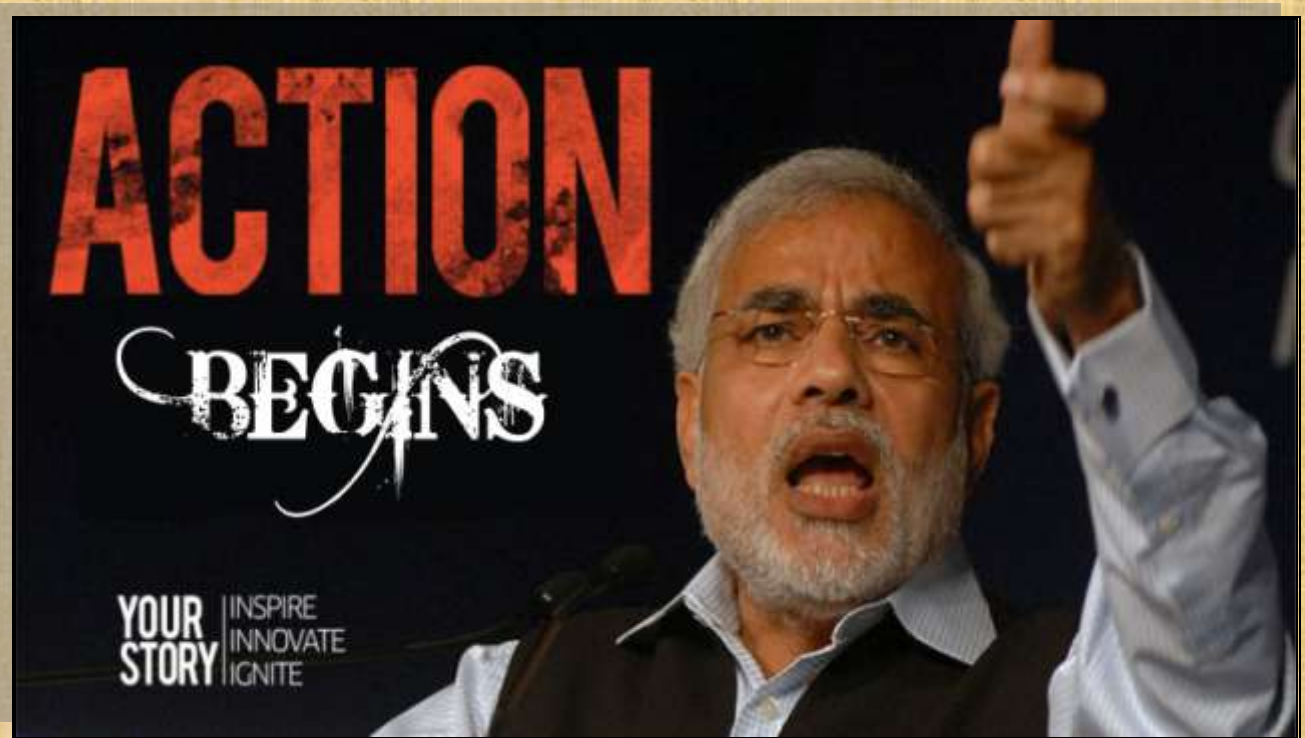
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*Aejaz Saieed*

July, 11<sup>th</sup> 2014

Dear Sir,

Indian democracy, a play with not less than 1.25 billion lead actors, has proved its might once again. Indian voters, perceived to be influenced by cast, creed, religion, money, perhaps for the first time after 1947 united to Vote For a Change. A change for rejuvenation of a dying economy. Mahatma Gandhi, a common GUJJU man, led the change in 1947 and as is rightly said "History repeats itself", after a long break of 67 years, another common GUJJU man has led the change in 2014. Hon. Prime Minister Shri Narendra Modi not only promised a better tomorrow but also reinstated the "Confidence to Dream", the biggest strength of a common man .



The Election of 2014 was Ray of the Hope that the Indians have shown in Man Of Developing India (MODI), based on his Hard Work and Vision. He is the Man which has given the Political Scenario a Corporate Scenario. He is Popular not among the BJP Followers but also among the Common Man of India. This budget truly resembles the vision and mission of the New Government under the abled. leadership of Shri Narendra Modi. A vision for a new India –the MODIFIED India.

Union Budget 2014-15, would be remembered for being much needed stimulant to the Economy. First booster to sustainable growth of GDP, the budget also charts out a way for smooth implementation of long awaited GST by removing deadlocks. Focus on public infrastructure projects and PPP model along with increased limit of FD investment in defense and the insurance sector would ensure constant infusion of funds in the economy.

Enhancement of basic tax exemption limit, increase in deduction of housing loan interest, higher deduction under section 80C, would propel marginal tax payers to invest more. Savings in tax payouts, due to such incentives, would also partially compensate marginal tax payers against ever growing inflation.

Announcements under the Union Budget 2014-15, if to be explained in one sentence, mean **“A NOT SO TOUGH TODAY FOR A FAR BETTER TOMORROW”**.

This is our second edition of the budget booklet and we sincerely hope that this would prove out to be a quick guide for all the readers.

We would also appreciate the sincere efforts made by all our young and energetic team members and support of Family Members for preparation of this book.

Your suggestions are welcome.

Yours Sincerely,

**For, Shah Teelani & Associates,**

**CA. Jinesh N. Shah.**

**CA. Jitendra Teelani**

## THE VISION 2020

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## (A) BUDGET ANALYSIS 2014-15

### 1. Highlights of The Budget

- ✓ The Indian economy is showing slower development as compare to the past, due to overall slow down in the Global Market. Further.
- ✓ India's GDP reported the growth at 4.7% for 2013-14, instead of the 7-8% potential growth estimated.
- ✓ Current Account Deficit(CAD) narrows in the current year, with the CAD estimated around 1.7% of the GDP.
- ✓ Debate on the Implementation of the GST comes to end, by confirming the implementation on GST(Goods and Service Tax) to be implemented on the priority basis.
- ✓ Tax Exemption limit to the Individuals increased from current ` 2 Lacs to ` 2.5 Lacs and for Senior Citizen from ` 2.5Lacs to ` 3 Lacs.
- ✓ Increase in the Deduction limit under Sec. 80C to ` 1.5 Lacs from current limit of ` 1 lacs.
- ✓ Under Sec. 24 Income from House Property Deduction for the Interest payable on the borrowed funds increased upto ` 2 Lacs.
- ✓ Business of Plying, Hiring or Leasing Goods Carriages u/s. 44AE of presumptive Taxation has increased to uniform rate of ` 7500 p.m. removing the Classification of Heavy & Other Vehicles.
- ✓ Commodity transaction shall not be termed as the speculative transaction if such transaction are liable to commodities transaction tax u/s. 43.
- ✓ Roll Back Mechanism wherein transactions relating to the Arms Length Price entered into before Advance Pricing Agreement is also covered.



