

25th year of Publication

THE UNION BUDGET

2018-19

- An Analysis



Bombay Chartered Accountants' Society

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About the Cover

Annual Budgets are good management and governance tools used by organisations since time immemorial. This includes governments too. In current times, playing with history can get controversial and contentious. But let's be bold and take a risk. Let's imagine a Budget speech in Akbar's Darbar. Further imagine Birbal being entrusted the responsibility of doing the honours. He has the onerous task of performing a balancing act. Presenting the emperor's mega vision not knowing where the required resources will come from. Attempting to cover welfare for all. Talking about successes convincingly and without sounding boastful.

In today's times even Birbal's wits would be challenged. Such a vast and diverse demographic spread. The task isn't just to drive the economy fast on low fuel but also to make structural changes to the vehicle on the go! Not an envious job.

Did the FM succeed? Did he manage to make everyone happy? Those who are disappointed, are they political detractors or perpetually disgruntled lot or are they genuinely aggrieved? Was the opposition dignified or were the opposition benches empty on depleted strength? Are there concrete plans for all projects or will these be cooked like Birbal's famous khichdi?

Time will tell in the future but for now there's hope, belief and faith. Faith not just on the emperor but on the populace.

Cover Concept : Naushad Panjwani

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Published by **Narayan Pasari**, President
Bombay Chartered Accountants' Society
7, Jolly Bhavan No. 2, Ground Floor, New Marine Lines, Mumbai – 400 020
T : +91 22 6137 7600 | E : bca@bcasonline.org | W : www.bcasonline.org
BCAS WhatsApp : 8291774998 | E-Journal : www.bcajonline.org
E-learning : www.elearning.bcasonline.org

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The Union Budget 2018-19

– Analysis of Important Amendments

Contributors		
DIRECT TAXES		
Arvind Dalal	Pinakin Desai	Rajan Vora
Kishor Karia	Shariq Contractor	Gautam Nayak
Sanjeev Pandit	Rajesh Kothari	Ameet Patel
Anil Doshi	Bhadresh Doshi	Bhavik Dholakia
Devendra Jain	Ganesh Rajgopalan	Hardik Mehta
Jagdish Punjabi	Jhankhana Thakkar	Namrata Dedhia
Saroj Maniar	Shreyas Shah	Shweta Ajmera
Siddharth Banwat		
INDIRECT TAXES		
Puloma Dalal	Jayesh Gogri	Hasmukh Kamdar
Sunil Gabhawalla		

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DIRECT TAXES

- All amendments proposed in the Finance Bill, 2018 would be effective from Assessment Year 2019-20 unless specifically mentioned otherwise.
- In this booklet, all proposals of the Finance Bill, 2018 are referred to as if the amendments have been actually made, except in a few cases.
- Unless otherwise specified, the reference to the words “the Act” used is to the Income-tax Act, 1961.

1. Tax Rates

Income Tax rates

There are no changes in tax rates or tax slabs in case of non-corporate taxpayers. The tax rate for small and medium-sized domestic companies having annual turnover or gross receipts up to ₹ 250 crore in FY 2016-17 have been reduced to 25%. There is no change in the rates of surcharge. Marginal relief will remain the same. For the other domestic companies, 30% tax rate continues unless the company opts for section 115BA (which provides 25% tax rate) and satisfies the conditions of that section.

A new cess named “Health and Education Cess” @ 4% is introduced and the existing Education Cess (2%) and Secondary and Higher Education Cess (1%) have been discontinued.

There is no change in the rebate under section 87A.

Thus, the effective maximum marginal tax rates (including surcharge and cess) for AY 2019-20 will be as under:

Person	Total Income (₹)			
	Up to ₹ 50 lakh	Above ₹ 50 lakh up to ₹ 1 crore	Above 1 crore & up to ₹ 10 crore	Above ₹ 10 crore
Individuals, HUF etc.	31.2%	34.32%	35.88%	35.88%
Firms	31.2%	31.2%	34.944%	34.944%
Domestic Companies With total turnover/gross receipts in FY 2016-17 not exceeding ₹ 250 crore	26%	26%	27.82%	29.12%
Other Domestic Companies	31.2%	31.2%	33.384%	34.944%
Foreign Company	41.6%	41.6%	42.432%	43.68%

Notes:

- i. Tax rate on long term capital gains arising on transfer of long term equity shares, etc. as specified under section 112A will be 10% plus applicable surcharge and cess. Similar rate is applicable to Foreign Institutional Investors as provided in the amended sec. 115AD.
- ii. Surcharge will continue to apply @ 2% of tax while deducting tax at source from payments made to a foreign company in case payment exceeds ₹ 1 crore but is less than ₹ 10 crore and @ 5% if payment exceeds ₹ 10 crore.
- iii. In case of foreign companies and other non-residents the tax deducted at source will continue to be at the applicable rate plus surcharge and cess.
- iv. There is no change in rate of Minimum Alternate Tax (MAT) as compared to last year in case of companies.
- v. Alternative Minimum Tax (AMT) in case of a unit located in an international financial services centre has been reduced from 18.5% to 9% plus applicable surcharge and cess.
- vi. Income distributed to unit holders of equity oriented mutual funds will attract distribution tax as provided in section 115R at the rate of 10% plus applicable surcharge and cess.
- vii. Deemed dividend under section 2(22)(e) will attract DDT @ 30% plus applicable surcharge and cess.

Commodities Transaction Tax (CTT) rates

CTT has been introduced on sale of options. There is no change in tax rate for commodity derivatives. The rates at a glance are as under.

Sr. No.	Taxable Commodities Transaction	Rate	Payable by
1	Sale of a commodity derivative	0.01%	Seller
2	Sale of an option on commodity derivative	0.05%	Seller
3	Sale of an option on commodity derivative, where option is exercised	0.0001%	Purchaser

2. Salaries

Salaries - section 16 & 17

After being omitted by Finance Act 2005, Standard Deduction from salaries has now been reintroduced. Income chargeable under the head "Salaries" would be entitled to a standard deduction of ₹ 40,000/-. This benefit is also available in respect of pension.

As against the above, the exemption of prerequisites in respect of reimbursement of medical expenditure incurred up to ₹ 15,000 is withdrawn. The exemption of transport allowance up to ₹ 1,600 per month as notified in Rule 2BB will also be withdrawn as mentioned in paragraph 151 of the Finance Minister's Speech. An amendment to the Income Tax Rules, 1962 to that effect is expected to be notified.

This amendment reduces the compliance burden of providing and maintaining records relating to medical expenditure incurred by employees.

3. Profits and Gains of Business or Profession

Validation of ICDS notified under section 145 [section 36(1) (xviii) / 40A(13) / 43AA / 43CB / 145A / 145B]

The Delhi High Court, in *Chamber of Tax Consultants vs. Union of India (2017) 252 Taxman 77*, had struck down some of the Income Computation and Disclosure Standards (ICDS) fully and read down some of the ICDS partially holding them to be contrary to the judicial precedents or provisions of the Act. In order to remove such conflicts, the following amendments have been made in the Act. All these ICDS related amendments are applicable retrospectively with effect from AY 2017-18.

(i) **Marked-to-market / expected loss – Section 36(1)(xviii) / 40A(13)**

A new clause (xviii) has been inserted in section 36(1) to provide for deduction of marked-to-market loss or other expected loss as computed in accordance with the ICDS. Further, a new sub-section (13) is inserted in Section 40A, to provide that no deduction/allowance of any marked-to-market loss or other expected loss shall be allowed, except those which are allowable as per the provisions of section 36(1)(xviii).

(ii) **Taxation of foreign exchange fluctuation – Section 43AA**

Section 43AA has been introduced to provide that any gain or loss arising on account of any change in foreign exchange rates shall be treated as income or loss, as the case may be. Such gain or loss

shall be computed in accordance with ICDS and shall be in respect of all foreign currency transactions, including those relating to –

- a. Monetary items and non-monetary items
- b. Translation of financial statements of foreign operations
- c. Forward exchange contracts
- d. Foreign currency translation reserve

The provisions of this section are subject to the provisions of section 43A.

(iii) Computation of profits and gains from a construction contract / contract for providing services – Section 43CB

Section 43CB has been introduced to provide that –

- a. Profits and gains arising from a construction contract shall be determined on the basis of percentage of completion method in accordance with ICDS notified under section 145(2);
- b. In respect of contract for providing services –
 - i. Where the duration of contract is not more than 90 days, profits and gains from such service contract shall be determined on the basis of project completion method;
 - ii. Where the contract involves indeterminate number of acts over a specific period of time, profits and gains from such contract shall be determined on the basis of straight line method;
 - iii. Which is not covered by (i) or (ii) above, profits and gains from such service contract shall be determined on percentage of completion method in accordance with ICDS notified under section 145(2).
- c. Contract revenue shall include retention money and accordingly retention money will be considered for above purposes. Contract costs shall also not be reduced by any incidental income in the nature of interest, dividend or capital gains.

(iv) Valuation of Inventory – Section 145A

The valuation of inventory shall be made at lower of actual cost or net realisable value computed in accordance with the ICDS. In case of securities held as inventory, it shall be valued as follows:

Type of Securities	Method of Valuation
Securities not listed on a recognised stock exchange or listed but not quoted on a recognised stock exchange with regularity from time-to-time	At actual cost initially recognised in accordance with the ICDS
Securities listed and quoted on a recognised stock exchange with regularity from time-to-time	At lower of actual cost or net realisable value in accordance with the ICDS; The comparison of actual cost and net realisable value shall be made category-wise

(v) Extension of inclusive method to services – Section 145A

Section 145A currently provides for inclusion of the amount of any tax, duty, cess or fee actually paid or incurred by the assessee to bring the goods to the place of its location and condition as on the date of valuation of purchase and sale of goods and inventory. This section has been substituted by new section 145A.

