

## Editor's Word!

Hello JVRites!

With every new financial year, comes new opportunities and new strengths. In the dawn of this new financial year and audit season, we present to you with immense pleasure, the 27th edition of our quarterly newsletter, Echo.

First of all, Congrats to our Chief Executive Partner, CA Jomon K George on being unanimously elected as the Vice Chairman of SIRC of ICAI. His knowledge, passion and experience will lead the council to greater heights.

We had an eventful February marked by the annual freshers' treat. Le Meridien was the chosen spot for this year's grand lunch. Turn around to read the delicious details shared by Milen.

Our best wishes to the students appearing for their IPCC & Final exams in May 2018. May all of you come out with flying colours.

In this edition, we discuss the recent changes introduced in the union budget for 2018. We have also brought to you the recent updates in GST.

In this new audit season, we look forward to bigger, better and bolder efforts from each one of the JVR family. So, let's embrace this new financial year with renewed vigour, positivity and motivation. Cheers everyone!

**Dana Abdul Rahim**

## CONGRATULATIONS



**Jomon K George**  
Vice Chairman, SIRC of ICAI

## Le Fête à Méridien



## UNION BUDGET 2018-19 – DIRECT TAX UPDATES

- **Tax Rates for AY 2019-20**

Domestic Companies with Turnover < Rs.250 Crores	- 25%
Other Companies	- No Change

- **Health & Education Cess @ 4%**

‘Education Cess’ and ‘Secondary and Higher Education Cess on Income-Tax’ shall be replaced by a new cess named ‘Health and Education Cess on Income-Tax’ levied at the rate of 4%.

- **Standard Deduction for Salaried Employees**

A standard deduction of Rs. 40,000 is introduced in lieu of the present transport allowance and medical expense reimbursements. Enhanced transport allowance exemption allowed to differently abled person shall continue to exist.

- **Increased Deduction of Interest Income Received by a Resident Senior Citizen**

Under S. 80TTB, interest on savings, fixed and recurring deposits received by a resident senior citizen shall be allowed deduction up to the limit of Rs. 50,000. (Earlier limit – Rs. 10,000 under S.80 TTA)

- **Increased Medical Deduction With Respect to Resident Senior Citizens**

Under S. 80D, the following deductions are available to individuals or members of HUF with respect to payments towards health insurance policy or preventive health check up:

Changes in Tax Deduction post budget for Senior Citizens			
Description	Self/Spouse & Dependent Children	Parents (Whether Dependent or not)	Total Deduction u/s 80D
Below 60 Years	Rs. 25,000	Rs. 25,000	Rs. 25,000
Assessee & Family Below 60 Years & Parents are 60 Years or Above	Rs. 25,000	Rs. 50,000	Rs. 75,000
		Rs. 30,000	Rs. 55,000
60 Years & Above	Rs. 50,000	Rs. 50,000	Rs. 1,00,000
	Rs. 30,000*	Rs. 30,000*	Rs. 60,000*
*Previous Limit (FY 2017-18)			

In case of a resident senior citizen, who has not paid any amount towards health insurance, medical expenditure can be claimed as deduction up to Rs.50,000.

Under S. 80DDB, payment of medical treatment of a senior citizen or very senior citizen suffering from specified disease shall be allowed as deduction up to the limit of Rs. 1,00,000. (Available to individual and members of HUF).

- **Long Term Capital Gains On Transfer of Listed Securities**

Under S. 112A, long-term capital gains in excess of 1 lakh arising on transfer of listed securities acquired on or after 01.10.2004 shall be taxed at 10% with effect from A.Y. 2019-20. [Earlier exempted u/s. 10(38)]

- **Deduction u/s 54EC**

From A. Y 2019-20, the exemption of S. 54EC shall be restricted to capital gain arising from the transfer of a long-term capital asset, being land or building or both only and no other capital assets. Further, the redemption period of specified bond issued on or after 1.4.2018, is will be increased from 3 years to 5 years.

