



"PHIR EK BAAR"
UNION BUDGET
2019

Reviewed By
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BUDGET ANALYSIS

2019-20

BY

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THE BUDGET POINT TABLE

Sr. No.	Particulars	Page No.
(A)	Budget Analysis 2019-20	
	1) Highlights of the Budget	1
	2) Changes in Provisions relating to Business & Profession	3
	3) Changes in Provisions relating to Capital Gains	4
	4) Changes in Provisions relating to Income from other Sources & Salaries	5
	5) Changes in Provisions relating to Carry forward & Set off of Losses & TDS	6
	6) Changes in Provisions of Deductions u/s 80 & Other	7
	7) Change in Provision relating to Corporate Taxation	9
(B)	Changes Made in Interim Budget 2019	10
(C)	Goods & Services Tax (GST)	14
(D)	Custom Duty	
(E)	Service Tax & Sabka Vikas (Legacy Dispute Resolution) Scheme	15
(F)	Current Year Provision	
	1) Tax Structure Rates	19
	2) Provisions relating to Deduction from Total Income	20
	3) Other Deduction u/s VIA	21
	4) Provisions relating to TDS & TCS	23
	5) Provisions relating to Capital Gain	24
(G)	RERA	25

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(A) BUDGET ANALYSIS 2019-20

1. Highlights of The Budget

- ✓ Income tax return can be filed based on the Aadhar, Pan is now not mandatory to file income tax return.
- ✓ NBFC are allowed to record interest on Bad and Doubtful Debts on actual recovery of interest income, this will make uniform reporting across all financial sectors including Banks and NBFCs.
- ✓ Income tax Return made compulsory for few assessee, even if his income is not exceeding the Maximum threshold limit.
- ✓ Transaction entered through Digital payment, or any other digital wallet method is eligible along with transaction made through cheques or drafts.
- ✓ Surcharge increased by 10% to 25% slab wise for income earned by Individual and HUF.
- ✓ Health and Education cess at the rate of 4% shall be computed on aggregate of Income tax and Surcharge.
- ✓ Penalty of Rs. 5000 per day business fails to accept payment through electronic mode or any other digital mode.
- ✓ Startups companies are exempted from transfer of unquoted shares at fair market value.
- ✓ Capital gain exemption from sale of residential house for investment in start-ups extended till 31/03/2021.
- ✓ Income tax on companies shall be 25% if turnover for the F.Y. 2017-18 does not exceed 400 crores.
- ✓ Startups are exempted for carried forward and setoff losses even if there is change in Shareholding more than 51% during the previous year.
- ✓ Capital gain on Buyback of Unquoted Shares at the rate of 20%.



- ✓ Gift given by Indian Resident to Non-Resident person outside India are now taxable.
- ✓ Income of Offshore Banking and Units located in International Financial Service Centre is now eligible for 100% of deduction of income for 10 Years.
- ✓ For obtaining the Trust Registration u/s. 12AA, trust has to comply with the necessary compliance which are pending for the purpose of achieving its objects.
- ✓ Person making payment to Non-resident can deduct lower Tax on the amount payable to the Non-resident where in whole income is not chargeable in India.
- ✓ As per new section 194M, tds at the rate of 5% shall be applicable on the payment made for any service in excess of Rs. 50 Lacs in a year by Individual or HUF who are not audited.
- ✓ As per section 194-IA, buyer is required to deduct TDS at the rate of 1% on the purchase of Immovable property on amount including additional amount in whatsoever name for purchase of such property.
- ✓ Tds will be applicable on Cash Withdrawals in excess of Rs. 1 Crores in a year from bank or post office at the rate of 2% from any saving or current account.
- ✓ Income on Surrender of LIC is taxable u/s. 194DA, tds shall applicable at the rate of 5 Percentage.
- ✓ Additional deduction of Rs. 1.5 Lacs under new section 80EEA on the interest payable for purchase of Residential home.
- ✓ Additional deduction of Rs. 1.5 Lacs on the interest paid for purchase of any Electric Vehicles.
- ✓ Prosecution under section 276CC if tax payable by taxpayer is more than Rs. 10000. Previous threshold limit was Rs. 3000.
- ✓ Income tax refund can be claimed only if ITR is filed within the time limit.
- ✓ Sale Immovable property attached by Income tax for recovery of Tax and penalty shall take place within 7 years of attachment.

2. Changes in Provision Relating to Business and Professions

- ✓ Interest Expenses to Banks and other Financial Institutions is allowed as deduction on actual payment of interest but NBFC were not allowed for benefits of such provision. After amendment even interest paid to NBFC are allowed as deduction on actual payment of interest, and deduction shall not be allowed if interest is paid in any other previous year. *{this provision is applicable from 01st April, 2020}*
- ✓ Amount of Interest outstanding is converted into Loan, than such conversion of Interest in Loan shall not be allowed as deduction from computation of total income.
- ✓ Now even NBFC is allowed to record Interest income on Bad or Doubtful debts in the year in which it is actually received. Major relief in recording Income across all Financial Sector in India. *{this provision is applicable from 01st April, 2020}*
- ✓ Currently income tax return filing is compulsory for every individual if income exceeds the maximum exemption limit. However now amendments are made where is Income Tax return Filing is made compulsory for the following person even if his income does not exceeds the minimum exemption limit. *{this provision is applicable from 01st April, 2020}*
 - Person deposited cash in excess of Rs. 1 Crore in one or more current account maintained with Bank or Co-operative Bank.
 - Has Incurred expenditure in excess of Rs. 2 Lakhs for himself or any other person for travel to a foreign country.
 - Has incurred expenditure in excess of Rs. 1lakhs towards payment of electricity bill.
- ✓ Surcharge Increased for Individual and HUF,
 - If income exceeds Rs. 2Crores but less than 5 Crores, surcharge increased from current 15% to 25%.
 - If income exceeds Rs. 5 Crores but less than 10 Crores, surcharge increased from current 15% to 37%.
 - If income exceeds Rs. 10 Crores, surcharge increased from current 15% to 37%.

