

**ERNAKULAM BRANCH OF SICASA
THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA
E-NEWSLETTER**



IGNITE

- Aspired minds, Inspire

SEPTEMBER
EDITION, 2017

CHAIRMAN'S MESSAGE



Dear Young Friends,

The month of September began with the holy festival of Eid al-Adha , “the feast of sacrifice’ and continued to Thiru Onam, the biggest festival of all Keralites. The festivals of Eid and Onam bring to us the message of sacrifice, love, peace, togetherness and prosperity. It was a period of relaxation for all of us from the heat of GST and Audit Commitments.

It has been three months since the introduction of GST and the professionals and the trade and industry started facing the real heat and difficulties of timely compliance of GST deadlines. Lack of adequate knowledge at the ground level about GST and its compliance makes the situation more complicated. The Government, professionals and implementing agencies are flooded with queries, doubts and difficulties in compliance and implementation. Yet, it is our bounden duty, as professionals and budding professionals to update ourselves and disseminate correct and timely information and updates to our clients. We have a great role to play in the successful implementation of this great piece of legislation, which can turn the future of the country itself and make it the most promising economic power of the world.

Apart from GST, it is also the time of Tax Audit and Company Audit. By this time most of the Auditors’ might have completed Company Audit assignments. Companies Act 2013 brought more responsibilities on the shoulders of Auditors. Recently, Govt has issued notification amending Schedule III of Companies Act 2013, making it mandatory for the Company to disclose details about SBN Notes transacted during demonetisation period and the Auditor to report about the same in Audit Report. Further, from assessment year 2017-18 onwards, ICDS is also applicable, making the role of a Tax Auditor more onerous and responsible. And the ultimate heat is on you my dear young friends, who are also under pressure to assist completion of the work in time and at the same time prepare for the forthcoming exams. Under pressure or otherwise, many of you might be feeling that you will start your preparation for exam tomorrow. There are also students who postpone their exam appearances under the pretext of not getting enough time to prepare for the exam.

Friends, study like there is no tomorrow because, if you keep putting off your studies for tomorrow, you will probably be too late. As a student, the most important thing to remember is that laziness is your worst enemy and hard work is your best friend.

Everyone has a talent and so do each one of you. Let it shine out, is all you have to do.

Wishing you all a Very Happy Deepawali, the festival of Light, in advance.

With warm regards and love

CA Roy Varghese
Chairman, SICASA Ernakulam Branch

SECRETARY'S REPORT



Dear Friends,

We are entering the month of October where most of us are fully engaged in preparing for the upcoming November exams. With the due date for tax audit being extended, we as students are looking at a very demanding month ahead. September was an eventful month with regards to SICASA activities. We have conducted were able to conduct a study circle meeting on the topic Related Party Disclosure in Financial Statements on 23rd September. We have also been able to conduct a workshop on CARO ,2016 on 13th September. A One-Day Seminar on GST Returns and Impact of reverse charge mechanism was also conducted on 21st September, a topic which is very relevant to us in the current scenario. An industrial visit to KPP Industries and Plant Lipids was conducted on 16th September. I would like to thank the student community for your participation in our events during the month. While it's important to look into the past, it is even more imperative that we look ahead and prepare for the future. On the 24th & 25th of November Ernakulam SICASA and Ernakulam branch of ICAI will be hosting the annual CA students' Conference. Only 2 other branches in Kerala have been allotted conferences this year, as such it gives me immense pleasure to invite all of you for the event. On behalf of the SICASA Ernakulam, I'd like to extend my heartiest Diwali wishes in advance!

Regards,
Farzeen Fazal



EDITOR'S NOTE

Dear Friends,

The extension of due date for filing of return has pushed the pressure on for a month more. A lot of changes are being witnessed as far as the economical, financial and tax aspects of our country are concerned. This edition we have included an article about Chapter VI A deductions, a very important topic as far as CA students are concerned. The article has been presented in an illustrious manner for your easy understanding. We look forward to read and publish your articles and if interested, do send it to us. Happy Reading!

