



AMIT I. KAPADIA

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HITESH SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

FOR THE INTERNAL CIRCULATION AMONG THE MEMBERS OF BMPA

TAX AUDIT REPORT NEEDS TO BE APPROVED BY THE TAX PAYERS

As per the section 44AB of Income Tax Act, the books of accounts for the relevant previous year are required to be audited by a Chartered Accountant and the audit report has to be electronically filed prior to or along with the return of income before the due date. In order to assist to you in complying with these requirements and procedure, your attention is drawn to the following.

1. Taxpayer whose total sales, turnover or gross receipts from business exceeds Rs 1 cr or where Professional receipts exceed Rs 50 Lakh:

- It is mandatory to fill the Part A of Schedule Profit & Loss A/c and part A of Balance Sheet and also to file the Audit report u/s 44AB of Income Tax Act where the Total Sales, Turnover or Gross Receipts of the business exceeds Rs.1 cr or where Professional receipts exceed Rs 50 Lakh for the Financial Year 2017-18.
- The **Audit Report u/s 44AB** has to be electronically filed prior to or along with the return of income before the due date.
- The **taxpayer has to approve the Audit Report u/s 44AB** after it is e-filed by the Chartered Accountant. Without taxpayer approval, the submission of the **Audit Report u/s 44AB is NOT COMPLETE.**
- For the purpose of all the provisions of Income Tax Act, 1961, **the date of approval by the taxpayer will be considered as the date of filing of the Audit Report u/s 44AB.**

2. Taxpayer reporting Presumptive income under section 44AD:

- As per the provisions of Income Tax Act, the benefit of Section 44AD shall not be applicable where the gross receipts from business exceeds Rs.2 cr in the financial year 2017-18.
- Hence, where the gross receipts/total turnover from the business exceeds Rs.2 cr, it is mandatory to fill the Part A of profit and Loss A/c and Part A of Balance Sheet and also file the Audit Report u/s 44AB of Income Tax Act.
- Taxpayer is advised to follow process as per Sl. No. 1 above strictly in such cases. The benefit of Section 44AD is not available in such cases.



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3. Taxpayer whose gross receipts in profession exceed Rs 50 Lakhs:

- It is mandatory to fill the Part A of Schedule Profit & Loss A/c and part A of Balance Sheet and also file the Audit report u/s 44AB of Income Tax Act where the gross receipts in profession exceeds Rs 50 Lakhs for the Financial Year 2017-18.
- The audit report has to be electronically filed along with the return of income before the due date.
- The taxpayer is also required to approve/reject the audit report once the same is e-filed by the Chartered Accountant.
- For the purpose of all the provisions of Income Tax Act, 1961, the date of approval by the taxpayer will be considered as the date of filing of the Audit Report.
- **IN CASE OF COMPANIES ASK YOUR AUDITORS NOT TO FORGET TO UPLOAD REPORT IN FORM 29B FOR COMPUTATION OF BOOK PROFIT AND TAX THEREON AND ALSO TO APPROVE BY THE ASSESSEE.**
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- Every company to which section 115JB of income tax act, 1961 applies, is required to file Form 29B certifying that book profits have been computed in accordance with the provisions of the Income Tax Act. Further, the Form 29B should be electronically filed along with the return of income before the due date. For the purpose of all the provisions of Income Tax Act, 1961, the date of approval by the taxpayer will be considered as the date of filing of the Audit Report.

DUE DATE FOR THE ASSESSEE UNDER TAX AUDIT AND OTHER AUDITS HAS BEEN EXTENDED TILL 31.10.2018



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Very Important information for Senior Citizens

In the next **Asst. Year 2019-2020** (FY 2018-2019), the following are the Income tax benefits for the Senior Citizens.

1. Minimum **Taxable limit 3 lakh** for Senior Citizens.
2. **No advance tax** need to be paid for the Senior Citizens.
3. Standard deduction to the salaried class employees is allowed for Rs.40000/- under Chapter VI A.
4. No Income Tax for **the interest earned in the Term deposit upto to Rs.50000/-** for the Senior Citizens under **Sec 80 TTB**.
5. The **TDS limit for interest** is raised to **Rs.50000/-** from Rs.10000/- for the Senior Citizens under **Sec 194 A**.
6. Deduction under **Sec 80 D for Medical Insurance** is raised to **Rs.50000/-** for Senior Citizens.
- 7) Medical expenditure for **critical illness** is raised to **Rs.60000 for Senior Citizens under Sec 80DDB**.
8. Tax deduction for **the interest on S.B account** interest is raised to **Rs.50000/-** from 10000/- for Senior Citizens.

Please keep in your mind the above Income Tax concessions available to SENIOR CITIZENS.