- ✓ Health and Education cess at the rate of 4% shall be computed on aggregate of Income tax and Surcharge.
- ✓ Income tax return is made mandatory if total income before claiming capital gain exemption under various section of 54 exceeds the maximum amount not chargeable to tax. *{this provision is applicable from 01st April, 2020}*
- ✓ **PAN is “Adhar” and “Adhar” is PAN**, Quoting of Pan or Adhar is made mandatory for entering any financial transaction which exceeds the threshold limit. *{this provision is applicable from 01st September, 2019}*
 - Person can quote either Pan or Adhar for any monetary transaction.
 - Person can file Income Tax Return with the help of Adhar Card, PAN or xTAN will not be required to file Income Tax Return. Government with single Amendment has issued PAN Card to more than 120 Crores of Indians.
 - Penalty of Rs. 10,000 shall be levied if person fails to receive or authenticate PAN or Adhar and fails to quote PAN or Adhar in specified transactions.
- ✓ Transaction entered through Digital payment, or any other digital wallet method is eligible under section 269SS and 269ST. Previously cheques, draft and electronic system was only eligible for loan taken or given. *{this provision is applicable from 01st November, 2019}*
- ✓ Every person carrying on business, shall provide facility for accepting payment through prescribed electronic modes, if gross receipts exceeds 50 Crores during the immediate preceding previous year. *{this provision is applicable from 01st November, 2019}*.

3. Changes in Provisions relating to Capital Gain

- ✓ Startups companies are exempted from transfer of unquoted shares at fair market value. Shares by such companies can be transferred at any value and provision of section 50CA shall not be applicable. *{this provision is applicable from 01st April, 2020}*
- ✓ Capital gain exemption from sale of residential house for investment in start-ups extended till 31/03/2021.

- ✓ For claiming capital gain deduction u/s. 54GB, investment in Eligible Startup's is increased from 31st March, 2019 to 31st March, 2021 and Minimum holding of 50% of share capital is startup is reduced to 25% of share holding. *{this provision is applicable from 01st April, 2020}*
- ✓ Startups are exempted for carried forward and setoff losses even if there is change in Shareholding more than 51% during the previous year, subject to certain conditions. Carry forward and set off of losses is also allowed in the companies where there is change in share holding pursuant to a resolution plan approved under the IBC. *{this provision is applicable from 01st April, 2020}*

4. Changes in Provisions relating to Income From Other Sources & Salaries.

- ✓ Gift given by Indian Resident to Non-Resident person outside India are now taxable. Currently only Gift given by Resident to Any Resident is taxable under the head Income From Other Source. New Clause is inserted under section 56(2) which levies the tax on Gifts given by Residents to Person outside India. *{this provision applicable from 01st April, 2020}*
- ✓ Income of Offshore Banking and Units located in International Financial Service Centre is now eligible for 100% of deduction of income for 10 consecutive assessment years out of fifteen assessment years.
- ✓ Additional income Tax at the rate of 18% on notional Interest income shall be payable by the Indian associate enterprise for the excess money recoverable from Non-resident associate enterprise which is not repatriated to Indian unit. Additional tax is proposed to be increased by a surcharge at the rate of 12% *{this provision is applicable from 01st September, 2019}*
- ✓ For obtaining the Trust Registration u/s. 12AA, trust has to comply with the necessary compliance which are pending for the purpose of achieving its objects. Commissioner are empower to look into Genuineness of Activity along with compliance of any other law for Granting or Rejecting registration of the Trust. *{this provision is applicable from 01st September, 2019}*

5. Changes in Provision relating to Carry Forward And Set Off Of Losses & TDS

- ✓ Banking company or co-operative society has to provide the information of the person whose Tds are not deducted on the Interest Income earned by certain resident person in form 26QAA, which can be submitted in electronic mode also.
- ✓ During merger if resulting company records the value of the property and the liabilities of the undertaking or undertakings at a value different from the value appearing in the books of account of the demerged company in compliance to the Indian Accounting Standards. *{this provision is applicable from 01st April, 2020}*
- ✓ Assessee shall not be assessee in default if it fails to deduct the Tds on whole or any part if deductees on whose income Tds was liable has paid tax on such income and has included such income in the return submitted under section 139. This provision was previously applicable only to the Resident person but after the amendment this provision will also applicable to the Non-Resident Person also. *[This provision is applicable from 1st September, 2019]*
- ✓ Person making payment to Non-resident can deduct lower Tax on the amount payable to the Non-resident where in whole income is not chargeable in India. *{This provision will be applicable from 1st November, 2019.}*
- ✓ As per new section 194M, tds at the rate of 5% shall be applicable on the payment made for any service, consultancy or professional fees in excess of Rs. 50 Lacs in a year. *{this provision is applicable from 01st September, 2019}*
 - This provision is applicable to Individual and HUF who are not liable to tax audit.
 - TDS deducted under this section can be deposited by using PAN number, person will not require to obtain TAN.

Deductee whose income is liable for TDS under this section can also apply for the lower deduction or no deduction certificate as per section 197.

- ✓ As per section 194-IA, buyer is required to deduct TDS at the rate of 1% on the purchase of Immovable property exceeding amount Rs. 50Lacs. Along with the sale consideration buyer shall deduct TDS on the amount paid for Club Membership Fees, car parking fee, electricity and water facility fees, maintenance fees, advance fee or any other charges which are incidental to transfer of immovable property. *{this provision is applicable from 01st September,2019}*
- ✓ Tds will be applicable on Cash Withdrawals in excess of Rs. 1 Crores in a year from bank or post office at the rate of 2% from any saving or current account. This provision will not applicable for the Central Government, Banks and other institution notified by Government. *{this provision is applicable from 01st September,2019}*
- ✓ Income on Surrender of LIC is taxable u/s. 194DA, tds shall applicable at the rate of 5 Percentage. Amount received from LIC on Maturity or death of person is not taxable but amount on surrender of policy is taxable under Capital Gain. *{this provision is applicable from 01st September,2019}*
- ✓ For Calculation of Interest under section 234A, 234B & 234C Relief under Section 90,90A and 91 shall be eligible for income tax payable by the assessee, along with reduction available for Advance Tax, Tds/Tcs and Mat Credit. *{this provision is applicable Retrospectively from 01st April, 2007}*

6. Changes in Provisions of Deductions & Penalties.

- ✓ Amount withdrawn from NPS is not chargeable to tax as per Section 10 if such amount does not exceed 60% of total amount paid by the person. Previously amount was charged to tax if amount does not exceeds 40%. *{this provision is applicable from 01st April, 2020}*
- ✓ Limit for deduction under 80CCD for contribution made by Central Government employees in pension scheme increased from current 10% to 14%, this will encourage more tax savings investments in National Pension Schemes. *{this provision is applicable from 01st April, 2020}*

Additional deduction of Rs. 1.5 Lacs under new section 80EEA on the interest payable for purchase of Residential home. *{this provision applicable from 01st April, 2020}*

- Loan must be sanctioned by financial institution between April,2019 to March, 2020.
- Stamp value of house property should not exceed Rs. 45Lacs.
- Assessee should not own any residential house property on the date of sanction of loan.