Substituted section 145A retains the above provision and also extends it to valuation of services. Therefore, services are required to be valued inclusive of taxes which have been paid or incurred by the assessee.

(vi) Year of taxability of certain income – Section 145B

ICDS provides for taxability of certain incomes even before they have accrued. In order to validate such provisions of ICDS, the corresponding provisions have also been incorporated in section 145B as follows:

Type of Income	Previous year in which it shall be taxed
Any claim for escalation of price in a contract or export incentives	Previous year in which reasonable certainty of its realisation is achieved
Income referred to in section 2(24)(xviii) i.e., subsidy, grant etc.	Previous year in which it is received, if not charged to tax in any earlier previous year

Compensation on termination or modification of any terms of the contract of business – Section 28(ii)(e)

Any compensation or other payments, whether revenue or capital, due to or received by an assessee on termination of a contract relating to its business or on modification of any terms and conditions of such contract, will now be taxed as business income.

Conversion or treatment of stock-in-trade into capital asset-Section 28(via), section 2(24)(xiia), section 49(9) and Explanation 1 to Section 2(42A)

Provisions relating to chargeability arising on conversion of a capital asset into stock-in-trade have been provided in section 45(2). However, there is no provision for taxation dealing with conversion or treatment of inventory into capital asset. Hence a new clause (via) has been inserted in section 28. The clause provides that fair market value (FMV) of inventory as on the date on which it is converted into, or treated as, a capital asset shall be chargeable under the head 'Profits and Gains of Business or Profession'. The manner of determining FMV shall be prescribed by CBDT by way of rules. A new sub-clause (xiia) has been inserted in the definition of 'Income' under section 2(24) so as to treat the FMV of such inventory as income. Thus, effectively the difference between the FMV of such inventory and its carrying amount will give rise to notional business income.

Once the inventory is converted into or treated as capital asset, the subsequent transfer will attract provisions of capital gains. A new sub-clause (ba) has been inserted in clause (i) of Explanation 1 to Section 2(42A) to provide that period of holding of such capital asset shall be reckoned from the date of conversion or treatment of such inventory into capital asset. Further, sub-section (9) has been inserted in section 49 to provide that the FMV which was considered as business income at the time of conversion into or treatment as capital asset [i.e., the amount taken for the purpose of section 28(via)] shall be deemed to be the cost of acquisition of such capital asset.

Full value of consideration for transfer of assets etc. – Sections 43CA, 50C and 56(2)(x)

Presently, Section 43CA(1) provides that in case of transfer of any land or building or both, held as stock-in-trade, for the purposes of computing profit and gains from transfer of such stock-in-trade, the value adopted or assessed or assessable by the stamp valuation authority ("Stamp Duty Value") shall be deemed as consideration, if it is more than the actual consideration.

Section 50C provides that in case of transfer of any land or building or both, held as capital asset, for the purposes of computing capital gains from transfer of such capital assets, the stamp duty value shall be deemed as consideration, if it is more than the actual consideration.

Section 56(2)(x) provides that in case of any person receiving any immovable property on or after 1-4-2017, for a consideration less than stamp duty value of such property by an amount exceeding ₹ 50,000/-, such excess of stamp duty value over the consideration shall be charged to tax as Income from Other Sources.

To minimise hardship in case of such transactions, it is now provided that where the stamp duty value does not exceed the consideration received or accruing by more than 5% of such consideration (and ₹ 50,000 in case of section 56(2)(x)), the consideration received or accruing shall be deemed to be the full value of consideration.

Further, section 43CA(3) and (4) also provides that where the date of agreement and the date of registration of such transfer is not the same, the value assessable by the stamp valuation authority on the date of the agreement shall be taken if the amount of consideration or part thereof has been received by 'any mode other than cash' on or before the date of agreement. It is now provided that the consideration or part thereof has to be received by way of an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account. In this respect, now this section is brought at par with section 50C and section 56(2)(x).

Taxability of trading in agricultural commodity derivatives – Section 43(5)

Currently, section 43(5) considers a transaction of trading in commodity derivatives as non-speculative if it is carried out on a recognised association and is chargeable to Commodities Transaction Tax (CTT). However, CTT is not applicable to trading of agricultural commodity derivatives.

The provision is now amended to provide that in case of trading in agricultural commodity derivatives, the condition of chargeability to CTT shall not be applicable.

Business of plying, hiring or leasing goods carriage – Section 44AE

Presently, as per section 44AE, in the case of an assessee who carries on the business of plying, hiring or leasing goods carriages and who owns not more than 10 goods carriages at any time during the year, the income shall be deemed to be ₹ 7,500/- from each goods vehicle for every month or part of the month during which such goods vehicle is owned by the assessee in the previous year or such higher sum as claimed to have earned by assessee in return of income.

However, the present provisions do not provide for presumptive income rates based on capacity of vehicles. Section 44AE(2) has been substituted to provide that in respect of heavy goods vehicles (gross vehicle weight more than 12,000 kilograms) the presumptive income under section 44AE of the Act shall be computed at the rate of ₹ 1,000 per tonne of gross vehicle weight or unladen weight as the case may be, for every month or part of the month or an amount claim to have been earned, whichever is higher. In case of vehicles other than heavy goods vehicles the presumptive income shall remain unchanged.

It has been further provided that the expressions “gross vehicle weight” and “unladen weight” shall have the respective meanings assigned to them in section 2 of the Motor Vehicles Act, 1988.

4. Capital Gains

Restriction on scope of exemption of gains from long term capital assets upon investment in certain bonds – Section 54EC

Under the existing provisions of section 54EC, capital gain arising from the transfer of a long-term capital asset invested in a long-term specified asset at any time within a period of six months after the date of such transfer, shall not be charged to tax, subject to certain conditions (including the limit of ₹ 50 lakh) specified in the section.

Section 54EC has been amended to restrict the application of the exemption only in respect of long term capital gain arising from the transfer of land or building or both. Thus, the capital gains arising from the transfer of any other long term capital asset will no longer qualify for exemption under the amended section.

Further, the bonds specified in the section issued on or after 1st April 2018 will be redeemable after five years, instead of the present three years.

Exemption in respect of long term capital gains on sale of listed equity shares, etc. – 4th Proviso to Section 10(38)

Section 10(38) exempts long term capital gains arising on transfer of equity share in a company or unit of an equity oriented fund or a unit of a business trust, subject to fulfilment of certain conditions.

This exemption will now not be available in respect of the income earned from transfer of above mentioned assets which is undertaken on or after 1st April, 2018.

Computation of tax on long term capital gains in respect of listed equity shares, etc. – Section 112A

Section 112A has been introduced to provide for a mechanism for computation of tax in respect of capital gains arising on transfer made on or after 1st April, 2018 of long term capital asset (specified asset) being:

- (i) Equity share in a company where STT has been paid on acquisition as well as transfer of such share;* or
- (ii) Unit of an equity oriented fund where STT has been paid on transfer of such unit; or
- (iii) Unit of a business trust where STT has been paid on transfer of such unit.

*[*The Central Government may notify cases where the section would apply even though STT has not been paid on acquisition of the equity shares. The same could be in line with notification issued under section 10(38)].*

The section will also apply in respect of transfer of specified assets which is undertaken on stock exchange located in International Financial Services Centre, where the consideration is received or receivable in foreign currency, even though STT has not been paid.

Tax on capital gains on transfer of specified assets is computed in the following manner:

1. Benefit of indexation and foreign exchange conversion under section 48 will not be available for calculating the long term capital gains.

2. The cost of acquisition for assets acquired on or before 31-1-2018 will be higher of:
 - a) Actual cost of acquisition; and
 - b) Fair market value of the specified asset as on 31-1-2018 or the full value of the consideration received or accrued, whichever is lower. Effectively, gains made till 31-1-2018 in respect of specified assets acquired prior to 1-2-2018 will not be taxed.
3. in respect of specified assets acquired on or after 1-2-2018 actual cost of acquisition will be taken to compute the capital gain.
4. Long term capital gains in excess of ₹ 1 lakh will be chargeable at the rate of 10% and on the balance amount of the total income, tax will be computed as if it were the total income of the assessee.
5. If the total income (after excluding the capital gains chargeable under this section) of individual or HUF, being a resident, is less than the maximum amount not chargeable to tax, then the capital gains will be first adjusted against such shortfall and tax will be payable only on the balance amount of capital gains in excess of ₹ 1 lakh, if any.
6. Deduction under Chapter VI-A will not be available against long term capital gains chargeable under this section.
7. Rebate under section 87A cannot be claimed against tax payable on the capital gains chargeable under this section.

The terms "equity oriented mutual fund", "fair market value", "International Financial Services Centre", "recognised stock exchange" have been defined for the purpose of this section. It may be noted that the definition of the term "equity oriented fund" appearing under this section, as compared to the definition contained in section 10(38) has been expanded to include a fund of funds, which fulfils certain conditions.

Finance (No. 2) Act, 2004 has also been amended to expand the definition of "equity oriented fund" in line with section 112A thereby bringing fund of funds referred to above within the purview of STT.

5. Income from other sources

Transfer of capital asset between holding and subsidiary companies – Section 56(2)(x)

The Fourth proviso to section 56(2)(x), provides for the exclusion from the applicability of taxability under section 56(2)(x), e.g., money or property received from a relative, received on the occasion of marriage etc. Clause (IX) of the said proviso covers certain transactions which are not regarded as transfer under section 47. The said Clause (IX) has been amended with retrospective effect from A.Y. 2018-19 to also exclude the transfer of capital asset between a holding company and a wholly owned subsidiary company from the ambit of taxation as specified in section 56(2)(x), subject to fulfilment of conditions specified in section 47(iv)/ 47(v), as the case may be.