Regards,
Sreelakshmy Menon

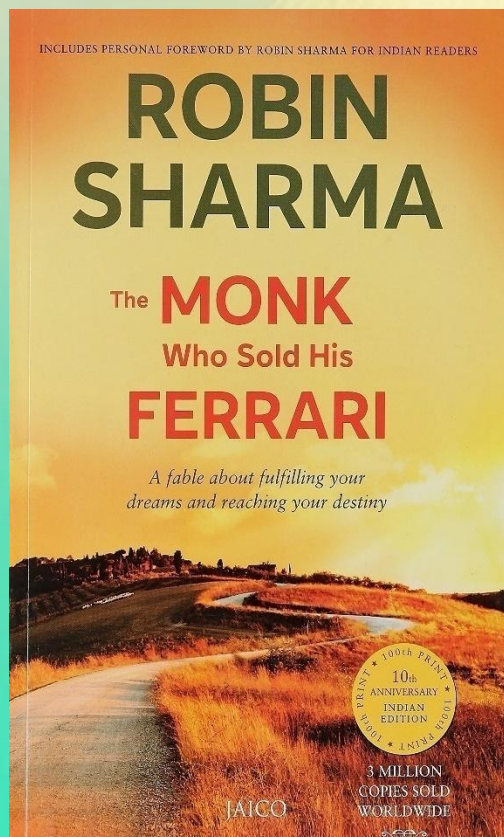
AT A GLANCE

- | | |
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THE BOOKWORM!

NAME OF THE BOOK: The Monk
who sold his Ferrari

AUTHOR: Robin Sharma



This inspiring tale provides a step-by-step approach to living with greater courage, balance, abundance, and joy. A wonderfully crafted fable, *The Monk Who Sold His Ferrari* tells the extraordinary story of Julian Mantle, a lawyer forced to confront the spiritual crisis of his out-of-balance life. On a life-changing odyssey to an ancient culture, he discovers powerful, wise, and practical lessons that teach us to:

Develop Joyful Thoughts, Follow Our Life's Mission and Calling, Cultivate Self-Discipline and Act Courageously, Value Time as Our Most Important Commodity, Nourish Our Relationships, and Live Fully, One Day at a Time.

CHAPTER VI A DEDUCTIONS

Indian tax laws contain certain provisions, which are intended to act as an incentive for achieving certain desirable socio-economic objectives. These provisions are contained in Chapter VIA and are in the form of deductions (80C to 80U) from the Gross Total Income. By reducing the chargeable income, these provisions reduce the tax liability, increase the post-tax income and thus induce the tax-payers to act in the desired manner.

BASIC RULES

1. The aggregate amount of deductions under sections 80C to 80U cannot exceed gross total income (gross total income after excluding long term capital gains, short term capital gain under section 111A, winnings from lottery, crossword puzzles etc.)
2. "Gross total income" means the total income computed in accordance with the provisions of this Act, before making any deduction under this Chapter – (Sec. 80B)

