



**Discussion on  
Finance Bill 2017 -  
Proposals relating to  
Indirect Taxes**

**CA. Prasanna Krishnan. V  
Chennai**

**Whether GST will (can?) come at  
least by July 2017?**



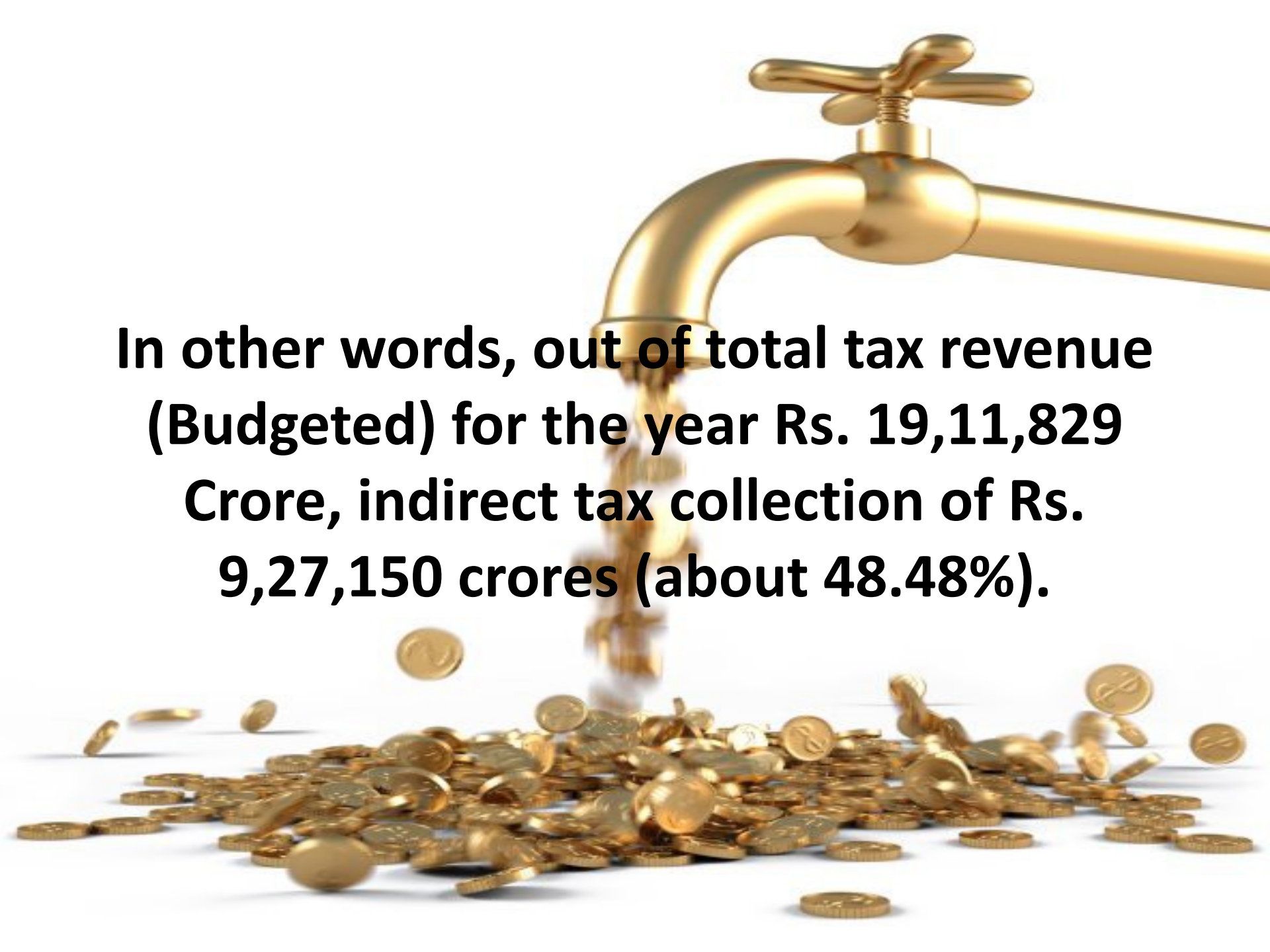
Varoom  
...  
Aana ...

