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EDITORIAL

Friends,

In **Income Tax,** the Central Board of Direct Taxes specified certain monetary limits and other conditions for filing departmental appeals before the Income Tax Appellate Tribunal (ITAT), High courts and Supreme court.

However, in many cases tax evasion scam has been noticed through false Long Term Capital Gains or Short Term Capital Loss and the department is unable to pursue the cases in higher jurisdiction due to the high monetary limits and in many planned cases of scam ITATs and High Courts have passed judgements in favour of the revenue. But in cases where the appellate have not given due consideration to position of law or facts investigated by the department and there is no other option available with the department to file further appeal due to high monetary limits, exemption has been given to file appeal on merits after directions given by the Board in the cases of organised tax evasion.

For details please refer to the circular no. 23/2019 dated 6.09.2019.

In GST, the Central Board of Indirect Taxes and Customs introduced Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 and notified the rules, 2019 to operationalize the scheme from 1.09.2019 to 31.12.2019 in order to provide substantial relief to the taxpayers.

The relief provided are explained below:-

- For cases pending in adjudication or appeal, the relief provided as-
  - if the amount of duty is up to Rs. 50 lakhs: 70% of the duty involved
  - If the amount of duty is more than Rs. 50 lakhs: 50% of the duty involved
- For cases of confirmed duty demand, where there is no appeal pending, the relief offered as-
  - if the amount of duty is up to Rs. 50 lakhs: rs. 6000 of the confirmed duty
  - If the amount of duty is more than Rs. 50 lakhs: 40% of the confirmed duty
- In case of voluntary disclosure of duty not paid, the full amount of disclosed duty would have to be paid.
- Interest and penalty in all the above cases shall be waived.

For details please refer to the Trade Notice No. 02/GST/LDH/2019 dated 4.09.2019.

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
10th September, 2019	GSTR-1	Details of outward supplies of goods or services or both for the month of August, 2019 for Persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year.
14th September, 2019	Form 16B	Due date for issue of TDS Certificate for tax deducted under Section 194-IA in the month of July, 2019
14th September, 2019	Form 16C	Due date for issue of TDS Certificate for tax deducted under Section 194-IB in the month of July, 2019

INCOME TAX

NOTIFICATION/ CIRCULAR

NOTIFICATION OF INCOME TAX (FIFTH AMENDMENT) RULES, 2019

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 58/2019 dated 30.08.2019** has amended the Income Tax Rules, 1962 thereby introducing Income Tax (Fifth Amendment) Rules, 2019 with effect from 01/09/2019.

CIRCULAR FOR ASSESSMENT OF STARTUPS IN INCOME TAX

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Circular No. 22/2019 dated 30.08.2019** has given clarifications to address the hassle free environment to the startups as under-

- **Assessment of Startups:** Procedures provided for the pending assessment of the startups recognized by (Department for Promotion of Industry and Internal Trade) DPIIT provided through circular no. 16/2019 dated 7/08/2019:-

Form No. 2 Filed (Yes/No)	Type of Scrutiny (Limited Scrutiny/ Selected for Scrutiny)	Issues to be examined	Steps to be Taken
Yes	Limited Scrutiny	Single issue of applicability of section 56(2)(viib) of the Income Tax Act, 1961	The contention of the assessee will be summarily accepted
Yes	Selected under scrutiny	Multiple issue including the issue of section 56(2)(viib) of the Act	Inquiry on other issues will be carried out by the Assessing Officer only after obtaining approval of the supervisory authority.
No	Selected for scrutiny	Not specified	Inquiry in such cases also will be carried out by the Assessing Officer only after obtaining approval of the supervisory authorities.

- **Time Limit for Completion of Pending Assessments of the Startups:** All the assessment under 1st point of the table should be completed by 30th September, 2019 and the assessments under 2nd and 3rd points should be completed on priority by 31st October, 2019.
- **Procedure for addition made U/s. 56(2)(viib) in the past assessment:**
  - Appeal pending before the commissioner of IT (Appeal)[CIT(A)] - the order passed on or before 31/12/2019 considering that form 2 has been filed and section 56(2)(viib) are not applicable and further appeal shall not be filed by the Department.
  - Where the case is pending before the ITAT, the Department shall not press the ground relating to addition u/s 56(2)(viib) of the act.
- **Income Tax Demand:** The outstanding Income Tax demand shall not be pursued and no communication shall be made with assessee and in respect of other income tax demand, it shall not be pursued unless the demand is confirmed by the ITAT.
- **Constitution of Startup Cell:** In order to redress grievances and to address various tax related issues in the cases of Startups, a Startup Cell is constituted on 30th August, 2019.

