Union Budget 2019

vedya PARTNERS

Union Budget 2019

The provisions contained in the Finance Bill (No. 2), 2019 ('The Bill') are proposals and are likely to undergo amendments while passing through Houses of Parliament before being enacted.

Content

Preface

On the 5 July 2019, Mrs. Nirmala Sitharaman presented maiden Budget of the Modi Government 2.0, post the thumping victory in the elections, the Finance Minister has been rich on intent and has something to offer every constituency – from start-ups to NBFCs and everyone in between.

The Union Budget lays down the outline to get India to a US$5 trillion economy by 2024. The Budget envisions the GDP growth beyond 8% year-on-year in real terms, provide inducement to infrastructure and manufacturing, propel job creation and aid the rural economy, all without destabilising the fiscal balance.

The Budget reflects a vision for the next three to five years and lays down the path ahead – reform in FDI, *ease of living* through *less government and maximum governance*, infusion of capital in the PSU banks, government guarantees for lending to NBFCs, strategic disinvestment, infrastructure development, gender equality, and promise of several other reforms for development of all sectors.

The Budget decided to tax the super-rich (people with incomes over INR 2 crore) with additional surcharges and reduced corporate tax rate be extended to companies with turnover up to INR 400 crore. However, no Realisation of DDT and introduction of Buy Back Tax on listed entries was not something the equities markets were expecting.

The budget with a vison to spend big on Infrastructure, Rural Development, Green Electricity, Railways with investment-based tax incentives, has managed to project a fiscal deficit at 3.3% maintaining a balance wherein everyone gets a little, with the promise of 'Achhe Din' in the near future.

As always, we at Vedya would be happy to hear your comments and look forward to your queries and questions.

Indirect tax proposals

Goods and Service Tax ('GST')

Composition scheme

- Loans or advances extended by composition scheme dealers not to be considered as 'exempt income'.
- Casual taxable persons and non-resident taxable persons not eligible to opt for composition scheme.
- New composition scheme available for service suppliers with turnover less than INR 50 lakh (not eligible for the existing scheme) upon fulfilment of prescribed conditions.
- Aggregate turnover for composition scheme to include turnover from 1 April of the financial year up to the date when the supplier is liable to obtain registration.

Registration threshold

- On the recommendations of the GST Council the Government may increase the registration turnover threshold to INR 40 lakh for suppliers exclusively supplying goods. Loans and advances extended by such suppliers, not to be considered as turnover.

National Appellate authority ('NAA')

- NAA constituted and authorized to issue orders for advance rulings.
- Persons eligible to appeal to NAA in case of conflicting advance rulings issued by two or more Appellate authorities of State / Union Territories.
- NAA may confirm / modify orders which are appealed against.

Miscellaneous amendments

- In case of anti-profiteering, assessees required to deposit 10%, of the amount so profiteered, as penalty. Penalty not applicable in case the profiteered amount is deposited within 30 days of passing or order.
- The National Appellate Authority for Advance Ruling to be excluded from the definition of 'adjudicating authority'.
- On the recommendations of the GST Council specified suppliers would be required to mandatorily provide options of specified modes of payments to recipients.
- On the recommendations of the GST Council the Commissioners may extend the due date for filing of annual returns.
- Assessees would now be eligible to transfer amounts in the electronic cash ledger from one head to another.
- Interest in case of delayed filing of returns (but before issuance of notice for demand) payable only on the net tax / cash payable.

GST rate changes

- Uranium ore concentrate (classified under Chapter 26 of HSN) exempt, retrospectively w.e.f 1 July 2017. GST paid on such goods till date shall not be refunded.

Indirect tax proposals

Customs Act, 1962

- Customs officers now empowered to arrest persons outside India or outside Indian Customs waters.
- Fraudulently availing exemptions or drawback (in excess of INR 50 lakh) would now be a cognizable offence.
- Fraudulently obtaining instruments (of value over INR 50 lakh) under the Foreign Trade (Development & Regulation) Act and used under the Customs Act, shall be a non-bailable offence. Persons obtaining such instruments shall be alible to pay penalty of up to the face value of the instrument.
- General penalty for contravention of provisions increased from INR 100,000 to INR 400,000.
- Countervailing duty may be extended to articles brought in disassembled form, changed composition / description or by changing the country of origin, in cases where the original article is subject to such duty.

Customs tariff changes

Changes in tariff entries

- Substantial changes made to the First Schedule (relating to import of goods) of the Customs tariff to create specific tariff entries (for goods previously classified as others) and for alignment with HSN.

Changes in tariff rates

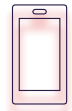
- Hike in tariff rates in construction materials (by 5%), precious metals (by 2.5%), automobile parts (by 5%) and electronics / electrical equipment (by 5%).

Changes in effective duty rates

- Effective immediately, scheduled rate of Road Infrastructure Cess (levied as Additional Customs duty) on petrol and diesel increased from INR 8 to INR 10 per litre. The effective rate has been increased to INR 9 per litre.
- Specified equipment imported by Ministry of Defence or Armed Forces, now exempt.
- Raw materials, parts and accessories for manufacturing dialyzers and artificial kidneys, now exempt.
- Uranium ores and concentrates and import of all goods used in nuclear power generation, now exempt.
- Effective immediately, duty of INR 1 per tonne has been imposed on petroleum crude.
- Hike of 2.5% in case of specified precious metals and steel ingots.
- Capital goods used for manufacture of specified parts of mobile phones, now exempt.
- Hike by 5% in case of catalytic converters and vehicles in CBU form.
- Specified parts of electric vehicles, now exempt.



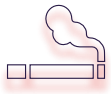



Indirect tax proposals

Excise duty changes

- Effective immediately, scheduled rate of Special Additional Excise duty on petrol increased from INR 7 to INR 10 per litre and on diesel from INR 1 to INR 4 per litre. Effective rate increased by INR 1 per litre for both petrol and diesel to INR 8 and INR 2, respectively.
- Effective immediately, scheduled rate of Road Infrastructure Cess (levied as Additional Excise duty) on petrol and diesel increased from INR 8 to INR 10 per litre. The effective rate has been increased to INR 9 per litre.
- Exemption to petroleum oils and oils obtained from bituminous minerals, crude for notified Production Sharing Contracts and exploration blocks offered in NELP.
- Minor hike in rates for cigarettes and tobacco products.



Service tax

- Service tax paid on consideration paid for liquor licenses granted by State Governments (from 1 April 2016 to 30 June 2017), to be refunded.
- Service tax paid on consideration received for specified education programmes provided by the Indian Institute of Management (from 1 July 2003 to 31 March 2016), to be refunded.
- Service tax paid on consideration received for granting of long-term lease of 30 years or more, for plots for development of infrastructure for financial business, to developers in any industrial or financial business areas provided by specified undertakings (from 1 October 2013 to 30 June 2017), to be refunded.
- Refund applications for the above to be filed within six months of President's assent of Finance Bill, 2019.

Legacy Dispute Resolution Scheme

Sectors covered

- Medicinal and toilet preparations, agricultural produce, rubber, salt, sugar, textiles, minerals, tobacco and services.

Eligibility (exceptions)

- Where an appeal has been filed before the appellate forum and has been finally heard on or before 30 June 2019.
- Where the assessee is convicted of any offence punishable under any provision of the Indirect tax enactment for the matter for which he intends to file a declaration.
- Where a show cause notice has been issued and has been finally heard on or before 30 June 2019.
- Where a show cause notice has been issued for refund or erroneous refund.
- Where the duty amount has not been quantified on or before 30 June 2019 under an ongoing enquiry, investigation or audit.

Indirect tax proposals

- Where an assessee makes a voluntary disclosure under an enquiry, investigation or audit or has not paid any amount as declared in the returns.
- Matters where an application is filed before the Settlement Commission.
- Assessees seeking to make declarations for excisable goods mentioned in the Fourth Schedule to the Central Excise Act, 1944.

Relief available

Particulars	Amount (INR)	Relief
• Tax dues as mentioned in an appeal as on 30 June 2019 • Tax dues quantified as on 30 June 2019 under an enquiry, investigation or audit	< 50 lakh	70% of taxes due
	> 50 lakh	50% of taxes due
Amount in show cause notice only for penalty and late fee	-	Entire amount
Tax dues are related to an amount in arrears and the assessee has declared the amount in returns but not paid	< 50 lakh	60% of taxes due
	> 50 lakh	40% of taxes due
Voluntary disclosure of tax dues by assessee	-	No relief

- Amount of pre-deposit paid by the assessee at any stage to be deducted for computing the amount payable. No refund in case the amount of pre-deposit exceeds the amount payable.