**A quick understanding in respect of taxes and national economy...**



# Indirect Tax collections in Rs (Crores)

TAX SOURCE	2015-16 Actuals	2016-17 Revised	2017-18 Budgeted
Customs	210338	217000	245000
Excise	287149	386415	405920
Service Tax	211414	247500	275000

A golden faucet is shown pouring a stream of gold coins. The coins are falling from the spout and forming a large pile on the surface below. The background is plain white.

**In other words, out of total tax revenue (Budgeted) for the year Rs. 19,11,829 Crore, indirect tax collection of Rs. 9,27,150 crores (about 48.48%).**

**Customs –**

**Beneficial Owner - Sec 2 (3A) inserted**

**Sec 2 (20) & 2 (21) accordingly redefined  
Owner/Beneficial owner**



**Customs –**

**Sec 2 (20A) inserted – Any appointed post office shall be foreign post office**

**Sec 2 (28A) inserted – Any appointed place shall be International Courier Terminal**

**Accordingly Sec 69 and Sec 84 modified (warehousing form)**



## **Customs –**

**Sec 17 (3) – Self Assessment – “... the proper officer may require the importer, exporter or any other person to produce any contract, broker's note, insurance policy, catalogue or other document, whereby the duty leviable on the imported goods or export goods...”**





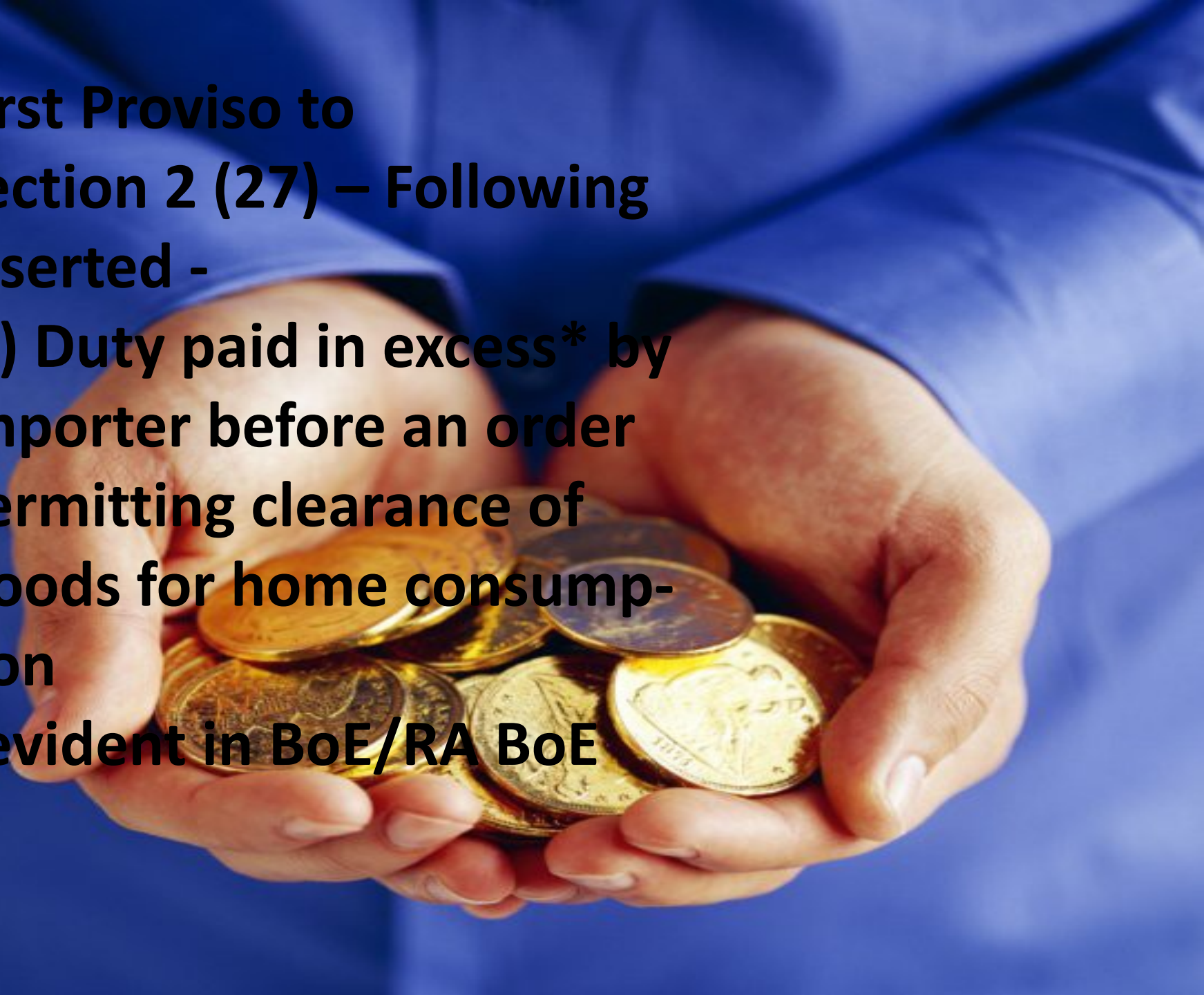