CATEGORIES OF DEDUCTIONS

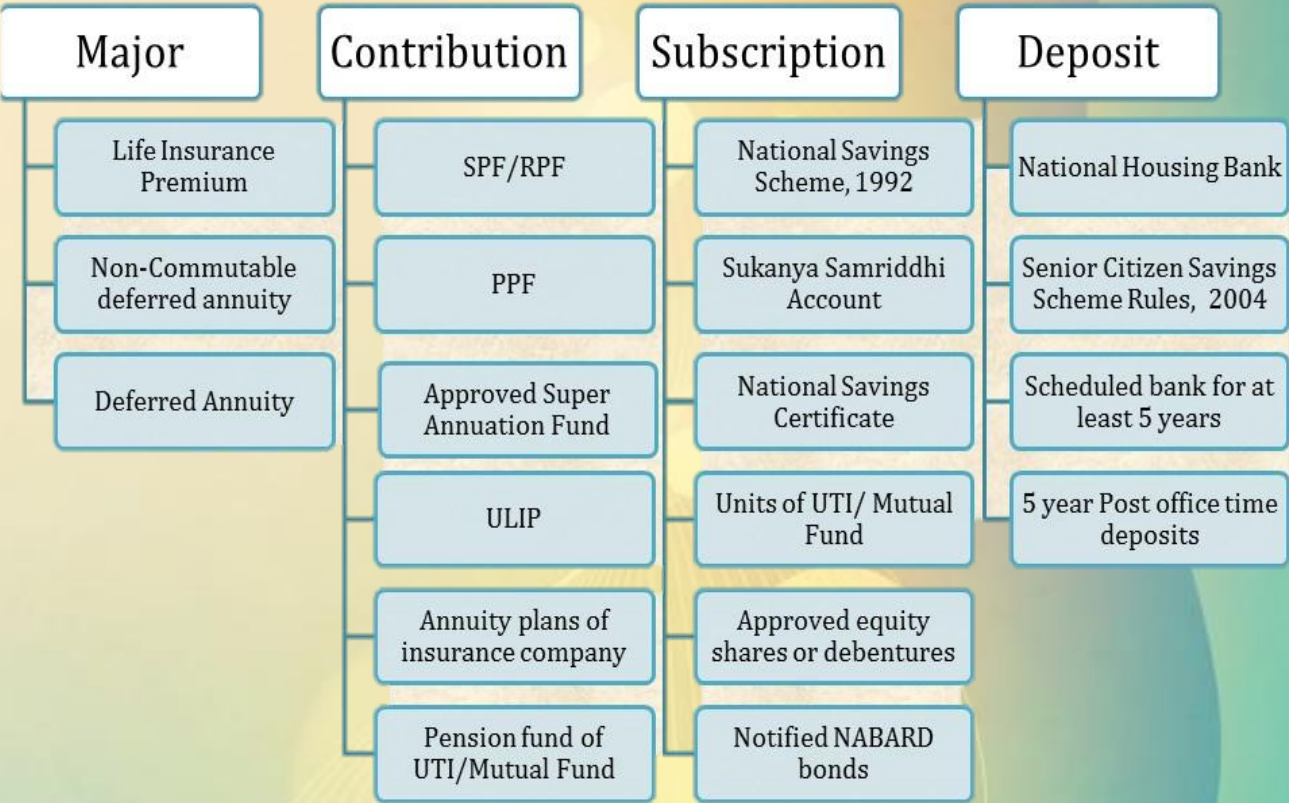
**To
Encourage
Savings**

**For Certain
Personal
Expenditure**

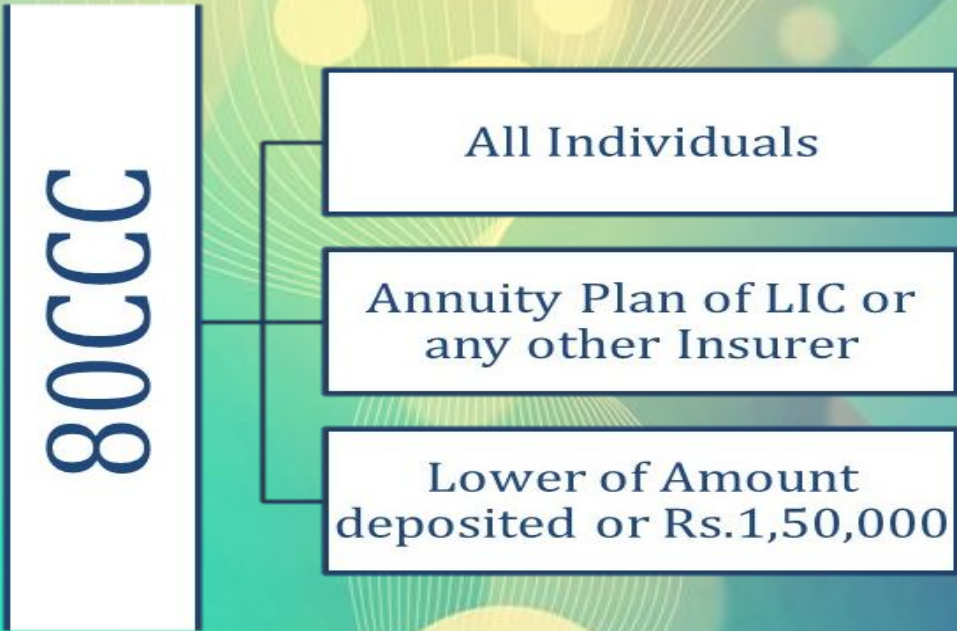
**For Socially
Desirable
Activities**

**For
Physically
Disabled
Persons**