# Budget Analysis 2014 - 15

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- ✓ As per new Section 194DA Inserted TDS will be deducted @ 2% on the Amount received on Maturity of Insurance policy if the premium paid on such policy is more than 10% of the sum assured.
- ✓ Debt oriented mutual funds and unlisted securities shall be termed as short term if it is sold before 36 months.
- ✓ Capital Gain Deduction u/s. 54EC of ₹ 50 Lacs restricted to one time deduction in the year of transfer and also in the subsequent year of transfer.
- ✓ Companies deriving its income mainly from Profits and Gain of Business and undertook the purchase and sale of shares than such transaction of shares shall be termed as speculation business.
- ✓ Exemption of services provided to government department shall be limited to water supply, public health, sanitation conservancy, solid waste or slum improvement only.
- ✓ Abatement in respect of transport of goods by vessel to be increased from 50% to 60%.
- ✓ Partial reverse charge In renting of motor vehicle, portion of service tax payable by service provider and service receiver will be 50% each.
- ✓ The excise duty on cigarettes is being increased to 72% for length exceeding 65mm and increased to 21% for others.
- ✓ Duty increased from 12% to 16% on Pan Masala, from 50% to 55% on Unmanufactured Tobacco and 60% to 70% on Jarda Scented Tobacco, Guktha and Chewing tobacco.
- ✓ Assessee fails to Deduct TDS on payment for Royalty and Fee for Technical Services, expenses will be disallowed only up to 30% of the expenses amount and not the 100% disallowance as per other TDS Provisions.
- ✓ Bag Allowance for passenger increased from ₹ 35,000 to ₹ 45,000.
- ✓ To encourage production of LCD and LED TV below 19 inches in India, basic custom duty on LCD and LED TV panels of below 19 inches reduced from 10% to Nil.

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Politics is not Ambition, But a Mission.



# Budget Analysis 2014 - 15

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## 2. Budget at Glance

(₹ in Crores)

Sr. No.	Particulars	2012-13 Actual	2013-14 Budget Estimates	2013-14 Revised Estimates	2014-15 Budget Estimates
<b>1.</b>	<b>Revenue Receipts</b>	<b>879232</b>	<b>1056331</b>	<b>1029252</b>	<b>1189763</b>
2.	Tax Revenue (Net to Centre)	741877	884078	836026	977258
3.	Non-Tax Revenue	137355	172252	193226	212505
<b>4.</b>	<b>Capital Receipts (5+6+7)\$</b>	<b>531140</b>	<b>608967</b>	<b>561182</b>	<b>605129</b>
5.	Recoveries of Loans	15040	10654	10802	10527
6.	Other Receipts	25890	55814	25841	63425
7.	Borrowings and Other Liabilities*	490190	542499	524539	531177
<b>8.</b>	<b>Total Receipts (1+4) \$</b>	<b>1410372</b>	<b>1665297</b>	<b>1590434</b>	<b>1794892</b>
<b>9.</b>	<b>Non-Plan Expenditure</b>	<b>996747</b>	<b>1109975</b>	<b>1114902</b>	<b>1219892</b>
10.	On Revenue Account of which,	914306	992908	1027689	1114609
11.	Interest Payments	313170	370684	380066	427011
12.	On Capital Accounts	82441	117067	87214	105283
<b>13.</b>	<b>Plan Expenditure</b>	<b>413625</b>	<b>555322</b>	<b>475532</b>	<b>575000</b>
14.	On Revenue Account	329208	443260	371851	453503
15.	On Capital Account	84417	112062	103681	121497
<b>16.</b>	<b>Total Expenditure (9+13)</b>	<b>1410372</b>	<b>1665297</b>	<b>1590434</b>	<b>1794892</b>
17.	Revenue Expenditure (10+14)	1243514	1436169	1399540	1568111
18.	Of which, Grants for creation of Capital Assets	115710	174633	138228	168104
19.	Capital Expenditure (12+15)	166858	229129	190894	226781
<b>20.</b>	<b>Revenue Deficit (17-1)</b>	<b>364282</b>	<b>379838</b>	<b>370288</b>	<b>378348</b>
		<b>(3.6)</b>	<b>(3.3)</b>	<b>(3.3)</b>	<b>(2.9)</b>
<b>21.</b>	<b>Effective Revenue Deficit (20-18)#</b>	<b>248572</b>	<b>205205</b>	<b>232060</b>	<b>210244</b>
		<b>(2.5)</b>	<b>(1.8)</b>	<b>(2.0)</b>	<b>(1.6)</b>
<b>22.</b>	<b>Fiscal Deficit {16 - (1+5+6)}</b>	<b>490190</b>	<b>542499</b>	<b>524539</b>	<b>531177</b>
		<b>(4.8)</b>	<b>(4.8)</b>	<b>(4.6)</b>	<b>(4.1)</b>
<b>23.</b>	<b>Primary Deficit (22-11)</b>	<b>177020</b>	<b>171814</b>	<b>144473</b>	<b>104166</b>
		<b>(1.8)</b>	<b>(1.5)</b>	<b>(1.3)</b>	<b>(0.8)</b>

\$ Does not Include receipt in respect of Market Stabilization Scheme.

# Excluding receipts under Market Stabilisation Scheme.

\* Includes draw-down of Cash Balance.

Notes: GDP for BE 2014-2015 has been projected at ₹12876653 crore assuming 13.4% growth over the Advance Estimates of 2013-2014 (₹ 11355073 crore) released by CSO.





# Budget Analysis 2014 - 15

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## 3. Key Economic Indicators

