

Bullet daily news

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Implications of Union Budget 2018-19'

Steps on Long Term Capital Gains Tax and Corporate Tax to have deep impact on Indian economy, say experts



"Union Budget 2018-19 is a farmer-centric budget and a step towards universal healthcare and more particularly for the poor people. The reduction in corporate tax for companies upto Rs 250 crore turnover is a welcome step. However, the introduction of LTCG is a retrograde step at a time when India's economic growth is recovering. The imposition of LTCG will be an additional tax burden on all investors as they already pay Securities Transaction Tax (STT). Therefore, investors are taxed both at the time of purchase and sale of shares. Also, the introduction of LTCG raises uncertainty on computation of losses and the computation of the LTCG itself," said **Mr. Firoze B. Andhyarujina, Senior Advocate, High Court Mumbai** at a Panel Discussion on 'Implications of Union Budget 2018-19'. The Panel Discussion was organized jointly by World Trade Centre Mumbai and All India Association of Industries (AIAI) at WTC Mumbai on February 6, 2018.

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Mr. Girish Vanvari, National Head of Tax, KPMG in India lauded government for introducing LTCG in a calibrated manner. "The impact of LTCG is not a large as it is made out to be. Although the government has imposed 10% LTCG, most foreign investors may end up paying nil percent or at the most 5% as LTCG is not applicable for investment arising from tax havens and countries with whom India has signed tax treaties. The government has also grandfathered the existing investments to avoid retrospective implementation of LTCG. Further, the tax authority has released FAQs (frequently asked questions) to address the concerns of non-residents." Mr. Vanvari said.

Mr. Siddhartha Rastogi, Director - Asset Management, Ambit Capital Private Limited

remarked, "The negative impact of the imposition of LTCG will be more than compensated by the prospective gains in stock prices in future. Government will spend the revenue raised from LTCG on rural infrastructure and livelihood creation. This will drive up the sales and revenue of Corporate India. Therefore, we expect the profitability and earnings of Corporate India to grow significantly in the next 3-4 quarters."

Mr. Rastogi further observed, "Union Budget 2018-19 is not a budget for modern India or for futuristic India, it's a budget aimed at inclusive growth bringing BHARAT & India together. Every Nation once in a lifetime has to take charge to clean deep rooted inequality from face of the society, this budget is a mounting step in that direction. You rise, You take a higher ground, support your brethren, to emerge as One India, Healthy India and Prosperous India."

Experts feel that the reduction in corporate tax rate to 25% (from 30%) for companies with turnover upto Rs 250 crore will benefit a wider net of micro, small and medium companies (MSMEs).

In his remarks, **Mr. M.S. Mani, Partner – GST, Deloitte India** explained the possible impact of the increase in the customs duty on certain category of products. "While the customs duty increases on various products would make manufacturing in India more attractive, in the short term it would also enhance revenue collections which have been a little dented due the lower than expected GST revenues."

Mr. Jayesh Kariya, Partner - International Tax and Regulatory, BSR and Associates pointed out, "Allocation of around Rs 7 lakh crore for farm infrastructure, roads, ports and other projects will create employment and increase income in the hands of the people, thereby kickstarting demand."

Speaking on other key amendments in the Union Budget, **Mr. Rajesh S. Athavale, Head- Direct Taxation, JMP Advisors Private Limited** said, "Welcome amendments are proposed through MAT relaxation to insolvent companies which are covered by Insolvency and Bankruptcy Code (IBC), deductions granted to Senior citizens, extension of period for entitlement of deduction available for start-ups and widening the definition of eligible business of start-up companies. At the same time, several amendments proposed which are retrograde in nature, like backdoor entry of some of the items which are struck down by the Delhi Court in relation to Income and Computation Disclosure Standards, introduction of Long term capital gains tax regime without discontinuing STT and 1% extra cess."

Mr. Y.R. Warekar, Executive Director, World Trade Centre Mumbai proposed Vote of Thanks for the event.

Caption: Distinguished panelists at the Panel Discussion on 'Implications of Union Budget 2018-19' at World Trade Centre Mumbai. (From Left to Right): Mr. Jayesh Kariya, Partner - International Tax and Regulatory, BSR and Associates, Mr. M.S. Mani, Partner – GST, Deloitte India, Mr. Rajesh S. Athavale, Head- Direct Taxation, JMP Advisors Private Limited, Mr. Y.R. Warekar, Executive Director, World Trade Centre Mumbai, Mr. Firoze B. Andhyarujina, Senior Advocate, High Court Mumbai, Mr. Girish Vanvari, National Head of Tax, KPMG in India, Mr. Siddhartha Rastogi, Director - Asset Management, Ambit Capital Private Limited

