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## **Budget 2019-2020**

### **Highlights**

#### **I. DIRECT TAXES**

##### **A. Income Tax**

###### **1. Rates Of Income Tax**

There has been **no change in the Income Tax Slabs** & the Rates of Personal Income Tax.

Where a **total Income of an individual, Hindu undivided family**, association of person, body of individual or artificial juridical person **exceeds Rs.2.00 crores but does not exceeds Rs. 5 crores**, rate of **surcharge has been increased to 25%**.

Where a **total Income of an individual, Hindu undivided family**, association of person, body of individual or artificial juridical person **exceeds Rs. 5 crores**, rate of **surcharge has been increased to 37%**.

**Domestic Companies** having **total turnover/Gross Receipts** in **previous year 2017-18** of **less than or equal to Rs. 400.00 crores** shall be liable to pay **Income Tax @ 25%**. In all other cases the rate of Income Tax shall be 30%.

###### **2. Widening of Scope of Tax Deduction at Source (TDS) on payment by Individual/HUF to contractors and professionals.**

It is proposed to insert a new **section 194M** in the Act to provide for levy of **TDS at the rate of five per cent** on the sum, or the aggregate of sums, paid or credited in a year on account of **contractual work or professional fees by an individual or a Hindu undivided family**, not required to deduct tax at source under section 194C and 194J of the Act, **if such sum, or aggregate of such sums, exceeds fifty lakh rupees in a year.**

However, in order to reduce the compliance burden, it is proposed that such

individuals or HUFs shall be able to deposit the tax deducted using their Permanent Account Number (PAN) and shall not be required to obtain Tax deduction Account Number (TAN). **This amendment will take effect from 1st September, 2019.**

3. **TDS on Purchase of Immovable Property- Clarification**

Section 194-IA of the Act relates to payment on transfer of certain immovable property other than agricultural land and provides for levy of TDS at the rate of one per cent on the amount of consideration paid or credited for transfer of such property. The term 'consideration for immovable property' is presently not defined for the purposes of this section.

Accordingly, it is proposed to amend the Explanation to said section and provide that the term "**consideration for immovable property**" shall include all charges of the nature of club membership fee, car parking fee, electricity and water facility fees, maintenance fee, advance fee or any other charges of similar nature, which are incidental to transfer of the immovable property. **This amendment will take effect from 1st September, 2019.**

4. **Deemed accrual of gift made to a person outside India**

In order to ensure that gifts made by residents to persons outside India are subject to tax, it is proposed to provide that income of the nature referred to in sub-clause (xviiia) of clause (24) of section 2, arising from any sum of money paid, or any property situate in India transferred, **on or after 5<sup>th</sup> July, 2019** by a person resident in India to a person outside India shall be deemed to accrue or arise in India.

However, the existing provision for exempting gifts as provided in proviso to clause (x) of sub-section (2) of section 56 will continue to apply for such gifts deemed to accrue or arise in India. In a treaty situation, the relevant article of applicable DTAA shall continue to apply for such gifts as well. **Applicable w.e.f.assessment year 2020-21.**

5. **Mandatory furnishing of return of income by persons entering into certain high value transactions**

In order to ensure that persons who enter into certain high value transactions do furnish their return of income, even if their total income does not exceeds the threshold limit, it is proposed to amend section 139 of the Act so as to provide that a person shall be mandatorily required to file his return of income, if during the previous year, he-

- (i) has **deposited an amount** or aggregate of the amounts **exceeding one crore rupees in one or more current account** maintained with a banking company or a co-operative bank; or
- (ii) has **incurred expenditure** of an amount or aggregate of the amounts **exceeding two lakh rupees** for himself or any other person for **travel to a foreign country**; or
- (ii) **has incurred expenditure** of an amount or aggregate of the amounts **exceeding one lakh rupees** towards **consumption of electricity**; or
- (iii) fulfils such other prescribed conditions, as may be prescribed.

