



HIGHLIGHTS OF BUDGET 2018

EDUCATION:

India's overall allocation to this important sector in the last decade has hovered between 3.5-4 per cent of total expenditure. Last year, the figure was 3.7 per cent. The government proposed to launch 'Revitalising Infrastructure and Systems in Education (RISE) by 2022' with a total investment of Rs 1 lakh crore in next four years, to step up investments in research and related infrastructure in premier educational institutions, including health institutions. A modest 3.84 per cent increase compared to last year can be seen in the education sector allotment.

AGRICULTURE:

The Budget 2018-19 was largely focussed on solving agricultural distress. This budget promises to raise the minimum selling price (MSP) offered to farmers for crops, while investing heavily in agricultural markets across India. It also delivers more money for rural areas, including irrigation projects and aqua-culture projects, and directs state governments to purchase extra solar power generated by farmers using solar-powered pumps. Companies that deal with agricultural products may also be benefited.

HEALTHCARE:

With the Budget 2018-19, India has proposed the world's largest government-funded health protection plan, which aims to benefit 10 crore poor families of the nation with medical aid worth Rs 5 lakh each a year. The National Health Policy 2017 indicated that health expenditure would increase to 2.5% of GDP, but the goal is still far (it is 1.2% of the GDP right now). The increase in allocation towards healthcare is a minuscule 2.76 per cent compared to last year's budget. In fact, just 2.2 per cent of the total spending in budget is towards healthcare.

TOURISM:

An amount of Rs 2,150 crore was allocated to the Ministry of Tourism under the Union Budget 2018-19, receiving a 21 per cent jump from the current fiscal. Within these projects, integrated development of tourist circuits has been allocated Rs 1,100 crore, up from Rs 950 crore in the current fiscal. The Pilgrimage Rejuvenation and Spiritual Augmentation (PRASAD) scheme was given Rs 150 crore as compared to Rs 100 crore in the last budget announcement.

DEFENCE:

Defence was allotted 1.58% of GDP, the lowest allocation to the sector since 1962 war with China. The defence budget has been hiked by a measly 7.81% to Rs 2,95,511 crore from Rs 2,74,114 crore last year, once again dashing the hopes for any major jump in military modernization this year despite heightened tensions with both Pakistan and China along the unsettled borders.

TELECOM INFRASTRUCTURE:

The Union Budget proposed an overall allocation of around Rs 14,500 crore for the 2018-19 fiscal to augment telecom infrastructure projects, which include an alternate communication network for defence services. Finance Minister allocated Rs 10,000 crore for expansion of telecom infrastructure managed by the Department of Telecom. As per the document, the government has proposed to allocate Rs 8,000 crore for Bharat Net project for providing broadband services in 1.5 lakh gram panchayats.

EDITORS NOTE

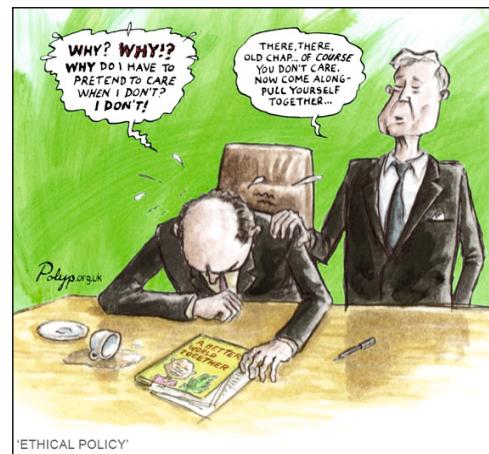
Dear Reader, this edition features Budget reflection of 2018. Further tax reduction of GST for various sectors and 35 points to with will be useful in Corporate Law Amendments, expecting your valuable suggestions.

CONTENTS

Page 1	- Budget Highlights
Page 2	- GST Updates - 25th GST Council Recommendations
Page 3	- GST Updates - Lowered on Goods and Service Exempt
Page 4 & 5	Corporate Law Amendments 35 useful changes

TAX DUE DATES - FEBRUARY 2018

Quarterly Compliances		
Sl.no	Particulars	Due Dates
1	Form-16A should be issued within 15 days from due date of furnishing the statement of TDS i.e, for quarter ending Dec-2017	15 – Feb – 2018
2	Revised due date for filing GSTR – 1 for Oct-Dec 2017 for turnover up to 1.5 crores	15 – Feb – 2018
Monthly Compliances		
Sl.no	Particulars	Due Dates
1	Due date for deposit of Tax deducted/collected at source for the month of January, 2018	07 – Feb – 2018
2	Revised due date for filing GSTR – 1 for Dec 2017 for turnover more than 1.5 crores	10 – Feb – 2018
3	Due date for issue of TDS Certificate for tax deducted at source under section 194-IA in the month of Dec, 2017	14 – Feb – 2018
4	E-Payment of PF for Jan, 2018 (ECR)	15 – Feb – 2018
5	Payment of ESIC of Jan, 2018 (ESIC challan)	15 – Feb – 2018
6	Due date for filing GSTR – 3B for month of Jan, 2018	20 – Feb – 2018
One Time Compliance		
Sl.no	Particulars	Due dates
1	Condonation of delay scheme 2018 applicability	Feb – 2018



'ETHICAL POLICY'



GST Updates

GST RATES LOWERED AGAIN

25TH GST COUNCIL MEETING RECOMMENDATIONS EXEMPTIONS / RATES LOWERED ON SERVICES

28% to 12%

Admission to theme & water parks, joy rides, go-carting, ballet

18% to 12%

- Construction of metro and monorail projects
- Works contract services by sub-contractor to government
- Common effluent treatment plants services

