TAX CONNECT
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TAX CONNECT

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The Bengal Chamber of Commerce & Industry

INCOME TAX

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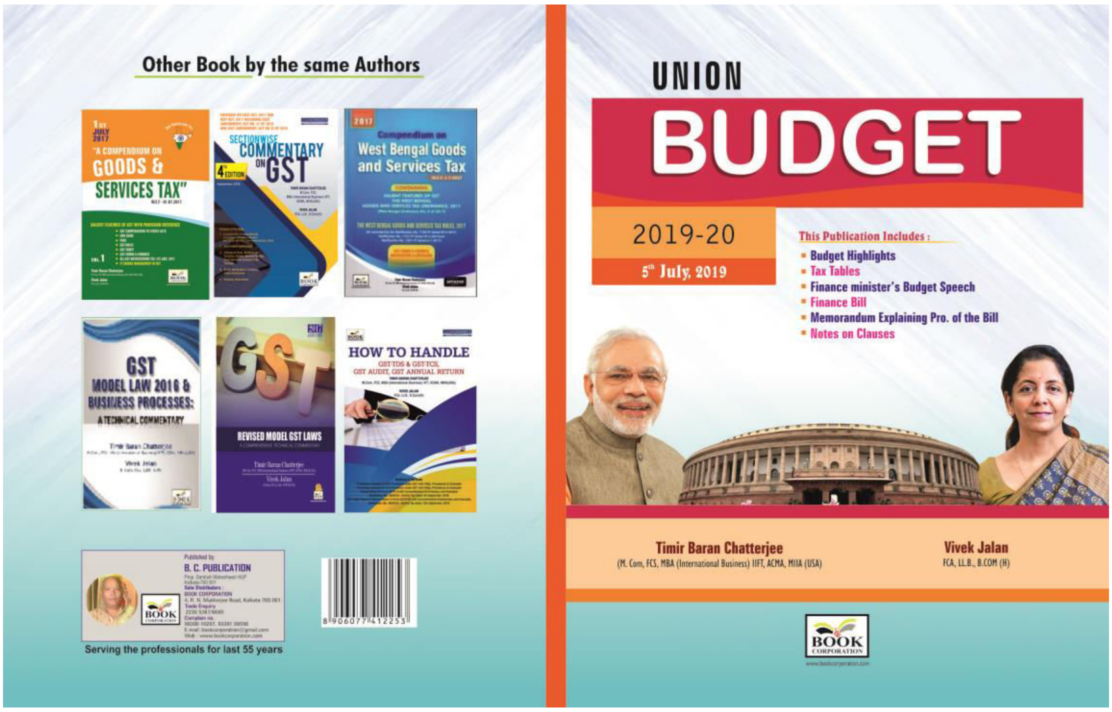
IN STANDS

UNION BUDGET 2019-20



ABOUT THE BOOK: This publication includes:

1. **Budget Highlights**
2. **Tax tables**
3. **Finance Minister's Budget Speech**
4. **Finance Bill**
5. **Memorandum Explaining Pro. Of the Bill**
6. **Notes on Clauses**

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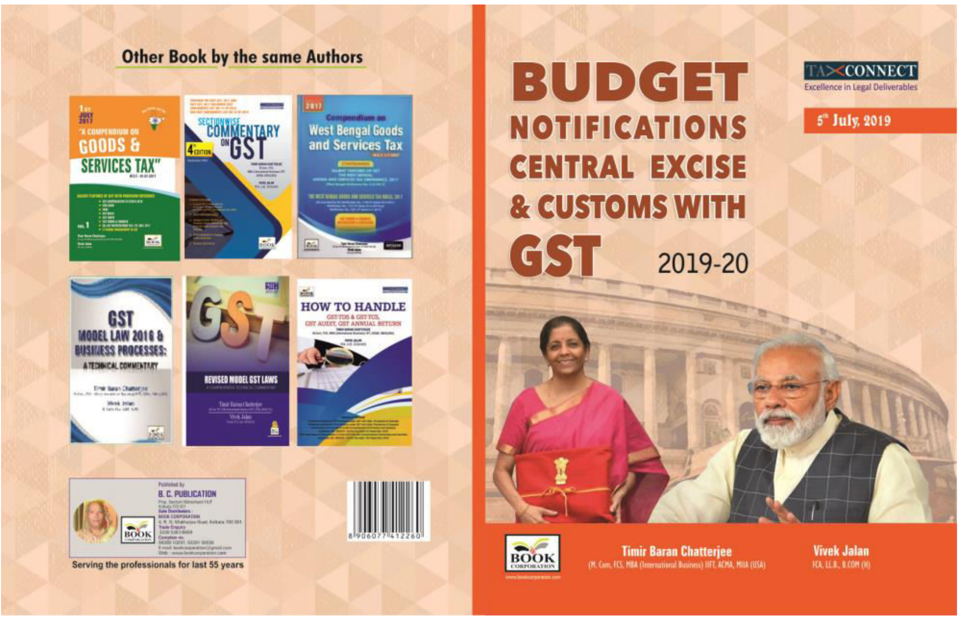
IN STANDS