GST: CGST/IGST/SGST/UTGST

NOTIFICATION

FILLING OF FORM ITC-04 FOR F.Y 2017-18 AND 2018-19 WAIVED

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 38/2019- Central Tax dated 31.08.2019** notified that the registered persons who were required to furnish the details of challans in form ITC-04 as per rule 45(3) of the CGST Rules, 2017 and section 143 of the CGST Act, 2017 are now shall not be required to furnish form ITC-04 under the said rules for the period July, 2017 to March, 2019.

However, the said person are required to furnish the details if challans in respect of goods despatched to a job worker in the said period of time but not received or supplied from the business place of job worker as on 31/03/2019 in serial no. 4 of the said form for the 1st quarter of 2019.

EFFECTIVE DATE FROM WHICH SECTION 103 OF THE FINANCE (NO. 2) ACT, 2019 SHALL BE IN FORCE

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 39/2019- Central Tax dated 31.08.2019** notified that the provisions of section 103 of the Finance (No.2) Act, 2019 shall be effective from 1/09/2019.

EXTENSION OF DUE DATE OF FURNISHING FORM GSTR-7 FOR THE MONTH OF JULY, 2019

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 40/2019- Central Tax dated 31.08.2019** has extended the due date of furnishing form GSTR-7 by the registered person required to tax at source for specified districts in the state of Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Odisha, Uttrakhand and the state of Jammu & Kashmir for the month of July, 2019 up to 20/09/2019.

LATE FEES WAIVED FOR CERTAIN CASES FOR THE MONTH OF JULY, 2019 FOR FURNISHING FORM GSTR-1 AND GSTR-6 UPTO 20/09/2019

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 41/2019- Central Tax dated 31.08.2019** has waived the late fee payable in the following cases:-

- The registered persons having principal place of business in the specified districts in the state of Bihar, Gujarat, Karnataka, Kerala, Maharashtra, Odisha, Uttrakhand and the state of Jammu & Kashmir also having aggregate turnover of more than Rs. 1.5 crores in the preceding financial year or the current financial year furnished form GSTR-1 form the month of July, 2019 on or before 20/09/2019.

- The input service distributor having principal place of business in the areas stated above furnished form GSTR-6 for the month of July, 2019 on or before 20/09/2019.

CIRCULAR/ CASE LAW

EXIM BANK'S GOVERNMENT OF INDIA SUPPORTED LINE OF CREDIT OF USD 800 MILLION TO THE GOVERNMENT OF REPUBLIC OF MALDIVES

OUR COMMENTS: The EXIM Bank of India entered into an agreement with the Government of Republic of Maldives dated 18th March, 2018 which shall be effective from 20th August, 2019 and for which the terminal utilization period is 60 months after the scheduled completion date of the project.

As per the agreement the financing of export of eligible goods and services from India, would be allowed they are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank.

The supplier should supply at least 75% of the contract price from India and the balance 25% may be supplied by the seller from outside India.

Further, no commission is payable to the agency under the agreement. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange and Authorized Dealer Category- I banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission. The terms of the agreement are as under: -

- **Purpose of the agreement-** For financing development projects in the Republic of Maldives.
- **Amount of LoC (USD)-** Supported Line of Credit (LoC) of USD 800 million.

DOMNIC ALEX FERNANDES (D) THROUGH LRS. & OTHERS VERSUS UNION OF INDIA AND OTHERS

Brief: Whether the Supreme Court was justified in allowing the appeals filed by Domnic Alex Fernandes?

OUR COMMENTS: In the given case, the property was owned by the person to whom the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (SAFEMA) applied i.e. against whom the order of detention had been confirmed. The rights of the appellants, who claim to be bona fide tenants even prior to purchase of the property by the person to whom the Act applied, have not been adjudicated upon on the assumption that their rights will stand automatically terminated.

In view of above, **the Hon'ble Supreme Court** noted that rights of a bona fide tenant will not stand automatically terminated by forfeiture of property and vesting thereof in the Central Government. Such forfeiture will extinguish the rights of the person to whom the Act applies in the present case Krishna Budha Gawde, who was the owner of the property in question or his relative or associate having nexus with him in relation to the said property.

However, **the Hon'ble Supreme Court** did not express any opinion whether the appellants are the bona fide tenants and had no nexus with the acquisition of the property by the person to whom the Act applied as claimed by them. This question needs to be determined independently by the competent authority as defined in Section 3(b) of the Act.