Further, In order to make **furnishing of return compulsory** for every person

**claiming rollover benefit of exemption from capital gains tax on investment in specified assets like house, bonds etc.**, it is proposed to amend the sixth proviso to section 139 of the Act to provide that a person who is claiming such rollover benefits on investment in a house or a bond or other assets, under sections 54, 54B, 54D, 54EC, 54F, 54G, 54GA and 54GB of the Act, shall necessarily be required to furnish a return, if before claim of the rollover benefits, his total income is more than the maximum amount not chargeable to tax. **Applicable w.e.f.assessment year 2020-21.**

6. **Inter-changeability of PAN & Aadhaar and mandatory quoting in prescribed transactions.**

In order to keep an audit trail of certain transactions, such as **purchase of foreign currency or huge withdrawal from the banks**, it is proposed to insert a new clause (vii) in section 139A(1) so as to provide that every person, who intends to enter into certain prescribed transactions and has not been allotted a PAN, shall also apply for allotment of a PAN.

To ensure ease of compliance, it is also **proposed to provide for inter-changeability of PAN with the Aadhaar number.**

Accordingly it is proposed to amended section 139A so as to provide that,-

- (i) every person who is required to furnish or intimate or quote his PAN under the Act, and who, has not been allotted a PAN but possesses the Aadhaar number, may furnish or intimate or quote his Aadhaar number in lieu of PAN, and such person shall be allotted a PAN in the prescribed manner;
- (ii) every person who has been allotted a PAN, and who has linked his Aadhaar number under section 139AA, may furnish or intimate or quote his Aadhaar number in lieu of a PAN.

A new sub-section (6A) is also proposed to be inserted to ensure quoting of PAN or Aadhaar number for entering into prescribed transactions and authentication thereof in the prescribed manner. Duty is also proposed to be cast upon the person receiving any document relating to such transactions, through newly proposed sub-section (6B), to ensure that PAN or Aadhaar number, as the case may be, is duly quoted, and authenticated. The penalty provision contained in section 272B is proposed to be amended suitably.

It is also proposed to amend the proviso to the sub-section (2) of section 139AA so as to provide that if a person fails to intimate the Aadhaar number, the PAN allotted to such person shall be made inoperative in the prescribed manner. This has been done In order to protect validity of transactions previously carried out through such PAN.

**These amendments will take effect from 1st September, 2019.**

7. **Widening the scope of Statement of Financial Transactions (SFT)**

In order to enable pre-filling of return of income, it is proposed to obtain information by **widening the scope of furnishing of statement of financial transactions** by mandating furnishing of statement by certain prescribed persons other than those who are currently furnishing the same. It is also **proposed to remove the current threshold of rupees fifty thousand on aggregate value of transactions during a financial year**, for furnishing of information, with a view to ensure pre-filling of

information relating to small amount of transactions as well. In order to ensure proper compliance, it is also proposed to amend the provisions of sub-section of aforesaid section so as provide that if the defect in the statement is not rectified within the time specified therein, the provisions of the Act shall apply as if such person had furnished inaccurate information in the statement. Consequently, it is also proposed to amend the penalty provisions contained in section 271FAA. **These amendments will take effect from 1st day of September, 2019.**

#### 8. **Prescription of electronic mode of payments**

There are various provisions of the act, contained in sections such as section 13A, section 35AD, section 40A, section 43(1), section 43CA, section 44AD, section 80JJA, section 269SS, section 269ST & section 269T, which prohibit cash transactions and allow/ encourage payment or receipt through account payee cheque, account payee draft or electronic clearing system through a bank account.