BUDGET NOTIFICATIONS CENTRAL EXCISE & CUSTOMS WITH GST 2019-20



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EDITORIAL

Friends,

Here we give the highlights of Union Budget 2019-20.

1. FM says past Govt. Laid foundation of Co-operative federalism and reduced red tape.

2. Economy ready to reach $ 5 trillion. In this year itself economy shall reach $ 3 trillion.

3. Focus in next year on all Industrial growth and job creation through Investments, in line with economic survey

4. Transportation - Bharat Mala, Sagarmala & Udaan to boost connectivity. Time to enter aircraft financing. National highway grid & inland waterways to be developed further.

5. Focus of Govt on Engineering Industry. Faster adoption of electric vehicle .

6. Real Estate - Modern Tenancy Law to be developed.

7. MSMEs - Low Cost and fast loan to be granted to GST Registered persons. Online platform for submission of Bill's and payment. Easy Pension to 3 crore retailers!!

8. Social stock exchange to be set up under SEBI to help raise capital to such organizations.

9. To examine FDI in Avaition & Insurance sector. 100% FDI in insurance intermediaries. Annual Global Investment meet to be organized.

10. Rural India - massive push to rural roads, farming, fisheries, etc.

11. Youth - Nation Research Foundation to consolidate research led funds and plan utilization. Study in India program to bring foreign students in India. Khelo India scheme to boost sports in India. New skills in artificial intelligence, robotics, etc to be focused on.

12. Multiple Labour Laws to be consolidated in 4 Labour Codes .

Direct Taxes

1. Direct Tax revenue increased in 5 years to 11.37 Lakh crores in 18-19.

2. 2% TDS on cash withdrawal over 1 crore from a bank account.

3. 25% Corporate Tax Rate reduced for companies having annual turnover upto 400 crores. It will cover 99% of all companies.

4. 35AD exemption to solar Cells and other industries. Other indirect tax benefits also.

5. GST rate on electric vehicles to be reduced to 5% from 12%. 1.5 lakhs income tax deduction for loan taken for purchase of electric vehicles.

EDITORIAL

6. Angel Tax - no Income Tax scrutiny on valuation of share issue for start-ups.

7. Pre-approval to be taken by AO from higher authorities for assessment of start-ups.

8. Interst of loan upto 3.5 lakhs deduction for Purchase of affordable houses.

9. STT - only on difference between strike and settlement price of options.

10. PAN & Aadhar interchangeable.

11. Prefilled IT returns for salaries, interest, mutual fund income, etc

12. E assessments to be the focus.

13. No charges on Merchant discount rates by digital banking companies on merchants with turnover upto 50 crore.

14. Individuals with income over 2 crores - surcharge increased.

Indirect Taxes

1. LEGACY DISPUTE RESOLUTION SCHEME for old service tax & excise cases

2. GST - New returns, e-invoicing to be invoiced, fully online refunds to be made applicable.

3. Customs - import of defense equipments - no basic customs duty

4. Tiles, autoparts, marble slabs, cameras, video recorders, certain papers, etc - customs duty increased

5. No customs duty - capital goods for

6. SAD of excise duty of 1% on petrol & diesel

7. Gold & precious metals- customs duty increased to 12.5%

8. Customs Act - enhanced penalty & prosecution over

We do hope that this bulletin adds value to your professional sphere.

Just to reiterate that we remain available over telecom or e-mail.

Truly Yours

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SYNOPSIS

TAX CALENDAR

Due date	Form	Description
7th July, 2019	Challan Form ITNS 281	Monthly payment of TDS on all types of payments for the month of June, 2019. Monthly payment of TCS u/s 206C for the month of June, 2019.
7th July, 2019	Form-27C	Last date of submission of declaration i.e., for no TCS u/s 206C(1A) obtained from manufacturer to the Commissioner/Chief Commissioner of Income Tax as the case may be.
7th July, 2019	Form-15G & 15H	Submission of copy of declaration forms received from deductee by the deductor for non-deduction of TDS under section 197A before the Chief Commissioner or Commissioner
7th July, 2019	Form-26QB	Payment on transfer of certain immovable property other than agricultural land
10th July, 2019	GSTR-1	Details of outward supplies of goods or services for the month of June, 2019 by the taxpayer having aggregate turnover of more than Rs. 1.5 crores.
13th July, 2019	GSTR-6	Details of ITC received by the Input Service Distributor and distribution of ITC.