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>GDP/ Economy Growth (%)</b>	<b>6.7</b>	<b>8.6</b>	<b>9.3</b>	<b>6.2</b>	<b>5.0</b>	<b>4.1</b>
Agricultural Growth (%)	0.1	0.8	7.9	3.6	1.8	4.7
Manufacturing Growth V	4.3	11.3	9.7	2.7	1.9	(0.7)
Service Growth (%)	32.0	33.7	34.0	30.8	NA	6.8
Private (Exp.) Consumption Growth (%)	7.1	7.5	8.7	7.9	4.1	4.8
<b>Exports (In USD Billions)</b>	<b>189.001</b>	<b>182.442</b>	<b>256.159</b>	<b>309.774</b>	<b>146.551</b>	<b>312.35</b>
Imports (In USD Billions)	308.520	300.644	383.481	499.533	237.221	450.95
<b>Export Growth (%)</b>	<b>13.6</b>	<b>-3.5</b>	<b>40.5</b>	<b>21.3</b>	<b>-4.92</b>	<b>3.98</b>
Import Growth (%)	20.7	-5.0	28.2	32.3	-0.02	-8.11
<b>Forex Reserved (In USD Billion)</b>	<b>252</b>	<b>279.1</b>	<b>304.8</b>	<b>294.4</b>	<b>295.52</b>	<b>315.78</b>
<b>Average Exchange rate (USD 1= Rupee)</b>	<b>45.99</b>	<b>47.44</b>	<b>45.56</b>	<b>47.92</b>	<b>54.472</b>	<b>59.98</b>
Inflation (In terms of WPI) (%)	8.1	10.8	12	8.9	9.1	10.9
Inflation (In terms of CPI) (%)	10.83	12.11	8.87	9.3	10.92	6.95
Population ( Billion)	1.154	1.170	1.210	1.237	NA	NA
<b>Per Capita Income (In Rs.)</b>	<b>40,775</b>	<b>46,249</b>	<b>54,151,</b>	<b>61,564</b>	<b>68,747</b>	<b>74,920</b>
Gold Price ( Per Gram)	1,492	1,609	2,323	2,734	2,965	2,715
Silver Price ( Per Gram)	21.34	25.26	61.15	53.34	49.973	46,184
Crude Oil Price (Brent Europe) UUSD per Barrel)	46.13	80.37	116.94	124.45	116.234	108.28
BSE Sensex (10 <sup>th</sup> July)	13,796	16,668	18,721.39	17,618.35	19,294.12	25,372.75

Let Work Itself be the Ambition



# Budget Analysis 2014 - 15

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## ➤ Tax Collections: - Comparative Figures

(₹ in Crores)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (B)	2013-14 (R)	2014-15 (B)
Corporate Income tax	2,13,395	2,44,725	2,98,688	3,22,816	3,56,326	4,19,520	3,93,677	4,51,005
Excise	1,08,613	1,02,991	1,37,701	1,45,607	1,76,535	1,97,553	1,79,537	2,07,110
Income tax (Others)	1,06,043	1,22,370	1,39,069	1,67,473	2,01,486	2,47,639	2,41,691	2,84,266
Customs	99,879	83,324	1,35,813	1,49,328	1,65,346	1,87,308	1,75,056	2,01,819
Service tax	60,941	58,422	71,016	97,509	1,32,600	1,80,141	1,64,927	2,15,973
Wealth tax	389	505	687	788	845	950	950	950

## ➤ Stock Market Indicators:-

(₹ in Crores)

Year →	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Number of IPOs	21	39	53	30	20	19
NSE Spot	27,52,023	41,38,024	35,77,410	19,73,730	19,73,624	79,27,670
BSE Spot	11,00,074	13,78,809	11,05,027	4,88,133	4,10,230	5,12,956
NSE Derivatives	1,10,10,482	1,76,63,665	2,92,48,221	2,37,15,138	2,28,79,486	1,26,28,500
BSE Derivatives	12,268	234	154	58,173	57,41,593	60,998
FII Net Investment	(45,811)	1,42,658	1,46,438	30,376	1,68,911.47	51,649
Number of FIIs (at the year end)		1,635	1,722	1,767	1,759	1649

Religion is Devotion to Work and Devotedly Working is Being Religious.



# Budget Analysis 2014 - 15

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## 4. Changes in Tax Structure

1) Individual (Other than Senior Citizen), HUF, AOP, BOI

Sr. No.	INCOME	TAX RATE
1	Up to ₹2,50,000	NIL
2	From ₹2,50,001 to ₹5,00,000	10%
3	From ₹5,00,001 to ₹10,00,000	20%
4	From ₹10,00,001 onwards	30%

2) For Resident Senior Citizens above the age of 60 years

Sr. No.	INCOME	TAX RATE
1	Up to ₹3,00,000	NIL
2	From ₹3,00,001 to ₹5,00,000	10%
3	From ₹5,00,001 to ₹10,00,000	20%
4	From ₹10,00,001 onwards	30%

3) For Resident Senior Citizens above the age of 80 years

Sr. No.	INCOME	TAX RATE
1	Up to ₹5,00,000	NIL
2	From ₹5,00,001 to ₹10,00,000	20%
3	From ₹10,00,001 onwards	30%

**Note:-** If Total Income of the Assessee Exceeds 1 Crore additional Surcharge on tax @ 10% will be applicable.

4) Other Assesseees

Total Income	Rate of Tax (%)	Rate of MAT (%)	Rate of Dividend Tax (%)
	<b>A.Y. 14-15</b>	<b>A.Y. 14-15</b>	<b>A.Y. 14-15</b>
<b>Tax Rates for Domestic Co.</b>			
Upto ₹ 1 Crore	30.90	19.05	16.995
From ₹ 1 Crore to ₹10 Crores	32.45	20.00	16.995
Exceeding ₹ 10 Crores	33.99	20.96	16.995
<b>Tax Rates for Foreign Co.</b>			
Upto ₹ 1 Crore	41.20	19.05	
From ₹ 1 Crore to ₹10 Crores	42.02	19.44	
Exceeding ₹ 10 Crores	43.26	20.01	
<b>Tax Rates for Others</b> Firms/LLP's/Local Authorities/Other Non Corporate Assessee			
Upto ₹ 1 Crore	30.90	19.05	
Above ₹ 1 Crore	33.99	20.96	

Tourism Unites, Terrorism Divides.



## **5. Changes in Provisions relating to Business & Profession**

- ✓ Investment in New Plant and Machinery will be eligible for Additional Allowance of 15% u/s. 32AC. In the current year there is decrease in the eligible Investment Limit to 25 Crores from the previous Investment limit of minimum 100 Crores.
- ✓ Two new Business is specified for the deduction in respect of Capital Expenditure u/s. 35AD, details of the new business specified is:-
  - Laying and operating a slurry pipeline for the transportation of iron ore,
  - Setting up and operating a semi-conductor wafer fabrication manufacturing unit.
- ✓ Expenses incurred for the Corporate Social Responsibility was not allowable expenditure as same was not incurred for the business, but with new Companies Act 2013 making few companies to spend few percentage of amount on the CSR. In the Current Budget u/s. 37(1) amended to allow all such expenses incurred for the CSR.
- ✓ Commodity transaction shall not be termed as the speculative transaction if such transaction are liable to commodities transaction tax u/s. 43.
- ✓ Business of Plying, Hiring or Leasing Goods Carriages u/s. 44AE of presumptive Taxation has increased to uniform rate of ₹ 7500 p.m. removing the Classification of Heavy & Other Vehicles.
- ✓ In section 269SS & 269T of the Income-tax Act, in the opening portion, after the words “cheque or account payee bank draft”, the words “or use of electronic clearing system through a bank account” shall be inserted.
- ✓ Extended the benefit to the power sector projects under section 80IA from 31.03.2013 to 31.03.2017.