So, in order to encourage other electronic modes of payment also, it is proposed to amend the above sections so as to include such other electronic mode as may be prescribed, in addition to the already existing permissible modes of payment/receipt in the form of an account payee cheque or an account payee bank draft or the electronic clearing system through a bank account. **Applicable w.e.f.assessment year 2020-21.**

However for section 269SS, 269T & 269ST **these amendments will take effect from 1st September, 2019.**

#### 9. **TDS on cash withdrawal to discourage cash transactions**

In order to further discourage cash transactions and move towards less cash economy, it is proposed to insert a new **section 194N** in the Act to provide for levy of **TDS at the rate of two per cent on cash payments in excess of one crore rupees in aggregate made during the year**, by a banking company or cooperative bank or post office, to any person from an account maintained by the recipient.

Exemption has been granted in case of payment made to Government, banking company, cooperative society engaged in carrying on the business of banking, post office, banking correspondents and white label ATM operators, who are involved in the handling of substantial amounts of cash as a part of their business operation.

**This amendment will take effect from 1st September, 2019.**

#### 10. **Mandating acceptance of payments through prescribed electronic modes**

In order to achieve the mission of the Government to move towards a less cash economy to reduce generation and circulation of black money and to promote digital economy, it is proposed to insert a new section 269SU in the Act so as to provide that **every person, carrying on business, shall, provide facility for accepting payment through the prescribed electronic modes, in addition to the facility for other electronic modes of payment, if any, being provided by such person, if his total sales, turnover or gross receipts in business exceeds fifty crore rupees** during the immediately preceding previous year.

In order to ensure compliance of the aforesaid provisions, it is further proposed to insert a new section 271DB to provide that the **failure to provide facility for electronic modes of payment prescribed under section 269SU shall attract penalty of a sum of five thousand rupees, for every day** during which such failure continues. However, the penalty shall not be imposed if the person proves that there were good and sufficient reasons for such failure. **This amendment will take**

effect from 1<sup>st</sup> November, 2019.

11. **Incentives to International Financial Services Centre (IFSC):**

In order to promote the development of world class financial infrastructure in India, some tax concessions have already been provided in respect of business carried on from an IFSC. To further promote such development and bring these IFSC at par with similar IFSC in other countries, few additional benefits are proposed in this budget.

12. **Incentives to Non-Banking Finance Companies (NBFCs)**

With a view to provide a level playing field to certain categories of NBFCs who are adequately regulated, it is proposed to amend section 43D of the Act so as to include deposit-taking NBFCs and systemically important non deposit-taking NBFCs within the scope of this section, so that interest income of these NBFCs in relation to certain categories of bad or doubtful debts shall be chargeable to tax in the previous year in which it is credited to its profit and loss account actually received, whichever is earlier. Consequentially, as per matching principle in taxation, it is proposed to amend section 43B of the Act to provide that any sum payable by the assessee as interest on any loan or advances from a deposit-taking NBFCs and systemically important non deposit-taking NBFCs shall be allowed as deduction if it is actually paid on or before the due date of furnishing the return of income of the relevant previous year.

Presently, these benefits are available to public financial institutions, scheduled banks, cooperative banks, State financial corporations, State industrial investment corporations and public companies like housing finance companies.

**Applicable w.e.f. assessment year 2020-21.**

13. **Tax incentive for electric vehicles**

With a view to improve environment and to reduce vehicular pollution, it is proposed to insert a **new section 80EEB** in the Act so as to provide for a **deduction in respect of interest on loan taken for purchase of an electric vehicle from any financial institution up to one lakh fifty thousand rupees** subject to the following conditions:

(i) the loan has been sanctioned by a financial institution including a non-banking financial company during the period beginning on the 1st April, 2019 to 31st March, 2023;

(ii) the assessee does not own any other electric vehicle on the date of sanction of loan.

It is also proposed that where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provisions of the Act for the same or any other assessment year.

**Applicable w.e.f. assessment year 2020-21.**

14. **Tax incentive for affordable housing**

It is proposed to insert a new **section 80EEA** in the Act so as to provide a **deduction in respect of interest up to one lakh fifty thousand rupees on loan taken for residential house property** from any financial institution subject to the

following conditions:

- (i) loan has been sanctioned by a financial institution during the period **beginning on the 1st April, 2019 to 31st March 2020.**
- (ii) the stamp duty value of **house property does not exceed forty-five lakh rupees;**
- (iii) assessee **does not own any residential house property** on the date of sanction of loan.

