

Newsletter-May, 2018

MAY, 2018



Dear all,

The dance of democracy to the tunes of politics continues in our country with Karnataka elections becoming the spot light of all discussions about the constitution, judiciary, power of the governor, horse trading politics and whether democracy won the day with a party winning only 37 seats leads to a Chief Ministers seat.

Despite the recent news being all about Politics, the last month saw a spectacular change in the Indian start up system with Flipkart being taken over by Walmart and it seems after the retail fight in the US, Walmart and Amazon will use India as their next battle ground. While a lot of ink has been spilt about whether this is a victory for Indian entrepreneurship or should one see it as a large homegrown company being taken over by foreign owners - the reality is that all of this is happening because of the opportunity that is being created by the growing Indian economy.

It is this that we as professionals and entrepreneurs should focus on - India is growing rapidly and there is a lot of new opportunities that are going to be thrown up for those willing to stick their neck out and grab them. The next few months are surely going to be dominated by more noise around Politics and the big question about how will the parliament get structured, however all of this cannot reverse the opportunities that India's socio-economic-demographic profile is providing.

Along with this there is certainly some near term challenges that we must deal with like the increasing price of fuel, hardening interest rates and any resultant inflation or temporary slow down that these conditions may bring. Keeping an eye on the near term and another eye on the long term should result in taking the most optimum business decisions.

Regards,

DINESH D. GHALLA

DIRECT TAX

TDS ON RENT BY INDIVIDUALS AND HUF'S

Previously, TDS was to be deducted on rent payment by individuals and HUF's only if they were liable to tax audit u/s 44AB in the preceding financial year. With the insertion of section 194IB by Finance Act 2017, individuals and HUF's not liable to tax audit have to deduct TDS on rent payment exceeding Rs.50,000 pm @ 5%

To view the full note, [Click Here](#)

CAPITAL GAINS CHART FOR A.Y 2019-20

Investors will have to pay 10% tax on profit exceeding Rs.1,00,000 made from the sale of equity shares or equity mutual fund schemes held for over one year with effect from 1.04.2018. Given that there are differential rates for capital gains,

Here's all you need to know, [Click Here](#)

INDIRECT TAX

PENALTIES UNDER GST

Under the Goods and Services Tax Act, there are cases where small procedural lapse which is generally ignored and is easily rectifiable may lead to big penalties. Certain small lapses which may lead to big penalties, are generally ignored, even today by many businesses. The quantum of penalties is really alarming. Penalty for the non-compliance can be costlier than cost for complying the same. Therefore, as a matter of awareness, the lapses which may be rectified easily to avoid paying penalties are listed in the article.

To view full note, [Click Here](#).

FEMA

RATIONALIZATION & LIBERALIZATION OF ECB FRAMEWORK

External Commercial Borrowings (ECB) are commercial loans raised by eligible resident entities from recognised non-resident entities subject to conformity with applicable terms and conditions under FEMA (Borrowing or Lending in Foreign Exchange) Regulations, 2000 as amended from time to time.

With a view to rationalize and liberalize various ECB related provisions the RBI has issued a circular to amend the said provisions.

To view the note, [Click Here](#).

To view the circular, [Click Here](#).

GENERAL

SUCCESSION PLANNING

A Will is your direction that after your death, which of your assets (i.e. Estate) should be distributed to whom (i.e. Legatee). Of course you have to be an adult and of sound mind to make a Will.

To view full note, [Click Here](#).

*Copyright © 2018
GBCA & Associates, Chartered Accountants,
Newsletter - May 2018
All rights reserved.*

Our mailing address is:
GBCA & Associates, Chartered Accountants
Benefice Business House, 3rd Level, 126,
Mathuradas Mill Compound, N.M.Joshi Marg, Lower Parel (West)
Mumbai 400013
India