

NewsBites

First Edition

Greetings!

We are delighted to present our news bites for the month of April 2018. This News Bites intends to give an overview of what is happening in the sphere of direct and indirect taxation, audit and assurance and also in the industry.

We hope you find this useful. For any feedback you can reach to us at info@sanca.in.

Best Regards,
S A N & CO.
Chartered Accountants

Content

GST

E Way Bill applicable from 1st June 2018 in Maharashtra	2
Recommendation made during 26th meeting of GST Council	3
GST Revenue of Government upto 31st March 2018	3

Income Tax

Startups can seek exemption from angel tax	4
Income Tax department warns salaried class again filing wrong ITRs	4
Revenue from online ads signals promising start to digital taxation	5
Missed the March 31 deadline to file income tax return? Here's what you can do	5

Industry News

Maharashtra Government's Special Policy for Women Entrepreneurs	6
Packaged Scheme of Incentives extended to 30th September 2018	7

GOODS & SERVICE TAX

E Way Bill applicable from 1st June 2018 for intra state movement of Goods in Maharashtra

- As per Rule 138 of Central Goods and Services Tax Rules, 2017 Every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees—
 - i. in relation to a supply; or
 - ii. for reasons other than supply; or
 - iii. due to inward supply from an unregistered person, shall, before commencement of such movement, furnish information relating to the said goods as specified in Part A of FORM GST EWB-01, electronically, on the common portal along with such other information as may be required on the common portal and a unique number will be generated on the said portal.
- The portal for generation of e way bill is www.ewaybillgst.gov.in.
- E way bill is to be generated on common portal before commencement of movement of goods by either by supplier or recipient or by transporter.
- For the purposes of this rule, the consignment value of goods shall be The value, declared in an invoice, a bill of supply or a delivery challan, and also includes the central tax, State or Union territory tax, integrated tax and cess charged in the document and shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.
- Where the goods to be transported are supplied through an e-commerce operator or a courier agency, the information in Part A of FORM GST EWB-01 may be furnished by such e-commerce operator or courier agency.
- **As per notification No. 15C of 2018 dated 25th April 2018 of Maharashtra state tax provisions of e way bill in respect of intra state movement of goods shall not apply till 30th May 2018. Therefore e way bill provisions for intra state movement of goods in Maharashtra state shall be applicable from 1st of June 2018.**
- **As per notification No. 15 of 2018 of Central Tax, e way bill provisions for inter state movement of goods shall be applicable from 1st of April 2018.**

Important Recommendation made during 26th meeting of GST Council held in New Delhi on 10th March 2018.

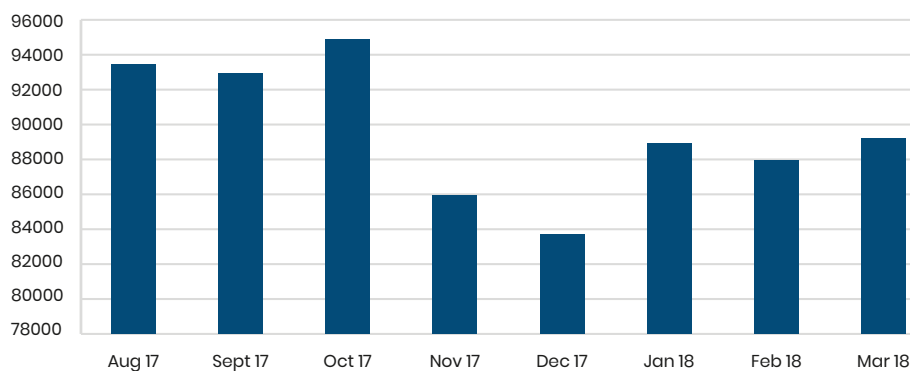
I. GST Return Filing System

Press release mentions that "The present system of filing of GSTR 3B and GSTR 1 is extended for another Three months i.e., April to June, 2018 till the new return system is finalized. A new model was discussed extensively and Group of Ministers on IT has been tasked to finalize the same." Process of filing GST return can be made easy i.e one single return instead of GSTR 1, 2, 3B.