Compensation on termination or modification of any terms of the contract of employment – Section 56

Newly inserted clause (xi) to section 56(2) now provides that any compensation or other payments (by whatever name called) due to or received by any person in connection with the termination of his employment or modification of the terms and conditions relating to his employment will be taxed under the head "Income from other sources".

Scope of accumulated profits for the purposes of "Deemed Dividend" expanded – Section 2(22)(a) to (e)

As per section 2(22), any distribution by a company to the extent of accumulated profits is considered as "deemed dividend". In a case of amalgamation, the profits of the amalgamating company may lose their identity in the amalgamated company post-amalgamation. Under the existing provisions, profits of the amalgamating company are not to be regarded as accumulated profits of the amalgamated company for the purposes of sec. 2(22).

Explanation to section 2(22) has been inserted to include the accumulated profits of the amalgamating company, whether capitalised or not, in the accumulated profits of amalgamated company, on the date of amalgamation for the purposes of section 2(22).

This amendment is applicable retrospectively with effect from AY 2018-19.

Tax on income referred to in sections 68, 69, 69A, 69B, 69C or 69D – Section 115BBE

Section 115BBE provides that income referred to in sections 68, 69, 69A, 69B, 69C or 69D shall be charged to tax at the rate of 60%. Section 115BBE(2) provides that no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee under any provision of the Act in computing his income referred to in specified sections. However, sub-section (2) applied only to cases where such income is reflected by the assessee in the return of income furnished under section 139. Sub-section (2) did not apply to cases where the Assessing Officer added income referred to in these sections, while assessing the total income of the assessee.

Section 115BBE(2) has now been amended to provide that even in cases where income added by the Assessing Officer includes income referred to in these sections, no deduction in respect of any expenditure or allowance or setoff of any loss shall be allowed to the assessee under any provision of the Act in computing the income referred to in these sections.

This amendment is applicable retrospectively with effect from AY 2017-18.

6. Exemptions and Deductions u/s. 10 and Chapter VI-A deductions

Exemption in respect of withdrawals from NPS by non-salaried subscribers – Section 10(12A)

If an employee contributing to the National Pension Scheme referred to in section 80CCD withdraws any amount from the scheme on closure of account or opting out of the scheme, such amount payable to him is not included in computing his total income to the extent of 40% payable to him at the time of such closure or opting out. Section 10(12A) gives this exemption only to an employee and not to any other subscriber.

The benefit of this exemption has now been extended to all non-employee subscribers to the NPS. However, there is no amendment to section 10(12B) dealing with partial withdrawal from NPS, which continues to be applicable only to employee-subscribers.

Restrictions on cash payments and consequences of non-deduction of tax in respect of certain exempt entities – Section 10(23C) (iv), (v), (vi) and (via) and Section 11

Section 40(a)(ia) provides for non-deduction of 30% of any sum payable to a resident in computing business income, where tax has

not been deducted at source or after deduction, the same has not been paid on or before the specified due date.

Section 40A(3) provides for non-deduction of any expenditure in computing business income in respect of which payment or aggregate of payments made to a person in a day, otherwise than by account payee cheque drawn on a bank or account payee bank draft, exceed ₹ 10,000.

Section 40A(3A) deems payment of liabilities in respect of expenditure incurred in prior years, if made otherwise by account payee cheque drawn on a bank or account payee bank draft, exceeding ₹ 10,000 in a day as business income in the year of payment.

The 13th proviso is inserted in section 10(23C) to provide that the restrictions on cash payments as per section 40A(3) and (3A) and consequences of non-deduction or non-payment of taxes after deduction as per section 40(a)(ia) shall apply to the specified institutions in computing application of income.

Similar amendments are made for the purpose of determining the amount of application under section 11(1)(a)/(b) by insertion of Explanation 3 in section 11(1).

Incentives to Start-ups – Section 80-IAC

Section 80-IAC provides for 100% deduction of profits of an eligible start up for three consecutive years, subject to certain conditions. Amendments have been made to relax certain conditions and extend the scope of the benefits of this deduction as under:

Conditions	Existing	Amended
Incorporation of company	On or after 1-4-2016 but before 1-4-2019	On or after 1-4-2016 but before 1-4-2021
Total turnover does not exceed ₹ 25 crore	In any of the previous years beginning on or after 1-4-2016 but before 1-4-2021	In any of the 7 previous years beginning from the year in which the company is incorporated

Further, the definition of 'eligible business' has been substituted. The substituted definition substantially enlarges the scope by covering eligible start-ups engaged in innovation, development or improvements of products (as compared to earlier 'new products') or processes or services or a scalable business model with a high potential of employment generation or wealth creation. The

requirement of the business being driven by technology or intellectual property is removed.

These amendments will apply in relation to the AY 2018-19 and subsequent years.

Incentives for employment generation – Section 80JJAA

Section 80JJAA provides for a deduction of 30% in addition to normal deduction of 100% in respect of emoluments paid to eligible new employees who have been employed for a minimum period of 240 days during the year.

This requirement of employment for 240 days was relaxed to 150 days in case of apparel industry. This benefit of reduced number of 150 days has now been extended even to footwear and leather industry.

It is now also provided that where an employee is employed during a previous year for less than 240 / 150 days but in the immediately succeeding year is employed for at least 240 / 150 days, he shall be deemed to have been employed in the succeeding year and the provisions of this section shall apply accordingly. Consequently, the year of employment and the deduction period of 3 assessment years provided in the section shall apply from such immediately succeeding year.

Deduction in respect of income of Producer Companies – Section 80PA

Section 80P provides for 100% deduction in respect of profit of cooperative society which provides assistance to its members engaged in primary agricultural activities.

Section 80PA now extends similar benefit of a deduction of 100% of profits and gains attributable to eligible business of Producer Companies popularly known as Farm Producer Companies (FPC), having a total turnover of less than ₹ 100 crore, for assessment year 2019-20 to assessment year 2024-25. However, the Explanatory Memorandum states that the benefit shall be available for a period of 5 years from the financial year 2018-19.

For this purpose, eligible business means:

- (i) The marketing of agricultural produce grown by its members, or
- (ii) The purchase of agricultural implements, seeds, livestock or other articles intended for agriculture for the purpose of supplying them to its members, or
- (iii) The processing of the agricultural produce of its members

It is to be noted that no corresponding exemption is provided in respect of MAT under section 115JB. Further, since section 80PA falls within Part-C of Chapter VI-A, as per the substituted section 80AC, deduction shall not be allowed to such companies unless the return of income is furnished on or before the due date specified under section 139(1).

Taxation of start-ups – Section 115BA

Section 115BA provides for taxation of domestic companies engaged in manufacturing, production etc., which were incorporated on or after 1-3-2016 at a rate of 25% at their option, provided they fulfil certain conditions laid down in the section. The same was subject to special rate of tax specified under sections 111A and 112.

The section has been amended retrospectively from AY 2017-18 to provide that the section will now be subject to special rates that are specified under entire Chapter XII, and not just the two sections.

Deduction in respect of health insurance premium – Section 80D

Under the existing provision, amount paid in respect of senior citizens for health insurance premium or preventive health check-up or medical expenditure is eligible for deduction up to ₹ 30,000/-. This limit has now been increased to ₹ 50,000/-. All senior citizens will now be able to claim this higher deduction. For this purpose, the category of “very senior citizen” has been omitted.

In addition to this, a new sub-section (4A) has been inserted which provides that where the amount has been paid in lump sum to keep in force an insurance on the health of a specified person for more than one year, then for each of the relevant previous years, a proportionate deduction will be allowed.

Deduction in respect of medical treatment for certain specified diseases or ailments – Section 80DDB

The limit of deduction for medical expenditure in respect of certain critical illnesses which is ₹ 60,000/- in case of senior citizens and ₹ 80,000/- in case of very senior citizens has been increased to ₹ 1 lakh in respect of all senior citizens. Here too, the concept of “very senior citizen” has been omitted.

Interest on deposits in case of senior citizens – Section 80TTB

A new section 80TTB has been inserted to provide that where the gross total income of a senior citizen includes any income by way of interest on any deposit with a banking company, a cooperative society or post office, a deduction up to ₹ 50,000 shall be allowed. Consequently, section 80TTA has been amended to exclude senior citizens from the purview of the said section.

This deduction is not available in respect of interest income from any deposit held by or on behalf of a firm, an association of person or a body of individuals in computing the total income of a senior citizen who is a partner of such firm or member of the association or individual of the body.

Section 194A dealing with tax deduction in case of payment of interest is also amended to provide that in case of senior citizens tax shall be deducted only when the amount of such interest exceeds ₹ 50,000. This amendment relating to TDS will take effect from 1st April 2018.

7. Minimum Alternate Tax and Alternate Minimum Tax

Applicability of MAT to certain foreign companies – Section 115JB

Currently, MAT provisions apply uniformly to all foreign companies except those who are residents of countries with whom India has entered into a Double Tax Avoidance Agreement (DTAA) and who do not have any permanent establishment in India or those who are residents of countries with whom India does not have a DTAA and the assessee is not required to seek registration under any law for the time being in force relating to such companies. Explanation 4A is now inserted to clarify that the MAT provisions will not apply to foreign companies opting for presumptive scheme of taxation under sections 44B, 44BB, 44BBA or 44BBB, where the total income of the non-resident comprises solely of income from business referred to in any of these sections is the only income of the foreign company and it has been taxed at the specified tax rates.