*Computing tax dues**

- The amount of duty in dispute where an appeal is pending as on 30 June 2019 before the appellate forum.
- The amount of duty payable under a show cause notice under any of the Indirect tax enactment has been received by the on or before 30 June 2019.
- Such amount as has been quantified on or before 30 June 2019 under a pending enquiry or investigation or audit.
- Any amount that has been voluntarily disclosed by the assessee.

** amount of duty means Central Excise duty, Service tax and Cess payable*

Subsequent litigation

- Assessees not liable to pay any further duty, interest or penalty for the same matter for the same time period.
- Assessee shall not be liable to be prosecuted regarding such matter and time period.
- No matter and time period covered to be reopened in any other proceedings.

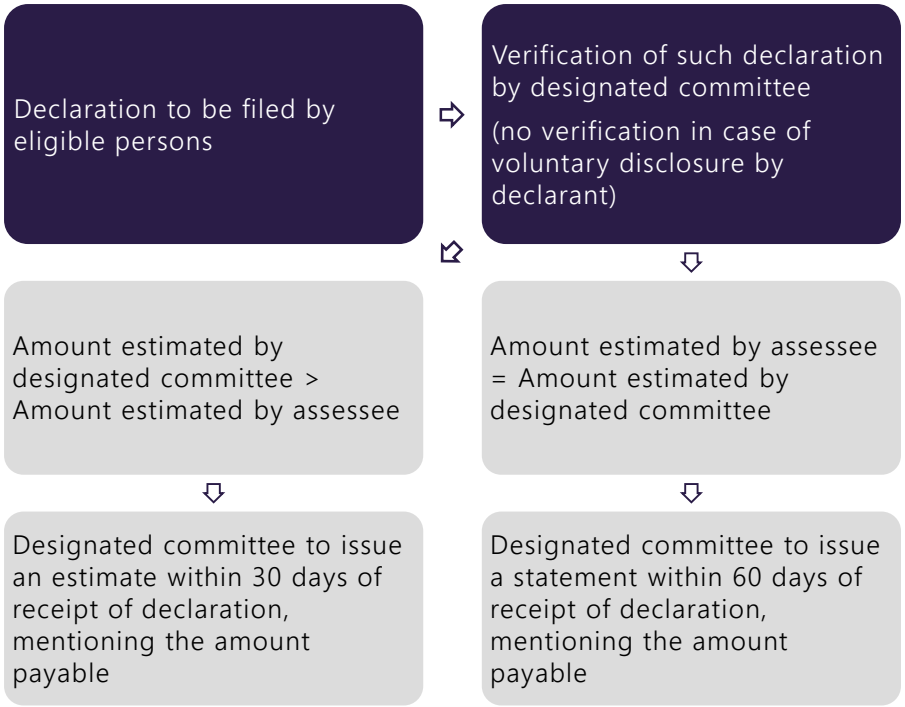
Restrictions

- Amounts payable under the scheme cannot be paid through input credit.

Indirect tax proposals

- Amounts paid under the scheme shall not be refunded or be available as input credit.

Verification of declaration by assessee



- Assessee to be provided an opportunity to be heard (with the possibility of one adjournment) after the issuance of estimate and prior to issuance of final statement (within 60 days of receipt of declaration).
- Assessee to pay such amount within 30 days of receipt of statement. Designated committee to issue discharge certificate within 30 days of payment and production of proof.

Direct tax proposals

Personal Income tax

- No changes have been proposed in the rates of tax. However additional surcharges have been applied on the income of the super-rich having incomes of over INR 2 crore and INR 5 crore. Accordingly, the rates of tax as applicable for Assessment Year 2020-2021 are as under:

Income (in INR lakh)	Individuals (age < 60 years)*	Senior citizens (age 60-80 years)*	Super senior citizen (age > 80 years)*
0-2.5	-	-	-
2.5-3	5.2%	-	-
3-5	5.2%	5.2%	-
5-10	20.8%	20.8%	20.8%
10-50	31.2%	31.2%	31.2%
50-100	34.32%	34.32%	34.32%
100-200	35.88%	35.88%	35.88%
200-500	39%	39%	39%
500+	42.74%	42.74%	42.74%

** Rates of tax including Cess @4% and surcharges*

- Surcharge

Total income (in INR crore)	Rate
0.5-1	10%
1-2	15%
2-5	25%
5+	37%

Vedya analysis

- The increase in surcharge without changing the tax slabs is a calculated move by the Government to increase revenue to support social schemes, without drawing too much attention and inviting public rage.
- The maximum marginal rate increases by 6.86% i.e. from 35.88% to 42.744% will be applicable to individuals with an income of over INR 5 crore
- However, the learnings of the past a high tax rate proves to be counterproductive and reduces tax compliance by high income earners.

Direct tax proposals

Corporate tax

- Domestic companies with a turnover not exceeding INR 400 crore during the financial year 2017-2018 will now enjoy a reduced tax rate of 25% (plus applicable surcharge and cess). This will cover 99.3% of the companies. Now only 0.7% of companies will remain outside this rate. Earlier only companies with turnover not exceeding INR 250 crore during the financial year 2017-2018 we eligible for the reduced rate. Rates of tax for Assessment Year 2020-2021 are as under:

Domestic company turnover (in INR crore)	Net income INR 0-1 crore*	Net income INR 1-10 crore*	Net income above INR 10 crore*
0-250	26%	27.82%	29.12%
250-400	26%	27.82%	29.12%
400+	31.20%	33.35%	35.94%
Set up / registered on or after 1 March 2016 engaged solely in manufacturing	31.20%	33.35%	35.94%
Marginal Attributable Tax (MAT)	19.21%	20.59%	21.55%

- Surcharge applicable @7% where total income is between INR 1-10 crore.
- Surcharge applicable @12% where total income exceeds INR 10 crore.

Particulars	Net income INR 0-1 crore*	Net income INR 1-10 crore*	Net income above INR 10 crore*
Foreign companies	41.60%	42.43%	43.68%

- Surcharge applicable @2% where total income is between INR 1-10 crore.
- Surcharge applicable @5% where total income exceeds INR 10 crore.

Particulars	Net income INR 0-1 crore*	Net income above INR 1 crore*
Firms and LLP	31.20%	34.94%
Alternate Marginal Tax (AMT)	19.24%	21.55%

- Surcharge applicable @12% where total income exceeds INR 1 crore.

** Rates of tax including Cess @4% and surcharges*

Vedya analysis

- No change in tax slabs for corporates and widening of the reduced tax slab from INR 250 to 400 crore, is a welcome move.

Transfer pricing

Power of the Assessing Officer in respect of modified return of income filed in pursuance to an Advance Pricing Agreement ('APA')

- Section 92CC of the Income-tax Act empowers the CBDT to enter into an APA, with the approval of the Central Government, with any person for determining the Arm's Length Price (ALP) in relation to an international transaction which is to be entered into by that person. The APA is valid for a period, not exceeding five previous years, as may be specified therein. This Section also provides for the rollback of the APA for four years.
- Thus, once the APA is entered into, the ALP of the international transaction, which is the subject matter of the APA, would be determined in accordance with such APA. Section 92CD also provides for the mechanism, inter alia in which for an Assessment Year covered under an APA, the assessment or re-assessment has already been completed by the Assessing Officer before expiry of the time allowed for the filing of modified return pursuant to the APA.
- Apprehensions have been expressed stating that due to the use of words '*assess or reassess or recompute*', the Assessing Officer may start fresh assessment or reassessment in respect of completed assessments or reassessments of the assessees who have modified their returns of income in accordance with the APA.
- It is, therefore, proposed to amend Section 92CD(3) to clarify that in cases where assessment or reassessment has already been completed and modified return of income has been filed by the taxpayer under sub-section (1) of said section, the Assessing Officers shall pass an order modifying the total income of the relevant Assessment Year determined in such assessment or reassessment, having regard to and in accordance with the APA.
- This amendment will take effect from 1 September 2019.

Provisions of secondary adjustment and giving an option to assessee to make a one-time payment

- In order to align the transfer pricing provisions with international best practices, Section 92CE of the Income-tax Act, *inter alia*, provides that the assessee shall be required to carry out secondary adjustment where the primary adjustment to transfer price, has been made *suo motu*, or made by the Assessing Officer and accepted by him; or is determined by an APA / Safe harbour / mutual agreement procedure.