This appeal is allowed by setting aside the order of the High Court and the matter remitted to the competent authority for passing an appropriate order in accordance with the law.

[Decided in favour of the appellants]

CUSTOMS

NOTIFICATION

NOTIFICATION OF EXCHANGE RATES OF CONVERSION OF FOREIGN CURRENCY INTO INDIAN CURRENCY OR VICE-VERSA

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 63/2019- Customs (N.T) dated 5.09.2019** has notified the exchange rate of conversion of foreign currency into Indian currency or vice-versa with effect from 6/09/2019.

INCREASE IN CUSTOMS DUTY BY 5% FOR A PERIOD OF 180 DAYS ON IMPORTS OF SPECIFIED GOODS FROM MALAYSIA

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 29/2019- Customs dated 4.09.2019** increased the rate of customs duty by 5% on imports of Refined Bleached Deodorized Palmolein and Refined Bleached Deodorized Palm Oil for 180 days from Malaysia and imported under India-Malaysia Comprehensive Economic Cooperation Agreement thereby amending the notification no. 53/2011- Customs dated 31/12/2018.

EXEMPTION IN RELATION TO IMPORT OF GOLD, SILVER AND PLATINUM IMPORTED UNDER SPECIFIED SCHEMES

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 28/2019- Customs dated 2.09.2019** amended the notification no. 57/2000-Customs dated 8/05/2000 and notified that the import of gold, silver and platinum imported in India under the specified schemes shall be exempt from the duty of customs and the additional duty leviable thereon.

IMPOSITION OF COUNTERVAILING DUTY ON IMPORTS OF 'SACCHARIN IN ALL ITS FORMS' ORIGINATING IN OR EXPORTED FROM PEOPLE'S REPUBLIC OF CHINA IN PURSUANCE OF COUNTERVAILING DUTY/ANTI-SUBSIDY INVESTIGATION ISSUED BY DGTR

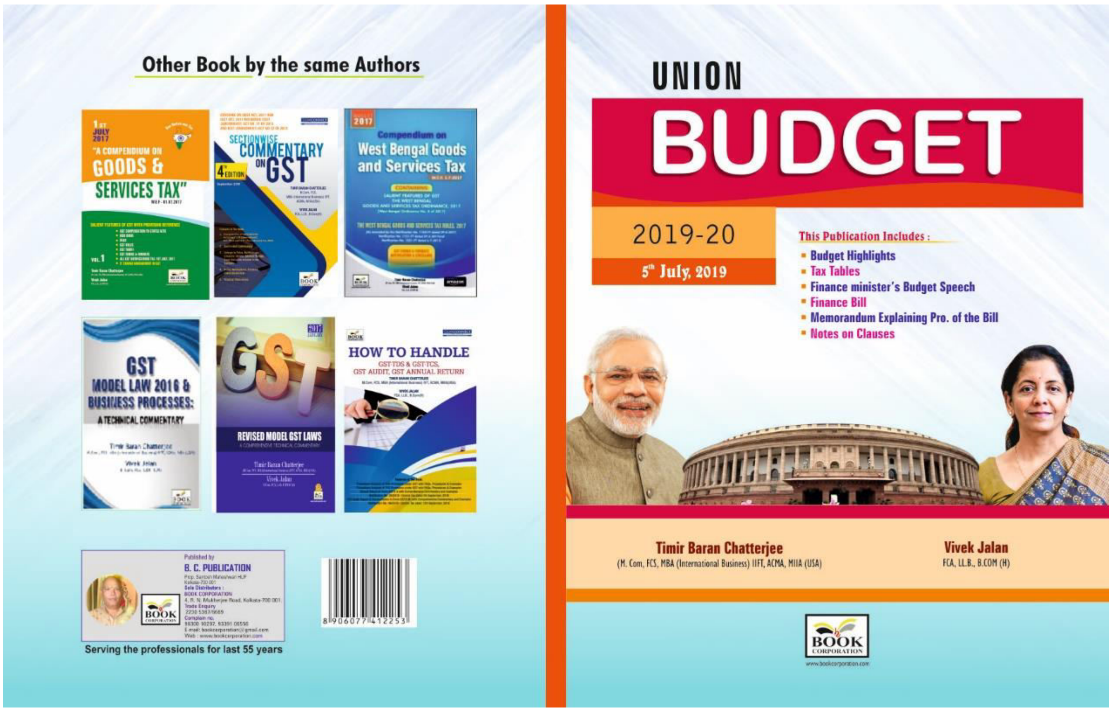
OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 2/2019- Customs (CVD) dated 30.08.2019** extended the leviation of countervailing duty for a period of 5 years on import of Saccharin in all its forms from China and further the definitive countervailing duty shall be levied.