This amendment is applicable retrospectively with effect from AY 2001-02.

8. International Taxation

Expansion of scope of business connection

The current Explanation 2 to section 9(1)(i) relates to the definition of business connection through dependent agents. With

an objective to align with Article 12 of the Multilateral Instrument (MLI) forming part of the BEPS Project to which India is a signatory, Explanation 2(a) has been substituted. It now extends the scope of such business connection to include any business activity carried on through an agent that habitually concludes contract or habitually plays a principal role leading to conclusion of contracts by that non-resident and the contracts are:

- In the name of that non-resident; or
- For the transfer of ownership of, or for granting the right to use of, the property owned by that non-resident or that non-resident has the right to use; or
- For the provision of services by that non-resident.

The exclusion in the existing Explanation 2(a) for activities limited to the purchase of goods for the non-resident is now deleted. The impact of this exclusion is to be read along with Explanation 1(b) of the same section which states, "in the case of non-resident, no income shall be deemed to accrue or arise in India to him through or from operations which are confined to the purchase of goods in India for the purpose of export".

Significant economic presence resulting in Business Connection

Currently, section 9(1)(i) provides for physical presence based nexus for establishing business connection of the non-resident in India. A new Explanation 2A to section 9(1)(i) provides a nexus rule for emerging business models such as digitised businesses which do not require physical presence of the non-resident or his agent in India.

Accordingly, this amendment provides that a non-resident shall establish a business connection on account of his significant economic presence in India. This amendment would apply irrespective of whether the non-resident has a residence or place of business in India or renders services in India. The following shall be regarded as significant economic presence of the non-resident in India.

- Any transaction in respect of any goods, services or property carried out by non-resident in India including provision of download of data or software in India, provided the transaction value exceeds the threshold as may be prescribed; or
- Systematic and continuous soliciting of business activities or engaging in interaction with number of users in India through digital means, provided such number of users exceeds the threshold as may be prescribed.

In such cases, only so much of income as is attributable to above transactions or activities shall be deemed to accrue or arise in India.

Provisions to promote International Financial Services Centres (IFSC) – Sections 47, 115JC and 115JF

In order to encourage IFSCs, certain tax incentives have been provided as follows –

The transfer of a bond or Global Depository Receipt (GDR) referred to in section 115AC(1), or rupee denominated bond of any Indian company, or derivative, executed by a non-resident on a recognised stock exchange located in any IFSC shall not be considered as a transfer under newly inserted section 47(viiab) if the consideration for the transfer is paid in foreign currency. As a result, capital gains from such transaction would not be taxable.

Further, a unit located in an IFSC, which derives its income solely in convertible foreign exchange, shall be liable to AMT at a reduced rate of 9% as against 18.5%.

Taxation of income earned by FIIs – Section 115AD

Section 115AD provides for computation of income-tax liability of Foreign Institutional Investors (FII) (now known as Foreign Portfolio Investors (FPI) under the SEBI Regulations) from income earned from securities and capital gains on their transfer.

The section has now been amended to provide that long term capital gains exceeding ₹ 1 lakh earned from transfer of capital assets specified in section 112A will be chargeable to tax at the rate of 10%.

9. Assessments, Appeals etc.

Allowance of deductions in respect of certain incomes on filing of return of income – Section 80AC

Under the existing provisions of section 80AC, no deduction would be admissible under sections 80-IA, 80-IB, 80-IC, 80-ID and 80-IE, unless the return of income is furnished by the assessee on or before the due date specified under section 139(1).

Section 80AC has been amended to provide that no deduction shall be allowed to the assessee under any of the provisions mentioned under the heading "C-Deduction in respect of certain incomes" in Chapter VIA unless the return of income is filed by the due date. This restriction will not apply to deduction available for various payments (such as 80C, 80D etc.) listed under any of the other heading in Chapter VIA.

This amendment is applicable retrospectively from AY 2018-19.

Obtaining Permanent Account Number (PAN) in certain cases – Section 139A

To expand the list of cases requiring the application of PAN and to use PAN as Unique Entity Number (UEN) and with the objective to link financial transaction with natural persons, amendment has been made by way of insertion of clause (v) and clause (vi) in section 139A as under:

- A person, not being an individual, which enters into a financial transaction of an amount aggregating to ₹ 2,50,000 or more in a financial year is required to apply for PAN
- Managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer or any person competent to act on behalf of such entities to also apply for PAN

It may be noted that the term “financial transaction” has not been defined.

This amendment is applicable with effect from 1st April, 2018.

Verification of Return in case of company under insolvency resolution process – Section 140

Section 140 has been amended to provide that, during the resolution process under the Insolvency and Bankruptcy Code, 2016 (“IBC”), the return shall be verified by an insolvency professional appointed by the Adjudicating Authority.

The expressions “insolvency professional” and “Adjudicating Authority” in the said section shall have the respective meanings assigned to them in section 3(18) and section 5(1) of the IBC.

This amendment will apply to a return filed on or after 1st April, 2018.

Amendments relating to Assessments – Section 143

(i) *Restriction on scope of prima facie adjustments while processing return of income – Section 143(1)(a)*

Section 143(1)(a) provides that at the time of processing of return, the total income or loss shall be computed after adding income appearing in Form 26AS or Form 16A or Form 16 which has not been included in the total income disclosed in the return, after giving an intimation to the assessee.

A new proviso to section 143(1)(a) has been inserted to provide that no such adjustment shall be made in respect of any return furnished for AY 2018-19 and subsequent years.

(ii) New scheme for scrutiny assessment – Section 143(3A)

Sub-section (3A) has been inserted in section 143 to enable the Central Government to notify a new scheme for e-assessments to impart greater transparency and accountability.

Further, to effectively implement the e-assessment scheme, sub-section (3B) enables the Central Government to direct suitable amendments in other provisions as well by way of notification in the Official Gazette and no such direction shall be issued after 31st March 2020.

This amendment is applicable with effect from 1st April, 2018.

Appeal to Tribunal against the CIT(A)'s order passed under section 271J – Section 253

Section 253 has been amended to allow filing of an appeal before the ITAT against an order passed by the CIT(A) levying penalty under section 271J on an accountant or a merchant banker or a registered valuer for furnishing incorrect information in their report or certificate.

This amendment is applicable with effect from 1st April, 2018.

Increase in penalty for failure to furnish statement of financial transaction or reportable account – Section 271FA

Section 271FA has been amended to enhance the penalty for delay in furnishing of the statement of financial transaction or reportable account as required under section 285BA to ensure greater compliance:

Particulars	Penalty
Delay in furnishing the statement	Increased from ₹ 100 to ₹ 500 for each day of default
Failure to furnish statement in pursuance of notice issued by tax authority	Increased from ₹ 500 to ₹ 1000 for each day of default

This amendment is applicable with effect from 1st April, 2018.

Failure to furnish return of income in case of companies – Section 276CC

Section 276CC provides that if a person wilfully fails to furnish the return of income within the due date, he shall be punishable with imprisonment and fine. Immunity from prosecution is granted *inter alia* in a case where the tax payable on the total income determined on regular assessment, as reduced by the advance tax, if any paid, and any withholding tax, does not exceed ₹ 3,000 for any assessment year commencing on or after 1st April 1975. This is now amended to exclude companies from this immunity.

This amendment is applicable with effect from 1st April, 2018.

10. Dividend Distribution Tax

Applicability of Dividend Distribution Tax (DDT) to deemed dividend under section 2(22)(e) – Section 115-O

Payments by a closely held company of loans or advances to certain shareholders or concerns where the shareholders have substantial interest are considered as deemed dividends and taxable in the hands of the shareholder/recipient at the applicable marginal rate. There has been litigation on the taxability of such dividends if the recipient is not a shareholder. To overcome the uncertainty regarding taxability, it is now provided that the company would be liable to pay DDT @ 30% as against rate of 15% on other dividends. However, deemed dividend is not required to be grossed up. The effective rate of DDT on deemed dividend would be 30% plus applicable surcharge and cess as against 20.36 % for other dividends.

Tax on distributed income to unit holders – Section 115R

Presently, any amount of income distributed by a specified company or a mutual fund to its unit holders is chargeable to tax and such specified company or mutual fund is liable to pay additional income tax on such distributed income at the rate specified in the section. However, any income distributed to a unit holder of equity oriented funds is not chargeable to tax under this section.

With a view to providing a level playing field between growth oriented funds and dividend paying funds, the section has been amended to provide that where any income is distributed by mutual fund being an equity oriented fund, the mutual fund is liable to pay additional income tax at the rate of 10% on the income so distributed. For this purpose, equity oriented fund will have the same meaning assigned to it in the new section 112A.

This amendment will take effect from 1st April, 2018.

11. Others

Relaxation of provisions for companies under insolvency resolution process – Sections 79 and 115JB

Currently, section 79 permits carry forward and set off of losses by a closely held company only if the beneficial ownership of shares carrying at least 51% of the voting power as on the last day of the year in which the loss is incurred, is continued. This acts as a hindrance in case of insolvency matters, wherein change of ownership may exceed 49%. Thus, third proviso is added to section 79 to provide that the set-off and carry forward of losses would be available if the change in shareholding takes place on account of a resolution plan approved under Insolvency and Bankruptcy Code, 2016 (IBC 2016), after providing an opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.

Currently, provisions on Minimum Alternate Tax (MAT) permit a company to reduce the lower of its unabsorbed depreciation or brought forward losses as per books of account, in computing its book profits. As companies seeking insolvency resolution are bound to have significant losses, *Explanation 1* to section 115JB is amended to provide that in case of companies against whom an application for insolvency resolution has been admitted by the Adjudicating Authority under IBC 2016, the aggregate of unabsorbed depreciation and brought forward losses shall be reduced in computing the book profit.