Transfer pricing

- In order to make the secondary adjustment regime more effective and easier to comply with, it is proposed to amend Section 92CE of the Income-tax Act so as to provide that:
  - Primary adjustment threshold of INR 1 crore OR primary adjustment made up to Assessment Year 2016-17 are alternate conditions;
  - The assessee shall be required to calculate interest on the excess money or part thereof; not repatriated to India;
  - The provision of this Section shall apply to the agreements which have been signed after 1 April 2017; however, no refund of the taxes already paid would be allowed;
  - The excess money may be repatriated from any of the associated enterprises of the assessee which is not resident in India;
  - In a case where the amount is outstanding which has not been repatriated in time, the assessee will have the option to pay additional Income Tax at the rate of 18% on such excess money or part thereof along with 12% surcharge in addition to the interest till the date of payment of this additional tax.
  - The tax so paid shall be the final payment of tax and no credit shall be allowed in respect of the amount of tax so paid;
  - The deduction in respect of the amount on which such tax has been paid, shall not be allowed under any other provision of this Act; and
  - If the assessee pay's the additional Income Tax, he will not be required to make a secondary adjustment or compute interest from the date of payment of such tax.
- The amendments proposed in first four points above will take effect retrospectively from the 1 April 2018 and will, accordingly, apply in relation to the Assessment Year 2018-2019 and subsequent Assessment Years.
- The amendments proposed in the balance of the points will be effective from 1 September 2019.

Tax incentives

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, the following additional benefits are proposed:
  - Under section 47 of the Income-tax Act, any transfer of a capital asset, being bonds or Global Depository Receipts or rupee denominated bond of an Indian company or derivative, made by a non-resident through a recognised stock exchange located in any IFSC and where the for such transaction is paid in foreign currency shall not be regarded as transfer.
    - It is proposed to amend the above section so as to provide tax-neutral transfer of specified securities by Category III Alternative Investment Fund (AIF) in IFSC, of which all the unitholders are non-resident, are not regarded as a transfer subject to fulfilment of specified conditions.
    - The Central Government may notify other securities for the purposes of this section in due course.
- To facilitate external borrowing by the units located in IFSC, it is proposed to amend the section 10 of the Income-tax Act so as to provide that any income by way of interest payable to a non-resident by a unit located in IFSC in respect of monies borrowed by it on or after 1 September 2019, shall be exempt.
- Under section 80LA of the Income-tax Act, inter alia, provide profit linked deduction of an amount equal to 100% of income for the first five consecutive Assessment Year's and 50% of income for the next five consecutive Assessment Year's, to units of an IFSC.
  - With a view to further incentivize operation of units in IFSC, it is proposed to amend the said section so as to provide that the deduction shall be increased to 100% for any ten consecutive Assessment Year's. The assessee, at its option, may claim the said deduction for any 10 consecutive Assessment Year's out of 15 years beginning with the year in which the necessary permission was obtained.
  - Corresponding amendments have also been proposed to Section 115A of the Income-tax Act which provides the method of calculation of Income tax payable by a non-resident (not being a company) or by a foreign company where the total income includes any income by way of dividend (other than referred in Section 115-O

Tax incentives

- below), interest, royalty, and fees for technical services; etc. Section 80LA provides for deduction in respect of specified incomes to a unit located in an IFSC. However, sub-section (4) of section 115A prohibits any deduction under chapter VI-A which includes section 80LA. In order to ensure that units located in IFSC claim full deduction, it is proposed to amend section 115A of the Income-tax Act so as to provide that the conditions contained in sub-section (4) of section 115A shall not apply to a unit of an IFSC for under section 80LA is allowed.

The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

- Under section 115-O of the Income-tax Act, provides that no tax on distributed profits shall be chargeable in respect of the total income of a company, being a unit of an IFSC, deriving income solely in convertible foreign exchange, for any Assessment Year on any amount declared, distributed or paid by such company, by way of dividends (whether interim or otherwise) on or after the 1 April 2017, out of its current income, either in the hands of the company or the person receiving such dividend. To facilitate distribution of dividend by companies operating in IFSC, it is proposed to amend the provision of the said section to provide that any extend the applicability of this exemption to dividends declared, distributed or paid out of accumulated profits as well from operations in IFSC, after 1 April 2017, shall also not be liable for tax on distributed profits.
- Under section 115R of the Income-tax Act, any amount of income distributed by the specified company or a Mutual Fund to its unit holders shall be chargeable to tax and such specified company or Mutual Fund shall be liable to pay additional Income Tax on such distributed income. In order to incentivize relocation of Mutual Fund in IFSC, it is proposed to amend the said section so as to provide that no additional Income Tax shall be chargeable in respect of any amount of income distributed, on or after 1 September 2019, by a Mutual Fund of which all the unitholders are non-residents and which fulfils specified other specified conditions.
- The above amendments will take effect from 1 September 2019.

Vedya analysis

- The need to promote the development of world class financial infrastructure in India, and bring them at par with similar IFSCs in New York, London, Singapore, etc. concessions have to be provided in respect of businesses carried on from an IFSC.
- The above measures are a welcome move to put India on the global map as a financial hub.

Tax incentives

Incentives to Non-Banking Finance Companies ('NBFCs')

- As per the provisions of Section 43D of the Income-tax Act, interest income in relation to specified categories of bad or doubtful debts received by specified institutions or banks or corporations or companies shall be chargeable to tax on receipt basis in the year when such an amount is actually received.
- The above is an exception to the accrual system of accounting which is regularly followed by such assessees for computation of total income. The benefit of this provision is presently available to public financial institutions, scheduled banks, cooperative banks, State financial corporations, State industrial investment corporations and public companies like housing finance companies.
- To provide a level playing field to specified categories of NBFCs, it is proposed to amend Section 43D so as to include specified categories of deposit / non-deposit taking NBFCs within the scope of this section.
- Consequentially, it is proposed to amend Section 43B to provide that any sum payable by the assessee as interest on any loan or advances from specified categories of 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 year.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Vedya analysis

- The above amendment will provide a level playing field, for Banking and NBFC in terms of taxation of interest on the doubtful debt, which shall now be charged to tax on receipt basis. The taxpayer shall also be to such deduction of interest on actual payment.
- Development of NBFC and proving them relief is essential to provide affordable credit to MSME and Entrepreneurs, who are normally not provided credit by banks and have to turn to such NBFC for credit facilities.

Relaxation in conditions of special taxation regime for offshore funds

- Section 9A of the Income-tax Act provides for a safe harbour in respect of eligible offshore funds where the fund management activity is carried out through an eligible fund manager located in India. Further, an eligible investment fund shall not be said to be resident in India merely because the eligible fund manager undertaking fund management activities on its behalf are located in India. The benefit under Section 9A is available subject to specified conditions.

Tax incentives

- In order to further relax specified conditions, and promote the regime of fund management activities in India, specified relaxations are proposed to granting by suitably amending Section 9A of the Income-tax Act, so as to provide that:
  - the corpus of the fund shall not be less than INR 100 crore at the end of a period of six months from the end of the month of its establishment or incorporation or at the end of such previous year, whichever is later; and
  - the remuneration paid by the fund to an eligible fund manager in respect of fund management activity undertaken by him on its behalf is not less than the amount calculated in such manner as may be prescribed.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Tax incentive for electric vehicles

- To promote environment friendly Electric Vehicles and to reduce vehicular pollution, it is proposed to insert a new Section 80EEB in the Income-tax Act so as to provide a deduction in respect of interest on loan taken for the purchase of an electric vehicle from any financial institution up to INR 150,000 subject to the following conditions:
  - The loan has been sanctioned during the period 1 April 2019 to 31 March 2023;
  - The assessee does not own any other electric vehicle on the date of sanction of loan.
  - Deduction once allowed under this section shall not be allowed under any other provisions of the Income-tax Act for the same or any other Assessment Year.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Exemption of interest income of a non-resident arising from borrowings by way of issue of Rupee Denominated Bonds referred to under Section 194LC

- In terms of Section 194LC of the Income-tax Act provide that the interest income payable to a non-resident by a specified company on borrowings made by it in foreign currency from sources outside India under a loan agreement or by way of issue of any long-term bond including long-term infrastructure bond, or rupee denominated bond shall be eligible for TDS @5% concessional rate.

Tax incentives

- In order to incentivise low cost foreign borrowings through Off-shore Rupee Denominated Bond, the government issued a press release dated 17 September 2018 *inter alia*, announcing that interest payable by an Indian company or a business trust to a non-resident (including a foreign company), in respect of rupee denominated bond issued outside India during the period from 17 September 2018 to 31 March 2019 shall be exempt from tax.
- Hence, no TDS was required on such interest payments. Section 10 of the Income-tax Act is proposed to be amended to incorporate into the law the press release so as to provide exemption to income payable by way of interest to a non-resident by the specified company in respect of monies borrowed from a source outside India by way of issue of rupee denominated bond, as referred to in Section 194LC, during the period beginning period from 17 September 2018 to 31 March 2019.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Incentive for affordable housing

- In furtherance to the Pradhan Mantri Awas Yojana / 'Housing for all' of the Government and to enable the home buyer to raise low-cost funds, it is proposed to insert a new section 80EEA in the Income-tax Act so as to provide a deduction in respect of interest up to INR 150,000 on loan taken for residential house property from any financial institution subject to the following conditions:
  - The loan has been sanctioned during the period 01.04.2019 to 31 March 2020.
  - The stamp duty value of house property does not exceed INR 45 lakh;
  - The assessee does not own any residential house property on the date of sanction of loan.
  - Once a deduction under this section is allowed, deduction shall not be allowed in any other provisions of the Income-tax Act for the same or any other Assessment Year.
- Further, Section 80-IBA of the Income-tax Act, *inter alia*, provide that where the gross total income of an assessee includes any profits and gains derived from the business of developing and building housing projects, there shall, subject to specified conditions, be allowed, a deduction of an amount equal to 100% of the profits and gains derived from such business.

