

BASCO BULLETIN.....



*From the
Editor's
Desk*

CA Ruchika Sureka



We are glad to present the 1st Edition of our Newsletter "BASCO Bulletin". The tax regime in India has now become a real-time knowledge base where all the events are being monitored on a regular basis. Through our newsletter we are taking this initiative, keeping in mind such evolving informative needs of our clients and peers and to be a part of the Global Village of our fraternity. I would also like to extend my thanks to all peers and friends for motivating this idea and to the entire team of BASCO for having contributed to this idea execution. I shall be glad to receive all kinds of suggestions which will help us in parenting the newsletter through its future editions.

FINANCE BILL BUDGET PROPOSAL 2018

The Finance Bill (Union Budget), 2018 was the last full budget presented by the present NDA government amid subdued economic growth, challenging fiscal situation and farm distress. Thus, it was important to see that how this budget was to be presented i.e. with populist measures, transferring the direct benefit to the public at large vis-à-vis the government's continuing focus on the Capital Expenditures (CAPEX), leading to the long term growth theory of the government. However, the maxim, 'Good economics is good politics'.

The key **Union Budget 2018** Announcements related to Direct tax are summarized here under - :

1. CESS: "Health and Education Cess" at 4% has been levied by discontinuing "Education Cess" and "Secondary and Higher Education Cess"

2. Corporate Tax Rates: If Turnover or gross receipts is less than 250 crores for F.Y. 2016-17, then rate of income-

tax will be 25% for F.Y. 2018-19.

3. Long term Capital gain: Exemption under section 10(38) has been withdrawn. No tax will be charged on the gains till 31.01.2018. Tax @ 10% in excess of Rs.100000 of Capital Gains will be charged u/s 112A.

Exemption u/s 54EC is now on **Land or Building or both with 5 years** lock in period. Amendment in section **115R** has been made to provide that where any income is distributed by a Mutual Fund, being units of equity oriented fund shall be liable to pay additional income tax at the rate of **10%** on income so distributed.

4. Salaries: Standard Deduction of Rs. **40,000 has been provided for.** Transport allowance of Rs. 19,200 and Medical Reimbursement of Rs. 15,000 u/s 17(2) has been withdrawn.

5. Profits and Gains of Business or Profession: Section 40(ia) and 40A(3) and 40A(3A) are being made applicable to Charitable Trust. Agriculture Commodity

Derivative income /loss also not to be considered as speculative u/s 43(5).

6. Income from Other Sources: Section 56(2) (xi) - taxability of Compensation amount received in connection with employment contracts under the purview of income-tax.

7. ICDS Impacts: a)Section 36(xviii) and 40A(13) to provide for Marked-to-Market losses as per ICDS.

b) Section 43AA for taxation of Foreign Exchange Fluctuation as per ICDS.

c) Section 43CB for Income from Construction and Service contracts as per ICDS.

d)New Sections 145A and 145B for existing provisions of Section 145A to give effect to taxability under PGBP as per ICDS

8. Start-Ups: The period for registration has been extended till end of F.Y. 2020-21.

9. Deemed Dividend: Taxation in the hands of the company only as Dividend Distribution of tax @ 30%.

10. Real Estate: No adjustments u/s **43CA, 50C &**

56(2)(x) shall be made in a case where the variation between stamp duty value and the sale consideration is not more than **5%** of the sale consideration.

11. PAN, Assessments & Penalties: PAN to be obtained by all entities including HUF other than individuals in case aggregate of financial transaction in a year is Rs 2, 50,000 or more. All directors, partners, members of such entities also to obtain PAN. All companies irrespective of income to file return and in case it is not filed, such companies will be liable for prosecution irrespective of the fact whether it has tax liability of Rs. 3,000 or not. Assessments to be E- assessment under new section 143(3A), (3B) and (3C). No adjustment under section 143(1) while processing on account of mismatch with 26AS and 16A. Penalty for non filing financial return as required under section 285BA being increased to Rs 500 per day.

*-Contributed by
CA Ayush Goel & Sakshi Rathi*

Glimpse of Basco Events

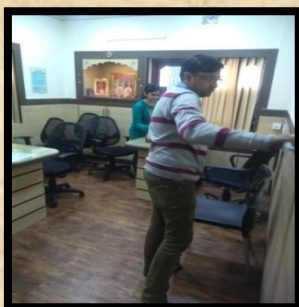
Picnic 2018



Deliberation On uses of Cchi by CA Rajshree Mimani



Swachh Bharat



Saturday Lunch



Team Discussion & Seminars



Digitized Applications – Making things Easier and Data Unsafe In Reality?

Technology is ingrained in our lives in a way such that we cannot even make move without a single click on the Uber or Ola App on our smart phones. Be it Food, Be it groceries, Be in laundry everything is just a click away, and payments? Just an additional click “Patym Karo.” Well now even reading a book in 15 minutes is possible with the “Blinkist” App. Is there anything that stays out of the digital access? The answer is thought-worthy.

