TAX CONNECT
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TAX CONNECT

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The Bengal Chamber of Commerce & Industry

INCOME TAX

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EDITORIAL

Friends,

The ICICI Bank in order to facilitate collection of the indirect tax has decided to sale its entire 10 per cent stake to 13 state governments. The stake sale is for aggregate cash consideration of Rs 1 crore. The stake transfer to various stake governments will be completed by the end of March 2020.

In GST, the revenue collection has dropped below Rs 1 lakh crore mark to Rs 91,916 crore for September. The September collection is believed to be the lowest in nineteen months.

The revenue during September, 2019 has declined by 2.67% in comparison to the revenue during September, 2018. During April-September, 2019 vis-à-vis 2018, the domestic component has grown by 7.82% while the GST on imports has shown negative growth and the total collection has grown by 4.90%.

The GST returns from April 2020 has made it mandatory to provide more details which may result in amendment to the Enterprise Resource Planning (ERP) systems of the companies. The details required by new return system also include details such as purchases from unregistered dealers. The Bill of entry-wise import details and bill of entry-wise purchases from Special Economic Zones (SEZs) would also be required.

The new system would also require automatic uploading of the data on the government systems.

The Bombay High Court has directed the income tax department to refund Rs 788.39 crore to Vodafone-Idea Ltd. (VIL) within three weeks, bringing some relief to the loss-making telecom operator which has also sought the government's help to ease its financial stress.

The refund order – more than Rs 630 crore due to Vodafone India and over Rs 150 crore to Idea Cellular – was issued by the court.

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
30th October 2019	Form 16B	Due date for issue of TDS Certificate for tax deducted under Section 194-IA in the month of September, 2019
30th October 2019	Form 16C	Due date for issue of TDS Certificate for tax deducted under Section 194-IB in the month of September, 2019
30th October 2019	Form 27D	Quarterly TCS certificate in respect of tax collected by any person for the quarter ending September 30, 2019
31st October 2019	Form 3CEAB	Due date for Intimation by a designated constituent entity, resident in India, of an international group for the accounting year 2018-19.
31st October 2019	Form 24Q/26Q	Quarterly statement of TDS deposited for the quarter ending September 30, 2019.
31st October 2019	Form 3CG	Due date for furnishing of Annual audited accounts for each approved programmes under section 35(2AA)
31st October 2019	Form 60	Due date for copies of declaration received in Form No. 60 during April 1, 2019 to September 30, 2019 to the concerned Director/Joint Director
31st October 2019	Form 3CA/3CB & 3CD	Audit report under section 44AB for the assessment year 2019-20 in the case of a corporate-assessee or non-corporate assessee (who is required to submit his/its return of income on September 30, 2019).
31st October 2019	ITR 3/4/5/6	Annual return of income for the assessment year 2019-20 if the assessee (not having any international or specified domestic transaction) is (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) working partner of a firm whose accounts are required to be audited).

INCOME TAX

NOTIFICATION

NOTIFICATION OF 'KERALA BAMBOO, KATTUVALLI AND PANDANUS LEAF WORKERS' WELFARE FUND BOARD' A BOARD CONSTITUTED BY THE GOVERNMENT OF KERALA IN RESPECT OF THE SPECIFIED INCOME ARISING TO THAT BOARD

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 78/2019 dated 9.10.2019** has exempted certain specified incomes such as Government grant received for Scheme and Non Scheme Pension, employers and employees contribution, registration fees etc. earned by Kerala Bamboo, Kattuvalli and Pandanus Leaf Workers' Welfare Fund Board under section 10(46) of the Income Tax Act 1961 subject to specified terms and conditions.

EXEMPTION FROM THE PROVISIONS OF SECTION 194N OF THE INCOME TAX ACT 1961

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 80/2019 dated 15.10.2019** has specified that the provisions of section 194N shall not apply to the authorized dealer and the Full- Fledged Money Changer (FFMC) and their franchise agents and sub- agents if a separate bank account is maintained for with drawl for the purpose of purchase of foreign currency from foreign tourists or non-residents visiting India or from resident Indians on their return to India, in cash as per the directions or guidelines issued by Reserve Bank of India; and for disbursement of inward remittances to the recipient beneficiaries in India in cash under Money Transfer Service Scheme (MTSS) of the Reserve Bank of India. Further the with drawl can be made after furnishing a certificate to the bank that withdrawal is only for the purposes specified above and the directions or guidelines issued by the Reserve Bank of India have been adhered to.