The above amendments are applicable from Assessment Year 2018-19 onwards.



INDIRECT TAXES

SERVICE TAX

All amendments proposed in the Finance Bill, 2018 are provided below:

Three exemptions are granted for retrospective period as listed below:

	Period of exemption
<ul style="list-style-type: none">Services provided by Nava Group Insurance Fund by way of life insurance to personnel of coast guard under group insurance schemes of the Central Government.	10/09/2004 till 30/06/2017
<ul style="list-style-type: none">Services provided by Goods and Services Tax Network (GSTN) to the Central Government, the State Government or the Union Territory administration.	28/03/2013 till 30/06/2017
<ul style="list-style-type: none">Consideration paid to the Government in the form of Government's share of profit petroleum in respect of services provided by the Government by way of grant of licence or lease to explore or mine petroleum crude or natural gas or both.	01/04/2016 to 30/06/2017

Note: (1) Refund of service tax already collected will be granted provided application for such refund is made **within six months** from the date of enactment of the Bill.

(2) Chapter V of the Finance Act, 1994 is omitted *vide* section 173 of the Central Goods and Services Tax Act, 2017. However, suitable amendment is made to apply provisions of the chapter for refund consequent upon the above exemptions provided retrospectively as if the chapter was in force at relevant time.



CENTRAL EXCISE

- i. A Road and Infrastructure Cess, as an Additional Duty of Excise, is imposed on motor spirit commonly known as petrol and high speed diesel, falling under heading 2710, at the rate of ₹ 8 per litre. This levy comes into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931. The levy is imposed for the purpose of financing infrastructure projects.
- ii. The Basic Excise Duty on motor spirit commonly known as petrol (both branded and unbranded) and high speed diesel oil (both branded and unbranded) is reduced by ₹ 2 per litre.
- iii. The Additional Duty of Excise (Road Cess) leviable on motor spirit commonly known as petrol and high speed diesel oil are abolished by omitting the relevant sections in Finance (No. 2) Act, 1998 and Finance Act, 1999, respectively. Till the enactment of the Finance Bill, 2018, the Additional Duty of Excise (Road Cess) leviable on domestically manufactured and produced motor spirit commonly known as petrol and high speed diesel oil are fully exempted.
- iv. The Road and Infrastructure Cess on ethanol blended petrol and diesel blended with bio-diesel is being exempted, subject to the condition that appropriate duties of excise are paid on petrol or diesel and appropriate GST is paid on ethanol bio-diesel used for making such blend.
- v. Notification No. 29/2002-Central Excise, dated 13-5-2002 prescribing effective rate of Basic Excise Duty, Additional Excise Duty (Road Cess) and Special Additional Duty on petrol and diesel manufactured in and cleared from specified refineries in the North East Region is rescinded *vide* Notification No. 6/2018 CE dated 2-2-2018 and a new notification No. 10/2018 CE dated 2-2-2018 is issued exempting 50% of Basic Excise Duty, Road and Infrastructure Cess and Special Additional Excise Duty on petrol and diesel manufactured in and cleared from four specified oil refineries located in the North East Region.

PROPOSALS INVOLVING CHANGE IN EXCISE DUTY RATES: w.e.f. 2-2-2018

	Commodity			Rate of Duty	
				From	To
I	Motor spirit commonly known as petrol and high speed diesel oil				
	HSN	S. No.			
	2710	1	Levy of Road and Infrastructures Cess on motor spirit commonly known as petrol and high speed diesel oil	..	₹ 8 per litre
	27	2	Abolition of Additional Duty of Excise [Road Cess] on motor spirit commonly known as petrol and high speed diesel oil	₹ 6 per litre	Nil
	27	3	Basic Excise duty on:		
			(i) Unbranded Petrol	₹ 6.48 per litre	₹ 4.48 per litre
			(ii) Branded Petrol	₹ 7.66 per litre	₹ 5.66 per litre
			(iii) Unbranded diesel	₹ 8.33 per litre	₹ 6.33 per litre
			(iv) Branded Diesel	₹ 10.69 per litre	₹ 8.69 per litre
	27	4	Road & Infrastructure Cess on (i) 5% ethanol blended petrol, (ii) 10% ethanol blended petrol and (iii) bio-diesel, up to 20% by volume, subject to the condition that appropriate excise duties have been paid on petrol or diesel and	Nil

	Commodity	Rate of Duty	
		From	To
		appropriate GST has been paid on ethanol or bio – diesel used for making such blends.	
	5	Infrastructure Cess on petrol and diesel manufactured in and cleared from 4 specified refineries located in the North – East	₹ 4 per litre

Note: "Basic Excise Duty" means the excise duty set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Item	Duty rated applicable prior upto 1-2-2018 [₹ per litre]				Duty rates applicable with effect from 2-2-2018 [₹ per litre]			
	Basic Excise Duty (BED)	AED (Road Cess)	SAED	Total Excise Duty	Basic Excise Duty (BED)	Road and Infra-structure Cess	SAED	Total Excise Duty
Petrol (unbranded)	6.48	6	7	19.48	4.48	8	7	19.48
Petrol (branded)	7.66	6	7	20.66	5.66	8	7	20.66
Diesel (unbranded)	8.33	6	1	15.33	6.33	8	1	15.33
Diesel (branded)	10.69	6	1	17.69	8.69	8	1	17.69

Thus, total Excise Duty on motor spirit commonly known as petrol and high speed diesel oil remains unchanged.



CUSTOMS

The Amendments proposed in the Customs Act, 1962 (the Act) come into effect from the date of enactment of the Finance Bill, 2018 unless specifically mentioned otherwise. All the sections referred are of the said Act.

1. Expansion of scope of Customs Act

- Along with India, the Act would be applicable to any person who has committed any offence or contravention mentioned under the Customs Act outside India also.
- A new section 151B is inserted to empower Central Government to enter into an agreement with Government of other countries or such competent authorities for
 - i. Facilitation of trade.
 - ii. Enforcing provisions of Customs Act.
 - iii. Exchange of information for facilitation of trade, risk analysis, verification of compliance and prevention, combating and investigation of offences.
 - iv. Use the information so received as evidence for the proceedings under the Act.
- Board is authorised to provide for procedures.

2. Important Legislative Changes

(i) Definitions

- Indian Customs Waters

Currently, Indian Customs Waters are extending into the sea till the contiguous zone of India under section 5 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976) and includes any bay, gulf, harbour, creek or tidal river.

It is proposed to extend the limit of Indian Customs Waters into the sea from the existing 'contiguous zone of India' to the 'Exclusive Economic Zone of India'.

- Assessment

Assessment is defined as "assessment" includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is nil.

Assessment is proposed to be defined as

“Assessment” means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under Customs Act or under the Customs Tariff Act with reference to –

- (a) The tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act.
- (b) The value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act.
- (c) Exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefor under this Act or under the Customs Tariff Act or under any other law for the time being in force.
- (d) The quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods.
- (e) The origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if the amount of duty, tax, cess or any other sum is affected by the origin of such goods.
- (f) Any other specific factor which affects the duty, tax, cess or any other sum payable on such goods,

and includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is nil.

- Name of the Board is proposed to be changed from ‘Central Board of Excise and Customs’ to ‘Central Board of Indirect Tax and Customs’.

(ii) Prohibited Goods in other laws to be notified by Customs Act

Regulatory requirements relating to import or export of goods or class of goods or clearance thereof, in any other law / rules

/ regulations / order / notifications shall not be effective under the said law unless it is also notified under the Customs Act.

(Effective from a date to be notified)

(iii) Expansion of scope of Verification

- Currently, Proper Officer u/s 17 – Assessment was able to verify self assessment of goods for which could examine or test any imported goods or export goods or such part thereof as may be necessary but now it is provided to broaden the scope of verification to include all aspects of declaration made in the bill of entry (Sec. 46) or the shipping bill (Sec. 50) in addition to self-assessment.
- Legal backing for the risk-based selection of self-assessed Bill of Entry or the Shipping Bill through appropriate selection criteria will be provided.
- Scope of reassessment was limited to valuation, classification and exemption or concessions of duty availed consequent to any notification issued therefor under this Act. Now, Scope of reassessment is extended by omitting specific reference provided.

(iv) Exemptions for goods imported for repairs, further processing or manufacture

- New sections are inserted to empower the Government to provide the following exemptions.
- Sec. 25A to exempt whole or any part of duty of customs, leviable on goods imported for repair, further processing or manufacture, subject to certain conditions.
- Sec. 25B to exempt whole or any part of duty of customs, leviable on reimported goods which were exported for the purposes of repair, further processing or manufacture, subject to certain conditions.

(v) Time Limit for adjudication

- There was a time limit of 6 months in normal cases and 1 year in cases where reasons of collusion or any wilful mis-statement; or suppression of facts are involved. However, time limit was applicable where it was possible to do so.
- The time limits shall be strictly followed and the words 'where it was possible to do so' are omitted.

- These time limits shall be further extended by six months or one year as the case may be.
- If demand notice is not adjudicated within the extended period, it would be deemed as if no demand notice was issued.
- This time limit is not applicable where the proper officer is unable to determine amount of duty or interest on account of the following:
 - i. Appeal in similar matter is pending in court
 - ii. An interim order of stay has been issued
 - iii. Board has an order/direction to keep such matter as pending
 - iv. Settlement Commission has admitted an application of the assessee.

(vi) Amount refunded in excess

Where an order for refund is modified in any appeal and the amount of refund so determined is less than the amount refunded, the excess amount so refunded shall be recovered along with interest thereon at the rate fixed by the Central Government under section 28AA from the date of refund up to the date of recovery as a sum due to the Government.