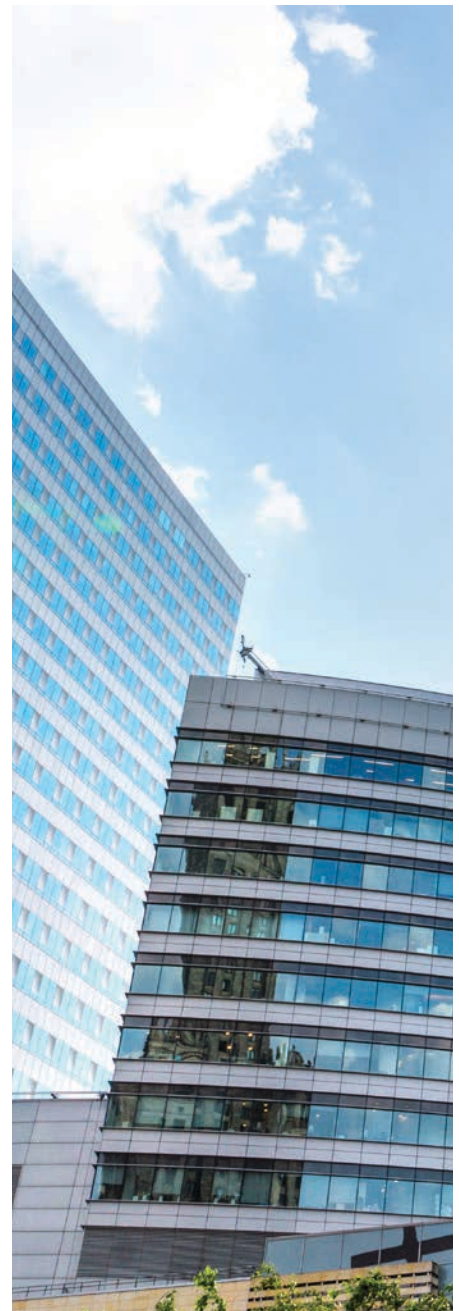
II. Reverse charge mechanism

The liability to pay tax on reverse charge basis (Section 9(4)) has been deferred till 30.06.2018. In the meantime, a Group of Ministers will look into the modalities of its implementation to ensure that no inconvenience is caused to the trade and industry.

GST Revenue of Government upto 31st March 2018



■ GST Revenue of Government including CGST, SGST, IGST & Cess Rs. in Crores





INCOME TAX

Definition tweaked, startups can seek exemption from angel tax (Excerpts from ET dt. Apr 13, 2018)

The government has refined the definition of startup and put in place a mechanism for such companies to secure exemption from the so-called 'angel tax' with retrospective effect and avail tax incentives under its startup policy. Experts, however, said availing exemption may not be easy given the conditions imposed.

Startups with total investment including funding from angel investors up to Rs 10 crore can seek approval from an eight-member government board for exemption from tax under Section 56 of the income-tax law, the government said in a notification issued.

The government has also constituted a board that will have representation from the Reserve Bank of India, stock market regulator SEBI, Central Board of Direct Taxes and the relevant ministries.

The government said startups are likely to have easy access to funding, which in turn will ensure ease in starting of new businesses, promote startup eco-system, and encourage entrepreneurship, leading to more job creation and economic growth.

Income Tax department warns salaried class again filing wrong ITRs (Excerpts from ET dt. Apr 19, 2018)

The Income Tax Department on Wednesday cautioned salaried class taxpayers against using illegal means like under-reporting of income or "inflating" deductions while filing their returns, stating violators will be prosecuted and their employers will be intimidated to take action against them. The Central Processing Centre (CPC) of the department has issued a "cautionary advisory" to taxpayers regarding this.



Revenue from online ads signals promising start to digital taxation (Excerpts from Mint dt. Apr 26, 2018)

The first full year of taxing digital services has thrown up promising results with the government collecting Rs600 crore as tax from online advertisements. Policymakers are now busy planning to scale proceeds from this new area, including through tax treaty changes.