भारतीय अर्थव्यवस्थेवर दीर्घ मुदत भांडवली लाभ कर आणि कॉर्पोरेट करांचा परिणाम होणार

■ मुंबई : २०१८-१९चा केंद्रीय अर्थसंकल्प हा शेतकरीधार्जिणा अर्थसंकल्प आहे. आरोग्यासाठी मोठी तरतूद आणि मुख्य म्हणजे गरीब लोकांसाठीचा हा अर्थसंकल्प आहे. २५० कोटीची उलाढाल असलेल्या कंपन्यांच्या कॉर्पोरेट करामधील कपात हे स्वागतार्ह पाऊल आहे. मात्र, भारताची अर्थव्यवस्था सुधारत असताना 'दीर्घ मुदत भांडवली कर' (एलटीसीजी) याची अंमलबजावणी करण्याच्या निर्णयाचे पुनरावलोकन करायला हवे, असे मत मुंबई उच्च न्यायालयाचे ज्येष्ठ वकील फिरोज बी. अंध्यारुजिना यांनी व्यक्त केले.

वर्ल्ड ट्रेड सेंटर मुंबई आणि ऑल इंडिया असोसिएशन ऑफ इंडस्ट्रीज

(एआयएआय) यांच्या संयुक्त विद्यमाने आयोजित केलेल्या चर्चासत्रामध्ये ते बोलत होते. समभागावरील गुंतवणुकीवर एलटीसीजी आणि एसटीटी आकारणारा भारत हा एकमेव देश असल्याचेही या वेळी नमूद करण्यात आले. केपीएमजीचे करासंदर्भातचे राष्ट्रीय अध्यक्ष गिरीश वनवारी यांनी एलटीसीजीचे कौतुक केले. ते म्हणाले, गुंतवणूकदारांनी 'सिक्युरिटीज ट्रान्झॅक्शन टॅक्स' (एसआयटी) आधीच भरला असल्यामुळे 'एलटीसीजी' हा कर ग्राहकांवर अतिरिक्त बोजा ठरणार आहे. त्यामुळे समभागांच्या खरेदी आणि विक्रीवेळी गुंतवणूकदारांना कर भरावा लागणार आहे. 'एलटीसीजी'मुळे

नुकसानीचा आकडा आणि प्रत्यक्ष 'एलटीसीजी'चा आकडा याबद्दल संभ्रम राहणार आहे. भारतीय अर्थव्यवस्थेवर एलटीसीजीचा मोठा परिणाम होईल, असे म्हटले जात असले तरी ते तेवढेसे खरे नाही. केंद्र सरकारने १० टक्के एलटीसीजी लादला असला तरी बहुसंख्य परकीय गुंतवणूकदारांना एक तर तो काहीच भरावा लागणार नाही किंवा काहीना अवघा पाच टक्केच भरावा लागेल. ज्या देशांबरोबर भारताचे कर करार झाले आहेत, अशा देशांच्या नागरिकांना एलटीसीजीचा फटका बसणार नाही. या संदर्भात नेहमी विचारल्या जाणाऱ्या प्रश्नांबद्दल कर अधिकाऱ्यांनी एक प्रसिद्धीपत्रक काढले आहे.

Steps on LTCG Tax and Corporate Tax to have deep impact on Indian economy, say experts

By A Business Reporter

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<<(L-R): Jayesh Kariya, Partner, International Tax and Regulatory, BSR and Associates, M.S. Mani, Partner, GST, Deloitte India, Rajesh S. Athavale, Head- Direct Taxation, JMP Advisors, Y.R. Warerkar, Executive Director, WTC Mumbai, Firoze B. Andhyarujina, Sr Advocate, High Court Mumbai, Girish Vanvari, National Head of Tax, KPMG in India, Siddhartha Rastogi, Director, Ambit Capital.

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signed tax treaties. The government has also grandfathered the existing investments to avoid retrospective implementation of LTCG. Further, the tax authority has released FAQs (frequently asked questions) to address the concerns of non-residents.” Vanvari said.

Oil companies should reduce petrol/diesel prices, says AIAI

By A Business Reporter



In light of the petroleum products prices coming down to below US\$ 65/- per barrel its surprising as the Oil companies have not reduces the petrol and diesel prices, they should have followed the same trend which they were doing while increasing this is anti Consumer act of oil companies, said Vijay Kalantri, President, All India Association of Industries (AIAI).

AIAI further feels instead of daily changes in rates, the Government

should revert back every 15 days as in past to facilitate consumers and oil dealers and avoid confusion. Kalantri further said that the recent increase in CESS on petrol/diesel from Rs. 2/- to Rs. 8/- is a big hike which should be brought down to Rs. 4/- or revert to original cess rate

The state Governments is also increasing hike on CESS and Local taxes, which needs to be rationalized, we suggest petroleum products should be brought under GST on priority.