- ✓ New section 80EEB inserted to promote Electric Vehicles, additional deduction of Rs. 1.5 Lacs on the interest paid for purchase of any Electric Vehicles between April,2019 to March,2023. Interest claimed as deduction for purchase of electric vehicles shall not be allowed to claim as expenses under any other heads of income. *{this provision is applicable from 01st April, 2020}*

- ✓ Deduction under 80C is now available to Central Government Employees for investments made under National Pension Scheme. *{this provision is applicable from 01st April, 2020}*

- ✓ Definition of affordable housing was different in Income tax and in GST act, therefore in order to uniform the definition of Affordable Housing, Assessee is eligible for deduction under section 80IBA if Carpet Area is less than 60Sq.Mt in Metropolitan Cities and 90Sq.Mt in other Cities. *{this provision applicable from 01st April,2019}*

- ✓ Prosecution under section 276CC if tax payable by taxpayer is more than Rs. 10000. Previous threshold limit was Rs. 3000.

- ✓ Penalty provisions under section 270A will also be applicable in case no return of income is furnished and even if return is furnished for the first time under section 148. Previously penalty under this section was applicable only in return is not furnished and not to the person who files return under reassessment. *{this provision is applicable from 01st April, 2017}*

- ✓ Income tax refund can be claimed only if ITR is filed within the time limit prescribed under section 139. Without filing of return person is not eligible to claim refund. *{this provision is applicable from 01st September, 2019}*

- ✓ Sale Immovable property attached by Income tax for recovery of Tax and penalty shall take place within 7 years of attachment.

- ✓ New section 271DB is inserted which levies penalty of Rs. 5000 for every day if business fails to accept payment through electronic mode or any other digital mode. *{this provision is applicable from 01st November, 2019}*

7. Changes in Provisions Relating to Corporate Taxes.

- ✓ For the A.Y. 2020-21 Income tax on companies shall be 25% if turnover for the F.Y. 2017-18 does not exceed 400 crores. For the A.Y. 2019-20, tax rate shall be 25% if turnover does not exceed Rs. 250Crores in F.Y. 2016-17.
- ✓ Changes are made in section 115JB of MAT for companies facing Insolvency and Bankruptcy Code. For computing book profit of such company, the aggregate amount of unabsorbed depreciation and loss brought forward shall be allowed to be reduced in the following cases *{this provision is applicable from 01st April, 2020}*
 - The National Company Law Tribunal (NCLT) on a petition moved by the Central Government under has suspended the Board of Directors of such company and has appointed new directors, who are nominated by the Central Government.
 - Changes in shareholding of such company, and its subsidiaries has taken place in a previous year pursuant to a resolution plan approved by NCLT
- ✓ Presumptive taxation scheme under section 44AD at the rate of 6% shall also applicable for the amount received through electronic modes other than bank accounts. *{this provision is applicable from 1st April, 2020}*
- ✓ Section 115QA of the Act provides for the levy of additional Income-tax at the rate of twenty per cent. of the distributed income on account of buy-back of unlisted shares by the company. This section was introduced as an anti-abuse provision to check the practice of unlisted companies resorting to buy-back of shares instead of payment of dividends. 115QA of the Act, pertaining to buy-back of shares from shareholders by companies not listed on a recognised stock exchange, is proposed to be extended to all companies including companies listed on recognised stock exchange. Thus, any buy back of shares from a shareholder by a company listed on recognised stock exchange, on or after 5th July 2019, shall also be covered by the provision of section 115QA of the Act.

B. CHANGES MADE IN INTERIM BUDGET 2019

- ✓ Notional rent shall not be levied upto 2 self occupied home, major relief for individual having two homes.
- ✓ Notional rent shall charged on unsold inventory of builder/developer has been extended to 24 months from current time period of 12months.
- ✓ Deduction of 2 CR. under capital gain for second property u/s 54 can be availed for the purchase of second house property
 - Exemption for second home can be exercised only once in life time.
- ✓ Standard deduction on salary increased from current Rs. 40,000 to Rs. 50,000.
- ✓ Tax exemption u/s. 80IB has been extended till 2020.
- ✓ Limit u/s. 87a rebate has been increased to Rs. 5 lacs, therefore individual is now entitled for rebate of Rs. 12,500.
- ✓ Limit for TDS on bank interest income has been increased to Rs. 40000 from current Rs. 10000.

Limit for TDS on rent increased from current Rs. 1.80 lacs to 2.40 lacs.

C. IMPORTANT PROVISIONS RELETED TO GST

➤ **Composition Scheme Section 10 of CGST Act.**

- ✓ The person who opt to pay tax under composition Scheme may Supply of service for that the value not extending 10% of turnover in preceding financial year or five Lakh rupees whichever is higher. For that the value of supply of services provided by the way of extending deposits, Loans and advances in so far as consideration is represented by way of interest or discount shall not be taken into account for determining the value of turnover.
- ✓ Casual Taxable person and Non-resident taxable person shall not be eligible to opt for Composition scheme.
- ✓ A registered person not eligible to opt Composition Scheme, whose turnover in preceding financial year did not exceeding 50 lakh rupees, may opt to pay in lieu of the tax payable U/s 9(1) an amount calculated at such rate as may be prescribed but not exceeding 3% of Turnover if he is not,
 - Engaged in making any supply of goods or services which are not liveable to tax under this act.
 - Engaged in making any interstate outward supplies of goods and services.
 - Engaged in making any supply of goods or services through an e-commerce operator.
 - A manufacturer of such goods or supplier of such services as may be notified by council.
 - Casual taxable person or non-resident taxable person.
- ✓ For the purpose of Computing aggregate turnover of the person for determining his eligibility to pay tax under composition Scheme, the aggregate turnover shall include the value of supplies made by such person from the 1st day of April of financial year up to the date he become liable for registration under this act, but shall not include the value of exempt supply of service of services provided by way of extending deposit, loans or advances in so far as the consideration is represented by way of interest or discount.

For the purposes of determining the tax payable by a person under composition scheme the expression aggregate turnover shall not include the following supplies.

- Supplies from 1st April of Financial year up to the date when such person become liable for registration.
 - Exempt supply of service provided by way of extending deposits, loans or advances in so far as consideration is represented by way of interest or discount.
- ✓ Government may at the request of Special category of state and recommendation of council enhance aggregate turnover from 20lakh to 40 Lakh (Section 22)

Registration under Section 22 of CGST Act.

