

# Newsletter - May, 2019

MAY, 2019



Dear All,

India successfully completed its 17th Lok Sabha election. The largest democracy in the world has shall soon know the election outcome, though based on the exit polls it is quite certain that we shall see a comfortable continuation of the status quo.

What does this mean for India and for us as citizens and entrepreneurs? India is in the midst of a series of reforms, some of which have perhaps contributed to some slowdown in the economy. We see a lot of businesses that have poor sales and volume growth and there is a pressure on margins across the board.

While some of this could be because of the reforms that are to have long term positive ramifications for the country, a lot of this seems to be contributed by the lack of liquidity and credit due to the NBFC crisis and also to disruption of existing business models by new businesses that are backed by venture fund.

It is important to understand what are the things in our control vs those that are external to us, and what are the things that are transitory in nature vs those that are more enduring. The NBFC and liquidity crisis is external and transitory while the impacts of reforms like GST towards increasing the tax net and formalization of the economy, are enduring in nature and external to us and need an internal response from our business strategy to adapt and exploit opportunities that this would throw.

With the new government announcement around the corner, we should be prepared for more steps that might lead to short term to hiccups as our economy adjusts to the reforms which shall lead to long term opportunities that may be waiting to be exploited.

Jai Hind and God Bless to the world's largest democracy!

Regards,

**DINESH D. GHALLA**

# FEMA FAQs

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## FAQs RELATED TO ACQUISITION OF IMMOVABLE PROPERTY IN INDIA

For many decades Indians have settled across the world but most of them wish to hold/own atleast one property in India. Further many Indians from around the globe invest in commercial/residential properties in India as a good investment option. In order to boost the interests of such Non-Resident Indians (NRI) and Overseas Citizens of India (OCI), Reserve Bank of India (RBI) has laid down various regulations on acquisitions and transfer of immovable property in India. They have been provided the facility subject to reasonable restrictions and conditions.

To view some of the important questions in connection with the acquisitions and transfer of immovable property in India by NRIs and OCIs, [click here](#).

# INTERNATIONAL TAX

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## INDIA-HONG KONG DTAA BECOMES EFFECTIVE

Until recently, India did not have any tax treaty with Hong Kong although being an important trading partner. The India-Hong Kong Treaty which has now become effective from FY 19-20 aims at opening up larger economic prospects and acts as a push forward for the existing bilateral trade relations.

To read the salient features of this treaty and its implications, [click here](#).

# DIRECT TAX

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## AMENDMENTS IN TDS CERTIFICATES (FORM 16) AND TDS RETURN IN RESPECT OF SALARY (FORM 24Q)

The CBDT has notified changes in Form 16 and Form 24Q to bring TDS certificates in tune with the new ITR Forms which are notified for AY 2019-20 as under:

- a) All exempt allowances provided to the employee and deduction under chapter VI-A have to be reported
- b) Standard deduction of up to Rs. 40,000/- has been incorporated.
- c) If an employee has received salary from his ex-employer or other employer during the previous year and the same has been reported to the current employer for TDS purpose, then the same shall be reported separately and shall not be clubbed with the salary earned from the current employer.
- d) Further, in the new Form 24Q, it is mandatory to furnish PAN of the lender if any deduction has been claimed in respect of housing loan taken from a person other than a Financial Institution or the employer.

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

## ESTATE AND SUCCESSION PLANNING

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### FAQs RELATING WILL

A Will is a legal declaration by a person of his/her intention and desire of how his/her asset is to be dealt with or disposed of after the person's death. If one does not prepare his/her WILL, then his/her property passes as per relevant succession laws.

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

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