INCOME EARNED BY CORE SETTLEMENT GUARANTEE FUND SET UP BY THE MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED, MUMBAI AS EXEMPT

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 82/2019 dated 21.10.2019** notified that the income earned by Core Settlement Guarantee Fund set up by the Multi Commodity Exchange Clearing Corporation Limited, Mumbai as exempt under section 10 (23EE) of the Income Tax Act 1961.

IDFC INFRASTRUCTURE FINANCE LIMITED NOTIFIED AS INFRASTURE DEBT FUND

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India **vide Notification No. 83/2019 dated 21.10.2019** notified notified the IDFC Infrastructure Finance Limited as the infrastructure debt fund and exempted the income earned by it.

GST: CGST/IGST/SGST/UTGST

NOTIFICATION

EXTENSION OF DUE DATE OF FORM GST CMP-08 FOR THE QUARTER JULY, 2019 TO SEPTEMBER, 2019

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No. 50/2019-Central Tax dated 24.10.2019** has extended the due date to furnish form GST CMP-08 up to 22nd October 2019 for 2nd quarter of 2019-18.

CLARIFICATIONS IN RESPECT OF APPLICABLE GST RATES ON VARIOUS GOODS

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Circular No. 113/32/2019-GST dated 11.10.2019** has issued clarifications in respect of applicable GST rates on leguminous vegetables such as grams when subjected to mild heat treatment, Almond Milk, Mechanical Sprayer, imported stores by the Indian Navy, goods imported under lease, parts for the manufacture solar water heater and system and parts and accessories suitable for use solely or principally with a medical device.

CLARIFICATIONS ON THE SCOPE OF SUPPORT SERVICES TO EXPLORATION, MINING OR DRILLING OF PETROLEUM CRUDE OR NATURAL GAS

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Circular No. 114/33/2019-GST dated 11.10.2019** has issued clarifications on the scope of support services to exploration, mining or drilling of petroleum crude or natural gas.

CLARIFICATIONS ON ISSUES RELATING TO GST ON AIRPORT LEVIES AND THAT AIRPORT LEVIES DO NOT FORM PART OF THE VALUE OF SERVICES PROVIDED BY THE AIRLINES

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Circular No. 115/34/2019-TRU dated 11.10.2019** has issued clarifications on issues relating to GST on airport levies and that airport levies do not form part of the value of services provided by the airlines and consequently no GST should be charged by airlines on airport levies.

CLARIFICATIONS ON APPLICABILITY OF GST EXEMPTION TO THE DIRECTORATE GENERAL OF SHIPPING APPROVED MARITIME COURSES CONDUCTED BY THE MARITIME TRAINING INSTITUTES OF INDIA

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Circular No. 115/34/2019-TRU dated 11.10.2019** has issued clarifications on applicability of GST exemption to the Directorate General of Shipping approved maritime courses conducted by the Maritime Training Institutes of India.

FEMA

NOTIFICATION/ CASE LAW

NOTIFICATION TO CLASSIFY FINANCIAL INSTRUMENTS AS DEBT AND NON-DEBT INSTRUMENTS

OUR COMMENTS: The Reserve Bank of India **vide F.No. I/14/EM/2015 dated 16.10.2019** has classified Government bonds, corporate bonds, borrowings by Indian firms through loans etc. as debt instruments and capital participation in Limited Liability Partnerships (LLPs), all instruments of investment as recognised in the FDI policy as notified from time to time, contribution to trusts etc. as non-debt instruments.

INTRODUCTION OF THE FOREIGN EXCHANGE MANAGEMENT (MODE OF PAYMENT AND REPORTING OF NON-DEBT INSTRUMENTS) REGULATIONS, 2019

OUR COMMENTS: The Reserve Bank of India **vide Notification No. FEMA. 395/2019-RB dated 17.10.2019** has introduced the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.

INTRODUCTION OF THE FOREIGN EXCHANGE MANAGEMENT (DEBT INSTRUMENTS) REGULATIONS, 2019

OUR COMMENTS: The Reserve Bank of India **vide Notification No. FEMA. 396/2019-RB dated 17.10.2019** has introduced the Foreign Exchange Management (Debt Instruments) Regulations, 2019.

INTRODUCTION OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019

OUR COMMENTS: The Reserve Bank of India **vide F.No. 1/140/EM/2015 dated 17.10.2019** has introduced the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

CENTRAL BUREAU OF INVESTIGATION VERSUS ARVIND KHANNA

Brief: Foreign contribution received by the respondent-petitioner.