INCOME TAX

NOTIFICATION/ ARTICLE

M/S MANIPAL ACADEMY OF HIGHER EDUCATION APPROVED AS UNIVERSITY, COLLEGE OR OTHER INSTITUTION

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 48/2019 dated 26.06.2019** has approved the organisation M/s Manipal Academy of Higher Education as University, College or other Institution with effect from Assessment Year 2015-16 onwards subject to certain specified terms and conditions.

PERSUANT TO SECTION 10 CLAUSE 46, CERTAIN INCOME SPECIFIED AS EXEMPT IN RELATION TO KARNATAKA ELECTRICITY REGULATORY COMMISSION OF BENGALURU

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 49/2019 dated 27.06.2019** notified certain income to be exempted for the Karnataka Electricity Regulatory Commission of Bengaluru from the Assessment Year starting from 2020-21 up to the end of Assessment Year 2024-25 subject specified terms and conditions.

INCONE EXEMPT FOR ROLLS ROYCE DEFENSE SERVICES, INC. WHICH SHALL NOT BE INCLUDED IN COMPUTING THE TOTAL INCOME OF THE SAID FOREIGN COMPANY

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 50/2019 dated 27.06.2019** has specified that the royalty income or income from technical services received in relation to Mission Ready Solutions Agreement dated 24.02.2014entered between the company Centre for Air borne Systems, Defence Research and Development Organisation, Ministry of Defence, up to the amount of USD 21,67,317.50 shall be exempt in the hands of the company.

PRECAUTIONS TO BE TAKEN WHILE ENTERING INTO A REAL ESTATE TRANSACTION

OUR COMMENTS: The precautions to take care while entering into a real estate transaction are as follows :-

- First the provisions of section 269ST should be followed while receiving the sale consideration exceeding Rs. 200,000/- failing which the penalty under section 271DA shall be levied at the rate of 100% of the amount received in cash.

- As per section 50C, where the consideration received or accrued as a result of the transfer of a capital asset, is less than the value adopted or assessed by an authority of a state government (stamp valuation authority) for the purpose of payment of stamp duty in respect of such transfer, the value so adopted for the purposes of section 48, be deemed to be the full value of consideration received as a result of transfer.

- In case the entire sales consideration received in cash exceeding Rs. 200,000/-, the assessee should not deposit the cash exceeding Rs. 10,00,000/- in a single saving account.

NOTIFICATION/ ORDER/ CASE LAW

EXTENSION OF DUE DATE OF FILING SEVERAL FORMS

OUR COMMENTS: The Central Board of Indirect Taxes and Customs have extended the time limit of filling several forms as follows :

Notification / Order No.	Date	Form/ Return	Period	Due Date
26/2019– Central Tax	28.06.19	GSTR-7	Oct'18 to July'19	31.08.19
27/2019– Central Tax (for turnover up to Rs. 1.5 Crores)	28.06.19	GSTR-1	July'19 to Sept'19	31.10.19
28/2019– Central Tax (for turnover more than Rs. 1.5 Crores)	28.06.19	GSTR-1	July'19 to Sept'19	Up to 11th day of each succeeding month
29/2019– Central Tax	28.06.19	GSTR-3B	July'19 to Sept'19	Up to 20th day of each succeeding month
32/2019– Central Tax	28.06.19	GST ITC-04	July'17 to June'19	31.08.19
Order No. 6/2019-Central Tax	28.06.19	Annual Return (GSTR-9)	July'17 to March'18	31.08.19

EXEMPTION FROM FURNISHING ANNUAL RETURN / RECONCILIATION STATEMENT FOR SUPPLIERS OF ONLINE INFORMATION DATABASE ACCESS AND RETRIEVAL SERVICES (OIDAR SERVICES)

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 30/2019 – Central Tax dated 28.06.2019** exempted the registered supplier of online information and database access or retrieval services from place outside the India to the persons in India from furnishing annual return in form GSTR-9 and reconciliation statement in form GSTR-9C.

NOTIFICATION OF CENTRAL GOODS AND SERVICES TAX (FOURTH AMENDMENT) RULES, 2019

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 31/2019 – Central Tax dated 28.06.2019** has notified further amendments to the Central Goods and Services Tax Rules, 2017.