## **6. Changes in Provisions relating to Corporate Taxation**

### **Tax on distributed profits**

- ✓ Dividends received by the Indian Company from foreign Companies are taxable at 30% but to encourage the foreign fund flow in India, in the budget 2014-15 as per u/s. 115BBD tax on foreign dividends shall be levied at the rate of 15% only.
- ✓ As per the new amendment Indian Companies Declaring the Dividend shall pay Dividend Distribution Tax on the amount payable as Dividend plus Amount of Tax Payable on Such Dividend. i.e. Dividend Amount + Amount of Tax and Tax shall be payable on such amount.



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

- ✓ With an Intention to promote Saving and Economic Growth there is Increase in the Limit of Deduction u/s. 80C to ₹ 1,50,000.
- ✓ Central Government and other employee has paid or deposited any amount National Pension Scheme shall be eligible for deduction of such amount to the maximum amount upto 10% of his salary earned during such year.
- ✓ Contribution to the Public Provident Fund is increased to ₹ 1,50,000/-
- ✓ Deduction for Life Insurance premium shall be allowed to the extent of 10% of the actual sum capital assured as against 20% as per section 80C.
- ✓ Interest on borrowed capital is allowable as deduction if capital borrowed for the purpose of purchase, construction, repair, renewal or reconstruction of house property,
  - Interest Payable on borrowed capital allowed as Deduction upto ₹ 2,00,000/- a increase of ₹ 50,000 from the old deduction limit allowed of ₹ 1,50,000/-.

## **8. Changes in the Provisions of Trust**

- ✓ As per the Se. 12AA Commissioner has power to cancel the registration if activity of trust is not carried out in the manner in which they have stated.
- ✓ Trust can claim exemption for the application of income only if it is registered u/s. 12AA. Non-Applicability of registration for the prior period for the year of registration causes genuine hardship to charitable organization.
- ✓ Therefore Benefit of Sec. 11 & 12 shall be available to trust in any assessment proceeding for an earlier assessment year which is being pending before Assessing Officer.
- ✓ Depreciation shall not be allowed as application of income if Value of Such assets is already claimed as application of income at the time of purchase of asset.



## **9. Changes in Provisions relating to Procedures and Assessments**

- ✓ Various new Income Tax authorities has been appointed for the proper administration of the Tax System.
- ✓ As per Sec. 133A assessing officer at the time of survey may impound and retain in his custody any books of account or documents extended for the period up to 15 days.
- ✓ New per new section inserted 133C income tax authority can issue notice to such person to verify the information relating to any person in its possession to furnish documents or information.
- ✓ At the time of search or survey any documents or assets seized of other person u/s. 153C, income tax authorities shall hand over such documents to the Assessing Officer having Jurisdiction to such person.
- ✓ As per section 132B, in case of search amount of existing tax liability raised can be adjusted against the seized cash amount, however there it has been clarified that existing liability will not include the Advance Tax Liability.
- ✓ Under section 179, wherein director of private company previously is jointly and severally liable only for the payment of outstanding tax demand. Addition is made under this section where in Outstanding tax demand shall also include penalty, interest or any other sum payable under the Act.
- ✓ If notice is demand is served and assessee has filed for the appeal against the order of such Demand, than Demand Raised as per the Notice shall be valid till the disposal of appeal by the appellate authority u/s. 220.

## **9. Changes in Provisions relating to International Tax**

- ✓ Definition of the International Transaction as per Sec. 92B extended to the Unrelated Person if there is prior agreement in relation to the transaction between such other person and the associated enterprise. Extension of this definition is aim to cover such entities where work is outsourced directly by the parent foreign companies to its customers.
- ✓ Advance Pricing Agreement(APA) specify the manner in which Arms Length Price to be determined in relation to an international transaction to be entered into by the person. Government introduces the Roll Back Mechanism wherein transactions relating to the Arms Length Price entered into before APA is also covered.



- ✓ Under section 115A, Royalties and Fees for Technical Services (FTS) received by a non-resident from any agreement entered in India is currently taxable at 10%. Amendment is made in this section as majority of the DTAA allows the taxation at the rate 25%, therefore any payments made for such royalties shall be taxable at 25%.

## **10. Changes in Provisions relating to Capital Gains & TDS**

- ✓ As per new Section 194DA Inserted TDS will be deducted @ 2% on the Amount received on Maturity of Insurance policy if the premium paid on such policy is more than 10% of the sum assured.
- ✓ Further new section 194LBA is inserted wherein any Business Trust making payment by way of distribution of Income to its unit holder being a resident is liable to deduct TDS @ 10% .
- ✓ Relief is given u/s. 40(a)(i) for the deduction of TDS on the payment made for Royalty and Fee for technical services, under the relief if assessee fails to Deduct TDS on such payment, expenses will be disallowed only up to 30% of the expenses amount and not the 100% disallowance as per other TDS Provisions.
- ✓ Interest payable by special purpose vehicle to business trust is exempt from Tax Deduction at Source as per Sec. 194A.
- ✓ Debt oriented mutual funds and unlisted securities shall be termed as short term if it is sold before 36 months.
- ✓ Advance Money received for the transfer of capital assets and same is forfeited is taxable as Income From Other Source, than such amount shall not be reduced from the cost of the assets for the computation of capital gain.
- ✓ Under 54EC major change is made, wherein previously assessee used to claim the Deduction of ₹ 50 Lacs in the current year and another ₹ 50 Lacs In the subsequent year, reason being the act provides the deduction of ₹ 50Lacs in each year. But now Amendment is Made wherein assessee can Claim Deduction under 54EC of ₹ 50 Lacs in the year of transfer and it includes the subsequent year also.



## 11. Other Important Changes

- ✓ Unit of Mutual Fund other than equity oriented fund shall be termed as short term if it is sold before 36 months.
- ✓ As per section 11 Depreciation shall not be considered as application of income if assets on which depreciation provided is already claimed as application of income.
- ✓ Anonymous Donation as per 115BBC is taxable @ 30% if amount of donation exceeds 5% of total donation or ₹ 1,00,000 whichever is higher. Tax @ 30% will be applicable on the amount in excess of the above limit.
- ✓ Companies deriving its income mainly from Profits and Gain of Business and undertook the purchase and sale of shares than such transaction of shares shall be termed as speculation business.
- ✓ Levy of Surcharge at the rate 10% on the persons whose taxable income exceeds ₹ 1 Crore per year, this will apply to the individuals, HUF's, firms and other similar entities. Known as Super Rich Tax imposed on the high earning persons.
- ✓ Assessing officer has right to levy the Penalty under 271H of TDS.
- ✓ Development of existing projects delayed, and diminishing attractiveness of new projects to private sector funds and strategic operators. In order to meet these challenges, new investment vehicle structure, an infrastructure investment trust needs to be facilitated. Therefore following proposals is made:-
  - SEBI has proposed draft regulation relating to two new categories of investment vehicles namely, the Real Estate Investment Trust (REIT) & Infrastructure Investment Trust (INVIT).
  - The trust would raise capital by way of Issue of Units (To be listed on recognized stock exchange) can also raise debts directly both from resident as well as non residents investors.
  - The income bearing assets would be held by the trust by acquiring controlling or other specific interest in an Indian Company from the sponsor.