**Customs –**

**Sec 17 (3) – Self Assessment – “... the proper officer may require the importer, exporter or any other person to produce any document or information, ~~contract, broker's note, insurance policy, catalogue or other document,~~ whereby the duty leviable on the imported goods or export goods...”**

**First Proviso to  
Section 2 (27) – Following  
Inserted -**

**(g) Duty paid in excess\* by  
Importer before an order  
Permitting clearance of  
Goods for home consump-  
tion**

**\*evident in BoE/RA BoE**



## **Section 28 E, F, G, H, I, L –**

AAR for customs = AAR U/s 245 O of the  
Income Tax Act 1961

Fees: Rs 2500 ---> Rs 10,000

Time limit: 90 days ---> 6 months



## **Section 30 A introduced -**

Person in charge of  
any vessel to intimate  
Passenger /crew details  
In advance to the  
Customs Proper Officer  
Before arrival

Delay causes penalty  
Upto Rs 50,000



**Section 41 A introduced -**  
Person in charge of  
any vessel to intimate  
Passenger/crew details  
In advance to the  
Customs Proper Officer  
Before departure  
Delay causes penalty  
Upto Rs 50,000



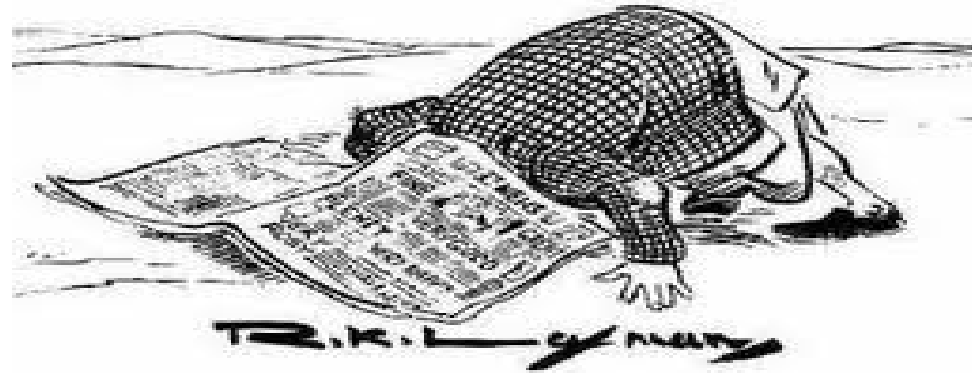
## Section 46 (3) -

At present –

Bill of entry under sub-section (1) may be presented at any time after the delivery of the import manifest or import report as the case maybe



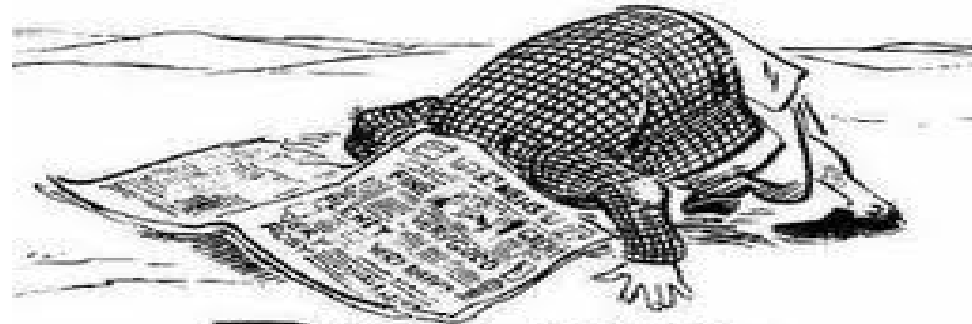
## Section 46 (3) -



Henceforth –

Bill of entry under sub-section (1) may be presented **before the end of next day following the day** (excluding holidays) on which aircraft or vessel or vehicle carrying goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing

## Section 46 (3) -



Advance filing (30 days prior to expected date of arrival of aircraft or vessel) continues.

Late fees for delay without sufficient cause (satisfaction of officer matters)



## **Sec 47 (2) – Substituted–**



**Where the importer fails to pay the import duty under sub-section (1) ~~within five days\*~~ excluding holidays from the date on which the bill of entry is returned to him for payment of duty, he shall pay interest at such rate...**

- In case of self assessment – same day**
- Within one day if returned by PO after assessment**
- Such day – in case of deferred payment**

**Sec 127 B (5) – Inserted –  
Person other than applicant referred in  
sub section 1, can apply again to  
Settlement Commission when already an  
application is pending before/settled by  
Settlement Commission**



**Sec 127 B (5A) – Inserted –  
Within 3 months – Rectifying error apparent  
on record by Settlement Commission**

- **Suo Motu or**
- **As brought to knowledge by PCC /CC/  
PADGRI/ADGRI**



## Central Excise

**Section 23 B, C, D, E, H –**

AAR for customs = AAR U/s 245 O of the  
Income Tax Act 1961

Fees: Rs 2500 ---> Rs 10,000

Time limit: 90 days ---> 6 months



**Sec 32 E (5) – Inserted –  
Person other than applicant can apply  
again to Settlement Commission when  
already an application is pending  
before/settled by Settlement Commission**



**Sec 32 F (5A) – Inserted –  
Within 3 months – Rectifying error  
apparent on record by Settlement  
Commission**

- **Suo Motu or**
- **As brought to knowledge by Prin.  
CCE /CCE/ PADCEI/ADCEI**



Rule 21 of CER 2002 –

Remission of duty to be decided within 3 months.

Extension by higher authority by another 6 months.



# **CENVAT Credit Rules –**

## **Rule 10 (4) -**

**Transfer / Shifting of premises – within 3 months (extendable further by 6 months)**

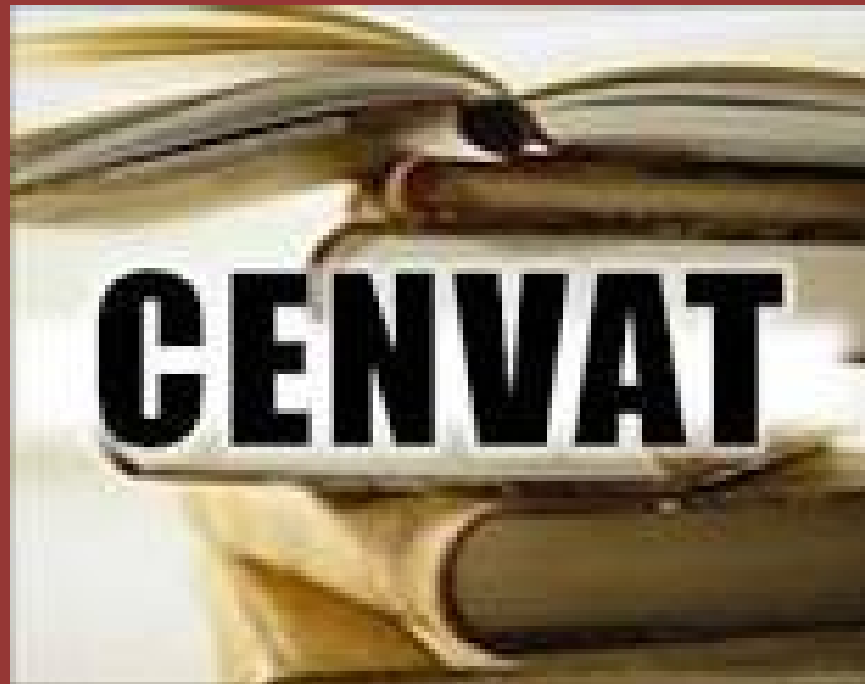
**AC/DC shall confirm the availability of CENVAT credit being carried forward to new premises**





