



The Cochin Chamber of Commerce & Industry

Dear Member,

With an aim to provide you with information and guidance regularly and to help you make informed decisions, the Chamber presents its analysis on recent subjects.

32 Key Points of Union Budget 2019-20



1. Within 2 years, Tax assessment will be done electronically
2. IT returns processing in just 24 hours
3. Minimum 14% revenue of GST to states by Central Govt.
4. Custom duty has abolished from 36 Capital Goods
5. Recommendations to GST council for reducing GST rates for home buyers
6. *Full Tax rebate upto 5 lakh annual income after all deductions.*
7. Standard deduction has increase from 40000 to 50000
8. Exempt on tax on second self-occupied house
9. Ceiling Limit of TDS u/s 194A has increased from 10000 to 40000
10. Ceiling Limit of TDS u/s 194I has increased from 180000 to 240000
11. Capital tax Benefit u/s 54 has increased from investment in one residential house to two residential houses.
12. Benefit u/s 80IB has increased to one more year i.e. 2020
15. PCA restriction has abolished from 3 major banks
16. 2 lakhs seats will increase for the reservation of 10%
17. 60000 crores for manrega
18. 7 Lakh crore to ensure food for all
19. 22nd AIIMS has to be opened in Haryana
20. Approval has to be given to PM Kisan Yojana
21. 6000 per annum has to be given to every farmer having upto 2 hectare land. Applicable from Sept 2018. Amount will be transferred in 3 installments
22. National kamdhenu ayog for cows. Rs. 750 crores for National Gokul Mission
23. 2% interest subvention for farmers pursuing animal husbandry and also create separate department for fisheries.
24. 2% interest subvention for farmers affected by natural calamities and additional 3% interest subvention for timely payment.
25. Tax free Gratuity limit increase to 20 Lakhs from 10 Lakhs
26. Bonus will be applicable for workers earning 21000 monthly
27. The scheme, called Pradhan Mantri Shram Yogi Mandhan, will provide assured monthly pension of Rs. 3,000 with contribution of Rs. 100 per month for workers in unorganized sector after 60 years of age.
28. Our government delivered 6 crores free LPG connections under Ujjawala scheme
29. 2% interest relief for MSME GST registered person
30. 26 weeks of Maternity Leaves to empower the women

- 13. Benefit has given to unsold inventory has increased to one year to two years.
- 14. State share has increased to 42%
- 31. More than 3 Lakhs crores for defence
- 32. One lakh digital villages in next 5 years
- 33. Single window for approval of India film makers

Highlights of the Sixth Bi-monthly Monetary Policy Statement, 2018-19



25 basis points from 6.5 per cent to 6.25 per cent with immediate effect.

Consequently, the reverse repo rate under the LAF stands adjusted to **6.0 per cent**, and the marginal standing facility (MSF) rate and the Bank Rate to **6.5 per cent**.

On the basis of an assessment of the current and evolving macroeconomic situation at its meeting today (February 7, 2019), the Monetary Policy Committee (MPC) decided to:

- **reduce the policy repo rate under the liquidity adjustment facility (LAF) by**

The MPC also decided to change the monetary policy stance from calibrated tightening to neutral.

(Source: RBI)

Download the Sixth Bi-monthly Monetary Policy Statement, 2018-19 Resolution of the Monetary Policy Committee (MPC)

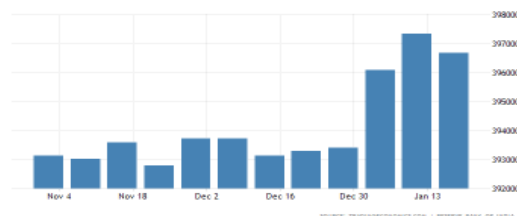
Latest Weekly Statistics

Dear Member,

The latest weekly statistics on

- Commercial Paper
- Ratios & Rates
- Foreign Exchange Reserves
- Major Price Indices

are given for your information.