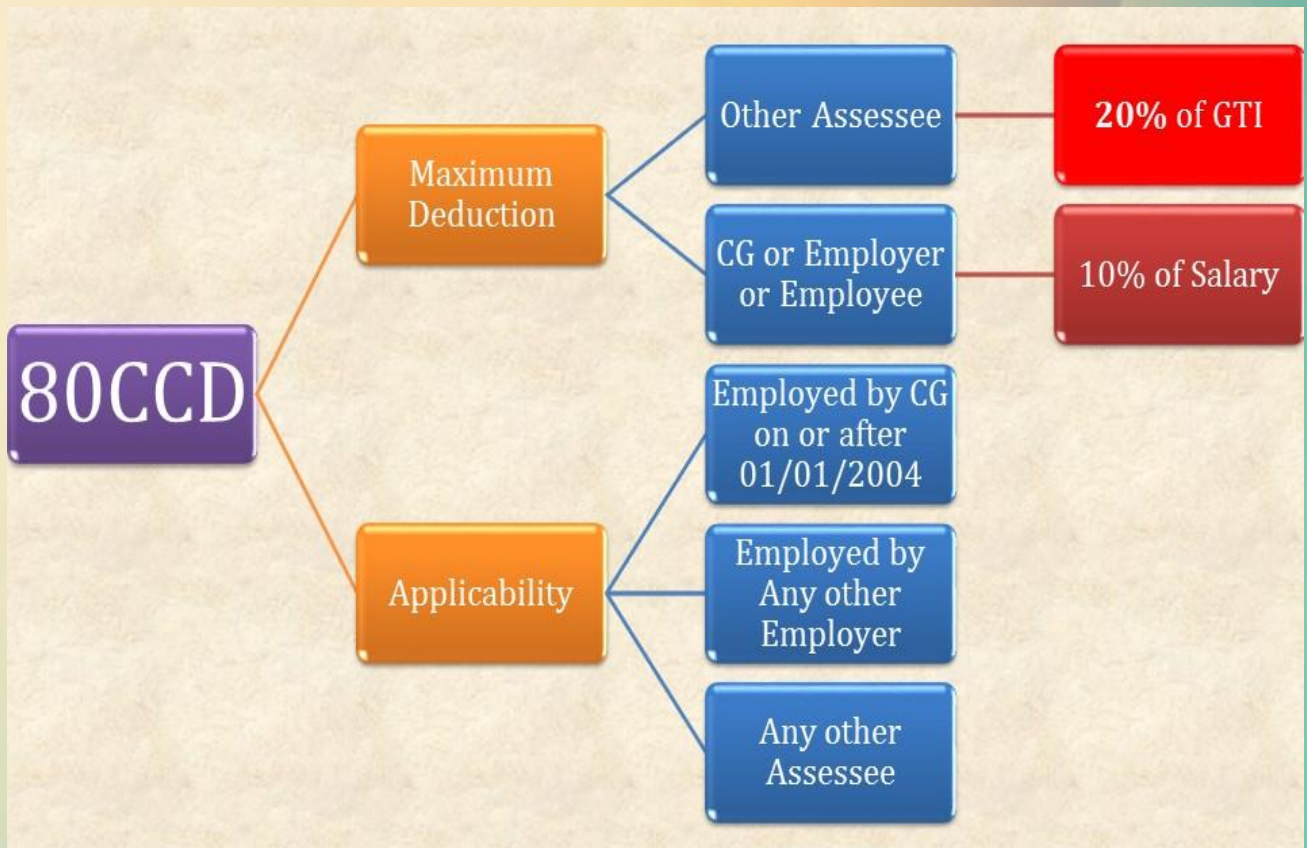
SECTION 80C - PRESCRIBED INVESTMENT/PAYMENTS



SECTION 80CCC –CONTRIBUTION MADE TO ANNUITY PLAN



SECTION 80CCD –CONTRIBUTION TOWARDS PENSION SCHEME

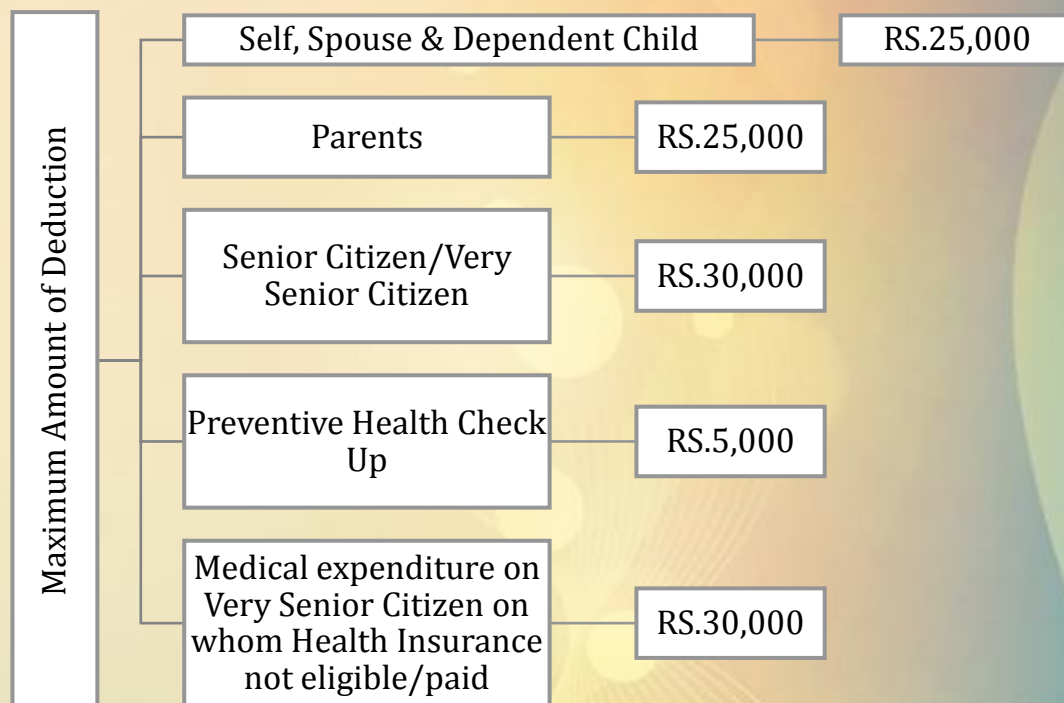


SECTION 80CCE –MAXIMUM DEDUCTION

- The aggregate amount of deductions under section 80C, 80CCC and 80CCD(1) shall not, in any case, exceed RS.1,50,000
- w.e.f AY 2016-17, Additional Deduction up to RS.50,000 can be claimed u/s 80CCD(1B) for Employee Contribution to National Pension Scheme(NPS), Atal Pension Yojana