OUR COMMENTS: In the given case, the impugned order was passed by the High Court for a petition filed under Section 482 Cr.P.C., and recorded findings on several disputed facts and allowed the petition. Defence of the accused was to be tested after appreciating the evidence during trial. The very fact that the High Court, in this case, went into the most minute details, on the allegations made by the appellant-C.B.I., and the defence put-forth by the respondent, led **the Hon'ble Supreme Court** to a conclusion that the High Court has exceeded its power, while exercising its inherent jurisdiction under Section 482 Cr.P.C.

The assessment made by the High Court at this stage, when the matter has been taken cognizance by the Competent Court, was completely incorrect and uncalled for.

The High Court has proceeded on the premise that the appellant has admitted the receipt of foreign contribution from his father Mr. Vipin Khanna, who is an Indian passport holder which was not so. It was a case of the appellant-CBI, that the foreign contributions were received by the respondent from different entities in the foreign country, without permission from the Government. On the other hand, the case of the respondent, in defence, is that he has received such funds from his father Mr. Vipin Khanna.

[Appeal allowed]

FEMA

NOTIFICATION

NOTIFICATION FOR FIXATION OF TARIFF VALUE OF EDIBLE OILS, BRASS SCRAP, POPPY SEEDS, ARECA NUT, GOLD AND SILVER

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No.75/2019-Customs-Non Tariff dated 15.10.2019** has amended the tariff value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver.

IMPOSITION OF ANTI-DUMPING DUTY ON IMPORTS OF FLAT ROLLED PRODUCT OF STEEL, PLATED OR COATED WITH ALLOY OF ALUMINIUM AND ZINC ORIGINATING IN, OR EXPORTED FROM CHINA, VIETNAM AND KOREA

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No.40/2019-Customs-(ADD) dated 15.10.2019** has imposed provisional anti-dumping duty on import of Flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc from China, Vietnam and Korea at specified rate.

THE RATE OF EXCHANGE OF CONVERSION OF EACH OF THE FOREIGN CURRENCIES INTO INDIAN CURRENCY AND VICE-VERSA

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No.76/2019-Customs-(N.T.) dated 17.10.2019** has determined the rate of exchange of conversion of each of the foreign currencies into Indian currency and vice-versa with effect from 18th October 2019.

AMENDMENT TO THE NOTIFICATION NO. 22/2019-CUSTOMS (N.T.) DATED 15TH MARCH 2019

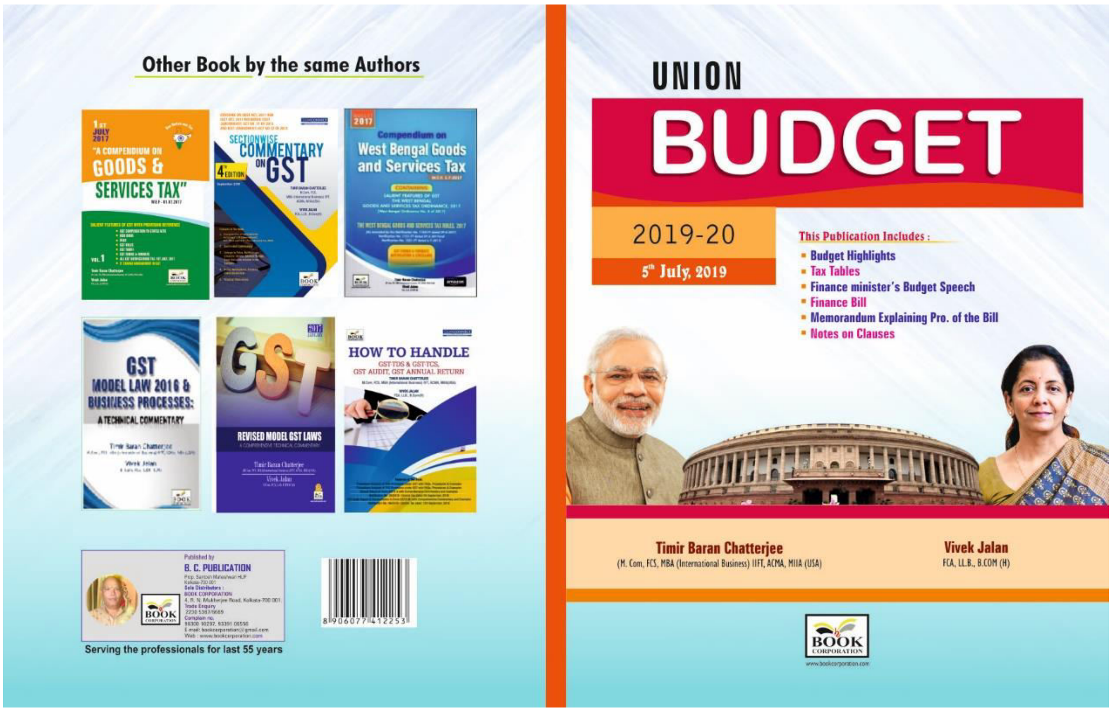
OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Notification No.77/2019-Customs-(N.T.) dated 18.10.2019** has amended the principal notification no. 22/2019-Customs (N.T.) dated 15th March 2019.