It is also proposed that where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provisions of the Act for the same or any other assessment year.

**Applicable w.e.f. assessment year 2020-21**

#### 15. **Incentives to National Pension System (NPS) subscribers**

- (i) **Limit of Tax exemption on the total amount payable** to an assessee on account of withdrawal from NPS account on closure of his account or on his opting out of the pension scheme, **has been enhanced from 40% to 60%.**
- (ii) **Limit of deduction u/s 80CCD, in respect of any contribution by the Central Government or any other employer to the account of the employee has been increased from 10% of Salary to 14% of salary.**
- (iii) To enable the Central Government employees to have more options of tax saving investments under National Pension System, it is proposed to amend the section 80C so as to provide that any amount paid or deposited by a Central Government employee as a contribution to his Tier-II account of the pension scheme shall be eligible for deduction under the said section.

**Applicable w.e.f. assessment year 2020-21.**

#### 16. **Incentives for start-ups**

Few amendments have been proposed in section 54GB & section 79 to provide some incentives to start up.

In order to incentivize investment in eligible start-ups, it is proposed to amend the section 54GB so as to-

- (i) **extend the sun set date** of transfer of residential property for investment in eligible start-ups **from 31st March 2019 to 31st March 2021;**
- (ii) **relax the condition of minimum shareholding of fifty per cent of share capital or voting rights to twenty five per cent.**
- (iii) relax the condition restricting transfer of new asset being computer or computer software from the current five years to three years.

In section 79, to further facilitate ease of doing business in the case of an eligible start-up, it is proposed to provide that loss incurred in any year prior to the previous year, in the case of closely held eligible start-up, shall be allowed to be carried forward

and set off against the income of the previous year on satisfaction of either of the two conditions stipulated currently at clause (a) or clause (b). For other closely held companies, there would be no change, and loss incurred in any year prior to the previous year shall be carried forward and set off only on satisfaction of condition currently provided at clause (a).

**Applicable w.e.f. assessment year 2020-21.**

**17. Measures for resolution of distressed companies**

Newly substituted section 79 provides the provision of this section shall not apply to those companies, and their subsidiary and the subsidiary of such subsidiary, where-

(i) the National Company Law Tribunal (NCLT) on a petition moved by the Central Government under section 241 of the Companies Act, 2013 has suspended the Board of Directors of such company and has appointed new directors, who are nominated by the Central Government, under section 242 of the Companies Act, 2013: and

(ii) a change in shareholding of such company, and its subsidiaries and the subsidiary of such subsidiary, has taken place in a previous year pursuant to a resolution plan approved by NCLT under section 242 of the Companies Act, 2013, after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.

Further, it is also proposed that under section 115JB of the Act for calculating book profit, the aggregate amount of unabsorbed depreciation and loss (excluding depreciation) brought forward shall also be allowed to be reduced in cases of the above mentioned companies.

**Applicable w.e.f. assessment year 2020-21.**

**18. Online filing of application seeking determination of tax to be deducted at source on payment to non-residents**

Process of making an application u/s 195(2) by a person making payment to a non-resident to obtain certificate/order from the Assessing Officer for lower or nil withholding-tax, is proposed to be made online. **These amendments will take effect from 1st November, 2019.**

**19. Electronic filing of statement of transactions on which tax has not been deducted**

Furnishing of quarterly return in respect of payment of Interest to residents without deduction of tax is proposed to be made online. It is also proposed to provide for correction of such statements for rectification of any mistake or to add, delete or update the information furnished.