## 12. Changes in Provisions relating to Service Tax

### ➤ Changes in the definition, charging and valuation provisions

- ✓ The rate of service tax remained unchanged at 12%.
- ✓ No change has been made in the basic exemption limit of ₹ 10,00,000/-.
- ✓ Service Tax levied on sale of space or time for advertisements in broadcast media namely radio television has been extended to cover online and mobile advertising also.
- ✓ Radio taxi (whether or not air-conditioned) is now taxable under service tax, further relief is provided by way of abatement.
- ✓ Exemption under clinical research on human and air-conditioned contract carriages like buses is being withdrawn.
- ✓ Due to various litigation government has clarified the exemption of services provided to government department shall be limited to water supply, public health, sanitation conservancy, solid waste or slum improvement only.
- ✓ Under accommodation services exemption is enhanced to Dharamshalas and Ashrams along with the hotels charging the tariff less than Rupees one thousand per day.
- ✓ The concept of “Auxiliary education service” wherein service received by the education was exempted from service tax has been omitted and exemption shall be available for the list of services specified in the Not. No. 25/2012.
- ✓ Works contract services rationalized by having only two abatement rates wherein Works contract of Original Works abatement shall be 60% and other than original works contracts abatement shall be 30%.
- ✓ Abatement in respect of transport of goods by vessel to be increased from 50% to 60%.

- ✓ Following New exemption are inserted (w.e.f 11<sup>th</sup> July, 2014)
  - Life micro-insurance schemes for the poor, approved by IRDA, where sum assured does not exceed Rupees Fifty thousand.
  - Transport of organic manure by vessel, rail or road (by GTA).
  - Loading, unloading, packing, storage or warehousing, transport by vessel, rail or road (GTA), of cotton, ginned or baled.
  - Services provided by common bio-medical waste treatment facility operators to clinical establishments.
  - Specialized financial services received by RBI from global financial institutions in the course of management of foreign exchange reserves.
  - Services provided by Indian tour operators to foreign tourists in relation to a tour wholly conducted outside India.
- ✓ Major changes has been made in the Interest on late payment of Service Tax payable, Interest is provided on the increasing basis (w.e.f. 1<sup>st</sup> October, 2014).

<b>EXTENT OF DELAY</b>	<b>SIMPLE INTEREST RATE PER ANNUM</b>
Up to six months	18 %
From six months and upto one year	24 %
More than one year	30 %

- ✓ Partial reverse charge In renting of motor vehicle, portion of service tax payable by service provider and service receiver will be 50% each. (w.e.f. 1<sup>st</sup> October, 2014).
- ✓ Mandatory fixed pre-deposit of 7.5% of the duty demanded or penalty imposed or both having ceiling limit of total demand of ₹ 10 Crores for filing the appeal before the Commissioner (Appeals) and Tribunal. It would also mean that, no stay application would be filed henceforth.

## 13. Changes in Provisions of Excise Duty

- ✓ The rate of Excise Duty remained unchanged at 12% .
- ✓ The excise duty on cigarettes is being increased to 72% for length exceeding 65mm and increased to 21% for others.
- ✓ Duty increased from 12% to 16% on pan masala, from 50% to 55% on unmanufactured tobacco and 60% to 70% on jarda scented tobacco, guktha and chewing tobacco.
- ✓ Levy of additional duty of excise at 5% on aerated waters containing added sugar.
- ✓ Plant and Machinery used in Agriculture/Agro Processing is reduced from 10% to 6%.
- ✓ To develop renewal energy, various items exempted from excise duty.
- ✓ Exemption from Excise duty is being provided on plastic materials reprocessed out of the scrap or waste and cleared into the DTA by EOU.
- ✓ Reduction in excise duty from 12% to 6% on footwear of retail price exceeding ₹ 500 per pair but not exceeding ₹ 1000 per pair.
- ✓ Concessional excise duty withdrawn on smart cards and a uniform excise duty at 12% shall be levied.
- ✓ Duty on winding wires of copper is being increased from 10% to 12%.
- ✓ Excise Duty on Metal Core PCB and LED driver for use in the manufacture of LED lights and fixtures and LED lamps, is being reduced to 6%.
- ✓ On Branded Petrol excise duty reduced from ₹ 7.50 per liters to ₹ 2.35 per liters.
- ✓ Full exemption of excise duty is being provided on machinery, equipments, etc required for setting up of compressed bio gas plant.

## 14. Changes in Provisions of Custom Duty

- ✓ There is no change in the peak rate of customs duty of 10 %.
- ✓ Bag Allowance for passenger increased from ₹ 35,000 to ₹ 45,000.
- ✓ To protect the Natural Resources of the India, government increased Export Duty on bauxite increased from 10% to 20%.
- ✓ To encourage production of LCD and LED TV below 19 inches in India, basic custom duty on LCD and LED TV panels of below 19 inches reduced from 10% to Nil.
- ✓ Increased in basic customs on imported flat rolled products of stainless steel from 5% to 7.5%.
- ✓ Forged steel rings used in the manufacture of bearings of wind operated electricity generators is reduced from 10% to 5%. Further SAD Exemption of 4% on the parts and raw materials required for the manufactured of wind operated generators.
- ✓ Basic Custom Duty on metallurgical coke increased from NIL to 2.5% in line with duty on coking coal.
- ✓ Concessional Basic customs duty of 5% extended to plant and machinery imported for setting up solar energy projects.
- ✓ Duty on ship breaking scrap and melting scrap of iron or steel rationalized by reducing the basic custom duty on ships imported for breaking up from 5% to 2.5%.
- ✓ Duty rationalized on the various semi processed, half cut or broken diamonds, cut and polished diamonds and colored gem stones 2.5%.
- ✓ To encourage exports pre forms of precious and semi precious stones exempted from basic customs duty.
- ✓ Custom Duty removed for the E-books readers, previously custom duty of 7.5% levied on E-books.