(vii) Adjudication – Others

A new sub-section is inserted to provide safeguard that where the notice issued by invoking grounds of collusion, etc., is held not sustainable and consequently, the demand of duty for five years is quashed by the Appellate Authority or Appellate Tribunal or court on final determination, in such case, at least the demand which pertains to the normal period of two years shall be deemed to be sustainable and can be proceeded on that basis.

(viii) Notice

In order to align with the provisions of Central Goods and Services Tax Act, 2017, section 153 is amended whereby – Service of order, decision, etc. which lays down that notice could be served to the following:

- The applicant

- By giving or tendering it directly to the addressee or importer or exporter or his customs broker or his authorised representative including employee, advocate or any other person or to any adult member of his family residing with him or
- By a registered post or speed post or courier with acknowledgement due, delivered to the person for whom it is issued or to his authorised representative, if any, at his last known place of business or residence
- By giving or tendering it directly to the addressee or importer or exporter or his customs broker or his authorised representative including employee, advocate or any other person or to any adult member of his family residing with him or by sending it to the e-mail address as provided by the person to whom it is issued, or to the e-mail address available in any official correspondence of such person
- By publishing it in a newspaper widely circulated in the locality in which the person to whom it is issued is last known to have resided or carried on business
- By affixing it in some conspicuous place at the last known place of business or residence of the person to whom it is issued and if such mode is not practicable for any reason, then, by affixing a copy thereof on the notice board of the office or uploading on the official website, if any.
- Date of service shall be deemed to be on the date on which it is tendered or published or a copy thereof is affixed or uploaded in the manner provided.
- When such order, decision, summons, notice or any communication is sent by registered post or speed post, it shall be deemed to have been received by the addressee at the expiry of the period normally taken by such post in transit unless the contrary is proved.

(ix) Customs automated system based clearance

Currently the clearance of goods is permitted by Proper Officer manually. Now, clearance can be effected by customs automated system in addition to clearance by Proper Officer.

(x) Electronic Cash Ledger (ECL)

Currently the importer or exporter does transaction wise payment. There is no concept of ECL under customs.

A new Chapter VIIA is introduced with respect to ECL in Customs Act:

- To make deposit online in ECL to be utilised for any payment of duty, interest, penalty, fees or any other sum payable under the Act
- To provide for refund of balance in ECL
- That board may exempt the deposits made by such class of person or such category of goods as may be specified by notification from all or any of the provisions of this section

(xi) Transshipment of certain goods

Section 54 is amended to enable board to make regulations for providing manner of presenting bill of transshipment and declaration for transshipment.

(xii) Goods imported and exported by post and courier

The provisions regarding rate of duty, tariff valuation and regulations in respect of post will now be applied to courier also.

(xiii) Audit

Chapter XIIA is inserted to provide that audit may be carried out for imported goods or export goods either in his office or in the premise of the auditee.

(xiv) Introduction of Controlled delivery

“Controlled delivery” means movement of goods under knowledge or supervision of the officer. Currently, any officer of customs appointed for any area adjoining the land frontier of India may require any person in possession of any goods which have been imported into India by land, to produce the order made under section 47 permitting clearance of the goods. It is proposed to insert section 109A for introducing the concept of controlled delivery on specified goods as may be provided in the regulations of any consignment of goods to any destination in India or a foreign country.

(xv) Seizure of goods

Currently, under section 110 when the goods are seized, the Proper Officer has to issue the show cause notice within six month of seizure of the goods. The above period can be

extended for a additional period of six months. If the SCN is not issued within the specified time then the goods shall be returned to the person from whose possession they were seized. This provision is amended to provide that for extending period to issue SCN by additional 6 months, the officer should also record the reasons in writing and inform the person from whom such goods were seized. Section 110 now provides that in case of provisional release of goods, time limit of 6 months for issue of SCN will not apply. In other words, SCN can be issued any time.

(xvi) Option to pay fine in lieu of confiscation

In case of goods which are not prohibited if the officer thinks fit may grant option to pay fine in lieu of confiscation of goods and such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

Section 125 is amended to provide:

- That where the demand proceedings against a notice/co notices have been closed on grounds of having paid the dues mentioned in section 28, the fine need not be paid.
- That where fine has not been paid within 120 days from the date of option, then the option shall become void except in case of pending appeal.
- In case order to pay fine is passed before the date of assent of the Finance Bill and no appeal is pending against such order, then 120 days will be counted from the date of on which assent is received.

(xvii) Exemption from IGST

Retrospective effect is given to Notification No. 65/2017-Customs dated 8th July, 2017 amending Notification No. 50/2017-Customs dated 30th June, 2017 so as to exempt IGST leviable under section 3(7) of the CTA, 1975 on aircrafts, aircraft engines and other aircraft parts imported under cross-border lease during the period from the 1st July, 2017 to the 7th July, 2017.

Application for claim of all such integrated tax which has been collected shall be made within a period of six months from which the Finance Bill, 2018 receives the assent of the President.

3. Amendments in the Customs Tariff Act

- Section 8A has been inserted in Customs Tariff Act, 1985 prescribing for last point valuation for the purposes of calculation of the Integrated Tax on the goods deposited in a warehouse under the provisions of the Customs Act, 1962 and sold to any person before clearance for home consumption or export. This will impact all sales which are effected while the goods are lying in bonded warehouses and not cleared for home consumption.
- Levy of Social Welfare Surcharge (SWS), as a duty of customs on imported goods to finance education, housing and social security @ 10% of aggregate duties of customs. However, through a notification, it is provided that the SWS shall not be imposed on IGST component of customs duty.
- Education Cess and Secondary and Higher Education Cess on imported goods is abolished.



GOODS & SERVICES TAX – FUNDAMENTAL CONCEPTS

1. Dual Model of GST

- 1.1. GST is a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as on the services at a national level. Considering the federal structure of India, a dual GST model has been worked out for India. In this model, both the Central and the State Governments simultaneously levy Central GST (“CGST”) and State GST (“SGST”) respectively on the same comprehensive base of all supplies, thus eliminating the distinction between goods and services for the purpose of levy of tax. In case of interstate supplies, imports and exports, an Integrated GST (“IGST”) consisting of an aggregate of CGST and SGST Rates is imposed. The State Component of the IGST collected by the Centre is distributed to the Destination State through a backend settlement process
- 1.2. In view of Article 18 of the Constitution (101st Amendment Act), 2016, the Central Government is obliged to provide for a compensation to the States which experience a shortfall in their revenue collections on account of implementation of GST. In order to fund this shortfall, a compensation cess has been introduced on specified goods.

2. Levy and Charging Provisions of Dual GST Law

- 2.1. The levy of tax on intrastate supply of goods and/or services is governed by the CGST/ SGST Act whereas the levy on inter-state supply of goods and/or services is governed by the IGST Act.
- 2.2. Therefore, the classification of a supply as intrastate supply or interstate supply becomes paramount to determine the applicable taxes. This classification is based on the combination of “location of supplier” and the “place of supply” and is provided under the IGST Act. The provisions are tabulated below for ready reference:

Nature of supply	Interstate	Intra state
Goods	Location of supplier and place of supply are in different States	Location of supplier and place of supply are in the same State
Services	Location of supplier and place of supply in different States	Location of supplier and place of supply in same State

- 2.3. As can be seen from the above table, the classification for supply of goods and services is similar. The essential benchmark is the combination of the location of supplier and the place of supply. Section 2(15) of the IGST Act defines the term "location of supplier of service". In case the supply of service is from a single establishment, the said establishment will determine the location of supplier of service. However, if the service is provided from multiple establishments, the tie breaker test provided in Section 2(15)(c) will become relevant and the establishment most directly concerned with the supply will determine the location of supplier of service.
- 2.4. There is no definition for "location of supplier of goods". In general parlance, the location of supplier is understood to be the place from where the supply is made. Therefore, in case of goods which require delivery, the location of supplier of goods will be the warehouse or the place from where the delivery is granted. However, in certain cases, there is a deemed receipt of goods at an intermediary location. In such cases, the location of the supplier of goods will also have to be read in synchronisation with the provisions of Section 10(1)(b) of the IGST Act.
- 2.5. Further, the place of supply is to be determined under sections 10 to 13 of the IGST Act. These rules differ based on whether the supply is in the nature of supply of goods or services and whether the transaction is between two residents or otherwise. The detailed analysis of the place of supply is provided later in the booklet.
- 2.6. The general rules for determination of interstate and intrastate supplies (based on the combination of location of supplier and place of supply) have already been explained earlier. However, the IGST Act provides for certain exceptions and treats the following transactions as specifically covered under interstate supplies and not as intrastate supplies
- Supply of goods in the course of import into the territory of India till the time the goods are cleared from the customs frontiers of India
 - Supply of goods and/or services by a developer of SEZ or unit located in SEZ Area
 - Any supply of goods and/or services which is not intrastate of any of the States (For example, supplies at extended continental shelf or union territories without Legislature).