NOTIFICATION OF REFUND CLAIM TO RETAIL OUTLETS ESTABLISHED IN THE DEPARTURE AREA OF AN INTERNATIONAL AIRPORT, BEYOND THE IMMIGRATION COUNTERS

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 10/2019-Integrated Tax (Rate) dated 29.06.2019** notified that retail outlets established in the departure area of an international airport, beyond the immigration counters, who are making tax free supply of goods to an outgoing international tourist, can claim refund of applicable central tax paid on inward supply of such goods, subject to the terms and conditions specified in rule 95A with effect from 1.07.19. **[Refer to Notification No. 11/2019-Central Tax (Rate) and Notification No. 11/2019-Union Territory Tax (Rate)]**.

EXEMPTION TO RETAIL OUTLETS ESTABLISHED IN THE DEPARTURE AREA OF AN INTERNATIONAL AIRPORT, BEYOND THE IMMIGRATION COUNTERS

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 11/2019– Integrated Tax dated 29.06.2019** has exempted any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, to an outgoing international tourist from Integrated Tax with effect from 1.07.2019 as well as exempted from compensation cess **vide Notification No. 1/2019-Compensation Cess (Rate) dated 29.06.19.**

AUTHORITY FOR ADVANCE RULING, MAHARASHTRA: M/S. BANDAI NAMCO INDIA PRIVATE LIMITED

OUR COMMENTS: In the given case, the applicant have stationed various coin or card operated gaming equipment and machine for different age groups consisting of kids, teenagers and adults in the mall thereby allowing the interested person such as kids, teenagers and adults facilities to enjoy various games.

Further, it is submitted that the rate on services by way of admission to amusement parks reduced from 28% to 18% with effect from 25.01.2018 vide Notification No. 1/2018.

Since, the word ‘amusement’ being common in the expressions ‘amusement park’ and ‘amusement facility’, to know the difference between a ‘park’ and a ‘facility” to arrive at a conclusion, the meaning of a ‘park’ in various dictionaries say that a park is a ‘large area of land’ used for a particular purpose

However, In the instant case the applicant has placed equipments in an area within the Oberoi mall hence we can say that the applicant are engaged in providing amusement facility services and running family entertainment centre in Oberoi Mall and the applicant is also advertising its activities as providing amusement facilities.

So, the GST rate on operating gaming zone in one of leading malls in Mumbai is @ 28% w.e.f. 25.1.2018.

FEMA

CASE LAW

M/S. SACHDEVA & SONS INDUSTRIES (P) LTD., SHRI ASHOK SACHDEVA, MRS. INDU SACHDEVA VERSUS THE SPECIAL DIRECTOR, DIRECTORATE OF ENFORCEMENT, JALANDHAR

OUR COMMENTS: In the given case, the appellant filed the review petition on 31.10.2018 for reviewing the order of the Appellate Tribunal dated 14.07.2009 directing the appellants to pre-deposit 10% of the penalty amount within 30 days from the date of the receipt of the order and dispensed the balance amount of penalty. Subsequently they filled an amended review petition against the review order dated 24.06.2015. The main plea in the review petition is that the review order dated 24.06.2015 is null and void as Tribunal in the order accepted that they had the extension for realization of the export proceeds up to 30.06.2002.

However, in the meantime one of the appellant Mrs. Indu Sachdeva moved to the Punjab & Haryana High Court and the court revoked the order dated 15.07.2009 in reference to the appellant.

Further, after considering the entire pleadings in the review petition the Tribunal rejected the review petition and noted in the order of 24.06.2015 that If they were aggrieved by this order dated 24.06.2015, they had the option to approach the Hon'ble High Court. But they did not do so.

However, they again filed review petition on 30.10.2018 which was subsequently amended by another review petition on 01.02.2019 to review the earlier review order of 24.06.2015, and that too after a gap of more than 3 years.

During the personal hearing the counsel of the appellant tried to argue the entire case again and presumed that the orders are null and void without any appellate authority or the court to coming to such conclusions.

In response to the above, the counsel of the respondent stated that the entire sequence through which these appeals have gone through as is apparent from the brief facts points towards their utter disregard for law or any legal procedure. She also stated that there is no provision for review of a review order and they had the option to move the High Court if they were aggrieved by the review order dated 24.06.2015. Since they did not do so they do not have the option legally to file another review petition as the earlier review order has become final.

Further, she also stated that as they have not pre-deposited the amount as directed in the Tribunal's stay order dated 14.07.2009 read with the review order dated 24.06.2015, the appeals are liable to be dismissed.