SECTION 80D –MEDICAL INSURANCE POLICY

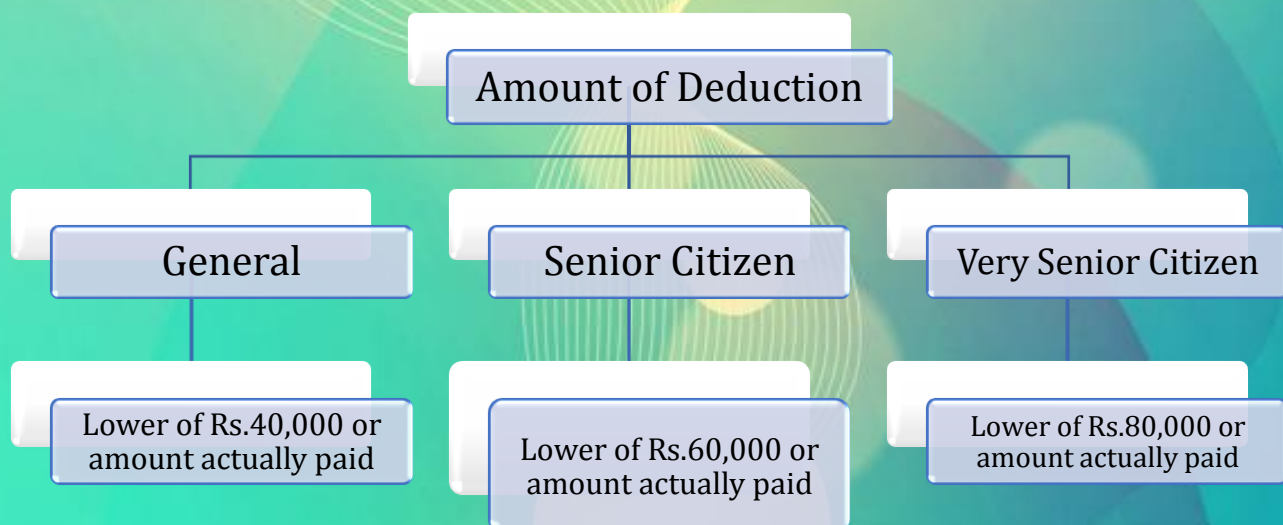
- ☐ **Applicability** : Individual or HUF, Resident or Non – Resident
- ☐ **Deduction** : Amount paid for the following;
 - i) Premium towards Medical Insurance Policy for own or family
 - ii) Contribution to Central Government Health Scheme
 - iii) Payment for preventive health checkup
- ☐ **Payment** :
 - i) Medical Insurance - Any mode other than Cash
 - ii) Preventive Health Check up - Any mode including Cash

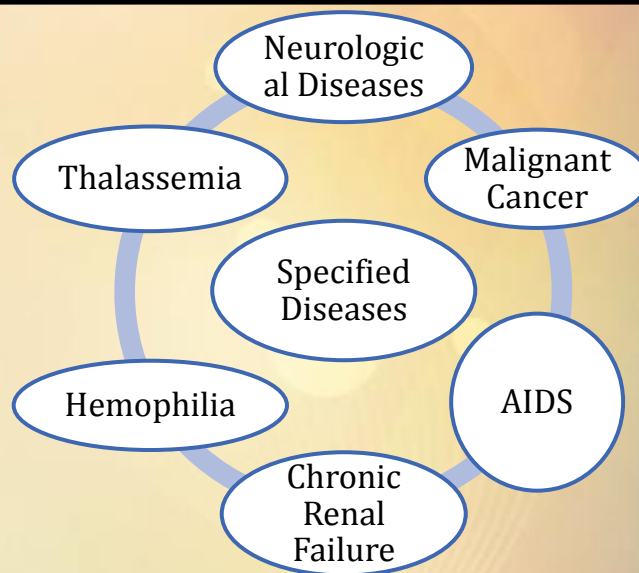


SECTION 80DD –DEDUCTION FOR EXPENDITURE INCURRED FOR MEDICAL TREATMENT OF DEPENDENT

- **Applicability** : Individual/HUF (Resident)
- **Fixed Deduction irrespective of Amount Spent**
- **Deduction:**
 - Person with Disability : **75,000**
 - With Severe Disability : **1,25,000**
- **Who is a dependent?**
Spouse, Children, Parents, Brothers & Sisters