The tax that took effect on 1 June, 2016 had brought in Rs500 crore in the 10 months of FY17. Online advertisements are the first digital service to come under 'equalisation levy', a tax deducted at source.

The receipts peg the size of online advertisements worth above Rs1 lakh a year at Rs10,000 crore a year. The 6% tax is to be deducted at source on the payments made to the advertisement platform such as social networking and other sites as well as search engines and paid to the government.

The government is now planning industry-wide consultations on the way forward in taxing the digital economy, following up on a plan announced in Union budget 2018-19 to attribute taxable business presence to offshore digital economy firms.

"Tax receipts from digital economy firms at present is not even the tip of the iceberg. We will hold consultations to decide what would constitute a taxable presence (called permanent establishment in tax treaty parlance) for offshore firms," said a finance ministry official, who spoke on condition of anonymity.

Missed the March 31 deadline to file income tax return? Here's what you can do (Excerpts from ET dt. Apr 7, 2018)

March 31, 2018 was the deadline to file income tax returns (ITR) for the financial year 2015-16 and 2016-17. In case you haven't filed your ITR for FYs 2015-16 and 2016-17, you cannot file a belated return anymore.

If you have not filed your returns for these two FYs, read on to find out what you can do now:

- File a Condonation of delay request for specific cases:

The income tax department can allow taxpayers to file returns post the deadline for specific cases. "The Central Board of Direct Taxes (CBDT) has issued a circular in this regard where if the taxpayer has tax refund pending or wish to carry forward his losses and missed the deadline of filing of tax returns, then he can file an application to the Income tax commissioner or the prescribed authority," explains Abhishek Soni, CEO, tax2win.in, a tax-filing firm.

These are the parameters based on which applications can be accepted or rejected by the income tax department:

- a. The claim is correct and genuine
- b. Case is based on genuine hardship on merits
- c. Income is not assessable in the hands of any other person under the Income Tax Act
- d. The refund has arisen as result of excess tax deducted or tax collected at source, advance tax or self-assessment tax.

INDUSTRY NEWS

Maharashtra Government's Special Policy for Women Entrepreneurs:

The Maharashtra Government announced a special policy for women entrepreneurs (Mahila Dhoran) in December 2017. The features of this special incentive scheme will remain as follows:

Definition of women entrepreneur:

1. Single Ownership	100% share of women entrepreneurs
2. Partnership Firm	100% owned by women partners
3. Private or public limited component	Companies in which the women entrepreneurs have a share of 100 percent share capital

(In above organizations at least 50% of workers should be women to be eligible for special incentive under the scheme.)

1. Scope of Special Incentive Scheme:

Industry holding Udyog Aadhar for production under Micro, Small and Medium Enterprises Development (MSMED) Act 2006 and Package Scheme of Incentive 2013 will be eligible for special incentive scheme.

2. Special Incentive Scheme Format:

- A. Special Incentive Scheme:
All the criteria of Package Scheme of Incentive 2013 will be applicable for the eligible components under the scheme.

B. Additional Concessions under Package Scheme of Incentive 2013:

- Concessions under group C will be applicable to women entrepreneurs in group A and B.
- Concessions under group D+ will be applicable to women entrepreneurs in group C and D.
- Concessions under Naxalism affected area will be applicable to group D+ and no industry district.

C. Capital Grant:

Capital Grants will be provided to all eligible new micro, small and medium enterprises as per taluka classification at the rate 15% to 35% of fixed capital investment up to Rs. 20 to 100lakh. The given capital grants will be distributed in 5 equal annual installments from the date of commencement of commercial production.