**These amendments will take effect from 1st September, 2019.**

**20. Provision of Tax on buy back of shares extended to listed companies also**

In order to curb such tax avoidance practice adopted by the listed companies, the existing anti abuse provision under Section 115QA of the Act, pertaining to buy-back of shares from shareholders by companies not listed on a recognised stock

exchange, is proposed to be extended to all companies including companies listed on recognised stock exchange. Thus, any buy back of shares from a shareholder by a company listed on recognised stock exchange, on or after 5th July 2019, shall also be covered by the provision of section 115QA of the Act. Accordingly, it is also proposed to extend exemption under clause (34A) of section 10 of the Act to shareholders of the listed company on account of buy-back of shares on which additional income -tax has been paid by the company. **These amendments will take effect from 5th July, 2019.**

21. **Cancellation of registration of the Trust or Institution**

In order to ensure that the trust or institution do not deviate from their objects, few amendments have been proposed in section 12AA with regard to the manner of cancellation of registration of trust or institution.

Now Principal Commissioner or Commissioner shall be **empowered to cancel the registration** in those cases, where after grant of registration, it is noticed that the trust or institution has **violated requirements of any other law** which was **material for the purpose of achieving its objects** and such violation has not been disputed or has attained finality. **These amendments shall be effective from 1st September, 2019.**

22. **Relaxing the provisions of sections 201 and 40 of the Act in case of payments to non residents**

Relaxation provided in first proviso to section 201(1) with regard to non-deduction of TDS on payment made to a Resident is now being proposed to be extended to payments made to non-residents as well. Similar amendment is also proposed in section 40(a). **These amendments will take effect from 1st September, 2019.**

23. **Provision of credit of relief provided under section 89**

The existing provisions of section 140A, section 143, section 234A, section 234B and section 234C contain provisions relating to computation of tax liability after allowing credit for prepaid taxes and certain admissible reliefs, credits etc. However, the relief under section 89 is not specifically mentioned in these sections, which is resulting into genuine hardship in the case of taxpayers who are eligible for this relief.

In view of the above, it is proposed to amend section 140A, section 143, section 234A, section 234B and section 234C so as to provide that computation of tax liability shall be made after allowing relief under section 89.

**These amendments will take effect retrospectively from 1st April, 2007 and will, accordingly, apply in relation to the assessment year 2007-08 and subsequent assessment years.**

24. **TDS on non exempt portion of life insurance pay-out on net basis.**

Under section 194DA of the Act, a person is obliged to deduct tax at source, if it pays any sum to a resident under a life insurance policy, which is not exempt under sub-section (10D) of section 10. The present requirement is to deduct tax at the rate of one per cent. of such sum at the time of payment. Several concerns have been expressed that deducting tax on gross amount creates difficulties to an assessee who otherwise has to pay tax on net income (i.e after deducting the



amount of insurance premium paid by him from the total sum received). From the point of views of tax administration as well, it is preferable to deduct tax on net income so that the income as per TDS return of the deductor can be matched automatically with the return of income filed by the assessee. The person who is paying a sum to a resident under a life insurance policy is aware of the amount of insurance premium paid by the assessee. Hence, it is proposed to provide for tax deduction at source at the rate of five per cent. on income component of the sum paid by the person. **This amendment shall be effective from 1st September, 2019.**

25. **Rationalisation of penalty provisions relating to under-reported income**

In order to provide for manner of computing the quantum of penalty in a case where the person has under-reported his income and furnished his return for the first time under section 148, it is proposed to suitably amend the provisions of section 270A.

**These amendments will take effect retrospectively from 1st April, 2017 and will, accordingly, apply in relation to assessment year 2017-2018 and subsequent assessment years.**

26. **Rationalisation of the provisions of section 276CC**

Provisions of section 276CC are proposed to be amended so as to include the self-assessment tax, if any, paid before the expiry of the assessment year, and tax collected at source for the purpose of determining tax liability.