SECTION 80DDB –DEDUCTION IN RESPECT OF MEDICAL TREATMENT FOR SPECIFIED DISEASES





SECTION 80E- REPAYMENT OF LOAN FOR HIGHER EDUCATION

- **APPLICABILITY** : Individuals
- Repayment of Interest on Educational Loan from Financial Institution
- **PERIOD** : 8 Assessment Years or until interest is repaid
- **DEDUCTION** : Any amount paid towards interest during previous year
- Loan can be of himself, Spouse, Children or student for whom he is legal guardian.

SECTION 80G- DEDUCTION FOR DONATION

- **APPLICABILITY** : All Assesseees
- Donation Shall be in **sum of money** and not in kind
- **w.e.f. AY 2018-2019**, Donation exceeding Rs. 2,000 shall be made in any mode other than cash.
- **Amount of Deduction** – 100% of or 50% of donation with or without ceiling limit.
- **100%** - National Defense Fund, National Cultural Fund, National Children's Fund
- **50%** - Jawaharlal Nehru Memorial Fund, PM Drought Relief Fund, Indira Gandhi Memorial Trust

SECTION 80 GG-DEDUCTION IN RESPECT OF RENT PAID BY THE ASSESSEE

- Payment of rent exceeding 10% of adjusted total income
- Assessee should not be in receipt of HRA
- **Deduction** : Least of the following is deductible;
 - i) Rent paid in excess of 10% of adjusted Total Income
 - ii) Rs.5,000 per month
 - iii) 25% of adjusted total income

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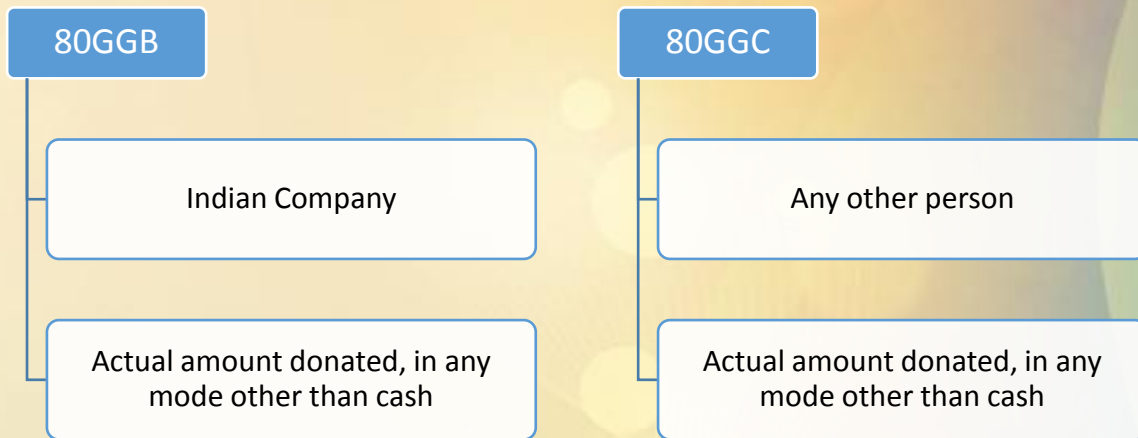
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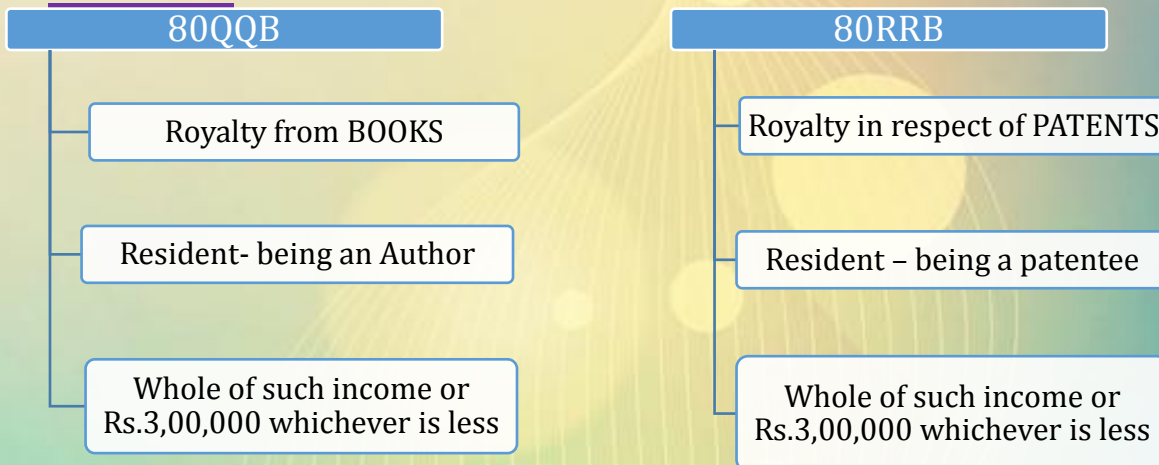
SEC 80GG- DEDUCTION IN RESPECT OF RENT PAID BY THE ASSESSEE