Sr.	Classification of Talukas/ Areas as per PSI 2013	Capita Grant (% of fixed capital investment)	Maximum special capital grant (Amount in Lac)
1.	A and B	15%	15%
2.	C	15%	20
3.	D	20%	25
4.	D+	25%	50
5.	No industry district & Naxalism affected area	35%	100



D. **Power Tariff Subsidy:**
Eligible New MSME will be eligible for power tariff subsidy of Rs. 2/- per unit for the Units located in Vidarbha, Marathwada, North Maharashtra and the Districts of Raigad, Ratnagiri and Sindhudurg in Kokan Region and Rs. 1/- per unit for the Units in other areas of the State for a period of 5 years from the date of commencement of commercial production, for the energy consumed and paid.

E. **Interest Subsidy:**
All eligible new MSMEs will be eligible for interest subsidy. The Interest Subsidy will be payable only on the interest actually paid to the Banks and Public Financial Institutions on the amount of term loans taken for acquisition of Fixed Assets. The amount of interest subsidy will be calculated @ effective rate of interest, after deducting the interest subsidy receivable from any institution or under any Govt. of India Scheme and the penal/compound interest or 5% per annum, whichever is less. The quantum of interest subsidy payable every year will not exceed the bills paid for electricity consumed during the relevant year.

3. **Labor Welfare Assistance:**

Contribution to ESI and EPF for women workers in all eligible enterprises will be eligible for subsidy up to 50% of contribution of companies for 5 years.

4. **Creating dedicated space:**

- Reservation in Carpet Area in commercial centres
- Reservation of plots of Maharashtra Industrial Development Corporation
- 30% reservation in Incubation Centers in State
- Special Women Section in single window under "MAITRI"
- Setting up of Venture capital fund of Rs. 50 Crores

5. **Validity of the scheme:**

The Women Entrepreneur Policy will remain valid for the period of 5 years from the date of decision or till the next order by government.

Packaged Scheme of Incentives extended to 30th September 2018

The Maharashtra government has extended the time period of the Package Scheme of Incentives (PSI), 2013 offered to attract investments in the state for industrial development, and to promote employment generation. The present PSI, brought into effect on 1st April 2013, was applicable till March 2018.

The government is contemplating the quantum of Goods & Services Tax (GST) benefit to be given to the eligible units in the new regime. Also, the new Industrial Policy 2018 is still under formulation. Therefore, the government has now decided to extend the period of Packaged Scheme of Incentives - 2013 upto 30th September 2018 or till new policy comes into force.

Eligible manufacturing companies who have not applied for incentives on or before 31st March 2018 can take benefit of this extension.

NewsBites

SAN & CO.

CHARTERED ACCOUNTANTS

We are professional firm of chartered accountants having significant experience across varied industries and business segments, and are best placed to be your trusted advisor. We operate in a completely digital ecosystem to deliver end to end client solutions.

Our services begin with company incorporation and statutory registrations of the entity in India throughout the business cycle until audits and compliances year on year. Our clients are businesses with foreign as well as Indian origins.

As chartered accountants, our endeavour is to be repositories of shareholder's trust. We create value by helping organizations become more transparent, efficient and optimize their capabilities.

You may use any of the following means to connect with us:

CA Sachin Shinde	+91 98906 49497	sachin.shinde@sanca.in
CA Nitin Thakur	+91 98903 16307	nitin.thakur@sanca.in
CA Anil Shinde	+91 97660 37816	anil.shinde@sanca.in
CA Abhijit Ranpise	+91 9922132229	abhijit.ranpise@sanca.in

Office Address:

B/38, 3rd Floor, Aamod Apartments,
Opp. Police Ground, Behind Hotel Shravan,
F.C. Road, Shivajinagar, Pune 411016
Maharashtra, India

+91 020 65100476 | +91 020 65100477 | +91 020 65100205

Web: www.sanca.in

Disclaimer:

The contents of this brochure are for private circulation only and are intended for general marketing and informative purposes only and should not be construed to be complete. This brochure may contain information other than our services and credentials. Such information should neither be considered as an opinion or advice nor be relied upon as being comprehensive and accurate. We accept no liability or responsibility to any person for any loss or damage incurred by relying on such information. This brochure may contain proprietary, confidential or legally privileged information and any unauthorized reproduction, misuse or disclosure of its contents is strictly prohibited and will be unlawful.