- ✓ Every registered person shall undergo authentication or furnish proof of possession of Aadhar Number in such form and manner and within time as may prescribed, if failure to undergo authentication or furnish the proof of Aadhar number , registration allotted to such person shall be deemed to be invalid and other provision of this act shall apply as if such person does not have a registration (Section 25)
- ✓ On the from the date of notification every individual shall in order to be eligible for grant of registration undergo authentication or furnish proof of possession of Aadhar Number
- ✓ If other than individual shall in order to be eligible for grant registration undergo authentication or furnish proof of Aadhar number of Karta, Managing director, whole time director, such number of partner, members of managing committee of association, board of trustee, authorised representative , authority signatory and such class of person
- ✓ A new section 31A is being inserted in the CGST Act so that specified suppliers shall have to mandatorily give the option of specified modes of electronic payment to their recipients.

Returns under Section 39 of CGST Act.

- ✓ Section 39 of the CGST Act is being amended so as to allow the composition taxpayers to furnish annual return along with quarterly payment of taxes; and other specified taxpayers may be given the option for quarterly or monthly furnishing of returns and payment of taxes under the proposed new return system.

- ✓ New provisos are being inserted in sub-section (1) of section 44 of the CGST Act so as to empower the Commissioner to extend the due date for furnishing Annual return (prescribed **FORM GSTR-9/9A**) and reconciliation statement (prescribed **FORM GSTR-9C**).

Payment of tax under Section 49 of CGST Act.

- ✓ New sub-sections are being inserted in section 49 of the CGST Act to provide a facility to the registered person to transfer an amount from one (major or minor) head to another (major or minor) head in the electronic cash ledger.

Interest under Section 50 of CGST Act.

- ✓ Interest shall be payable on Net amount of Tax i.e. after deducting balance of ITC available in Electronic Credit Ledger in respect of supplies made during a Tax period and declared in the return for the said period furnished after the due date. It must be noted that such adjustment of ITC shall not be available where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period.
- ✓ Accordingly, except for proceedings u/s. 73 and 74, in case of delayed filing of returns, Interest shall be payable only on such amount of tax that is paid by way of debiting Electronic Cash Ledger.
- ✓ However, we expect a clarification from Government regarding applicability interest on net amount retrospectively w.e.f. 01-07-2017.

Authority for Advance Ruling under Section 101

- ✓ Government shall constitute an Authority known as the National Appellate Authority for Advance Ruling for hearing appeals made under section 101B of the said Act. Where there is conflict in the advance ruling delivered on the same matter of distinct person by the appellant authorities of 2 or more States; then in such case, any officer authorised by the Commissioner or an applicant, being distinct person referred to in section 25 aggrieved by such advance ruling, may prefer an appeal to National Appellate Authority

D. Changes in Provisions Relating to Custom Duty.

Basic Custom Duty (BCD) has been increased on following Commodities:

- ✓ BCD on Precious Metal like Gold, Silver, platinum is increased to 12.5% (earlier 10%)
- ✓ BCD on Construction Material like, Floor, wall covering or ceramic or ceramic roofing tiles and Automobile Parts like, Glass mirrors, friction material like sheets, rolls, discs, washers, pads is increased to 15% (earlier 10%)
- ✓ BCD on Electrical Equipment like, CCTV camera, IP Camera, DVR is increased to 20% from 15% and duty on Loudspeaker, Optical Fibres Cable, Plastic article is increased to 15% from 10%.
- ✓ BCD on AC indoor and outdoor unit of split is increased to 20% (earlier 10%)
- ✓ BCD on Rubber (Butyl Rubber) is increased to 10% (earlier 5%)
- ✓ BCD on Paper and Paper products like, News prints, Paper used for printing newspapers, magazines is increased to 10% from 0% and on Printed Books, Printed Manuals is increased to 5% from 0%
- ✓ BCD on Flooring Material (Marble Slab) is increased to 40% (earlier 20%)
- ✓ BCD on Cashew nuts, Cashew kernel is increased to 70% (earlier it was higher of 40% or Rs 75 per KG)
- ✓ BCD on petrol and high speed oil is increased to Rs 10 per liter (earlier 8RS per liter) and on petroleum Crude is increased to Rs 1 per tonne (earlier 0%)

BCD has been decreased on the following commodities

- ✓ BCD on Defence Equipment, Medical Devised (Raw material, parts or accessories used to manufacture artificial kidney etc) is now 0%.
- ✓ BCD on leather EI tanned is now 0% earlier it was 15%
- ✓ BCD on hides, skins and leather, tanned and untanned is decreased to 40% earlier it was 60%.

E. Changes in Provisions Relating to Service Tax

- ✓ Services provided or agreed to be provided by the state government by the way of grant of liquor licence against consideration in form of licence fee or application fee or by whatever name it is called are proposed to be exempted from the service tax for during the period commencing from 1st April 2016 and ending with the 30th June 2017

- ✓ Services provided or agreed to be provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme,
 - Two-year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT), conducted by Indian Institute of Management;
 - Fellow programme in Management;
 - Five year integrated programme in Management.

Are proposed to be exempted from service tax for during the period commencing from the 1st day of July, 2003 and ending with the 31st day of March, 2016.

- ✓ Consideration paid in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service, by way of granting of long term lease of thirty years, or more of plots for development of infrastructure for financial business, provided or agreed to be provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 50% or more ownership of Central Government, State Government, Union Territory to the developers in any industrial or financial business area, is proposed to be exempted from Service Tax for the period commencing from the 1st October, 2013 and ending with the 30th June, 2017.

SabkaVishvas (Legacy Dispute resolution) Scheme 2019

- ✓ A dispute resolution scheme called the SabkaVishwas Legacy Dispute Resolution Scheme is being introduced for resolution and settlement of legacy cases of Central Excise and Service Tax.
- ✓ The proposed Scheme covers past disputes of taxes which have got subsumed in GST namely Central Excise, Service Tax and Cesses. All persons are eligible to avail the scheme except a few exclusions including as those convicted under the act in the case for which he intends to make declaration and those who have filed an application before the Settlement Commission.

Key Highlights

- ✓ This Scheme shall be applicable to enactments like Central Excise Act, 1944 or the Central Excise Tariff Act, 1985, Chapter V of the Finance Act, 1994, Central Excise Tariff Act 1985, Many other act such as Agriculture Produce Act, Coffee Act, Rubber Act, Salt Cess Act, Tobacco Cess Act, Sugar Cess Act, Spices Cess Act, Finance Act 2004, 2007, 2015, 2016 etc or any other Act that Central Government may notify in the Official Gazette.
- ✓ The relief available to a following person under this Scheme shall be

SR NO	SITUATION	AMOUNT OF DUTY INVOLVED	RELIEF % OF TAX AMOUNT
1	Where tax dues are relatable to a show cause notice or one or more appeals arising out of such notice which is pending as on the June 30, 2019.	Rs 50 Lakh or less	70%
		More than 50Lakh	50%
2	Show cause notice for late fee or penalty only, and the amount of duty in the said notice has been paid or is Nil.	--	100%
3	Tax dues are relatable to an amount in arrears.	Rs 50 Lakh or less	60%
	When the declarant has indicated an amount of duty as payable in his return but had not paid it.	More than 50Lakh	40%
4	Where the tax dues are linked to an enquiry, investigation or audit against the declarant and the amount quantified on or before the 30th day, 2019.	Rs 50 Lakh or less	70%
		More than 50Lakh	50%
5	Where the tax dues are payable on account of a voluntary disclosure	Any Amount	0%

*Source of this table from Taxman

- Interest and penalty shall be NIL for the above all disputes.