- Payment of rent exceeding 10% of adjusted total income
- Assessee should not be in receipt of HRA
- **Deduction** : Least of the following is deductible;
 - i) Rent paid in excess of 10% of adjusted Total Income
 - ii) **Rs.5,000** per month
 - iii) 25% of adjusted total income

DONATION TO POLITICAL PARTY OR ELECTORAL TRUST



ROYALTY



SEC 80TTA-DEDUCTION FOR INTEREST ON DEPOSITS IN SAVINGS ACCOUNT (80TTA)

- Savings Deposit with Bank, Co-operative Society engaged in Banking business, Post Office Savings.
- Interest Income or Rs.10,000, whichever is less.

SEC 80U-DEDUCTION FOR EXPENDITURE INCURRED FOR MEDICAL TREATMENT

- **Applicability :** Resident individual suffering from Disability
- **Fixed Deduction irrespective of Amount Spent**
- **Deduction:**
 - Person with Disability : 75,000
 - With Severe Disability : 1,25,000

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INDUSTRIAL VISIT AND STUDY TOUR

HALF DAY SEMINAR



Mr Amal Paul and Mr Farzeen Fazal Rahman from Ernakulam bagged 2nd prize in the Regional Quiz Competition organized by SIRC at Chennai on 10th September, 2017.

ANNOUNCEMENT

It is pleasure to inform you that the *New study material has been published* and the soft copy is available at https://icai.org/new_post.html?post_id=5720&c_id=314

Please provide your valuable feedback and suggestions on study material of New Scheme of Education and Training. Links of feedback forms are placed below:-

Foundation: https://docs.google.com/forms/d/1IJJpNWLHYdyrbvsvaronxZ3kcRxKQuo0-50FM_damYyk/edit

Intermediate: <https://docs.google.com/forms/d/1Sktm8GYtEKwZOMhpl5OU5WYLX2Tl2USYz4zuRqTif5U/edit>

Final: https://docs.google.com/forms/d/1dm5Lc9WB_gwO1O_95gFVJZvXWIo7dMEjsOhs7CfTSnl/edit

MEGA EVENT FOR THE CURRENT YEAR



CA STUDENTS CONFERENCE - ERNAKULAM

Organized by : Board Of Studies, ICAI

Hosted by : Ernakulam Branch of SIRC & SICASA of ICAI

Date : 24 and 25 November, 2017 **Venue : Fine Arts Hall, Ernakulam**

THEME : " Nurturing Values & Integrity - Attaining Excellence in Professional Pursuits "

'CA STUDENTS CONFERENCE' organized by Board of Studies, ICAI and hosted jointly by Ernakulam Branch of SIRC and SICASA of ICAI on November 24th and 25th, 2017 at Fine Arts Hall, Ernakulam. Please block your dates