

Dear Readers,

2019 shall likely be remembered as a year with multiple 'Budgets' and one that brought about the most significant shift in the corporate tax policy of the Government.

In a surprise move, the Finance Minister has reduced corporate taxes materially and also built a framework that promotes simplicity of tax calculations with removal of exemptions and MAT on companies that chose to do so. Also there is a big push for new manufacturing set ups as the rate of tax on new manufacturing companies at just 15%.

The move will deprive the government of tax revenues, however, if the 'Laffer Curve' theory is to be looked at, rationalizing taxes to a reasonable degree, especially in a context of low corporate tax rates in other countries should mean that the Government could eventually eke out higher tax revenues as there is growth in investment and economic activity.

This will need to be supplemented with sale of land and other assets that are owned by the Government. We may finally see that 'Government will have no business, being in business.'

The reform agenda of the Government is back in full throttle and this shall bring a lot of changes to the way business is done. The question for entrepreneurs is, 'Are you ready to leverage the new paradigm?'

Regards,

Dinesh D. Ghalla

DIRECT TAX

DEDUCTION IN RESPECT OF MEDICAL EXPENDITURE OR HEALTH INSURANCE PREMIUM

A major relief is available to individuals by way of deduction from taxable income, with respect to payments made towards Health Insurance Premium or Medical expenditure incurred during the year.

To read more about how the aforesaid deduction can be availed, [click here](#).

EXTENSION OF DUE DATE FOR FILING OF RETURNS FOR A.Y. 2019-20

The due date for filing of income tax returns and audit reports for the A.Y. 2019-20 in respect of persons whose accounts are required to be audited has been extended from 30 September, 2019 to 31 October, 2019. However, if tax liability is not paid by 30 September, 2019, then the assessee will be liable to pay interest u/s 234A of Income-tax Act, 1961.

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

ESTATE AND SUCCESSION PLANNING

SUCCESSION PLANNING – AN INEVITABLE REQUIREMENT

In the circle of life and death, succession is certain. Although the wealth belongs to successors, it is important to make the wealth available in proportion to their necessity and preserve the balance for the security of future generations. It can be achieved through various ways such as gifting of assets, drafting wills , formation of private trusts , family arrangements etc.

[Click here](#) to view the list of tasks that can help you in making a hassle free succession plan.

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