Furthermore, there is no provision in law to file review petitions again and again against review orders rather it can be filed against an order only for errors apparent on the face of it.

The review application along with the condonation of delay for which no cogent reason has been given, is therefore dismissed as rejected.

CUSTOMS

NOTIFICATIONS/CASE LAW

EXCHANGE RATES NOTIFIED FOR FOREIGN CURRENCIES INTO INDIAN CURRENCIES AND VICE- VERSA

OUR COMMENTS: The Central Board of Indirect Taxes & Customs vide **Notification No. 48/2019-Customs(N.T) dated 4.07.2019** has specified the rate of exchange for conversion of foreign currencies into Indian currencies and vice- versa with effect from 5.07.19.

M/S. KIRTILAL KALIDAS JEWELLERS PVT. LTD. VERSUS COMMISSIONER OF GST & CCE TRICHY

OUR COMMENTS: In the given case, the appellant made import of polished natural diamonds through Coimbatore Airport and was prohibited from filling the Bill of Entry because of non-availability of proper appraising staff for valuing the imported diamonds. Further, the appellant requested for arranging an appraiser by bearing the costs instead he was suggested to transit the consignment to the Mumbai Airport which was also not arranged because insufficient bond value. However, on account of business requirement the appellant insisted and filed the Bill of Entry on 16.10.17 with a delayed period of 48 days. Further, the late filing fee for delay in filling Bill of Entry due to bonafide reasons and for the want of proper appraising staff can be waived.

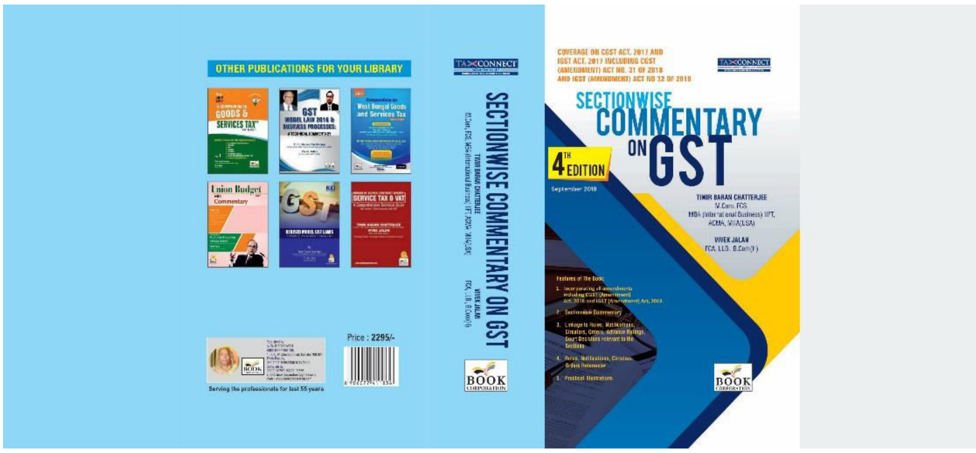
As per the respondent, the appellant should not have undertaken the import at Coimbatore Airport as he was informed of non-availability of appraiser beforehand. In response to which the appellant pointed that the imposition of late filing charges is not mandatory and it is only subject to non-satisfaction as to the sufficiency of reasons. Further, the appellant was in regular import of the said items from the Mumbai Airport and it was the 1st import from Coimbatore Airport. Furthermore, considering the difficulties faced by the importers which had resulted in delayed presentation of Bills-of-Entry, the CBEC has issued instructions and both Section 46 and the instructions of the Board do not prescribe the late filing charges as mandatory, but is subject to the guidelines in Board instructions.

However, when an item is imported at a notified airport, the authorities cannot find fault with such import for want of proper officers, which is not the concern of the importer. Statute notifies an airport and through law requires appointment of appraising staff and if no such officers are appointed, then such deficiency which is not attributable to an importer cannot force an assessee to search for alternate options and in any case, the appointment or otherwise as above of proper officers is not the choice of the importer.

On the basis of above, it can be said that there is no delay in filling the Bill of Entry and hence late filing charges is not attributable and not sustainable.

IN STANDS

SECTION WISE COMMENTARY ON GST UPDATED TILL DATE



ABOUT THE BOOK: This book provides an insight into the following:

1. **Incorporating all amendments**
2. **Section wise commentary**
3. **Linkages to Rules, Notifications, Circulars, Orders, Advance Rulings, Court Decisions relevant to the Sections**
4. **Rules, Notifications, Circulars, Orders Referencer**
5. **Practical Illustrations**

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