Further, in order to rationalize the existing threshold limit of tax payable under said section, it is further proposed to amend the said section so as to increase the threshold of tax payable from the existing rupees three thousand to rupees ten thousand. **Applicable w.e.f. assessment year 2020-21.**

27. **Enhancing time limitation for sale of attached property under rule 68B of the Second Schedule of the Act**

The existing provisions of rule 68B of the Second Schedule of the Act are proposed to be amended so as to enhance the period of limitation for sale of immovable property attached towards the recovery of tax, penalty etc. from three years to seven years from the end of the financial year in which the order in consequence of which any tax, penalty etc. becomes final.

It is further proposed to insert a new proviso in the said sub-rule so as to provide that the Board may, for reasons to be recorded in writing, extend the aforesaid period of limitation by a further period of three years. **These amendments will take effect from 1st September, 2019.**

28. **Rationalisation of provisions relating to STT**

As per the existing provisions section 99 of the Finance (No.2) Act, 2004, the value of taxable securities transaction in respect of sale of an option in securities, where option is exercised, shall be, the settlement price.

In order to rationalise the levy of STT where the option is exercised, **it is proposed to amend the said section so as to provide that value of taxable securities transaction in respect of sale of an option in securities, where option is**

exercised, shall be the difference between the strike price and the settlement price. This amendment will take effect from 1st September, 2019.

**29. Facilitating demerger of Ind-AS compliant companies**

One of the existing conditions for tax-neutral demergers is that the resulting company should record the property and the liabilities of the undertaking at the value appearing in the books of accounts of the demerged company. It has been represented that Indian Accounting Standards (Ind-AS) compliant companies are required to record the property and the liabilities of the undertaking at a value different from the book value of the demerged company. In order to facilitate, it is proposed to amend section 2 of the Act to provide that the requirement of recording property and liabilities at book value by the resulting company shall not be applicable in a case where the property and liabilities of the undertakings received by it are recorded at a value different from the value appearing in the books of account of the demerged company immediately before the demerger in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015.

**30. Rationalisation of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, Income Declaration Scheme, 2016 & Rationalizing the provisions of the Prohibition of Benami Property Transactions Act**

Provisions of few sections of the above stated Acts & Schemes have been rationalized in order to remove scope of any ambiguity.

**31. Sabka Vishwas Legacy Dispute Resolution Scheme**

A dispute resolution cum amnesty scheme called the Sabka Vishwas Legacy Dispute Resolution Scheme is being introduced for resolution and settlement of legacy cases of Central Excise and Service Tax.

**32. AMENDMENTS IN THE CGST ACT, 2017:**

S. No.	Amendment
1	The definition of “adjudicating authority” in clause (4) of section 2 of the CGST Act is being amended so as to exclude “the National Appellate Authority for Advance Ruling” (which is being created by various amendments in Chapter XVII of the CGST Act) from the definition of “adjudicating authority”.
2	A new sub-section is being inserted in section 10 of the CGST Act to bring in an alternative composition scheme for supplier of services or mixed suppliers (not eligible for the earlier composition scheme) having an annual turnover in preceding financial year upto Rs 50 lakhs. Further, explanation is being added to section 10 to clarify that: i. for computing the aggregate turnover to determine eligibility for the composition scheme, value of exempt supplies services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount shall not be taken into account; and ii. for determining the value of turnover in a State or Union territory to calculate tax payable,