Tax incentives

- With a view to aligning the definition of *affordable housing* under Section 80-IBA with the definition under Goods and Service Tax, it is proposed to amend the said section so as to modify specified conditions regarding the housing project approved on or after 1 September 2019. The modified conditions are as under:
  - The assessee shall be eligible for deduction under the section, in respect of a housing project where a residential unit have carpet area not exceeding 60m^2 in metropolitan cities or 90m^2 in cities or towns other than metropolitan cities of Bengaluru, Chennai, Delhi National Capital Region (limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad), Hyderabad, Kolkata and Mumbai (whole of Mumbai Metropolitan Region); and
  - The stamp duty value of such residential unit in the housing project shall not exceed INR 45 lakh.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Incentives to National Pension System (NPS) subscribers

- Under the provisions of Section 10 of the Income-tax Act, any payment from the NPS Trust to an assessee on the closure of account or opting out of the pension scheme, to the extent it does not exceed 45% of the total amount payable, is exempt from tax. With a view to enabling the pensioner to have more disposable funds, it is proposed to amend the said section so as to increase the said exemption from 45% to 60% of the total amount payable to the person at the time of closure or his opting out of the scheme.
- Under Section 80CCD of the Income-tax Act, any contribution by the Central Government or any other employer to the account of the employee shall be allowed a deduction by the employee's subject to a maximum of 10% of the salary of such an employee. In order to ensure that the Central Government employees get the full deduction of the enhanced contribution, it is proposed to increase the limit from 10% to 14% of the contribution made by the Central Government to the account of its employee.
- 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.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Tax incentives

Incentives for start-ups

Setoff / Carry forward of losses

- Section 79 of the Income-tax Act provides conditions for carrying forward and set off of losses in case of a company not being a company in which the public are substantially interested. Companies, except an eligible start-up as referred to in Section 80-IAC, can carried forward and set off loss against the income, unless 51% or more of the voting power beneficially held by persons in the year in which loss was incurred continue to beneficially hold the voting power in the year in which such loss is set-off
- Further, in case of eligible start-up as referred to in Section 80-IAC, the losses incurred in any previous year shall be carried forward and set off against the income of the current year, if all the shareholders of such company on the last day of the year in which losses were incurred continue to hold the shares as on the last day of the current year in which such loss is set-off and such loss has been incurred within a period of seven years from the date of incorporation.
- To further facilitate ease of doing business in the case of an eligible start-up, it is proposed to amend Section 79 so as 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 above.
- 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 (i).

Exemption from capital upon transfer of residential property for investment in a start-up

- Section 54GB of the Income-tax Act, inter alia, provide capital gain exemption in respect of capital gain arising from the transfer of a long-term capital asset, being a residential property where the net consideration is utilized for subscription in the equity shares of an eligible company to acquire more than 50% share capital or more than 50% voting rights before the due date of filing of the return of income. The said section, inter alia, puts a restriction on the transfer of assets acquired by the company for 5 years from the date of acquisition. Also, the benefit of this Section was only available for investments up to 31 March 2019. In order to incentivize investment in eligible start-ups, it is proposed to amend the said Section so as to:
  - Extend the sunset date of transfer of residential property for investment in eligible start-ups from 31 March 2019 to 31 March 2021;
  - Relax the condition of minimum shareholding of 50% of share capital or voting rights to 25%;

Tax incentives

- Relax the condition restricting the transfer of new asset being computer or computer software from the current five years to three years.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Incentives for Category II Alternative Investment Fund ('AIF')

- The existing provisions of the said Section 56 of the Income-tax Act, *inter alia*, provide that where a company, not being a company in which the public are substantially interested, receives from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares shall be charged to tax.
- However, exemption from this provision has been provided for the consideration for issue of shares received by a venture capital undertaking from a venture capital company or a venture capital fund or by a company from a class or classes of persons as may be notified by the Central Government in this behalf.
- Currently, the benefit of exemption is available to Category I AIF. With a view to facilitating venture capital undertakings to receive funds from Category II AIF, it is proposed to amend the said Section to extend this exemption to fund received by venture capital undertakings from Category II AIF as well.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Widening and deepening of tax base

TDS by individuals / HUFs on payments to contractors and professionals

- Till date individual or HUF were not required to deduct TDS on payments made to a resident contractor or professional when it is for personal use. Even in case of individual or HUF carrying on business not subject to audit were not required to deduct TDS on payments made to a resident contractor or professional, even if the payment was for his business or profession.
- On account of the exemption above, the substantial amount by way of payments made by individuals or HUFs in respect of contractual work or for professional service was not being covered under the tax net and was not subject to TDS, leading to tax evasion.
- In order to address this menace of tax evasion Section 194M in the Income-tax Act has been inserted making it obligatory for such individual or HUF to deduct TDS @5%, on annual payment made to a contractor or professional exceeding INR 50 lakh in a year.
- However, not to add to the compliance burden It is proposed that a person deducting tax under this section shall be able to deposit TDS on the basis of their Permanent Account Number (PAN) only without the need to obtain a Tax Deduction and Collection Account Number (TAN).
- This amendment will take effect from 1 September 2019.

TDS on immovable property

- As on date TDS @1% is deductible on the amount of consideration payable or credited for transfer of such property under Section 194-IA of the Income-tax Act.
- However, the term 'consideration for immovable property' is presently not defined for the purposes of this section. Often the transaction involving the purchase of immovable property, there are other types of payments made besides the sales consideration and the buyer is contractually bound to make such payments to the seller, either under the same agreement or under a different agreement(s). Some of such payments are those for rights to amenities like a club membership fee, car parking fee, electricity and water facility fees, maintenance fee, advance fee, etc.
- It is now proposed to define the section by adding an explanation defining the term '*consideration for immovable property*', which shall now 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 1 September 2019.

Widening and deepening of tax base

Deemed accrual of income on a gift made to a person outside India

- Presently, gifts made by a resident to another resident are liable for income tax subject to some exemptions. Section 9 of the Income-tax Act relates to Income deemed to accrue or arise in India. Under the Income-tax Act, non-residents are taxable in India in respect of income that accrues or arises in India or is received in India or is deemed to accrue or arise in India or is deemed to be received in India.
- Under the existing provisions of the Income-tax Act, a gift of money or property is taxed in the hands of the donee, except for specified exemptions provided in Section 56(2)(x).
- Several that gifts are made by persons being residents in India to persons outside India and are claimed to be non-taxable in India as the income does not accrue or arise in India.
- To ensure that such 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 Section 2(24)(xvii)(a), arising from any sum of money paid, or any property situated in India transferred, on or after 5 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 the proviso to Section 56(2)(x) 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.
- This amendment will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Mandatory Return Filing by specified persons

- Presently, a person other than a company or a firm is required to furnish the return of income only if his total income exceeds the maximum amount not chargeable to tax, subject to specified exceptions. Therefore, any person entering into specified high value transactions and claiming benefits of exemption from capital gains tax on investment in specified assets like house, bonds etc., are not required to furnish a return of income, if after claiming such benefits, their total income does not exceed the maximum amount not chargeable to tax.

Widening and deepening of tax base

- It is proposed to amend Section 139 of the Income-tax Act so as to provide that a person shall be mandatorily required to file his return of income, if during the previous year if such person falls under the following categories:
  - Deposited an aggregate amount exceeding INR 1 crore in one or more bank accounts; or
  - Incurred expenditure of an aggregate amount exceeding INR 200,000 for himself or any other person for foreign travel; or
  - Incurred expenditure of an aggregate amount exceeding INR 100,000 towards electricity consumption; or
  - A person who is claiming benefits of capital gain exemption on account of investment in house a bond or other assets, as provided in Sections 54, 54B, 54D, 54EC, 54F, 54G, 54GA and 54GB of the Income-tax Act, shall necessarily be required to furnish a return, if before claim of the exemption, the total income was taxable.
  - Or such other prescribed conditions, as may be prescribed from time-to-time.
- This amendment will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

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

- Section 139A of the Income-tax Act, inter alia, which provides that every person specified therein, who has not been allotted a PAN, shall apply to the Assessing Officer for allotment of PAN. Insite of the above being in force many persons entering into high value transactions, such as the purchase of foreign currency or huge withdrawal from the banks, do not possess a PAN.
- In order to keep an audit trail of such transactions, as well as widening and deepening of the tax base and ensure ease of compliance, it is also proposed to provide for inter-changeability of PAN with the Aadhaar number. Accordingly, the provisions of Section 139A are proposed to be amended so as to provide that:
  - Every person who is required to quote his PAN under the Income-tax Act, and who, has not been allotted a PAN but possesses an 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;
  - 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.