18% to 5%

- Tailoring service
- Transportation of petroleum crude and petroleum products

CONCESSIONAL 12%

- Mining or exploration services of petroleum crude and natural gas
- Mid-day meal scheme related construction

5% Without ITC

Small housekeeping service providers through ECO

5% With ITC

Input services for tour operators

Services exempted under gst For educational institutions

Admission and conducting examination

Subscription of online educational journals/periodicals

Renting vehicles for transportation services



GST Updates

GST RATES LOWERED ON GOODS

18% to 5%

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

28% to 18%

- Old and used motor vehicles (medium and large cars and SUVs)
- Buses, for use in public transport, which excludes run on bio - fuels

28% to 12%

Old and used motor vehicles (other than medium and large cars and SUVs)

12% to 5%

Articles of straw, of esparto or of other plaiting velvet fabric (no ITC*)

3% to 0.25%

Diamonds and precious stones

SERVICES EXEMPTED UNDER GST

- Supply of services by providing information under RTI Act, 2005
- Fumigation in a warehouse of agricultural produce
- Subscription of online educational journals by educational institutions
- Viability gap funding for 3 years from commencement of RCS UDAN airport
- Re-insurance services
- Renting of transport vehicles to an educational institutions
- Admission to, or conduct examination provided to educational institutions
- Transportation of goods from India to a place outside India by air or sea
- Dollar denominated services provided by financial intermediaries located in IFSC SEZ
- Legal services provided to government



CORPORATE LAW

Following are the top 35 useful and rememberable changes of Companies Amendment Act, 2017:

1. In case of Incorporation, Name shall be reserved for 20 days from the date of Approval instead of 60 days from the date from the date of application.
2. For registration of a Company “Declarations” will be required instead of Affidavits.
3. Partnership Firm, LLP, Societies etc. may convert itself into a Private Company with 2 or more members only. (Earlier at least 7 members was required)
4. Objects of the Company can state that the company will do any lawful activity or business without giving any specific object.
5. In addition to Nidhi Companies, Mutual Benefit Society can also be registered under Chapter XXVI of the Act.
6. Notice of every change of shifting of Registered Office (E-Form INC-22) is now required to file with ROC within 30 days instead of 15 days.
7. Sweat Equity Shares can now be issued at anytime, hence no need to wait for one year from commencement of business.
8. In addition to Directors and KMP, any employee can also authenticate documents.
9. Officers not more than one level below the Directors who are in full time employment of the Company can also be designated as KMP.
10. CSR from now on wards shall also apply to Foreign Companies with such exceptions as may be prescribed.
11. For CSR Net worth/ Turnover/ Net Profit shall be considered for immediately preceding Financial Year instead of 3 preceding year.
12. Form MGT-10 with respect to change in promoters and 10 top ten shareholders shareholding is not required to file with ROC.
13. Now Central Government can provide any other number to be treated as DIN.
14. From now on wards every Company to have at least One Resident Directors who stays in India for a total period of 180 days during the Financial Year instead of Calendar Year.
15. Associate company of a company incorporated outside India can also apply to the Tribunal for a different financial year.
16. Central Government approval is no more required for payment of remuneration in excess of 11% of net profits. It means it can be passed by passing Ordinary Resolution.



17. If an appointment of Independent Director or Director is nominated by Nomination and Remuneration Committee then it is not required to deposit Rs. 1 Lakh w.r.t to Nomination of such Director.
18. Director shall not be disqualified u/s 164 (2) for a period of 6 months from the date of his appointment.
19. If a Director is disqualified u/s 164 (2) of Companies Act, 2013 then he will vacate his office from All Companies except that the Company which is in default.
20. Filing requirement of Form DIR-11 for resignation of Director is now Optional.
21. Ratification of Appointment of Auditor at every Annual General Meeting is not compulsory.
22. Form MGT-14 with respect to section 180 (1) (a) and (c) is not required to be filed with ROC.
23. Annual General Meeting of Unlisted Company may be held at any place in India if the consent is received in advance from all the members.
24. Abridged version of Annual Return for OPC & Small companies shall be prescribed.
25. Extract of the Annual Return (MGT-9) now can be placed on the website of the Company.
26. Disclosures included in Financial Statements already, need not to be repeated in Board Report.
27. From now onwards CEO of the Company shall sign the Financial Statements of the Company.
28. Financial Statements for Joint Ventures shall not be Consolidated with the Financial Statements of the Company.
29. Wholly owned subsidiary of foreign Company can hold EGM outside India also.
30. Now there are no restrictions on Companies to invest with respect to layers on Investment Companies.
31. Private Placement is to be made to "Identified Persons" (Board shall identify the same).
32. New format for Private Placement offer-cum application may be issued by the Government.
33. Amount received under private placement shall not be utilized unless the return of Allotment is filed with the ROC.
34. Return of Allotment (PAS-3) shall be filed within 15 days of Allotment instead of 30 days.
35. If Company defaults in filing of Return of Allotment (PAS-3) beyond 15 days then Co., its promoters and Directors are liable to pay penalty of Rs. 1000 per day subject to maximum of Rs. 25 Lacs.

Send your feedback, suggestions and refer your friends' emails to subscribe this Newsletter every month.
email:sarathyvasuca@gmail.com

Disclaimer: This document is intended as a news update and is not legal advice to any person or entity. Before acting on the basis of information herein please obtain specific professional advice that may vary per the facts and circumstances presented. SARATHY AND VASU, Chartered Accountants does not accept any responsibility for losses or damages arising to any person using this information in a manner not intended by the Firm. All rights belong to their respective owners. Images and text owned by other copyright holders are used here under the guidelines of the Fair Use. These images and text are used here only for the education and are not intended to generate income.