## (B) IMPORTANT CURRENT YEAR PROVISIONS

### 1. Provisions relating to Deduction from Total Income

- **Following investments are allowed as deduction from total income of Individual and HUF upto maximum of ₹ 1,00,000/- (Sec. 80C, 80CCC & 80CCD)**

<b>Nature of Investment</b>	<b>Applicability</b>
Life Insurance Premium.	For Individual, payment should be made in the name of following persons: <ul style="list-style-type: none"><li>✓ Individual.</li><li>✓ Spouse of the Individual.</li><li>✓ Any child of the Individual.</li></ul> For HUF, in the name of any member of HUF. 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, payment should be made in the name of following persons: <ul style="list-style-type: none"><li>✓ Individual.</li><li>✓ Spouse of the Individual.</li><li>✓ Any child of the Individual.</li></ul> For HUF, in the name of any member of HUF. Max. Limit of Investment is ₹ 1,00,000 in a year.
Investment in National Saving Certificate (NSC) and interest accrued on it.	For Individual and HUF.
Investment in Mutual Fund.	For Individual and HUF. Subscription to the notified units of any mutual fund covered u/s. 10(23D) shall be allowed as deduction.
Tuition Fees.	For Individual only. <ul style="list-style-type: none"><li>✓ Expenses allowed for any two children of the Individual.</li><li>✓ It is for full time education, paid to any school, college, university or other eligible institution.</li><li>✓ Donation or development fees are not allowed.</li></ul>
Repayment of Housing Loan.	For Individual and HUF.
Investment in Term Deposit.	For Individual and HUF. <ul style="list-style-type: none"><li>✓ For a fixed period of not less than 5 years with a schedule bank in accordance with the scheme notified by the central government.</li></ul>

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Investment in specified bonds issued by National Bank for Agriculture and Rural Development. (NABARD)	For Individual and HUF.
Amount deposited in certain pension fund of LIC or other insurer	For Individual only.
Amount paid under notified pension scheme of Central Govt. by employee; not exceeding 10% of salary of employee.	For Individual only.
Amount invested in time deposit under Post Office Time Deposit rules for 5 years.	For Individual only.
Amount invested in an account under Senior Citizen Saving Scheme.	For Individual only.

- ✓ Assessee having gross total income less than 12 lacs can claim deduction of 50% of amount invested or ₹ 25,000 whichever is lower for Investment in Listed Equity Shares notified for the Rajiv Gandhi Equity Saving Scheme. (RGESS) (Sec. 80CCG).
- ✓ As per section 80TTA, deduction in respect of the interest earned in the savings bank account maintained with banks, cooperative banks and post office upto ₹10,000 to the Individual and HUF is allowable.

## ➤ Deduction for Medical Insurance Premium (Sec. 80D)

Assessee	Deduction
<b>Individual</b> Mediclaim policy in the name of- a. Individual or his family. (Spouse and dependent child)	<b>Lower of aggregate premium</b> paid or ₹15,000/-.
b. Parents (whether dependant or not)	<b>Lower of aggregate premium</b> paid or ₹15,000/-.
HUF- in the name of any member	<b>Lower of aggregate premium</b> paid or ₹15,000/-.

### Notes:

- Premium paid for senior citizen aged above 60 years, the deduction available is aggregate premium paid or ₹20,000/- whichever is lower. Further, an individual can claim Mediclaim for himself, his family and additional amount for Parents.
- Payment shall be made by any mode of payment other than cash.



## 2. Provisions relating to TDS & TCS

### ➤ Various Important dates for TDS & TCS

Dates of deposit of TDS & TCS into banks		
For expenditure credited or paid in March	On or before 30 <sup>th</sup> April.	
For any other case	On or before 7 <sup>th</sup> of next month.	
Due dates for filing of TDS / TCS return		
Period	Due dates for Return	
	TDS return (Form 24Q- 26Q)	TCS return (Form 27EQ)
For 1 <sup>st</sup> quarter ending on 30 <sup>th</sup> June	15 <sup>th</sup> July	15 <sup>th</sup> July
For 2 <sup>nd</sup> quarter ending on 30 <sup>th</sup> September	15 <sup>th</sup> October	15 <sup>th</sup> October
For 3 <sup>rd</sup> quarter ending on 31 <sup>st</sup> December	15 <sup>th</sup> January	15 <sup>th</sup> January
For 4 <sup>th</sup> quarter ending on 31 <sup>st</sup> March	15 <sup>th</sup> May	30 <sup>th</sup> April

### ➤ Description & Rates of TCS

Description	Rate
Alcoholic Liquor for Human Consumption or Scrap	1%
Timber obtained under a forest leave, or any other mode, other forest produce	2.5%
Parking Lots, Toll Plaza Lease & Mine Quarry Lease	2%
Tendu Leaves	5%

## 3. Payment of Advance Tax

Every person who is liable to pay income tax of ₹10,000/- or more on his current year's estimated income is required to pay advance tax as under:

Due date of Installment	For Company	For Others
On or before 15 <sup>th</sup> June	15% of the Advance Tax.	----
On or before 15 <sup>th</sup> September	45% of the Advance tax as reduced by any earlier installment.	30% of the advance tax.
On or before 15 <sup>th</sup> December	75% of the advance tax as reduced by any earlier installments.	60% of the advance tax as reduced by any earlier installments.
On or before 15 <sup>th</sup> March	The whole amount of advance tax as reduced by any earlier installments.	The whole amount of such advance tax as reduced by any earlier installments.

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## ➤ Rates & Exemption limit of TDS

Sec.	Nature of payments made to resident	Threshold Limit (In ₹)	Company, Firm, Co-op Soc, Local Authority	Individual HUF	If No PAN Or Invalid PAN
194A	Interest – Payable by Banks	10,000	10	10	20
	Interest – Payable by others	5000	10	10	20
194B	Winning from lotteries / Crossword Puzzle	10,000	30	30	30
194C	Payment to Contractors:-				
	1-Single transaction	30,000	2	1	20
	2- Aggregate during FY	75,000	2	1	20
194D	Insurance commission	20,000	10	10	20
194H	Commission/ Brokerage	5,000	10	10	20
194I	Rent	1,80,000	10	10	20
	Rent Plant/ Machinery	1,80,000	2	2	20
194	Dividends	-	10	10	20
194BB	Winnings from horse race	5,000	30	30	30
194F	Repurchase units by MFs	1,000	20	20	20
194G	Commission – Lottery	1,000	10	10	20
194LA	Immovable Property	1,00,000	10	10	20
194IA	Transfer of Immovable Property, other than Agriculture Land ( w.e.f. June, 2013)	50,00,000	1	1	20

## ➤ Description & Rates of TCS

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 Jewellery	1

**Note:** If purchase by Non-Resident upto 1 Crore there will be Cess @ 3% and Above 1 Crore there shall be Surcharge @ 10% also.