Widening and deepening of tax base

- Section 139A, *inter alia*, further provides that every person, receiving a document relating to a transaction for which PAN is required to be quoted shall ensure that the PAN has been duly quoted therein. It is proposed to provide that every person receiving such documents shall also ensure that the PAN or the Aadhaar number, as the case may be, has been duly quoted.
- In order to ensure proper compliance of the provisions relating to quoting and authentication of PAN or Aadhaar, the penalty provision contained in Section 272B is proposed to be amended suitably provide for the imposition of penalty in case of incorrect / false reporting of Aadhaar.
- This amendment will take effect from 1 September 2019.

Consequence of not linking PAN with Aadhaar

- The existing proviso to Section 139AA(2) provides that the PAN allotted to a person shall be deemed to be invalid, in case the person fails to intimate the Aadhaar number, on or before the notified date.
- In order to protect the validity of transactions previously carried out through such PAN, it is proposed to amend the said proviso 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, rather than making it invalid.
- This amendment will take effect from 1 September 2019.

Widening the scope of Statement of Financial Transactions ('SFT')

- Every person as specified in Section 285BA is required to furnish an SFT or reportable account by a person specified.
- In order to ease compliance and enable pre-filling of return of income relating to a Low value of transactions and to ensure appropriate compliance with the filing of SFT, it is proposed that Section 285BA will be amended to provide as follows:
  - Reporting requirements to be extended to prescribed persons other than those who are currently furnishing SFT; and
  - The current threshold of INR 50,000 for furnishing of information to be removed; and
  - If the defect in the statement is not rectified within the specified time limit, the provisions of the Income-tax Act will apply as if such person had furnished inaccurate information in the statement.
  - It is also proposed that the penalty provisions contained in Section 271FAA will be amended so as to ensure correct furnishing of information in SFT and widen the scope of penalty to cover all the reporting entities under section 285BA.
- This amendment will take effect from 1 September 2019.

Removing difficulties for taxpayers

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. However, 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 Income-tax 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.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Relaxing the provisions of Sections 40 and 201 of the Income-tax Act in case of payments to non-residents

- Section 201 of the Income-tax Act provides that where any person, including the principal officer of a company or an employer ('the deductor'), who is required to deduct tax at source on any sum in accordance with the provisions of the Income-tax Act, does not deduct or does not pay such tax or fails to pay such tax after making the deduction, then such person shall be deemed to be an assessee in default in respect of such tax.
- Further, the deductor shall not be deemed to be an assessee in default if he fails to deduct tax on a payment made to a resident, if such resident has furnished his return of income under Section 139, disclosed such payment for computing his income in his return of income, paid the tax due on the income declared by him in his return of income and furnished an accountant's certificate to this effect.
- This relief in Section 201 is available to the deductor, only in respect of payments made to a resident. In case of similar failure on payments made to a non-resident, such relief is not available to the deductor.
- To remove this anomaly, it is proposed to amend the proviso to sub-Section (1) of Section 201 to extend the benefit of this proviso to a deductor, even in respect of failure to deduct tax on payment to non-resident.

Removing difficulties for taxpayers

- Consequent to this amendment, it is also proposed to amend the proviso to sub-Section (1A) of Section 201 to provide for levy of interest till the date of filing of return by the non-resident payee (as is the case at present with resident payee).
- These amendments will take effect from 1 September 2019.
- For the same reason, it is also proposed to amend clause (a) of Section 40 to provide that where an assessee fails to deduct tax in accordance with the provisions of Chapter XVII-B on any sum paid to a non-resident, but is not deemed to be an assessee in default under the first proviso to Section 201(1), then it shall be deemed that the assessee has deducted and paid the tax on such sum on the date of furnishing of the return of income by the payee referred to in that proviso. Thus, there will be no disallowance under Section 40 in respect of such payments.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Concessional rate of Short-term Capital Gains ('STCG') tax to specified equity-oriented fund of funds

- In order to incentivize fund of funds set up for disinvestment of Central Public Sector Enterprises (CPSEs), Finance Act, 2018 has provided a concessional rate of LTCG tax under Section 112A for the transfer of units of such fund of funds.
- In order to further incentivize these funds of funds, it is proposed to amend Section 111A so as to extend the concessional rate of tax for STCG in respect of the transfer of units of such fund of funds.
- The above amendments will take effect from 1 April 2020 and will apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Provide for pass through of losses in cases of Category I and Category II Alternative Investment Fund ('AIF')

- Section 115UB of the Income-tax Act, inter alia, provides for pass through of income earned by the Category I and II AIF, except for business income which is taxed at AIF level. Pass through of profits (other than profit & gains from the business) has been allowed to individual investors so as to give them the benefit of a lower rate of tax, if applicable.
- Pass through of losses are not provided under the existing regime and are retained at AIF level to be carried forward and set off in accordance with Chapter VI. In order to remove the genuine difficulty faced by Category I and II AIFs, it is proposed to amend Section 115UB to provide that:
  - The business loss of the investment fund, if any, shall be allowed to be carried forward and it shall be set off by it in accordance with the provisions of Chapter VI and it shall not be passed onto the unit holder;

Removing difficulties for taxpayers

- The loss other than business loss, if any, shall also be ignored for the purposes of pass through to its unitholders if such loss has arisen in respect of a unit which has not been held by the unitholder for a period of at least twelve months;
- The loss other than business loss, if any, accumulated at the level of investment fund as on 31 March 2019, shall be deemed;
- To be the loss of a unitholder who held the unit on 31 March 2019 in respect of the investments made by him in the investment fund and allowed to be carried forward by him for the remaining period calculated from the year in which the loss had occurred for the first time taking that year as the first year and it shall be set-off by him in accordance with the provisions of Chapter VI;
- The loss so deemed in the hands of unit holders shall not be available to the investment fund for the purposes of chapter VI.

- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Provision of credit of relief provided under Section 89

- Section 89 of the Income-tax Act contains provisions for providing tax relief where salary, etc. is paid in arrears or in advance. 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 specified admissible reliefs, credits, etc. However, the relief under Section 89 is not specifically mentioned in these sections, which is resulting in genuine hardship in the case of taxpayers who are eligible for this relief.
- In view of the above, it is proposed to amend Sections 140A, 143, 234A, 234B, and 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 1 April 2007 and will, accordingly, apply in relation to the Assessment Year 2007-08 and subsequent Assessment Years.

TDS on non-exempt portion of life insurance

- Under Section 194DA of the Income-tax Act, a person is obliged to deduct tax at source, if its pay's any sum to a resident under a life insurance policy, which is not exempt under Section 10(10D).

Removing difficulties for taxpayers

- The present requirement is to deduct tax at the rate of 1% 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. Hence, it is proposed to provide for tax deduction at source at the rate of 5% on the income component of the sum paid by the person.
- This amendment shall be effective from 1 September 2019.

Clarification the definition of 'accounting year' in Section 286

- Section 286 of the Income-tax Act contains provisions relating to a specific reporting regime in the form of Country-by-Country Report (CbCR) in respect of an international group.
- It provides that every entity, resident in India, shall, for every reporting accounting year, in respect of the international group of which it is a constituent, furnish a report, to the prescribed authority within a period of twelve months from the end of the said reporting accounting year, in the form and manner as may be prescribed.
- This creates an unintended anomaly as regards the interpretation of accounting year in case of an alternate reporting entity ('ARE') resident in India whose ultimate parent entity is not resident in India, the accounting year would always be the accounting year applicable in the country where such ultimate parent entity.
- In order to address such anomaly concerns and to bring clarity in law, it is proposed to suitably amend Section 286 so as to provide that the accounting year in case of the ARE of an international group, the parent entity of which is not resident in India, the reporting accounting year shall be the one applicable to such parent entity. This amendment is clarificatory in nature.
- The amendment will take effect retrospectively from the 01 April 2017 and will, accordingly, apply in relation to the Assessment Year 2017-2018 and subsequent Assessment Years.