3. Supply

- 3.1. The term “supply” is defined u/s 7(1) of the CGST/SGST Acts. The said definition also applies to the IGST Law. Accordingly, all forms of supply like sale, transfer, barter, exchange, licence, rental, lease or disposal and importation of services are made liable for GST. However, it is important that such supplies should be for a consideration and that the supplies should be in the course of or furtherance of business or commerce.
- 3.2. Despite providing a very wide definition to the term supply, it may be important to note that the term “supply” would still require certain basic fundamental aspects to be examined. It is felt that a supply would arise out of a contract and therefore, the existence of a contract would be a *sine qua non* before considering something as a supply. Further, duality of persons would also be required before considering something as a supply. This should also be coupled with a consideration flowing from the recipient of the supply to the provider of the supply.
- 3.3. In addition to supplies for consideration, Section 7(1) also includes supplies mentioned in Schedule-I without a consideration. Notable inclusions in Schedule-I are as under:
 - Permanent transfer/disposal of business assets, in cases where input tax credit has been availed
 - Supply of goods and/or services between branches or between related persons
 - Supply of goods by principal to agent and vice versa
 - Importation of services from overseas branches
- 3.4. Of the above inclusions in deemed supplies, the supply of goods and/or services between branches in different States results in a tax outflow in the Sending State and corresponding credit in the receiving State. There would be challenges relating to valuation since the value will need to be determined on arm’s length pricing.
- 3.5. As far as job workers are concerned, the supply by principal to job worker does not trigger a tax liability. However, if the job worker does not return the goods after processing within a period of 365 days (extended up to 3 years for capital goods), in view of Section 143 of the CGST Act, the principal shall be deemed to have supplied the goods to the job worker.
- 3.6. Further, under Section 7(1), import of services are also defined to be supplies, irrespective of business use and therefore are liable for payment of GST.

4. Nature of Supply & Rate

- 4.1. The charging provision provides for levy of tax on supply of goods and services at notified rates. The following table lists down the notifications through which the rates are prescribed for different goods & services, the master notification granting exemptions as well as notifications for RCM.

Nature of Supply	Rate Notification		Exemption Notification		RCM Notification	
	CGST	IGST	CGST	IGST	CGST	IGST
Goods	01/2017	01/2017	02/2017	02/2017	04/2017	04/2017
Services	11/2017	08/2017	12/2017	09/2017	13/2017	10/2017
Neither	Transactions covered under Schedule III					

- 4.2. Schedule III deems certain transactions as neither being a supply of goods or services. Some of the items covered under the said Schedule include services by an employee to the employer in course of or in relation to employment, sale of land & sale of building (except where sold before the issuance of occupancy certificate), services of funeral, burial, crematorium or mortuary including transportation of the deceased, etc.

5. Value of Supply

- 5.1. In general, GST would be payable on the value of supply. While the general provision under Section 15 of the CGST Act states that the value of supply shall be the transaction value, the same is subject to the following conditions:
- Supplier and recipient of supply not related
 - Price is the sole consideration
- 5.2. Section 15 thereafter also provides for the inclusion of the following amounts in the transaction value if the same are not already included therein:
- The amounts paid by recipient which were actually payable by supplier.
 - All taxes other than SGST, CGST and IGST
 - Incidental expenses such as commission or packing
 - Subsidies directly linked to the price excluding subsidies provided by the Government.
 - Discounts after supply
 - Interest or late fees and penalties for delayed payment of consideration

- 5.3. Rule 27 of the CGST Rules, 2017 provides that where the supply of goods or services is for a consideration not wholly in money, the value of the supply shall be (in reducing order of preference),
- (a) The open market value of such supply;
 - (b) Value equivalent to the consideration not in money
 - (c) The value of supply of goods or services or both of like kind and quality;
 - (d) Value determined on the basis of specific provisions under rule 30 or rule 31
- 5.4. Similar valuation rules are provided for supplies between distinct persons/related persons. However, in cases where the recipient is eligible for full input credit, it is stated that the transaction value shall be accepted.

6. Composition Scheme

- 6.1. Section 10 of the CGST Act provides for composition scheme for small dealers. The composition option is not available to the following persons:
- Service Providers (except restaurants)
 - Persons making inter state supplies
 - Persons having aggregate turnover above ₹ 100 lakhs
- 6.2. The composition scheme is subject to various conditions. The supplier is not eligible to claim the credit nor is he entitled to collect the tax from the customer. Further, the customer is not eligible for any credits of the composition amount.
- 6.3. The following table explains the tax payable under composition scheme:

Type of suppliers	CGST	SGST	Total
Manufacturers other than manufacturers notified as not eligible	0.5%	0.5%	1%
Service of supply of food & beverages (other than alcoholic liquor for human consumption)	2.5%	2.5%	5%
Other Suppliers	0.5%	0.5%	1%
Service Providers	Not eligible		

The above rates are the current rates of composition. The same have varied from time to time and the earlier rates are not provided here for the sake of brevity.

7. Time of Supply

- 7.1. The liability to pay tax arises at the time of supply.
- 7.2. Section 12 states that the liability to pay GST on goods shall arise on raising of invoice or receipt of payment whichever is earlier. However, it is also provided that in case where the invoice is not issued within the due date, i.e., before or at the time of delivery or removal of goods, the date on which the invoice is required to be issued will trigger the GST liability.
- 7.3. The provision relating to payment of tax on advances for supply of goods was relaxed w.e.f. 13th October, 2017 for small businesses having turnover less than 1.5 crore in last Financial Year. Subsequently, w.e.f. 15th November, 2017 this benefit has been extended to all taxable persons, however, only in relation to supply of goods.
- 7.4. In cases where the tax has to be discharged on reverse charge basis for goods, it is provided that the earliest of the following will trigger the liability towards payment of tax:
- Date of receipt of goods
 - Date of payment (Entry in books or debit in bank account, whichever is earlier)
 - The day immediately following 30 days from the date of issue of invoice
- 7.5. Section 13 of the Act deals with the time of supply of services. The provisions are similarly worded with the sole exception that Section 31 allowed issuance of invoice within 30 days after completion of provision of service.
- 7.6. In case of reverse charge mechanism for services, the point of taxation is defined to be as under
- Date of payment (Entry in books or debit in bank account, whichever is earlier)
 - The day immediately following 60 days from the date of issue of invoice
- 7.7. Section 14 deals with a scenario where there is an intermediary change in the rate of tax in respect of goods and services and is similarly worded to Rule 4 of the Point of Taxation Rules, 2011.

8. Place of Supply for Goods

- 8.1. The following table summarises the place of supply of goods as defined under the IGST Act:

Situation	Place of Supply as per Section 10 of IGST Act
Supply involving movement of goods	Location of termination of movement for delivery
Supply by way of transfer of documents of title	Principal place of business of the buyer
Supply not involving movement of goods	Location of goods
Goods assembled or installed at site	Place of installation or assembly
Goods supplied on board of conveyance	Location at which goods are taken on board

9. Place of Supply for Imported/Exported Goods

- 9.1. The place of supply for imported / exported goods is provided under Section 11 of the IGST Act. The provisions are simple and are therefore tabulated below for ready reference

Nature of Goods	Place of Supply
Imported Goods	Location of Importer
Exported Goods	Location outside India

10. Place of Supply for Services

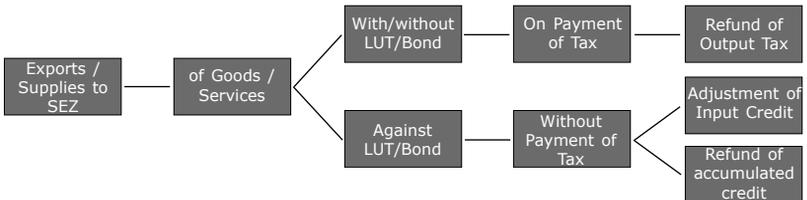
- 10.1. The concept of IGST serves multiple objectives. Since the services are essentially intangible in nature, the place of supply rules for services are drafted considering these objectives in mind. Further to the above objectives, the place of supply rules under IGST also need to deal with situations of supplies amongst two or more States, where also the guiding principle is ensuring a seamless flow of credits amongst businesses and transfer of tax to the correct State of Consumption.
- 10.2. The following table summarises the provisions in regard to the place of supply of services. It may be noted that if the location of service recipient is not available on records, the location of supplier will be considered in cases where the place of supply is the location of recipient of service.

Nature of Supply of Service	Supplier- recipient in India (R2R)		Either of supplier or recipient is outside India
	Business to Business Cases (B2B)	Business to Customer Cases (B2C)	
General Rule	Location of Service recipient	Location of Service Recipient	Location of Service Recipient
Immovable property	Location of Immovable Property	Location of Immovable Property	Location of Immovable Property
Performance based service	Location of Service Recipient	Location of Service Recipient	Place of Performance of Service
Training and performance	Location of Service Recipient	Place of Performance	Place of Performance
Admission to an event or park	Location of the Event	Location of the Event	Location of the Event
Organization of events etc.	Location of Service Recipient	Place where event is actually held	Place where the event is held
Transportation of goods	Location of Service Recipient	Place where goods are handed over their transportation	Destination of Goods
Transportation of passengers	Location of Service Recipient	Place where passenger embarks on the conveyance for a continuous journey	Place where passenger embarks on the conveyance for a continuous journey
Services on board a conveyance	First Scheduled Point of Departure	First Scheduled Point of Departure	First Scheduled Point of Departure
Telecommunication services	Various situations to determine the location of subscriber	Various situations to determine the location of subscriber	Location of Recipient
Banking & Financial Services including stock broking	Location of Service Recipient on the records of service provider	Location of service recipient on the records of service provider	Location of Supplier for account related services

Nature of Supply of Service	Supplier- recipient in India (R2R)		Either of supplier or recipient is outside India
	Business to Business Cases (B2B)	Business to Customer Cases (B2C)	
			Location of Recipient in other cases
Insurance	Location of Service Recipient	Location of Service Recipient	Location of Service Recipient
Advertisement services to Government etc.	Not Applicable	<ul style="list-style-type: none"> • Meant for identifiable State – POS would be that state • Multiple States- POS all such States and value to be attributed to each of them 	Not Applicable
Intermediary	Location of Recipient	Location of Recipient	Location of Supplier
Hiring of means of transport	Location of Recipient	Location of Recipient	Location of Supplier
Online information and database access or retrieval service	Location of Recipient	Location of Recipient	Location of Recipient