Country is Looking forward to a "CONSTRUCTIVE" Change, Not "CORRECTIVE" Change.





## 4. Provision of MAT u/s 115 JC

- ✓ The provision of MAT shall also apply to partnership firms, sole proprietorship, association of persons etc.
- ✓ If the regular tax payable is less than minimum alternate tax, then such persons is required to pay 18.50 % tax on total income.
- ✓ The income in above cases has to be increased by deduction under Chapter VI A and also deduction u/s 10 AA.
- ✓ However, the provision of this chapter shall not apply to Individual, HUF, AOP, BOI, if adjusted total income is not more than ₹ 20 lacs.
- ✓ Such provision will raise more difficulties to various small assesseees.

## 5. Provisions relating to Service Tax

### ➤ Payment of Service Tax :

Category of Assessee	Periodicity of Payment	Periods	Due Date
Individuals, Proprietary Concern or Partnership Firms	Quarterly	1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> quarter	5 <sup>th</sup> * day of the month following the said quarter.
		4 <sup>th</sup> quarter	31 <sup>st</sup> March
Others (i.e. Company, AOP, Trust etc.)	Monthly	April to February	5 <sup>th</sup> * day of the next month.
		March	31 <sup>st</sup> March

### Notes:

1. Service tax is payable, if the value of taxable service exceeds ₹10 lacs in the preceding financial year.
2. The assessee is required to take registration if value of taxable service exceeds ₹9 lacs during the year.
3. If the assessee fails to pay service tax within the above mentioned time limit then assessee is liable to pay penalty of ₹100/- per day during which such failure continues or 1% per month of tax due whichever is higher but maximum of 50% of service tax.
4. Returns are to be filed on half yearly basis.
5. Due dates for filing of returns is 25<sup>th</sup> day of the month following the end of Half Year.
  - \* If E-payment made than due date shall be 6<sup>th</sup> Day of Next Month/quarter respectively.



## ➤ Point of Taxation Rules, 2011

The Point of Taxation Rules, 2011 has been inserted in the last year's budget. The rule provides for payment of service tax on the basis of point of taxation instead of receipt of value of taxable services.

- ✓ The point of taxation will be earlier of the following three
  - Date of invoice issued.
  - Date of services completed.
  - Date of payment received.

The determination of point of taxation can be explained through following example.

Sr. No.	Service Completed on	Invoice Issued on	Payment Received on	Point of Taxation
1.	07/07/2012	10/07/2012	24/08/2012	10/07/2012
2.	07/07/2012	15/08/2012	20/09/2012	07/07/2012
3.	07/07/2012	05/06/2012	05/08/2012	05/06/2012
4.	07/07/2012	05/06/2012	05/05/2012	05/05/2012
5.	07/07/2012	05/06/2012	12/06/2012	05/06/2012

- ✓ In reverse charge to bring certainty in the determination of point of taxation will be payment date or first day after three months from the date of invoice.

## 6. Provisions relating to Companies Act

### ➤ Provisions relating to Annual Filing

- ✓ Every company having share capital is required to file annual return in **Form-20B** within **60 days** from the date of the annual general meeting.
- ✓ Every company is required to file balance sheet and other documents in **Form -23AC** and profit and loss account in **Form-23ACA** within **30 days** from the date of the annual general meeting.
- ✓ Every company having paid-up share capital of more than ₹10,00,000/- is required to obtain Compliance Certificate from a Company Secretary and to file it in **Form 66** within **30 days** from the date of the annual general meeting.
- ✓ Digital Signature of any one director who is authorized to sign the documents is essential for filing of any form.



- ✓ For any appointment or retirement of director, every company is required to file **DIR 12** with the registrar within 30 days of such appointment or retirement.
- ✓ It is mandatory for every company to register a charge created on any assets (other than those related to debentures) of the company. **CHG - 1** is required to be filed within **30 days** from the date of creation or modification of such charge.

➤ **Provisions relating to XBRL**

- ✓ XBRL or the e**X**tensible **B**usiness **R**eporting **L**anguage is a language for the electronic communication of business and financial data. It is an open, royalty free, international information format developed through a process of collaboration between accountants and technologists from all over the world who came together to form the XBRL International.
- ✓ In India, the Ministry of Corporate Affairs, has required certain classes of companies to file their financial statements in XBRL form only from the year 2010 – 2011 and such financial statements are required to be certified by CA / CS / CWA n whole time practice before filing with the Ministry.
- ✓ The Ministry of Corporate Affairs has vide its general circular no 16/2012 dated 06.07.2012 has mandated following categories of companies to file their annual accounts in XBRL.
  - All companies listed in India and their Indian subsidiaries; or
  - All companies with a paid-up share capital of Rs. 5 crores and above; or
  - All companies with a turnover of Rs. 100 crores and above.
  - All Companies who have reported XBRL in last preceding year.
- ✓ In India, the XBRL taxonomy has been developed by the Ministry of Corporate Affairs (MCA), based on the requirements of:
  - Schedule VI of Companies Act;
  - The Accounting Standards; and
  - SEBI Listing requirements.
- ✓ Following steps are involved in filing of XBRL
  - Creation of XBRL instance document.
  - Download XBRL validation tool from MCA portal.
  - Use the tool to validate the instance document.
  - Perform pre-scrutiny of the validated instance document through the tool.
  - Attach instance document to the Form 23AC and Form 23ACA.
  - Submitting the Form 23AC and Form 23ACA on the MCA portal.

## 7. Details of Old and New ROC Forms

Old Forms	New Forms	Purpose of Form as per Companies Act, 2013
1A	INC-1	Application for reservation of name
--	INC-2	Form for Incorporation and nomination (One Person Company)
1	INC-7	Application for Incorporation of Company (Other than One Person Company)
19	INC-21	Declaration prior to the commencement of business
18	INC-22	Notice of situation or change of situation of registered office and verification
1B	INC-24	Application for approval of Central Government for change of name
5	SH-7	Notice to Registrar for alteration of share capital
8	CHG-1	Application for registration of creation, modification of charge (other than those related to debentures)
17	CHG-4	Particulars for satisfaction of charge
23	MGT-14	Filing of Resolutions and agreements to the Registrar under section 117
DIN-1	DIR-1	Application for allotment of Director Identification Number
DIN-4	DIR-6	Intimation of change in particulars of Director to be given to the Central Government
--	DIR-11	Notice of resignation of a director to the Registrar
32	DIR-12	Particulars of appointment of directors and the key managerial personnel and the changes amongst them
23AC	23AC	Form for filing balance sheet and other documents with the Registrar
23ACA	23ACA	Form for filing Profit and Loss account and other documents with the Registrar
20B	20B	Form for filing annual return by a company having a share capital with the Registrar
66	66	Form for submission of compliance certificate with the Registrar