INTRODUCTION OF ELIGIBILITY CRITERIA FOR AVAILMENT OF DPD SCHEME

OUR COMMENTS: The Central Board of Indirect Taxes and Customs **vide Public Notice No.93/2019-Customs-(N.T.) dated 11.10.2019** has introduced eligibility criteria for availment of DPD scheme so that reach of DPD could be made maximized.

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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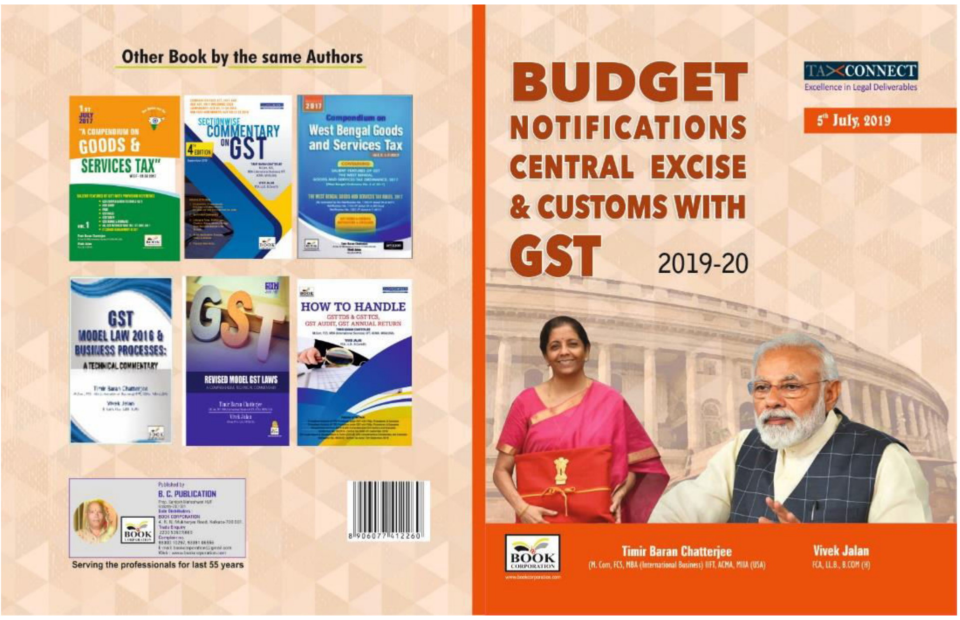
IN STANDS

BUDGET NOTIFICATIONS CENTRAL EXCISE & CUSTOMS WITH GST 2019-20



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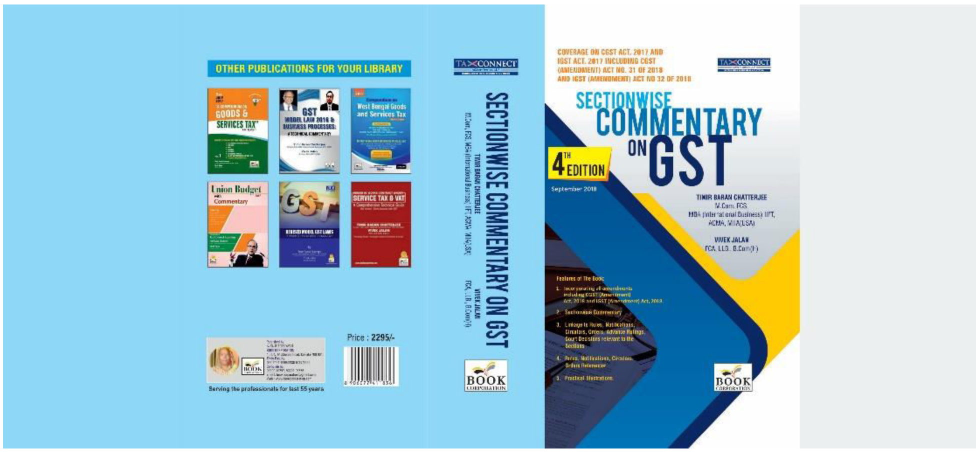
IN STANDS

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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