Facilitating resolution of distressed entities

Measures for resolution of distressed companies

- The existing provisions of Section 79 are not applicable to a company where any change in shareholding takes place in a previous year pursuant to a resolution plan approved under the Insolvency and Bankruptcy Code, 2016 (IBC) subject to the condition that jurisdictional Principal Commissioner or Commissioner is provided with a reasonable opportunity of being heard.
- Thus, loss in such cases can be carried forward and set off even if there is a change in voting power or shareholding. This benefit is proposed to be extended to specified companies. Thus, it has been provided in newly substituted Section 79 that the provision of this Section shall not apply to those companies, and their subsidiary and the subsidiary of such subsidiary, where:
  - 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
  - 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 Income-tax 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.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Exemption from deeming of the fair market value ('FMV') of shares for specified transactions

- Sections 56(2)(x) and 50CA of the Income-tax Act, *inter alia*, provide for charging of income where the consideration received or accruing as a result of the transfer of a capital asset, being unquoted shares of a company, is less than the FMV of such share determined in the prescribed manner, the value so determined shall, for the purposes of computing capital gains, be deemed to be the FMV of such transfer.

Facilitating resolution of distressed entities

- The insertion of the above Section caused issues and hardships in genuine cases, wherein the sale consideration was less than the FMV of the shares. Further, as per Section 56(2)(x) of the Income-tax Act, any shares received below the FMV are taxable in the hands of the buyer.
- In order to provide relief to such types of transactions from the applicability of Sections 56(2)(x) and 50CA, it is proposed to amend these sections to empower CBDT to prescribe transactions undertaken by specified class of persons to which the provisions of Sections 56(2)(x) and 50CA shall not be applicable.
- The above amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Measures for promoting *less cash* economy

Prescription of electronic mode of payments

- There are the following provisions in the Income-tax Act which prohibit cash transactions and allow/encourage payment or receipt only through account payee cheque, account payee draft or electronic clearing system through a bank account.
  - Section 13A prohibits a political party to receive donation exceeding INR 2,000 in cash
  - Section 35AD prohibits any expenditure of capital nature' of an aggregate amount exceeding INR 10,000 to a person in a day through cash
  - Section 40A provides for disallowance of any expenditure of an aggregate amount exceeding INR 10,000 for which payments are made in cash.
  - Section 43 provides that any expenditure for the acquisition of an asset or part thereof, for an aggregate amount exceeding INR 10,000 in a day to a person in cash shall not be included in the determination of the Income Tax cost.
  - Section 43CA provides that where the date of agreement and registration of transfer of asset are different, then the full value of consideration for transfer of such asset shall be the stamp duty value on the date of the agreement provided the amount of consideration or a part thereof has not been paid in Cash. A similar provision is made in Sections 50C and 56(2)(x).
  - Section 44AD relates to the presumptive taxation scheme provides profit from such business is declared at the reduced rate of 6% of turnover not received through Cash.
  - Section 80JJAA provides for the deduction of an amount equal to at the rate of 30% of additional employee cost incurred by an assessee in the previous year in the course of a business covered under section 44AB, for three years subject to payments are not made in cash.
  - Section 269SS prohibits a person from taking or accepting from a depositor any loan or deposit or any specified sum equal to INR 20,000 or more in cash.
  - Section 269ST prohibits a person from receiving an amount of INR 200,000 or more in aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion from a person in cash.
  - Section 269T prohibits a banking company or a co-operative bank and any other company or co-operative society and any firm or another person from repaying any loan or deposit made with it if the amount being repaid is INR 20,000 or more in cash.

Measures for promoting *less cash* economy

- In order to encourage other electronic modes of payment, it is proposed to amend the above section so as to include such other electronic mode as may be prescribed, in addition to the already existing permissible modes of payment in the form of an account payee cheque or an account payee bank draft or the electronic clearing system through a bank account.
- Amendment to above provisions in first seven points will take effect from 1 April 2020 and amendments to balance will take effect from 1 September 2019. They will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

TDS on cash withdrawal

- In order further discourage cash transactions and move towards less cash economy, it is proposed to insert a new Section 194N in the Income-tax Act to provide for levy of TDS @2% on cash payments in excess of INR 1 crore 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. By the wording of the amendment the aggregate amount INR 1 crore is per account and not per person. Hence, persons with multiple accounts can easily exploit this loophole.
- However, payment made to specified recipients, such as the 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, from the application of this provision.
- This amendment will take effect from 1 September 2019.

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 Income-tax Act so as to provide that every person, carrying on business with total turnover exceeds INR 50 crore in previous year, 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.
- In order to ensure compliance, it is proposed to insert Section 27IDB to impose a penalty of INR 5,000 / day by the Joint Commissioner, during which such failure continues. Except in case the person proves that there were good and sufficient reasons for such failure.
- This amendment will take effect from 1 November 2019.

Measures for promoting *less cash* economy

Waiver of Merchant Discount Rate (MDR)

- Further, it is proposed to make amendment in the Payment and Settlement Systems Act, 2007 so as to provide that no bank or system provider shall impose any charge upon anyone, either directly or indirectly, for using additional modes of electronic payment prescribed under Section 269SU of the Income-tax Act.
- This amendment will take effect from 1 November 2019.

Strengthening anti-abuse measures

Buy Back Tax in case of listed companies

- Section 115QA of the Income-tax Act provides for the levy of Tax at the rate of 20% on account of buy-back of unlisted shares by the company. As Buy Back Tax has been levied at the level of the company, the consequential income arising in the hands of shareholders has been exempted from tax under Section 10(34A) of the Income-tax Act.
- This Section was introduced as an anti-abuse provision to check the practice of unlisted companies resorting to buy-back of shares instead of payment of dividends for tax avoidance, as the tax rate for capitals gains was lower than the rate of Dividend Distribution Tax (DDT). However, instances of similar tax arbitrage have now come to notice in case of listed shares as well, whereby the listed companies are also indulging in such practice of resorting to buy-back of shares, instead of payment of dividends.
- In order to curb such tax avoidance practice adopted by the listed companies, the existing anti abuse provision under Section 115QA of the Income-tax Act, pertaining to buy-back of shares from shareholders by companies is proposed to be extended to all companies including companies listed on the recognized stock exchange. Thus, any buyback of shares from a shareholder by a company listed on the recognized stock exchange, on or after 5 July 2019, shall also be covered by the provision of Section 115QA of the Income-tax Act.
- Accordingly, it is also proposed to extend exemption under Section 10(34A) of the Income-tax 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 5 July 2019.

Cancellation of registration of the Trust or Institution

- Section 12AA of the Income-tax Act prescribes the procedure for granting an exemption in respect of its income under Section 11 of the Income-tax Act, subject to conditions contained under Sections 11, 12, 12AA and 13. Section 12AA also provides for the manner of cancellation of said registration. This Section provides that cancellation of registration can be on two grounds:
  - The Principal Commissioner or the Commissioner is satisfied that activities of the exempt entity are not genuine or are not being carried out in accordance with its objects; and
  - It is noticed that the activities of the exempt entity are being carried out in a manner that either whole or any part of its income would cease to be exempt.
- In order to ensure that the trust or institution do not deviate from their objects, it is proposed to amend Section 12AA of the Income-tax Act, so as to provide that:

Strengthening anti-abuse measures

- At the time of granting the registration to a trust or institution, the Principal Commissioner or the Commissioner shall, inter alia, also satisfy himself about the compliance of the trust or institution to requirements of any other law which is material for the purpose of achieving its objects;
- here a trust or an institution has been granted registration under clause (b) of sub-Section (1) or has obtained registration at any time under Section 12A and subsequently 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 the order, direction or decree, by whatever name called, holding that such violation has occurred, has either not been disputed or has attained finality, the Principal Commissioner or Commissioner may, by an order in writing, cancel the registration of such trust or institution after affording a reasonable opportunity of being heard.
- These amendments shall be effective from 1 September 2019.