Eligible persons can make a declaration under this Scheme except following:

- ✓ Who have filed an appeal before the appellate forum and such appeal has been heard finally on or before June 30, 2019
- ✓ who have been convicted for any offence punishable under any provision of the indirect tax enactment for the matter for which he intends to file a declaration
- ✓ who have been issued a show cause notice, under indirect tax enactment and the final hearing has taken place on or before June 30, 2019
- ✓ who have been issued a show cause notice under indirect tax enactment for an erroneous refund or refund
- ✓ who have been subjected to an enquiry or investigation or audit and the amount of duty involved in the said enquiry or investigation or audit has not been quantified on or before June 30, 2019
 - a person making a voluntary disclosure after being subjected to any enquiry or investigation or audit; or having filed a return under the indirect tax enactment, wherein he has indicated an amount of duty as payable, but has not paid it
- ✓ who have filed an application in the Settlement Commission for settlement of a case
- ✓ persons seeking to make declarations with respect to excisable goods set forth in the Fourth Schedule to the Central Excise Act, 1944

Any amount paid under this Scheme:

- ✓ shall not be paid through the input tax credit account
- ✓ shall not be refundable under any circumstances
- ✓ shall not be taken as input tax credit and shall not entitle any person to take input tax credit, as a recipient, of the excisable goods or taxable services

Issuance of Statement

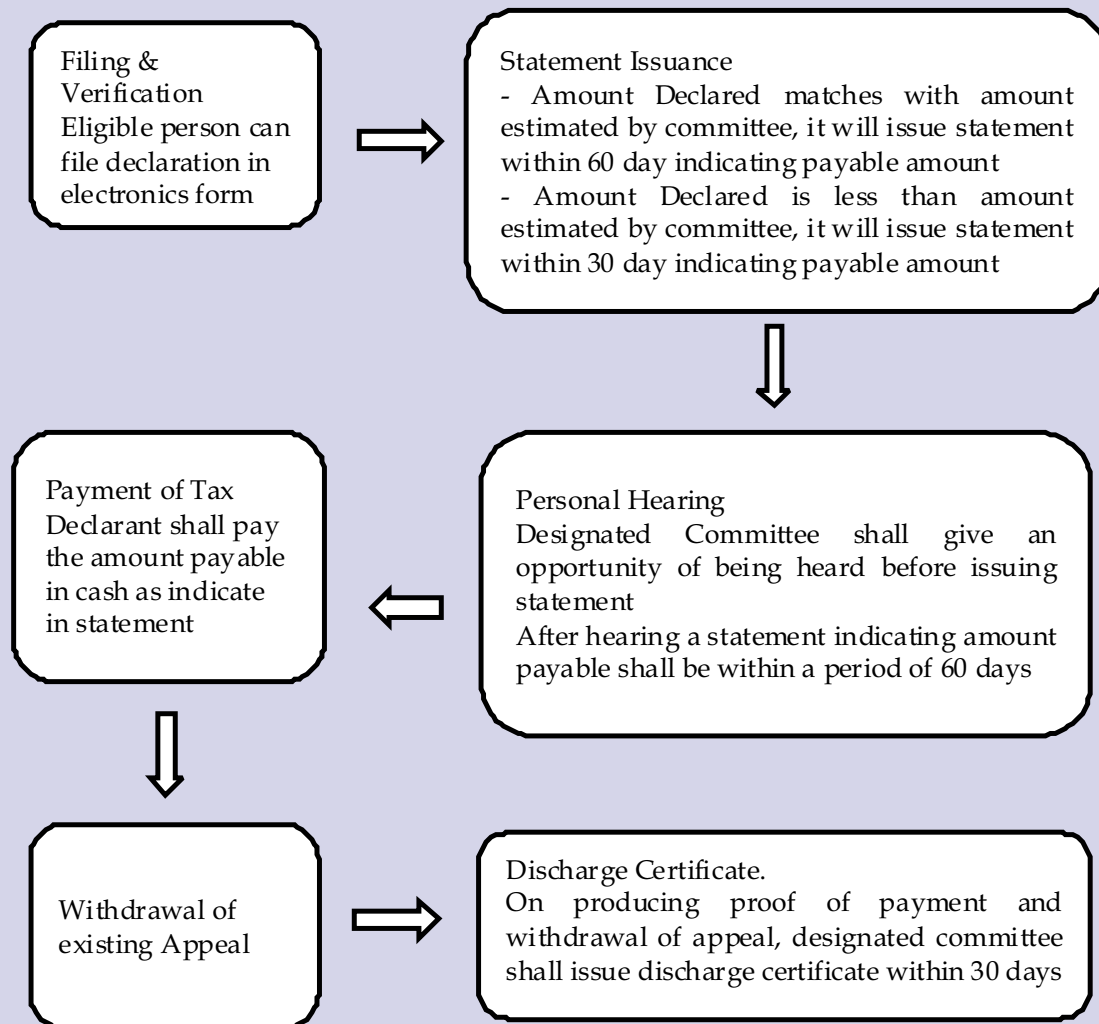
- ✓ Where the amount to be payable by the declarant, as estimated by the designated committee equals the amount declared by the declarant, then the designated committee shall issue a statement in electronic form, indicating the amount payable by the declarant, within a period of 60 days from the date of receipt of the said declaration.

Where the amount to be payable by the declarant, as estimated by the designated committee, exceeds the amount declared by the declarant, then the designated committee shall issue in electronic form, an estimate of the amount payable by the declarant within 30 days of date of receipt of the declaration.

- ✓ The declarant shall pay electronically through internet banking, the amount payable as indicated in the statement issued by the designated committee, within a period of thirty days from the date of issue of such statement.
- ✓ On payment of the amount indicated in the statement of the designated committee, a discharge certificate shall be issued in electronic form within 30 days of the payment.

