

# Newsletter-February, 2018

FEBRUARY, 2018



Dear All,

The financial year is nearing its close with a little over a month to go. The year gone by has given most of us little room to rest and ponder. After trying to deal with the aftershocks of demonetization as we entered this financial year, we had to quickly get used to the GST regime and while keeping a keen eye on the strategic landscape of your industry as technology and changing consumer preferences keep changing.

The Budget announced three weeks back has brought something interesting into focus. With the re-introduction of Long Term Capital Gains tax on equity investments, a lot of people have started focusing on the higher tax outgo on account of equity investments. While at the margin this will definitely take some of the returns away, most people missed the point that this is payable only at the time of selling and booking the capital gains and that first and foremost the focus needs to be on generating the capital gains through prudent investments in the first place.

Similarly, in business, the daily noise and compliance changes make us focus incorrectly only on the short run whereas it is more prudent and profitable to keep the focus on longer term aspects of the business which eventually will really matter.

Here's hoping that we don't 'miss the forest for the trees' or not appreciate the larger situation due to focus on a few parts.

Regards,

**DINESH D. GHALLA**

# DIRECT TAX

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## TAX ON INCOME OF NEW MANUFACTURING DOMESTIC COMPANIES

In order to promote start-ups and new Domestic Companies the Government has come up with the concessional tax regime under section 115BA of the Income Tax Act. In light of the above section, Domestic companies incorporated and set up after 1st March 2016 can opt for concessional tax @ 25% after forgoing exemptions and disallowance of additional depreciation, chapter VI-A deductions, deductions on account of Scientific Research etc. The above scheme is to be opted for in their very first Income Tax Return.

To view brief note, [Click here](#).

## INITIATION OF PROSECUTION PROCEEDINGS BY INCOME TAX DEPARTMENT:

Provisions for prosecution of tax payers in the event of various defaults have been on the statute book since long. However, the provisions were sparingly used by the tax administrators. To tackle the menace of black money, non-compliance, non-filing, etc the Income Tax department has recently initiated Prosecution Proceedings in many cases for offences such as wilful evasion of tax, failure in filing return of income, providing false information/statement, failure in depositing tax deducted/collected at source or an inordinate delay in doing so. There is a sharp increase in the number of Prosecutions initiated during the FY 2017-18. It is also expected that the Income Tax Department will continue the drive against tax evasion in the remaining part of the current Financial Year as well.

To view press release, [Click here](#).

## LINKING AADHAAR TO PAN BY 31/03/2018

It is mandatory for all the tax payers to link their Aadhaar card with PAN. The income tax website contains the tab for the same which enables easy compliance. The due date for linking Aadhaar to PAN is 31/03/2018.

To view full notification, [Click here](#).

# INDIRECT TAX

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## E WAY BILL IMPLEMENTATION UNDER GST

E-way bill stands for Electronic Way Bill which is required to be generated for the specific consignments involving the movement of goods within the country.

You must be aware that the government has decided to extend the trial phase for generation of e-way bills, both for inter and intra-State movement of goods within the country as the users faced tremendous difficulty to generate the E way bills online due to technical glitches. The E way bills shall go live from the date to be announced soon.

Hence, it is important that we are updated and prepared with who needs to register, how to register and what all compliance is required to be done.

The government has already started the portal - [www.ewaybill.nic.in](http://www.ewaybill.nic.in) and is open for registration and trial. As per the government, all the details which are inserted during the trial phase shall not be considered by department for any further verification. The portal is kept open so that all users can get used to until the actual start of E way bills in our country.

In this regard, we have attached the following:

- A) Note for Applicability, Annexure containing list of goods not covered under E-way Bill and procedure regarding the E way bill. [Click here](#)
- B) Process of registration of E way bill, Generation of E way bill and Details of SMS and Android facility available for E way bill. [Click here](#)
- C) Manual Of detailed procedure for E way bills under various situations provided by the government. [Click here](#)

# COMPANY LAW

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## COMPANIES AMENDMENT ACT 2017

The Companies Amendment Bill 2017 has received assent of the President on 03<sup>rd</sup> January 2018. To have an overview of the important provisions of the Companies Act 2013 [Click here](#)

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Newsletter - February' 2018  
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