Download the Latest Weekly Statistics

GST Revenue collection for January 2019 crossed one lakh crore rupees

The total gross GST revenue collected in the month of January, 2019 is Rs. 1,02,503 crore of which CGST is Rs. 17,763 crore, SGST is Rs. 24,826 crore, IGST is Rs. 51,225 crore (including Rs 24,065 crore collected on imports) and Cess is Rs. 8,690 crore (including Rs. 902 crore collected on imports). In FY 2018-

increase from the collection of Rs. 94,725 crore in December, which was a decline from Rs. 97,637 crore in November and Rs. 1,00,710 crore in October. January 2019 collections are 14% above the January 2018 collections of Rs. 89,825 crore. This jump has been achieved despite various tax reductions having come into force that provided major relief to the

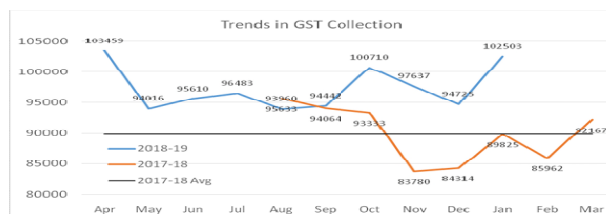
2019, it is for the third time that GST Revenue collection has crossed One Lakh crore. The total number of GSTR 3B Returns filed for the month of December up to 31st January, 2019 is Rs. 73.3 lakh.

The government has settled Rs. 18,344 crore to CGST and Rs. 14,677 crore to SGST from IGST as regular settlement. The total revenue earned by Central Government and the State Governments after regular settlement in the month of December, 2018 is Rs. 36,107 crore for CGST and Rs. 39,503 crore for the SGST.

The collection in January 2019 is a significant

consumers. The gross GST collections over the last three-month period has been 14% higher than the corresponding period last year.

The chart shows trends in revenue during the current year as compared to the last year.



(Source: PIB, GoI)

Joint Statement following the results of the 1st India-Russia Strategic Economic Dialogue

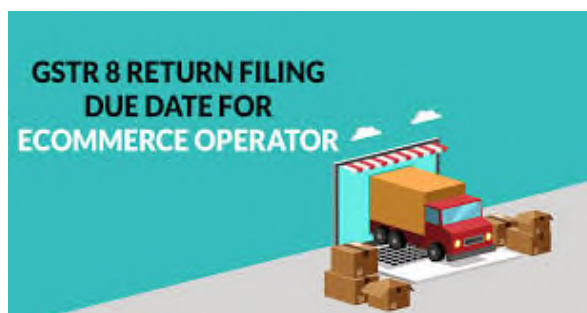


Download the Joint Statement following the results of the 1st India-Russia Strategic Economic Dialogue held in St. Petersburg on November 25-26, 2018, chaired by Mr. Maxim Oreshkin, Minister of Economic Development of the Russian Federation, and Dr. Rajiv Kumar, Vice-Chairman, National Institution for Transforming India (NITI Aayog)

Extension of due date for furnishing of Form GSTR-8

Extension of due date for furnishing of Form GSTR-8 (TCS Return by e-commerce operators) for October to December 2018 till 07.02.2019 vide Order No. 02/2019-Central Tax dated 1st February, 2019.

Download Order No. 02/2019-Central Tax dated 1st February, 2019.



Cabinet approved MoU between India and various countries

The Cabinet approved MoU between India and various countries on various subjects.

Download the MoUs between India and various countries



Important GST Changes w.e.f. 1st February 2019



The Finance Minister declared the Interim Budget for 2019-20. No such changes were proposed under GST. Earlier the recommendations were made to amend certain provisions. Some of the provisions are now made applicable from 1st February 2019. The amendments made applicable from 1st February, 2019 are as under:

1. Earlier supplier of goods and services were not allowed to opt for composition scheme but now they can apply if the value of supply of service does not exceed – higher of the amount-

- a) 10% of the state turnover in the previous financial year and
- b) 500000

2. Reverse charge mechanism shall be applicable to notified registered persons for the purchases made of notified goods but until now neither the class of registered persons nor the category of the specified goods has been prescribed by the Govt. Therefore until and unless notified, RCM will not applicable.