*Source From Taxman

Flow of Scheme



F. IMPORTANT CURRENT YEAR PROVISIONS for F.Y. 2018-19**1. Tax Rate Structure for the F.Y. 2018-19****➤ Tax Rates for Individual, HUF**

Category	Exemption Limit	5%	20%	30%
Individual/HUF, AOP, BOI	2,50,000	2,50,001 to 5,00,000	5,00,001 to 10,00,000	Above 10,00,000
Senior Citizen (Age 60 to 79)	3,00,000	3,00,001 to 5,00,000	5,00,001 to 10,00,000	Above 10,00,000
Super Senior Citizen (Age Above 80)	5,00,000	NIL	5,00,001 to 10,00,000	Above 10,00,000

Note:-

- If Total Income of Assessee Exceeds 50 Lacs and less than 1 crore additional Surcharge on tax @ 10% will be applicable
- If Total Income of Assessee Exceeds 1 Crore additional Surcharge on tax @ 15% will be applicable
- Additional Education Cess of 3% shall be levied on income tax charged.
- Rebate u/s. 87A of Rs. 2500 for individual if total income is less than Rs. 3.5 Lacs.
- Health and Education Cess will be levied 4%

➤ Other Assesseees

Sr. No.	Total Income	Rate of Tax (%)	Rate of MAT (Base Rate- 18.5%)
1	Tax Rates for Domestic Co. Gross turnover for FY 2016-17 less than `250 Crore		
	Upto `1 Crore	26.00	19.24
	From `1 Crore to `10 Crores (Surcharge 7%)	27.82	20.59
	Exceeding `10 Crores (Surcharge 12%)	29.12	21.55
2	Tax Rates for Domestic Co. Gross turnover for FY 2016-17 `250 Crore or more		
	Upto `1 Crore	31.20	19.24
	From `1 Crore to `10 Crores (Surcharge 7%)	33.38	20.59
	Exceeding `10 Crores (Surcharge 12%)	34.94	21.55
3	Tax Rates for Foreign Co. - Base Rate 40%		
	Upto `1 Crore	41.60	19.24
	From `1 Crore to `10 Crores (Surcharge 2%)	42.43	19.62
	Exceeding `10 Crores (Surcharge 5%)	43.68	20.20
4	Tax Rates for Others - Base Rate 30%		
	Firms/LLP's/Local Authorities		
	Upto `1 Crore	31.2	19.24
	Above `1 Crore (Surcharge 12%)	34.94	21.55

1. Tax Audit Limit for Business and Profession.

Particulars	Business			Professional	
	Section 44AD/ADA	Section 44AB	Section 44AE	Section 44AD/ADA	Section 44AB
Audit Not Required	Turnover is less than 2 Crores & Net Profit is 8% of turnover or more	Turnover is less than 1 Crore	Less than 10 Vehicles & ` 7500 per month/part of month irrespective of vehicle capacity	Gross Receipts less than 50 Lacs & Net Profit is 50% of Gross Receipts or more	Gross Receipt is less than 50 Lacs
Audit Required	Turnover Exceeds 2 Crores & Profit is less than 8% of Turnover	Turnover is more than 1 Crore	10 or more vehicles OR Income is less than ` 7500 per month/per vehicle	Gross Receipts More Than 50 Lacs & Net Profit is less than 50% of Gross Receipts	Gross Receipt is more than 50 Lacs

2. Provisions relating to Deduction from Total Income

- following investments are allowed as deduction from total income of Individual and HUF upto maximum of ` 1,50,000/- (Sec. 80C, 80CCC & 80CCD)

Nature of Investment	Applicability
Life Insurance Premium.	For Individual/HUF, payment should be made in the name of following persons: ✓ Individual / Spouse / Any child Premium paid to the extent of 10% of Sum Assured qualify for the deduction
Any payment for statutory or recognized provident fund	For Individual only.
Any payment in Public Provident Fund (PPF)	For Individual/HUF, payment should be made in the name of following persons: ✓ Individual / Spouse / Any child.
Investment in National Saving Certificate (NSC)	For Individual and HUF
Investment in Mutual Fund	For Individual and HUF Subscription to the notified units of any mutual fund covered u/s. 10(23D) shall be allowed as deduction
Tuition Fees.	For Individual only ✓ Expenses allowed for any two children of the Individual ✓ It is for full time education, paid to any school, college, university or other eligible institution ✓ Donation or development fees are not

Repayment of Housing Loan	For Individual and HUF
Investment in Term Deposit	For Individual and HUF. ✓ For a fixed period of not less than 5 years with a schedule bank in accordance with the scheme notified by the central government
Investment In ✓ Specified Bonds Issued by NABARD ✓ Certain Pension Fund/Notified ✓ Time Deposit under Post Office (5 Year)	For Individual only
Deposit in SukanyaSamruddhi Account	For Individual and HUF
Investment in Infrastructure Bonds as notified	For Individual and HUF
Account under Senior Citizen Saving Scheme 2004 (SCSS)	For Individual only
Any sum paid as subscription to any Scheme ✓ Company engaged in providing long term finance for houses in India. ✓ Housing Board Constituted in India ✓ for the purpose of Development of cities/town	For Individual and HUF

1. **Following Other Deductions are available under Schedule - VIA**

80CCD (1B)	Additional Deduction for Contributed to NPS (<i>Note: Deduction Over and above 80 /CCC/CCD of ₹1,50,000)(Subject to Maximum 10% of Salary of Employee)</i>)	Up to ₹ 50,000
80D	Medical Insurance ✓ Individual/Senior Citizen Preventive Health Check up	₹ 25,000/50,000 ₹ 5000
80DD	Medical Treatment(handicapped) ✓ Permanent Disability/Severe Disability (<i>Note:- Very Senior citizens above the age of 80 years, who are not covered by health insurance to be allowed deduction of ₹30,000 towards medical expenditure)</i>)	₹ 75,000/1,25,000
80DDB	Medical Expenditure Specific Diseases ✓ Non Senior Citizen ✓ Senior Citizen/Super Senior Citizen	₹ 40,000 ₹ 1,00,000
80E	Interest on Loan for Higher Studies	Actual Interest on Loan
80EE	Deduction on Interest on Housing Loan (Single Home) (<i>Note:- Loan amount is below 35 Lacs, year of Loan sanctioned is FY 2016-17 only)</i>)	₹ 50,000
80G	Deduction for Donation up to either 100% or 50% With/Without restriction of 10% of adjusted GTI (<i>Note:- Donation made in cash amounting to ₹ 2000 or more will not be allowed as a deduction.</i>)	Depending upon type of donation