11. Zero Rated Supplies & Refund Processes

11.1. Section 16 of the IGST Act provides that export of goods or services as well as supply of goods or services to a SEZ Developer / Unit shall be deemed to be a zero-rated supply. A person making zero rated supply has the following options:



- 11.2. The option of export / supply to SEZ on payment of tax basically means that a supplier shall be required to make the payment of applicable tax on the value of goods exported by him, by adjusting the input tax credit claimed by him on inward supplies and discharging the balance amount in cash. However, he shall be eligible for refund of the amount of tax on the value of supply (and not actual cash outflow). Simplified refund process for export of goods on payment of tax has been provided.
- 11.3. The second option of export / supply to SEZ without payment of tax requires the supplier to either apply for Letter of Undertaking / execute a running bond with the jurisdictional officer.
- 11.4. The refund application has to be filed within two years of the relevant date.
- 11.5. Certain supply of goods has been notified to be in the nature of deemed exports, which includes supplies by a registered person against Advance Authorisation or Export Promotion of Capital Goods Authorisation or supplies to an Export Oriented Unit. Further, supply of gold by a bank or PSU specified in Customs Notification 50 / 2017 dated 30th June 2017 against Advance Authorisation is also treated as deemed exports. It may be noted that there is no exemption in the case of deemed exports. The only benefit is that the supplier can file a refund claim instead of the recipient filing a refund claim.
- 11.6. In addition, as a cash flow benefit for merchant exporters, *vide* Notification 40 / 2017 – Central Tax (Rate), it has been provided that a supplier supplying goods to a merchant exporter shall not charge tax which is excess of 0.1% (0.05% in case of intrastate supplies). However, it is important to note that there are various conditions prescribed in this notification.

12. Input Tax Credit

- 12.1. Section 16 contains the provisions relating to eligibility & conditions for claim of input tax credit. The salient features thereof are as under:
- i. The receiver is in possession of tax invoice or debit note issued by the supplier
 - ii. The recipient has received goods/services
 - iii. The tax charged has been paid to the Government by the supplier

- iv. Return has been filed by the supplier
- v. The payment is made to the supplier of goods or services within a period of one hundred and eighty days from the date of issue of invoice.
- vi. Input tax credit of goods or services for a particular financial year has to be claimed by the due date of furnishing return for the month of September of the next financial year.

12.2. In addition to the above, Section 17 contains various other provisions enabling / prohibiting claim of credit in specific instances, such as:

- Proportionate credit in case, certain goods are used for business as well as non-business purposes
- Certain cases of ineligible input tax credit are also prescribed
- Claim of credit on stock of inputs and finished goods in hand on the date of registration / on opting out of composition scheme.
- Credit should be claimed within one year from the date of tax invoice but before 30th September of the next financial year
- Non-eligibility of credit in case of specified inward supplies, namely:
 - o Motor vehicles unless used for transportation of goods
 - o Food and Beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, unless the same is used for the purposes of further business of same category
 - o Membership of club, health and fitness centre, rent-a-cab, life insurance and health insurance
 - o Employee related goods / services
 - o Goods / services resulting in construction of immovable property for self-consumption or works contract services when supplied for construction of immovable property (other than plant and machinery). Where, construction includes re-construction, renovation, additions or alterations

or repairs, to the extent of capitalisation to the said immovable property.

- o GST paid under the composition scheme
- o Goods for personal consumption
- o Goods lost, destroyed, stolen, written off or disposed of by way of gifts or free samples

12.3. Fungibility of credit

12.3.1. The rules relating to fungibility of credits and priority of adjustment are tabulated below for ready reference:

Tax	For SGST	For IGST	For CGST
CGST	No	2nd	1st
SGST	1st	2nd	No
IGST	3rd	1st	2nd

12.4. Proportionate Credits

12.4.1. Where a registered person is using goods or services or both partly for the purposes of business and partly for non-business purposes, then he shall be entitled to claim input tax credit of goods or services to the extent used for the purposes of business.

12.4.2. If a registered person, is supplying both taxable (including zero-rated supplies) as well as exempt goods or services, then the amount of credit shall be restricted to so much of the input tax as is attributable to the taxable supplies (including zero-rated supplies)

12.4.3. Further, 'Exempt Supply' has been defined under Section 2(47) of the CGST Act, 2017 to include the following:

- i. Nil rated goods/services
- ii. Goods/services exempted as per the notifications issued by the Government from time to time
- iii. Non-taxable supplies

12.4.4. Thereafter, Section 17(3) of the CGST Act, 2017 also includes following supplies within the value of exempt supplies:

- i. Supplies on which recipient is liable to pay tax under reverse charge mechanism

- ii. Transaction in Securities (1% of the sale value of the security has to be considered as exempt value)
- iii. Sale of land and
- iv. Sale of building (Post completion certificate)

12.4.5. The rules prescribed for calculating reversal of inputs and input service credits provide for classification of all inputs & input services into the following baskets:

Credits of Inputs/Input Services	Classification
Input/Input Service exclusively used for other than business	T ₁
Input/Input Service exclusively used for exempt services	T ₂
Input/Input Service ineligible u/s 17(5)	T ₃
Input/Input Service exclusively for taxable supply including zero rated supply	T ₄
Input/Input Service credit which are not identifiable	C ₂

12.4.6. Similarly, all incomes have to be classified in the following baskets:

Incomes	Classification
Exempt supplies during the month	E
Taxable supplies during the month	S
Total Turnover of supplies in a State during the month	F

12.4.7. After classifying the credits and supply turnovers, following needs to be done:

Identifying common credits attributable to exempt supplies	$D_1 = C_2 \times (E \div F)$
Identifying common credits attributable to non-business purpose	$D_2 = C_2 \times 5\%$
Identifying common credits attributable to taxable business supplies	$C_3 = C_2 - D_1 - D_2$
Finally, net Input Tax Credit of inputs and input services available during the month shall be	$T_4 + C_3$

- 12.4.8. Similar elaborate calculation mechanism is provided for capital goods but the same is not reproduced in view of space constraints
- 12.4.9. Further, a banking company or a financial institution including non-banking financial company, who is engaged in supplying services by way of accepting deposits, extending loans or advances has an option of either availing credits on identification basis or every month avail credits to the tune of 50% of the eligible input tax credit on inputs, capital goods and input services. The balance shall lapse. It is further provided that once an option is exercised, the same cannot be changed for the remaining part of the financial year.
- 12.4.10 It is further provided that interest earned by assesseees other than banking companies and NBFCs shall not be considered in the value of exempt supplies. Similar exclusions are provided for supplies made to Nepal, supplies of ocean transportation, etc.

13. E-Way Bill

- 13.1. The GST Council in its last meeting had announced that the system of E-Way Bills (EWB) for movement of goods with consignment value exceeding ₹ 50,000 shall be implemented w.e.f 1st February, 2018. In view of various technical difficulties, the implementation has been temporarily deferred to a date to be notified in near future.
- 13.2. The provisions stipulate that all inter-state movement of goods taking place with consignment value exceeding ₹ 50,000 shall require an E-Way Bill. For within the State movement of goods, Eway Bill shall be required only if specifically notified by the State authorities. However effective from 1st June 2018, the requirement of EWB shall be required on pan-INDIA basis, irrespective of intra-state or inter-state movement of goods
- 13.3. The EWB is required to be generated from the common portal specifically setup for this purpose and can be accessed at www.ewaybill.nic.in.



**BOMBAY CHARTERED ACCOUNTANTS' SOCIETY
FORTHCOMING EVENTS**

COMMITTEE	EVENT NAME	DATE & TIME	VENUE	NATURE OF EVENTS
Managing Committee	Lecture Meeting on Indirect Tax Provisions of Finance Bill, 2018 by Adv. Vikram Nankani	8th February 2018	BCAS, 7, Jolly Bhavan No. 2, Mumbai	Lecture Meeting
Accounting & Auditing Committee	8th RSC on Ind AS	22nd to 24th February, 2018	The Hotel Gateway, Hinjewadi, Pune	Residential Study Course
Managing Committee	RRC BCAS Joint with Chartered Accountants Association (CAA) Ahmedabad	23rd and 24th February, 2018	THE GRAND BHAGWATI (Magdalla Circle, Dumas Road Surat, Gujarat, India-395 007)	Residential Refresher Course
Human Development & Technology Initiatives Committee	Sixteenth Residential Leadership Retreat 2018	23rd & 24th February 2018	Rambhau Mhalgi Prabodhini, Keshav Shrushti, Bhayender Esseworld Road, Bhayender (West) Dist Thane.	Leadership Retreat
International Taxation Committee	WORKSHOP ON TRANSFER PRICING – CBCR and Master File	27th February, 2018	BCAS, 7, Jolly Bhavan No. 2, Mumbai	Workshop
Membership & Public Relations Committee	5th YOUTH RRC	9th to 11th March 2018	Upper Deck Resort (Lonavla)	RRC
International Taxation Committee	Four Day Orientation Course on Foreign Exchange Management Act (FEMA)	16th & 17th, 23rd & 24th March 2018	BCAS, 7, Jolly Bhavan No. 2, Mumbai	Orientation Course
STUDY CIRCLE				
Human Development & Technology Initiatives Committee	Study Circle Meeting on "Positive Ageing & Geriatric Medicine" by Dr. Arvind Pednekar	13th February, 2018	BCAS, 7, Jolly Bhavan No. 2, Mumbai	Study Circle Meeting

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