FIXATION OF TRAIFF VALUES - EDIBLE OILS, BRASS SCRAP, POPPY SEEDS, ARECA NUT, GOLD AND SLIVER ETC, (INCLUDING CRUDE PALM OIL, RBD PALM OIL, OTHERS)

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 62/2019- Customs (N.T) dated 30.08.2019** has fixed the tariff values of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver etc. (including Crude Palm Oil, RBD Palm Oil, Others).

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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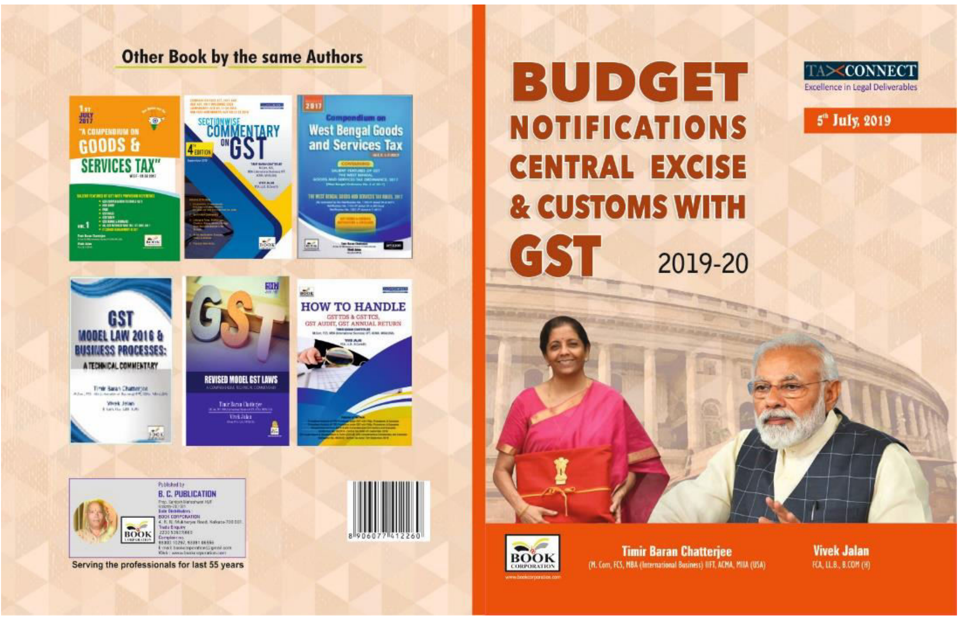
IN STANDS

BUDGET NOTIFICATIONS CENTRAL EXCISE & CUSTOMS WITH GST 2019-20



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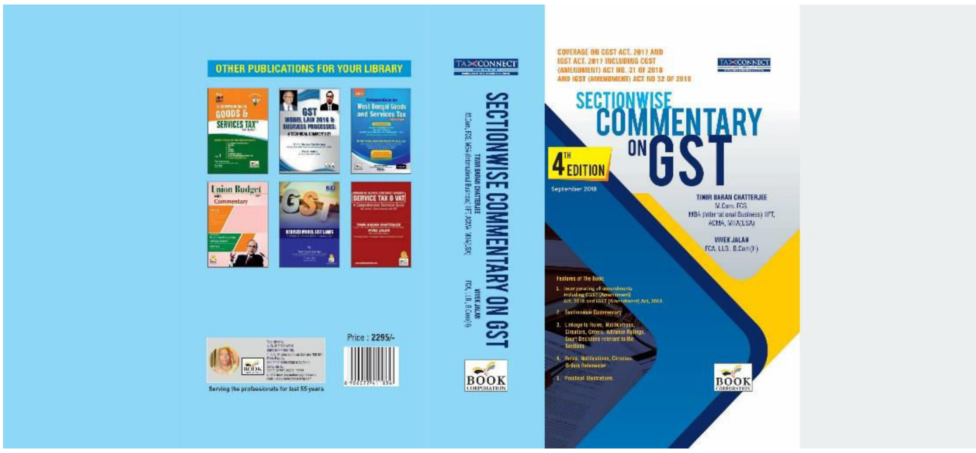
IN STANDS

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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