80GG	Deduction on House rent Paid.	Lower of:- ✓ Rent Paid Less 10% of Total Income. ✓ `5,000 Per Month ✓ 25% of Total Income
80GGA	Donation to scientific research or rural development	Actual Amount
80GGB	Deduction of Contribution to Political Parties or Electoral Trust by Companies.	Actual Amount
80GGC	Deduction of Contribution of Political Parties or Electoral Trust by Individuals.	Actual Amount
80TTA	Deduction of Interest on Saving A/c	`10,000
80TTB	Interest from banks/post office (including FD Interest)	`50,000
80RRB	Income Received by way of Royalty in Respect of Patent.	`3,00,000/- or income Received whichever is less
80QQB	Income Received By way of Royalty or Copyright.	`3,00,000/- or income Received whichever is less
80U	Deduction for Disabled Person Physical Disability / Severe Disability	`75,000/1,25,000

Note:-

- ✓ For person having income under Salaries, Standard deduction of ` 40,000 will be allows. However, the exemption of Transport allowance amounting to ` 1600 p.m. and Medical reimbursement of ` 15000 is not allowed from AY 2019-20 onward
- ✓ All income based deduction as per section 80H to 80RRB shall be allowed only if return is filed within the time limit. It excludes the deduction claimed u/s 80C to 80GGC, same can be claimed if return is not filed in time.
- ✓ Sec 80IAC provides 100% deduction of income to the Eligible Start-up Companies for 3 assessment year. Eligible Start-up shall be companies or LLP incorporated between 01/04/2019 to 31.03.2021.
- ✓ Deduction u/s 80JJA allowed to the manufactures who employ new employee for a minimum period of 240 days during the year. Deduction shall be allowed to the manufacturer even if employee hired in last year continue to remain in employment in current year for more than 240 days (for apparel, footwear and leather industries employment is required for 150 days. The deduction is allowed 30% of additional employment cost.
- ✓ Sec 80PA Where producer Company is exempt from 100% of income Tax for income accrued from marketing agriculture produce grown by its member. Benefit of exemption will be available from 01.04.219 and same will continue to exempt up to 1.04.2025
- ✓ Sec 54GB provides exemption for long term capital gain on sale of residential house, if the net consideration is invested in subscription of equity shares of Eligible Start-up Companies.

1. Rates & Exemption limit of TDS

Sec	Nature of Payments made to resident	Threshold Limit	Company Firm	Individual HUF
192A	Pre Mature withdrawal from EPF	50000	10	10
192B	Salary (Other than Government Employee)	-	-	As per Slab Rates after providing Deduction of Chapter VI A
194	Deemed Dividends	2500	10	10
194A	Interest paid by Banks/Post Office* Interest paid by Others	10000 5000	10 10	10 10
194B	Winning from lotteries / Crossword Puzzle	10000	30	30
194BB	Winnings from horse race	10,000	30	30
194C	Payment to Contractors/ Advertisement/ Transporter**:- ✓ Single transaction ✓ Aggregate during FY	30000 100000	2 2	1 1
194D	Insurance commission	15000	5	5
194DA	Maturity of Insurance Policy	100000	1	1
194F	Repurchase units by MFs	-	20	20
194G	Commission – Lottery	15000	5	5
194H	Commission/ Brokerage	15000	5	5
194I	Rent Land / Building Rent Plant/ Machinery	180000# 180000#	10 2	10 2
194IA	Transfer of Immovable Property , other than Agriculture Land	50,00,000	1	1
194IB	Rent payable by an individual/HUF not covered u/s 194I (w.e.f. 01.06.2017)	50000 p.m.		
194IC	Payment of consideration (not in kind) under joint development agreement (w.e.f. 01.04.2017)	-	10	10
194J	Professional Fees Director fee Payment to person engaged in the business of call centre (w.e.f.01.06.2017)	30000 - 30000	10 10 2	10 10 2
194LA	Compensation on Property other than Agriculture Land	250000	10	10

*TDS is required to be deducted if Interest received by Senior Citizen from bank/Co op Society/Post Office exceed ` 50,000

** TDS is not be deducted if Transport owing ten or less than ten goods carriage with Pan.

No TDS even if payment made exceeds `180000 provided landlord furnishes a self-declaration in prescribed Form 15G/15H to the payer (w.e.f 1.06.2016)

2. Provision Relating to Capital Gain

Particular	Short Term Capital Gain	Long Term Capital Gain
Sale transactions of equity shares/unit of an equity oriented fund which attract STT	15%	10%*
Sale Transaction Other Than Above mentioned		

Non-resident Individual	Slab rate	Listed - 20% Unlisted - 10%
Resident Individual	Slab rate	20% with indexation
Firm Including LLP (resident and non-resident)	30%	10% without
Resident Companies	30%	Indexation
Overseas financial organizations specified section 115AB	40% (corporate) 30% (Non-Corporate)	10%
FII's	30%	10%
Other Foreign Companies	40%	20%/10%
Local Authority	30%	20% with indexation
Co-operative Society	Progressive slab Rate	10% without Indexation

* For AY 2019-20 onwards, if the amount of Long Term Capital Gain (including LTCG on Units of Mutual Fund) in a year exceeds ₹ 1,00,000 the exceed amount above ₹ 1,00,000 is taxable at the rate of 10%

Note:-

- ✓ Unlisted shares of Company would be treated as short term capital assets if it is held for a period of 24 months or less immediately preceding the date of his transfer
- ✓ Long term capital on sale of listed mutual funds (other than equity oriented funds) will be taxed at the flat rate of 20%.
- ✓ The cost of acquisition of shares would be Higher of :-
 - I. Actual cost at which share are bought and
 - II. Lower of following
 - a. Highest price of securities as on 31.1.2018 and,
 - b. Full value if consideration

Example:

If Mr X has Sale of 15000 equity shares of ABC Listed Company in different situations

(a) Sale Date	(b) Purchase Date	(c) Purchase Price	(d) Highest price as on 31.1.18	(e) Sale Price	(f) Lower of (d & e)	(g) Cost of Acquisition for LTCG Higher of (c & f)	(h) LTCG
01.02.2018	31.1.2017	100	90(ignore)	110	100	100	0
31.03.2018	01.04.2017	100	90	110	90	100	150000*
31.03.2018	or earlier	100	110	104	104	104	0
31.03.2018		100	107	107	107	107	0
31.03.2018		100	60	160	60	100	900000*
31.03.2018		100	60	60	60	100	(600000)