## *CENVAT*

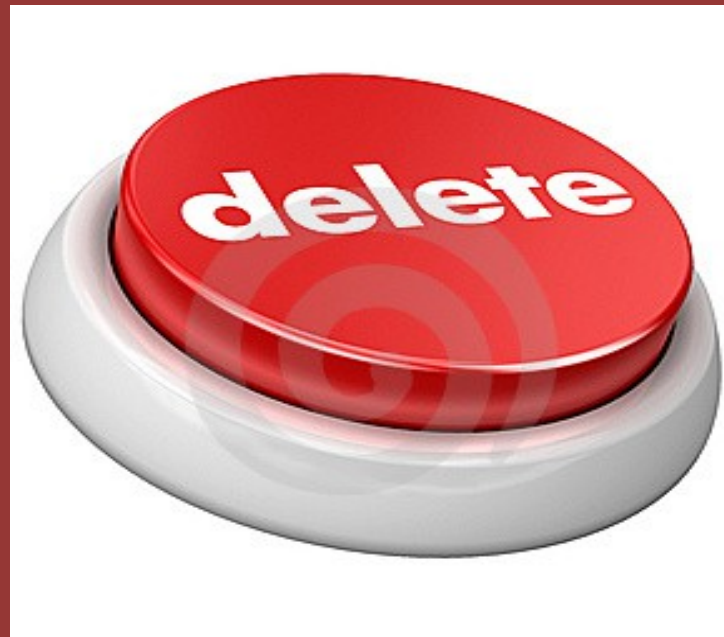
**For Rule 6 purpose, core banking income is not 'exempted' income!**



## *Research & Development Cess*

At present Notification No 14/2012-ST exempts from service tax to the extent R & D Cess paid (i.e., R & D Cess is a reduction from service tax due)

No R & D Cess once  
FB 2017 enacted



## *Service Tax*

Sec 66 D (f) [Negative List of services] to be omitted, which reads at present as follows –

Services by way of carrying out any process amounting to manufacture or production of goods excluding alcoholic liquor for human consumption



## *Service Tax*

Exemption vide Notification No 25/2012 –  
ST –

Services by way of carrying out any  
process amounting to manufacture or  
production of goods excluding alcoholic  
liquor for human consumption



Sec 96 A, 96 B, 96 C, 96 D and 96 H –

AAR -> Mutatis Mutandis – Ref: Customs /  
Excise related discussion



New exemption – retrospectively from 01.06.2007 to 21.09.2016 –  
One time upfront amount (premium / salami/ cost/ price / development charges...) collected by State Industrial Development Corporation for lease of 30 years or more of industrial plots



Refund shall be made as if exemption was in force at all material times



Time for refund claim – 6 months from the date of President's assent to this FB

Valuation of construction work (say, Rule 2A of ST (DV ) Rules 2016) questioned by Delhi High court in Suresh Kumar Bansal case and decided in favour of assesseees.

Retrospectively (From 2007) this FB proposes rightness / validity (referring power U/s 94)!





Exemptions –

Notification 25/2012 – ST

Exemption to ‘Process amounting to manufacture’



# New Exemptions –

Service to Army, Naval and Air Force  
Group insurance funds by way of life  
insurance to member of such forces – WEF  
02.02.2017



New Exemptions –  
IIM PGP / PGDM courses - Residential and  
Non Residential students – WEF  
02.02.2017





NEW Exemptions –

MoCA's Regional Connectivity Scheme (UDAN – Udey Desh ke Aam Nagarik) –

Viability Gap funding earned by select airlines is exempt

# Questions?



A man wearing a dark suit, a white shirt, and a patterned tie is standing behind a wooden podium. He is wearing glasses and has his right hand raised to his chin. The background is dark. Overlaid on the image is text in a large, bold, black font.

**THANK YOU!**

**- CA. PRASANNA KRISHNAN. V**

**Office:**

**ca\_dpvc@yahoo.co.in**