3. Input Tax Credit in relation to Passenger Vehicle having seating capacity of more than 13, used for other than Personal purpose would be allowed. Due to this input tax credit would now be available in respect of dumpers,

work-trucks, fork-lift trucks and other special purpose motor vehicles when used for other than personal purpose.

4. If ITC is allowed for purchase of motor vehicle as above then, ITC in respect of services of general insurance, servicing, repair and maintenance in respect of those motor vehicles, vessels and aircraft would also be allowed.

5. ITC was not available in respect of food and beverages, health services, travel benefits to employees etc.

But now it has been amended, to allow ITC in respect of such goods or services or both, where the provision of such goods or services or both **is obligatory for an employer to provide to its employees under any law for the time being in force.**

6. Government has now allowed a person having multiple places of business within the state to obtain separate registration for each place of business irrespective of nature of goods etc. as the definition of business vertical is omitted from the act.

7. Taxpayer can now issue single debit/credit note against multiple invoices there is no need to link the notes to individual invoices. This is a welcomed change, as the compliance burden on the taxpayers would be reduced.

8. Utilization of SGST for IGST liability would not be allowed until and unless credit of s CGST is totally utilized.

Under GST, the GST Council is allowed to do the amendments in law. Therefore, in Interim Budget, no much more provisions relating to GST were referred. So the taxpayers must time to time refer the notifications, circulars, etc. issued by the Council.

Decisions taken by Union Cabinet

Download the Decisions taken by Union Cabinet.



Latest budget amendments and all about Section 80C



1. Income tax will be virtually nil for slab between 2.5 to 5 Lakhs tax slab by way rebate not straight.
2. Capital gain against property can be invested into 2 units instead of 1 currently.
3. Deemed rent in self-occupied will be go up from 1 to 2 units hence if you invest in two homes deemed rent will not be applicable.
4. Standard deduction from 40000 to 50000 for salary class.
5. Section 194 a (TDS deduction limit will go up on bank interest currently Rs. 10,000 will go up to Rs. 40,000/-) and 194 I (TDS deduction on housing rent will go up from Rs.10,000 to 40,000).
6. Threshold limit for TDS on rent increased from Rs. 1,80,000/- to Rs. 2,40,000/-
7. Threshold limit for TDS on interest income increased from Rs. 10000 to Rs. 40,000/-.
8. Persons working in unorganised sector and having income upto Rs. 15000 per month will get pension of Rs. 3,000 per month under Pradhan Mantri Shram Yogi Maandhan Yojana.

Few sections which give us tax benefits: (All about Section 80C)

Sec 80C has tax exemption limit of Rs. 150000/- wherein the amount can be invested in Insurance, Equity linked mutual funds, Public Provident fund and tuition fees.

Deduction on Principal Payment on Home Loan

Deduction up to Rs 1.5 Lakh is allowed on the principal repayment of the housing loan if the house is self- occupied or vacant.

The loan should be taken from Bank and NBFCs. Loans taken from friends and family not allowed as deduction. Deduction can also be claimed by people who have multiple properties.

Total deductions that can be available in Sec 80C wherein tax can be saved is summed up as below:

- PPF,
- Sukanya Samriddhi Account,
- NSC,
- Tax saving fixed deposit for 5 Years,
- Life insurance,
- Different Pension Plans,
- Equity linked Mutual Funds,
- Principal payment on home loan,
- Stamp duty registration cost of the house,
- Tuition fee for 2 children.

GST, Excise, Service Tax & Customs updates for January 2019

Download the Article regarding GST, Excise, Service Tax & Customs updates for January 2019.



Central Goods and Services Tax (Amendment) Act, 2018



The Government notifies Central Goods and Services Tax (Amendment) Act, 2018 to notify amendments in Central Goods and Services Tax Act, 2017.

Download the Central Goods and Services Tax (Amendment) Act, 2018.

Union Interim Budget 2019 – Major Highlights

Download the Major Highlights of the Union Budget 2019.