*Tax @ 10% on LTCG in excess amount above ₹ 1,00,000

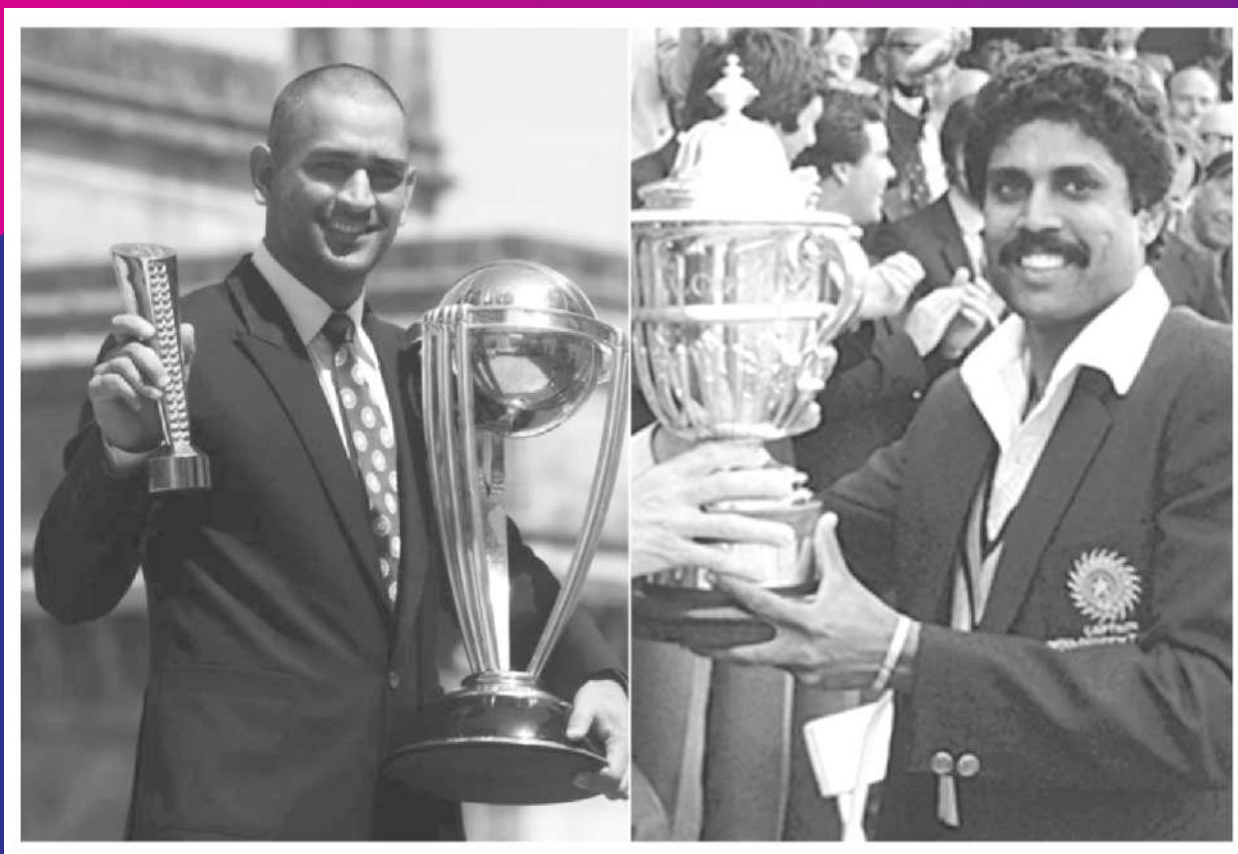
G.RERA

GujRERA Bank Account Direction 2018 in a nutshell

General	The RERA Bank Account shall be No Lien Account . Withdrawals from such account shall be in accordance with the provisions of Act, Rules, Regulations and Directions as issued by GujRERA
	The amount withdrawn from RERA Bank Account shall be utilized for the completion of Same Real Estate Project.
Account Opening	RERA Bank Account is to be maintained for each of the registered project of the Promoter and shall be opened before registration of the project in GujRERA
	It shall require to suffix the term " RERA Account for (name of the project) Real Estate Project " with the name of the RERA Account Holder.
Deposits in Account	The Promoter shall deposit seventy percent of the amount collected from Allottees in RERA Bank Account (other than pass through charges).
	The Promoter shall deposit hundred percent of the amount collected from Allottees in RERA Bank Account (other than pass through charges), if estimate cost to complete the project is higher than estimate value of sales
	The money lying in the RERA Bank Account can be put in fixed deposits with the bank operating the RERA Account provided it is a ' No Lien Fixed Deposit ' and no loan can be obtained against or on such Fixed Deposit nor any charge can be created on such Fixed Deposit.
Withdrawal from Account	The Promoter shall be required to follow the following procedure for every withdrawal from RERA Account till the project is completed :
	As per the second proviso to section 4(2)(1)(D) of the Act which provides that the amounts from the RERA Account shall be withdrawn by the promoter after it is certified by an architect (Form 1), an engineer (Form 2) and a chartered accountant (Form 3), that the withdrawal is in proportion to the percentage of completion of the project.
	On completion of the project , the entire balance amount lying in the RERA Account can be withdrawn by the Promoter on the basis of submission of necessary certificates and due project completion compliances including submission of end quarter data.
Change in RERA Bank Account	The promoter may change the RERA Account from one Bank to another Bank only with the prior approval of the GujRERA
	For RERA Account change request, Promoter has to make written application along with necessary documents, viz RA1, RA2, RA3 & RA4

Real Estate Agent Important provision under GujRERA

1	Every Real Estate Agent shall get himself/herself registered under GujRERA for the units being sold in the real estate project registered under GujRERA.	
2	Penalty : If Real Estate Agent fails to obtain registration under Guj RERA , shall be liable for the penalty of Rs. 10,000 for every day during which such default continues, which may be cumulatively extend upto 5% of the cost of unit for which the sale or purchase has been facilitated as determined by Guj RERA Authority.	
3	Application for registration of Real Estate Agent shall be done online.	
4	Application Fees for Registration is as follows :	
	• For Individual	Rs.10,000/-
	• Other Than Individual (Partnership Firm, Company, etc)	Rs.50,000/-
5	The registration is valid for period of 5 Years, thereafter Real Estate Agent shall get the registration renewed again for the period of 5 Years.	
6	Renewal Fees is as follows :	
	• For Individual	Rs.5,000/-
	• Other Than Individual (Partnership Firm, Company, etc)	Rs.25,000/-
7	Real Estate Agent after getting registration, need to file half yearly return on GujRERA Portal.	
8	Documents required for Real Estate Agent Registration:	
	• Applicant passport size photograph	
	• Copy of self certified Aadhar Card	
	• Copy of self certified PAN card	
	• ITR - Last 3 Years	
	• Address Proof - Office	



The Hunger to Win must not Die...
The Appetite has to remain Big

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