## 8. Useful Charts

### ➤ Cost Inflation Index

F.Y.	Index	F.Y.	Index	F.Y.	Index	F.Y.	Index
1981-82	100	1990-91	182	1999-00	389	2008-09	582
1982-83	109	1991-92	199	2000-01	406	2009-10	632
1983-84	116	1992-93	223	2001-02	426	2010-11	711
1984-85	125	1993-94	244	2002-03	447	2011-12	785
1985-86	133	1994-95	259	2003-04	463	2012-13	852
1986-87	140	1995-96	281	2004-05	480	2013-14	939
1987-88	150	1996-97	305	2005-06	497	2014-15	1024
1988-89	161	1997-98	331	2006-07	519		
1989-90	172	1998-99	351	2007-08	551		

### ➤ 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/ Cap Exp on SR/ Family Plan	Any Income (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, crossword puzzles, races including horse race, card games and 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

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## ➤ Depreciation Chart as per Income Tax

	Nature of Asset	Rate
<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

A Creative man is motivated by the Desire to Achieve, not by desire to beat other.



## ➤ 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) Building (other than factory buildings) other than RCC Frame Structure and Factory buildings	30 Years	3.17%	9.50%
<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	8 Years	11.88%	31.23%
<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%
1. Plant and Machinery except direct fire glass melting Furnaces- recuperative and regenerative glass melting furnaces	13 Years		
2. Plant and Machinery except direct fire glass melting furnaces - Moulds [NESD]	8 Years	11.88%	31.23%
3. Float Glass Melting Furnaces [NESD]	10 Years	9.50%	25.89%
<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 and circuses and furniture and fittings let out on hire for used on occasion of marriages and similar functions	8 Years	11.88%	31.23%
<b>IV. Motor Vehicles [NESD]</b>			
(a) Motor cycles, scooters and other mopeds			
(b) Motor buses, motor lorries, motor cars and motor taxis used in a business of running them on hire	10 Years	9.50%	25.89%
(c) Motor buses, motor lorries, motor cars and motor taxis other than those used in a business of running them on hire, Motor tractors, harvesting combines and heavy vehicles Electrically operated vehicles including battery powered or fuel cell powered vehicles	6 Years	15.83%	39.30%
	8 Years	11.88%	31.23%
<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 Year	9.50%	25.89%



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## ➤ Audit Provision

Particulars	Business		Profession	
	<i>Audit is Not Required</i>	<i>Audit Required</i>	<i>Audit is Not Required</i>	<i>Audit Required</i>
<b>Sec. 44AB/AD</b>	Turnover is less than ₹ 1 Crore and profit is 8% of Turnover or more	Turnover more than ₹ 1 Crore	Gross Receipt upto ₹ 25 lakhs	Gross Receipt more than ₹ 25 lakhs
<b>Sec. 44AE</b>	Less than 10 Vehicles	10 or more Vehicles	N.A.	
	<i>Presumption of Income :</i> <ul style="list-style-type: none"> <li>- Below 12 ton capacity ₹ 4500 p.m. or part of it.</li> <li>- Above 12 ton capacity ₹ 5000 p.m. or part of it.</li> </ul>			

## 9. Useful Websites

Department	Websites
Income Tax	<a href="http://www.incometaxindia.gov.in">www.incometaxindia.gov.in</a>
Service Tax	<a href="http://www.servicetax.gov.in">www.servicetax.gov.in</a> / <a href="http://www.aces.gov.in">www.aces.gov.in</a>
Corporate Law	<a href="http://www.mca.gov.in">www.mca.gov.in</a> / <a href="http://www.llp.gov.in">www.llp.gov.in</a>
RBI	<a href="http://www.rbi.org.in">www.rbi.org.in</a>
Ministry of Finance	<a href="http://www.finmin.nic.in">www.finmin.nic.in</a>
Supreme Court	<a href="http://www.supremecourtindia.nic.in">www.supremecourtindia.nic.in</a>
Provident Fund	<a href="http://www.incometaxindia.gov.in">www.incometaxindia.gov.in</a>
ESIC	<a href="http://www.epfindia.nic.in">www.epfindia.nic.in</a>
Gujarat VAT	<a href="http://www.commercialtax.gujarat.gov.in">www.commercialtax.gujarat.gov.in</a>
Central Board of Customs & Excise	<a href="http://www.cbec.gov.in">www.cbec.gov.in</a>
Directorate General of Foreign Trade	<a href="http://www.dgft.gov.in">www.dgft.gov.in</a>

### Disclaimer:

This budget 2014-15 handout provides general information on budget 2014-15 and does not express our views. This hand out is meant for general guidance and no responsibility for loss arising to any person acting or refraining from acting as a result of any material contained in this handout will be accepted by us. It is recommended that professional advice be taken based on the specific facts and circumstances. This handout does not substitute the need to refer to the original pronouncement. This handout is intended only for the use of our staff personnel, clients and associates and may contain confidential or privileged material. Any review, dissemination or other use of, or taking of any action in reliance upon by other than the intended recipient is prohibited. If you receive this by error, you may return the material to the sender.

Each of us has a natural instinct to rise like a flame. Let's nurture that instinct.







We **CA Jinesh Shah** and **CA Jitendra Teelani** started Chartered Accountants practice in 2012, we entered in 3<sup>rd</sup> successful year of our journey, which commenced with full anticipation has actually proved out to be an ocean of opportunities and learnings. Sailing through this ocean has not only been challenging but also equally satisfying and rewarding. Last Year we published **DABANGG BUDGET 13-14** and this year we Modified it as “**THE MODIFIED BUDGET**” 2014-15.

This is our Second Budget Book so we oblige for your comments and feedbacks. While writing this book we remembered one dialogue of Hon. PM Mr. Modi “**Shram Ko Punji Mana Jaye, Shram Ki Pratishtha Ho.... Our Mantra is SHRAMEVA JAYATE**”.

“Brand India is build of 5 T’s – Talent, Tradition, Tourism, Trade and Technology” which motivates us to Grow Ahead with Ambition, Culture, Hardwork and Modernisation.



“Budget 2014-15, much to my expectation, has been futuristic, promising a better tomorrow, Tax relieves to marginal tax payers would provide a shield against ever growing inflation. The Government’s decision to be cautious while enacting retrospective amendments, would surely reinstate global investor confidence in Indian economy and governance. I really appreciate the efforts they have taken to analyze the Union Budget 2014-15 and compiling this quick reference guide”.

**Mr.Kuntal Shah**

**Director, Rosemoor Infrastructure Limited**

**Building Your Dreams**



Nayi Soch, Nayi Umeed



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