The way technology is ineradicable from our lives it may seem easier to lead on in the short run but do we realize the harmful impacts it has on us? With regard to our data, the security and privacy issues, the impact on our health, lifestyle. Well, it’s all disguised.

Recently, the CCI fined Google for abusing its dominant position. But the common man today doesn’t realize the threat these tech titans hold against us. Google, Apple, Facebook, Amazon and Microsoft, the BIG FIVE, evoke an emotion in the mind. They are no longer companies or even conglomerates. They are ideal, the way to be.

The current state of competition law in India does NOTHING to address the problem of data monopolization and we commoners are still unaware about the grave and pressing issues important for us. Although there not much commoners can do but beware of the scenario in this area. The tricky task is with the policy makers as they have to restrain abuse of dominant position without unduly stifling innovation.

STAR PERFORMER OF THE MONTH

January : Mr. Hemomoy Sarkar
February : Ms. Soumya Kumari Pandey
CCHI PERFORMER: Mr. Dipesh Somani

Advance Tax:

Advance Tax Needs to be paid when the advance tax payable of assessee is **Rs.10, 000** or more during the Year.

For all assessee (Other than those covered under 44AD)	
Due Date of Installments	Amount Payable
On or before 15th June	15% of the Advance Tax
For those assessee which are covered under 44AD	
Due Date of Installments	Amount Payable
On or before 15th March	100% of the Advance Tax

TDS:

Due date of Filing of TDS Return	
Period	Due Date
April- June	31st July

Due Date: Different due dates are prescribed for payment of TDS:

Due date for payment of TDS	
Month Belongs to	Due Date
April	7th of May
May	7th of June
June	7th of July

ROC:

Due date of filling of **Form 11** is **30th may** for each year. It is Annual return containing number of partners, total contribution received by all partner, details of partners, details of partners, details of body corporate as partners, and summary of partners.

If LLP **fails** to file Form -11 within prescribed time, the **designated partners** shall be liable to be punishable with fine which shall be not less than **Rs. 25,000** but which may extend to **five Lakh rupees**.

ITR: There is not any statutory liability till May for Filling of ITR.

Audit: There is not any statutory liability till May for Filling of Audit Report.

Compiled by Ms. Sakshi Rathi & Mr. Sanchit Modi

Sukanya Samriddhi Scheme

Sukanya Samriddhi Account as the name suggests, the scheme is meant for the **Welfare of Girl** and has been launched by Prime Minister for meeting educational and marriage need of the girl. The account can be in the name of girl aged 10 years and below. A minimum amount of Rs 1000 per annum must be deposited in the account and maximum amount that can be deposited is Rs 1.5 lakh per annum failure of which will result into fine of Rs 50/-. Rate of interest is credited annually and is decided by the government annually which is higher than PPF at present (Rate of interest for PPF is 7.6% whereas for SSA is 8.1% i.e. **0.5% higher**). **One of the greatest advantages of SSA is that it is EEE tax exempted.** It means that the amount of investment, interest on SSA and maturity proceeds, all are exempt from tax. Amount can be withdrawn after the girl turns 18 by closure of the account. Or if the account is not closed then money can be withdrawn for higher education of the girl and or marriage of the girl. Account must be closed after marriage of the girl. Premature withdraw is allowed only in extreme case like medical emergency or death of the account holder. **Another biggest advantage of the scheme is that the girl will not be a burden on their parents if financial planning is done in advance.** Maximum installment which can be paid in the scheme excluding the amount deposited at the time of opening the A/c is "14". Account can be opened with post office and authorized Bank as specified by RBI. As the A/c is opened in the name of girl, the money can be utilized by the girl only for her specified needs.

- Contributed by CA Arun Patodia

"Change is the law of life and those who look only to the past or present are certain to miss the future."

John F. Kennedy

“Understand your worth. Value your Life”

A popular speaker started off a seminar by holding up a \$20 bill. A crowd of 200 gathered to hear him speak. He asked “who would like this \$20 bill?”

200 hands went up.

He said, I am going to give this \$20 to one of you but first let me do this. He crumbled the bill up.

He then asked “Who still wants it?”

All 200 hands were still raised up.

“Well,” he replied “What if I do this?” Then he dropped the bill on the ground and stomped on it with his shoes.

He picked it up, and showed it to the crowd. The bill was all crumbled and dirty.

“Now who still wants it?”

All the hands were still up.

“My friends, I have just showed you a very important lesson. No matter what I did to the money, you still wanted it because it did not decrease in value. It was still worth \$20. Many a times in our lives, life crumbles us and grinds us into dirt. We make bad decisions or deal with poor circumstances. We feel worthless. But no matter what has happened or what will happen, you will never lose your value.”

You are special- Don't ever forget it!



About the Firm

We have been engaged in the profession of Chartered Accountants since 1997. We have a professional team of young and energetic individuals having dynamic approach towards offering high quality professional services to our clients which has helped us immensely in building long term mutual benefit relationships.

AREAS OF SERVICES:-

- Audit
- Taxation (Direct Tax)
- International Taxation
- Consultancy
- Secretarial works
- Valuation
- Registration

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