Rationalization of provisions

Maintenance of Master File

- Section 92D of the Income-tax Act *inter alia* provides that every person who has entered into an international transaction or specified domestic transaction shall keep and maintain the prescribed information and document in respect thereof.
- The proviso to said Section inserted through the Finance Act, 2016 provides that the person, being a constituent entity of an international group, shall also keep and maintain such information and document in respect of an international group as may be prescribed.
- It is proposed to substitute Section 92D of the Income-tax Act, in order to provide that the information and document to be kept and maintained by a constituent entity of an international group, and filing of the required form, shall be applicable even when there is no international transaction undertaken by such constituent entity. It is also proposed to provide that information shall be furnished by the constituent entity of an international group to the prescribed authority.
- This amendment will take effect from the 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Compliance with the notification of exemption issued under Section 56(2)(vii)(b)

- The provisions of Section 56(2)(vii)(b) of the Income-tax Act provides for charging of the consideration received for issue of shares by specified companies, where such consideration exceeds the fair market value of such shares. However, the Central Government is empowered to notify that the provisions of this Section shall not be applicable to the consideration received by a notified company.
- Notifications issued under this sub-clause by the Central Government provide for exemption, subject to the fulfilment of specified conditions.
- With a view to ensure compliance to the conditions specified in the notification, it is proposed to provide that in case of failure to comply with the conditions, the consideration received for issue of shares which exceeds the face value of such shares shall be deemed to be the income of the company chargeable to Income Tax for the previous year in which the failure to comply with any of the said conditions has taken place.
- These amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Rationalization of provisions

Consequential amendment to Section 56

- The existing provisions of Section 56 of the Income-tax Act, inter alia, provide that income by way of interest received on compensation or on enhanced compensation referred to in Section 145A(b) shall be chargeable to tax. The Finance Act, 2018 substituted the provisions of Section 145A with sections 145A and Section 145B.
- However, no consequential amendment is made in Section 56. It is proposed to amend Section 56 of the Income-tax Act to provide the correct reference of Section 145B (1) in Section 56, in place of the existing reference of Section 145A(b).
- This amendment will take retrospective effect from 01 April 2017 and will accordingly apply in relation to Assessment Year 2017-18 and subsequent Assessment Years.

Rationalization of penalty provisions relating to under-reported income

- Section 270A contains provisions relating to the penalty for under-reporting and misreporting of income. The existing provisions provide for various situations for the purposes of levy of penalty under this section.
- However, these provisions do not contain the mechanism for determining under-reporting of income and quantum of penalty to be levied in the case where the person has under-reported income and furnished the return of income for the first time under Section 148 of the Income-tax Act.
- In order to provide for the manner of computing the quantum of penalty in a case where the person has under-reported 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 01 April 2017 and will, accordingly, apply in relation to Assessment Year 2017-2018 and subsequent Assessment Years.

Rationalization of the provisions of Section 276CC

- The existing provisions of Section 276CC of the Income-tax Act, inter alia, provide that prosecution proceedings for failure to furnish returns of income against a person shall not proceed against, for failure to furnish the return of income in due time, if the tax payable by such person, not being a company, on the total income determined on regular assessment does not exceed INR 3,000. The existing provisions do not provide for taking into account tax collected at source and self-assessment tax for the purposes of determining the tax liability.

Rationalization of provisions

- Since the intent of said provision has always been to take into account pre-paid taxes, while determining the tax payable, it is proposed to amend the said Section so as to make the legislative intention clear and 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 INR 3,000 to INR 10,000.
- These amendments will take effect from 1 April 2020 and will, accordingly, apply in relation to Assessment Year 2020-2021 and subsequent Assessment Years.

Rationalization of provision relating recovery of tax in pursuance of agreements with foreign countries

- The existing provisions of Section 228A of the Income-tax Act provide inter alia that where an agreement is entered into by the Central Government with the Government of any foreign country for recovery of Income tax under the Income-tax Act and the corresponding law in force in that country and where such foreign country sends a certificate for the recovery of any tax due under such corresponding law from a person having any property in India, the Board, on receipt of such certificate may, forward it to the Tax Recovery Officer within whose jurisdiction such property is situated for the recovery of tax in pursuance of agreement with such foreign country.
- In order to provide assistance in the recovery of tax as per treaty obligation with the other country, it is proposed to amend the said Section so as to provide for tax recovery where details of the property of the persons are not available but the said person is a resident in India.
- It is also proposed to amend the said Section so as to provide for tax recovery, where details of the property of an assessee in default under the Income-tax Act are not available but the said assessee is a resident in a foreign country.
- These amendments will take effect from 1 September 2019.

Rationalization of provisions relating to claim of refund

- The existing provisions of Section 239 of the Income-tax Act provide inter alia that every claim of refund under Chapter XIX of the Income-tax Act shall be made in the prescribed form and verified in the prescribed manner.
- In order to simplify the procedure for the claim of refund, it is proposed to amend the said Section so as to provide that every claim for refund under Chapter XIX of the Income-tax Act shall be made by furnishing return in accordance with the provisions of Section 139 of the Income-tax Act.
- This amendment will take effect from 1 September 2019.

Rationalization of provisions

Enhancing time limitation for sale of attached property under rule 68B of the Second Schedule of the Income-tax Act

- The existing provisions of rule 68B of the Second Schedule of the Income-tax Act provide that no sale of immovable property attached towards the recovery of tax, penalty, etc. shall be made after the expiry of three years from the end of the financial year in which the order in consequence of which any tax, penalty, etc. becomes final.
- In order to protect the interest of the revenue, especially in those cases where demand has been crystallized on the conclusion of the proceedings, it is proposed to amend the aforesaid sub-rule so as to extend the period of limitation from three years to seven years
- In order to ensure that the limitation of time period for sale of attached property may not be an impediment in recovery of tax dues and may not lead to permanent loss of revenue to the exchequer, it is further proposed to insert a new proviso in the said sub-rule so as to provide that the CBDT 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 1 September 2019.

Rationalization of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015

- The existing provisions of Section 2 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 ('BM Act') provide inter alia that the "assessee" means a person who is resident in India within the meaning of Section 6 of the Income-tax Act.
- In order to clarify the legislative intent behind enacting the BM Act, which was to tax such foreign income and assets, which were not charged to tax under the Income-tax Act, it is proposed to amend the said Section so as to provide that the 'assessee' shall mean a person being a resident in India within the meaning of Section 6 of the Income-tax Act, in the previous year, or a person being a non-resident or not ordinarily resident in India within the meaning of Section 6(6) of the Income-tax Act, in the previous year, who was resident in India either in the previous year to which the income referred to in Section 4 relates, or in the previous year in which the undisclosed asset located outside India was acquired. It is also proposed to provide that the previous year of acquisition of the undisclosed asset located outside India shall be determined without giving effect to the provisions of Section 72(c) of the BM Act.

Rationalization of provisions

- These amendments will take effect retrospectively from 1 July 2015.
- The existing provisions of Section 84 of the BM Act provide, *inter alia*, for application of specified provisions of the Income-tax Act to the BM Act with necessary modifications. Considering the significance of cases assessed under the BM Act, it is proposed to amend the said Section so as to provide that the provisions of Section 144A of the Income-tax Act shall be applicable to the BM Act with necessary modifications.
- Further, a clarificatory amendment is also proposed to be made in Section 17 of the BM Act to clarify that the Commissioner (Appeals) may also vary the penalty order so as to enhance or reduce the penalty.
- This amendment will take effect from 1 September 2019.

Rationalization of the Income Declaration Scheme, 2016

- The existing provisions of Section 187 of the Finance Act, 2016 provide, inter alia, that the tax, surcharge, and penalty in respect of the undisclosed income, declared under the Income Declaration Scheme, 2016 (the Scheme) shall be paid on or before a notified due date.
- In order to address genuine concern of the declarants, it is proposed to amend the said Section so as to provide that where the amount of tax, surcharge, and penalty, has not been paid within the due date, the Central Government may notify the class of persons who may make the payment of such amount on or before a notified date, along with the interest on such amount, at the rate of 1% of every month or part of a month, comprised in the period, commencing on the date immediately following the due date and ending on the date of such payment.
- Further, the existing Section 191 of the Finance Act, 2016 provides, inter alia, that any amount of tax, surcharge or penalty paid in pursuance of a declaration made under the Scheme shall not be refundable. In order to address the genuine concern of the declarants, it is proposed to amend the said Section so as to provide that the Central Government may notify the class of persons to whom the amount of tax, surcharge, and penalty, paid in excess of the amount payable under the Scheme shall be refundable.
- This amendment will take effect retrospectively from 1 June 2016.

Rationalization of provisions relating to STT

- As per the existing provisions Section 99 of the Finance Act, 2004, the value of taxable securities transaction in respect of the sale of an option in securities, where the option is exercised, shall be, the settlement price.

Rationalization of provisions

- In order to rationalize 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 the sale of an option in securities, where the option is exercised, shall be the difference between the strike price and the settlement price.
- This amendment will take effect from 1 September 2019.