- **Deemed Dividend**

Deemed dividend under section 2(22) (e) shall attract dividend distribution tax @ 30% in the hands of the company. Thus, such deemed dividend would be exempt in the hands of recipient under section 10(34).



- **Charitable Trust**

Cash payments exceeding Rs.10,000 are disallowed under S.40A(3) & (3A) from 01/04/2019.

- **Mandatory Filing of Return Required For Claiming Deductions Under Specified Sections**

The benefits of deductions under part C of Chapter VI A shall not be allowed unless the return of income is filed by the due date.

- **Prosecution for Failure to Furnish Return**

With effect from 01.04.2018, companies would be liable for prosecution under section 276CC for failure to furnish return, even if they have no tax liability.

### **Penalty for not Filing Tax Returns on Time (Applicable to All Assesseees)**

As per Section 234F, from AY 2018-19 if the income tax return is filed after the due date (July 31) but on or before the December 31, there will be a fine of Rs.5,000. If the return is filed after December 31, there would be fine of Rs.10,000. After March 31, the returns cannot be filed. However, in case the total income is less than Rs. 5 lakh, the penalty should not exceed Rs. 1,000.

## **RECENT UPDATES IN GST**

### **1. LUT – Online Application Available**

As per Rule 96A of CGST Rules any registered person availing the option to supply goods or services for export without payment of IGST shall furnish a bond or a Letter of Undertaking to the jurisdictional officer along with requisite documents. (Applicable on supply made to SEZ Units as well) The option of filing of LUT online via GST portal has been enabled by CBEC from Feb' 2018. LUT will be deemed to be accepted as soon as ARN(Application Reference Number) is generated.

### **2. E-way Bill for Transporting Goods**

E-Way Bill is a way bill for movement of goods which can be generated on the E-Way Bill Portal. Transportation of goods whose value exceeds Rs.50,000 cannot be made by a registered person without an E-Way bill.

Intra-state implementation of E-way bills for Telangana, Gujarat, Uttar Pradesh, Andhra Pradesh and Kerala starts from 15th April 2018. Notification by states will be issued.

### **3. Invoice for Transporting Goods**

The person in charge of conveyance of goods shall carry a copy of the tax invoice or bill of supply if he is not required to carry an E-way bill.

### **4. Exemptions Introduced**

The following services have been exempted from GST:

- Fumigation in a warehouse of agricultural produce.
- Services provided by an educational institution that conducts entrance examination by collecting entrance fees.
- Supply of online journals or periodicals to an educational institution.
- Catering service provided by an educational institute.

### **5. Reduction in Late Fees**

The late fees payable on failure to furnish GST returns have been reduced to Rs. 20 in case of nil return filers and Rs. 50 in case of others.

### **6. The due date for filing TRAN-2 has been extended upto 30th June, 2018.**



# Le Fête à Méridien

Nothing brings people together like good food! And that's exactly what happened at our annual freshers' treat. And this year, this grand tradition was held at Le Meridien.

As the clock struck 12, we all arrived from various offices and gathered eagerly anticipating the food and fun that awaited us. And boy! Le Meridien was a sight to behold. It had a scenic ambience and was surrounded by the surreal beauty of backwaters.

We were greeted by courteous staff who led us to a sensational spread of food.

The buffet had a variety of cuisines to savour, from nutritious salads to noodles and fried rice to wide varieties of chicken and paneer. The dessert section also held wide varieties of assortments such as cakes, ice creams, gulab jamun, pastries etc.

Apart from great food, every table had fun filled conversations which were quite a change from our office discussions. Bouts of laughter erupted everywhere constantly. The partners too were involved in all the excitement and amusement.

The advent of evening, turned the aura of the place even more beautiful. We continued to click countless photos between all the merriment.

And like all good things, this too came to an end. With our tummies and heart full to the brim, we rushed home cherishing all the memories that we managed to create in those few handful hours we could spare.

**Milen Subash**