	value of exempt supplies of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount; and value of the first supplies from 1 <sup>st</sup> of April till the date when the taxpayer becomes liable for registration shall not be taken into account.
3	A proviso and an explanation is being inserted in section 22 of the CGST Act so as to provide for higher threshold exemption limit from Rs. 20 lakhs to such amount not exceeding Rs. 40 lakhs in case of supplier who is engaged in exclusive supply of goods.
4	New sub-sections are being inserted in section 25 of the CGST Act to make Aadhaar authentication mandatory for specified class of new taxpayers and to prescribe the manner in which certain classes of registered taxpayers are required to undergo Aadhaar authentication.
5	A new section 31A is being inserted in the CGST Act so that specified suppliers shall have to mandatorily give the option of specified modes of electronic payment to their recipients.
6	Section 39 of the CGST Act is being amended so as to allow the composition taxpayers to furnish annual return along with quarterly payment of taxes; and other specified taxpayers may be given the option for quarterly or monthly furnishing of returns and payment of taxes under the proposed new return system.
7	New provisos are being inserted in sub-section (1) of section 44 of the CGST Act so as to empower the Commissioner to extend the due date for furnishing Annual return (prescribed <b>FORM GSTR-9/9A</b> ) and reconciliation statement (prescribed <b>FORM GSTR-9C</b> ).
8	New sub-sections are being inserted in section 49 of the CGST Act to provide a facility to the registered person to transfer an amount from one (major or minor) head to another (major or minor) head in the electronic cash ledger.
9	New proviso in sub-sections (1) is being inserted in section 50 of the CGST Act so as to provide for charging interest only on the net cash tax liability, except in those cases where returns are filed subsequent to initiation of any proceedings under section 73 or 74 of the CGST Act.
10	New provisos are being inserted in sub-sections (4) and (5) of section 52 of the CGST Act so as to empower the Commissioner to extend the due date for furnishing of monthly and annual statement by the person collecting tax at source.
11	A new section 53A is being inserted in the CGST Act so as to provide for transfer of amount between Centre and States consequential to amendment in section 49 of the CGST Act allowing transfer of an amount from one head to another head in the electronic cash ledger of the registered person .
12	New sub-section (8A) is being inserted in section 54 of the CGST Act so as to provide that the Central Government may disburse refund amount to the taxpayers in respect of refund of State taxes as well.
13	New clause (f) is being inserted in section 95 of the CGST Act to define the "National Appellate Authority for Advance Ruling".
14	New sections 101A, 101B and 101C are being inserted in the CGST Act so as to provide for constitution, qualification, appointment, tenure, conditions of services of the National Appellate Authority for Advance Ruling; to provide for procedures to be followed for hearing appeals against conflicting advance rulings pronounced on the same question by the Appellate Authorities of two or more States or Union territories in case of distinct persons; and to provide that the National Appellate Authority shall pass order within a

	period of ninety days from the date of filing of the appeal respectively.
15	Section 102 of the CGST Act is being amended so as to allow the National Appellate Authority to amend any order passed by it so as to rectify any error apparent on the face of the record, within a period of six months from the date of the order, except under certain specified circumstances.
16	Section 103 of the CGST Act is being amended so as to provide that the advance ruling pronounced by the National Appellate Authority shall be binding, unless there is a change in law or facts, on the applicants, being distinct person and all registered persons having the same Permanent Account Number and on the concerned officers or the jurisdictional officers in respect of the said applicants and the registered persons having the same Permanent Account Number.
17	Section 104 of the CGST Act is being amended so as to provide that advance ruling pronounced by the National Appellate Authority shall be void where the ruling has been obtained by fraud or suppression of material facts or misrepresentation of facts.
18	Section 105 of the CGST Act is being amended so as to provide that the National Appellate Authority shall have all the powers of a civil court under the Code of Civil Procedure, 1908 for the purpose of exercising its powers under the Act.
19	Section 106 of the CGST Act is being amended so as to provide that the National Appellate Authority shall have power to regulate its own procedure.
20	Consequent to the amendments in section 44 and section 52 of the CGST Act, section 168 is being amended so as to specify that in respect of sub-section (1) of section 44 and sub-sections (4) and (5) of section 52, Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board.
21	Section 171 of the CGST Act is being amended so as to empower the National Anti-profiteering Authority (under sub-section (2) of section 171 of the Act) to impose penalty equivalent to 10% of the profiteered amount.

**DISCLAIMER** Although due care has been taken while compiling the above highlights, yet the author carries no responsibility for any inadvertent misquoting. Please check the relevant source before relying on any of the compilations. The budgetary proposals covered in this compilation are the one which are considered important; It does not cover all the changes proposed in the Finance (No. 2) Bill, 2019.

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