Rationalizing the provisions of the Prohibition of Benami Property Transactions Act

- The existing provisions of Section 23 of the Prohibition of Benami Property Transactions Act ('PBPT Act') provide that the Initiating Officer, with the prior approval of the Approving Authority, shall conduct any inquiry or investigation.
- This power is exercised by the Initiating Officer where no case is pending before him. However, it is not expressly provided in the PBPT Act that the prior approval of Approving Authority shall not be required where the Initiating Officer has already initiated proceedings by issuing a notice under Section 24(1).
- In order to clarify that no prior approval of the Approving Authority would be required in cases where a notice under Section 24(1) has been issued, it is proposed to suitably amend the provisions of Section 23 of the PBPT Act. This amendment will take effect retrospectively from 1 November 2016.
- Further, Section 24(3) of the PBPT Act provides for attachment of property for a period of ninety days from the date of issue of notice under Section 24(1) of the PBPT Act. Section 24(4) provides for the passing of order within ninety days from the date of issuing a notice under Section 24(1).
- In order to rationalize the aforesaid provisions, it is proposed to amend the Section 24 so as to provide that the period of ninety days in respect of provisional attachment of the property under Section 24(3) and passing of order under Section 24(4) shall be reckoned from the end of the month in which the notice under Section 24(1) is issued.
- This amendment will take effect from 1 September 2019.
- The existing provisions of Section 24(4) of the PBPT Act provide for passing of the order by the Initiating Officer, of Section 24(5) provide for making of reference by the Initiating Officer and of Section 26(7) provide for passing of the order by the Adjudicating Authority.
- However, no exclusion is provided for the period during which the proceedings are stayed by the Court. In order to provide for the exclusion and adequate time to pass the order or make the reference, it is proposed to suitably amend the provisions of sections 24 and 26.
- This amendment will take effect from 1 September 2019.

Rationalization of provisions

- With a view to ensure compliance with the summons issued and information required to be furnished under the PBPT Act, it is proposed to insert a new Section 54A in the PBPT Act so as to provide for levy of penalty of INR 25,000 for failure to comply with the summons issued or to furnish information under Section 19 or Section 21 respectively of the PBPT Act.
- This amendment will take effect from 1 September 2019.
- With a view to enable admissibility of certified copies of records or other documents in the custody of the authority as evidence in any proceeding under the PBPT Act, it is proposed to insert a new Section 54B in the said Act so as to provide that entries in the records or other documents in the custody of an authority shall be admitted in evidence in any proceedings for the prosecution of any person for an offense under the PBPT Act.
- This amendment will take effect from 1 September 2019.
- The existing provisions of Section 55 of the PBPT Act provide that no prosecution shall be instituted against any person in respect of any offense under the said Act without the previous sanction of the Board. With a view to rationalize the provisions, it is proposed to amend the said Section so as to provide that no prosecution shall be instituted against any person in respect of any offense under the said Act without the previous sanction of the competent authority.
- This amendment will take effect from 1 September 2019.

Extension of tax concession to The Special Undertaking of the Unit Trust of India ('SUUTI')

- The Special Undertaking of the Unit Trust of India (SUUTI) was created vide the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002. SUUTI is the successor of UTI.
- The mandate of SUUTI is to liquidate Government liabilities on account of the erstwhile UTI. SUUTI is exempt from Income Tax or any other tax or any income, profits or gains derived, or any amount received in relation to the specified undertaking up till 31 March 2019. It is proposed to extend the exemption for a further period of two years till 31 March 2021.
- This amendment will take effect retrospectively from 1 April 2019.

Improving tax administration effectiveness

Digital application for lower / nil deduction in case of non-residents

- Section 195 of the Income-tax Act, provides for a person who is responsible for paying any sum to a non-resident which is chargeable to tax under the Income-tax Act (other than salary) considers that the whole of such sum would not be income chargeable in the case of the recipient, he can make an application to the Assessing Officer to determine the appropriate proportion of such sum chargeable.
- This provision to obtain certificate / order from the Assessing Officer for lower or nil withholding-tax. is currently manual and time consuming. In order to streamline the process, and reduce time for processing of such applications, it is proposed to amend the provisions of this Section to allow Online filing of application seeking lower / no TDS on payment to non-residents and prescribing the form and manner of application to the Assessing Officer and also for the manner of determination of appropriate portion of sum chargeable to tax by the Assessing Officer.
- A similar amendment is also proposed to be made in Section 195(7) which are applicable to a specified class of persons or cases.
- These amendments will take effect from 1 November 2019.

Electronic filing of a statement of transactions on which tax has not been deducted

- Section 206A of the Income-tax Act relates to the furnishing of a statement in respect of payment of specified income by way of interest to residents where no tax has been deducted at source.
- At present, the Section provides for filing of such statements on a floppy, diskette, magnetic tape, CD-ROM, or any other computer readable media. To enable online filing of such statements, it is proposed to substitute this Section so as to provide for filing of the statement (where tax has not been deducted on payment of interest to residents) in the prescribed form in the prescribed manner.
- 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.
- It is also proposed to make a consequential amendment arising out of amendment carried out by Finance Act, 2019 whereby threshold for TDS on payment of interest by a banking company or cooperative society or public company was raised to INR 40,000.
- These amendments will take effect from 1 September 2019.

Modi 2.0 – The US$5 trillion economy

The first term of Hon'ble PM Narendra Modi NDA Government had set the ball rolling for a New India, based on the principle of "Reform, Perform, Transform". In the year 2014 the Indian economy was approximately US$1.85 trillion. Within five years it has now reached US$2.7 trillion. Hence, the target has been set to reach the US$5 trillion in the next few years. In the Interim Budget of 2019-2020 presented in February 2019, the then finance minister Mr. Piyush Goyal set the Vision for the Decade, the ten points of the vision are as below:

- Building physical and social infrastructure
- Digital India reaching every sector of the economy
- Pollution free India with green Mother Earth and Blue Skies
- Make in India with particular emphasis on MSMEs, Start-ups, defence manufacturing, automobiles, electronics, fabs and batteries, and medical devices
- Water, water management, clean rivers
- Blue economy
- Space programmes, *Gaganyan*, *Chandrayan* and satellite programmes
- Self-sufficiency and export of food-grains, pulses, oilseeds, fruits and vegetables
- Healthy society – *Ayushman Bharat*, well-nourished women and children
- Safety of citizens
- Minimum Government, Maximum Governance

With the above vision set and to take India to that height that it richly deserves, under the leadership of the Prime Minister we can achieve US$5 trillion economy goal with structural reforms target as below:

- Push to 'Make in India' The MSME are India's job-creators and wealth creators
- Push to all forms of physical connectivity through Pradhan Mantri Gram Sadak Yojana, industrial corridors, dedicated freight corridors, Bhartamala and Sagarmala projects, Jal Marg Vikas and UDAN Schemes
- Faster adoption of Electric vehicles by way of offering upfront incentive on purchase of Electric vehicles and also by establishing the necessary charging infrastructure for electric vehicles
- Develop inland waterways to shift a significant portion of inland cargo movement from road and rail

Modi 2.0 – The US$5 trillion economy

- One Nation, One Grid – that has ensured power availability to states at affordable rates
- Ujjwal DISCOM Assurance Yojana (UDAY) aimed at financial and operational turnaround of DISCOMs
- A new Model Tenancy Law to promote rental housing
- Ease of access to credit for MSMEs
- Pension benefit to retail traders & small shopkeepers whose annual turnover is less than INR 1.5 crore
- Low cost capital for infrastructure financing
- Deepen bond markets
- Increasing minimum public shareholding in the listed companies from of 25% to 35%
- Rationalize and streamline the Know Your Customer (KYC) norms for FPIs
- Setup an Electronic fund raising platform – a social stock exchange
- Allow FDI in aviation, media (animation, AVGC) and insurance sectors
- 100% Foreign Direct Investment ('FDI') for insurance intermediaries
- Local sourcing norms be eased for FDI in Single Brand Retail sector
- Provide NRIs with seamless access to Indian equities
- Establish New Space India Limited (NSIL) for commercialization of various space products including production of launch vehicles, transfer to technologies and marketing of space products

About us

Corporate law

We have a robust team specializing in litigation and advisory aspects of telecom and media related laws. We have been advising and representing several clients in the technology, telecom, broadcasting sector.

Dispute resolution

We specialize in all aspects of Dispute Resolution and also offer clients advisory services to avoid Disputes. Our firm adopts bests practices and three of our partners are litigators. Our litigation team has a cumulative experience of about 40 years. We take pride in defending our clients and try to achieve the same in the best possible time frame.

Tax

We have deep knowledge of the Direct tax laws and have also assisted in corporate restructuring, transaction planning, diligence, contract reviews to name a few.
We also engage substantially without clients on the Indirect tax front on matters of GST, Customs, Foreign Trade Policy and erstwhile laws. We have also been engaged for advisory and advocacy services.

Sector expertise

- Infrastructure
- Consumer goods
- Technology
- Pharmaceutical
- Intellectual property
- PSUs
- Broadcasting
- Real estate
- Telecom

About us

Team and structure

1

Partners

- Combined experience of over 50 years in legal matters
- Experienced in varied legal and tax matters
- Presently working across multiple business sectors

2

Legal team

- Diligent team of experienced and fresher lawyers
- Regularly appear and argue in courts
- Aware of and fast developing court craft skills

3

Court and compliance team

- Capable team to handle day-to-day filings
- Aware of court nuances and efficient
- Adept in monthly tax compliances

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Thank you

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