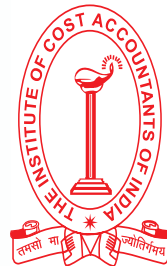


TAX Bulletin

January, 2018 Volume - 7



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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MISSION STATEMENT

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

Objectives of Taxation Committee:

1. Preparation of Guidance Note and Analysis of various Tax matters for best Management Accounting Practices for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit suggestions to the Ministry from time to time for the betterment of Economic growth of the Country.
4. Evaluating opportunities for CMAs to make effective value addition to the tax-economy.

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FROM THE DESK OF THE CHAIRMAN

Dear Colleagues

Namaskar and Best wishes.

I am writing to convey my very best wishes and sincere thanks to all of you as we wrap up an eventful 2017 and shift our momentum into the next calendar year. The past few months have been marked by noteworthy achievement and change in our Tax Research Department. As we reflect on the past year, I believe that we have many reasons to have enormous pride in our accomplishments and look forward with enthusiasm to next year.

Just a few outstanding examples:

- Continuously coming up with fortnightly Tax Bulletin
- Arranging monthly series of webinars, the good news is that the sessions remain houseful.
- Opening of new portal in the website of the TRD and displaying the activities
- Launch of Certificate Course on GST and the responses received is quite encouraging (***On line admission already started***).
- Launching of GST helpdesk and resolution of the queries by eminent Indirect Tax experts.
- Reaching the unreached locations by way of Conducting the Seminars
- Research work regarding various Taxation matter is being done.
- Submitting suggestions on GST implementation to Government from time to time

I take this opportunity to announce that the Taxation Research Department in association with the Cuttack-Bhubaneswar Chapter of Cost Accountants is going to organise a two day "National Seminar on GST" at Bhubaneswar on 27th and 28th January 2018. I request active participation of all to make the event a grand success.

Thank you all for this special opportunity to serve you. I hope that you will continue to volunteer and participate in 2018 with more enthusiasm.

I would like to end on a happy note wishing all a 'Happy and Prosperous 2018' again.

CMA Niranjana Mishra

Chairman -Taxation Committee

2nd January 2018

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DEDUCTION OF TAX AT SOURCE UNDER SECTION 192 OF INCOME TAX ACT – WHAT TO DO & WHAT NOT TO DO – BY EMPLOYER & EMPLOYEE?

CMA NIRANJANA SWAIN

Senior General Manager (Finance), Odisha Power Generation Corporation Ltd

The employer while paying salary to its employees is required to deduct income tax at source under section 192 of income tax act and related rules. The provisions of income tax act / rules provides for manner of computation of income from salary, other heads incomes (house property & other sources) inclusion for deduction and allowing exemptions from income & deductions from gross total income based upon satisfaction of genuineness of declarations and documents submitted by the employee. In many cases even if the employee is eligible for such deduction or exemption of income, but the employer / paying officer is not authorized to allow such deduction. This article throws some light on provisions under income tax law and how deductions and exemptions are to be allowed to the employees while deducting tax at source on payment of salary. This article will help the authorized / paying officers (in case of PSU or Govt. departments designated as DDO) to discharge their duty in view of the closing of financial year 2017-18 by end of which entire tax needs to be deducted.

(1) Who is responsible for deduction & Method of Tax Calculation.

- Every employer, nominate a person who is responsible for paying any income chargeable under the head "Salaries" shall deduct income-tax on the estimated income of the assessee under the head "Salaries" for the financial year 2017-18. However adjustments made from time to time to ensure that entire tax payable on salary income is deducted.
- The income-tax is required to be calculated on the basis of the rates prescribed under the act, subject to the provisions related to requirement to furnish of PAN as per sec 206 AA of the Act, and shall be deducted at the time of each payment.
- No tax, however, will require to be deducted at source in any case where the estimated salary income including the value of perquisites, for the financial year 2017-18 exceeds ₹2,50,000/- or ₹3,00,000/- or ₹5,00,000/-, as the case may be, depending upon the age of the employee.

(2) Payment of Tax on Perquisites by Employer:

- No TDS applicable from salary of employee if the employer exercises an option to pay the tax on non-monetary perquisites given to such employee. However, the employer will have to pay the tax at the time when such tax was otherwise deductible i.e. at the time of payment of income chargeable under the head "salaries" to the employee.

(3) Computation of Average Income Tax:

For the purpose of making the payment of tax, it is to be determined at the average of income tax computed on the basis of rate in force for the financial year, on the income chargeable under the head "salaries", including the value of perquisites for which tax has been paid by the employer himself.

Example: Estimated Salary of an employee below 60 years of age is ₹7.00 lakh out of which ₹50,000/- is on account of non-monetary perquisites and the employer opts to pay the tax on such perquisites as per the provisions of income tax act. Total salary income is chargeable to Tax ₹6.00 lakhs. Employers are required to deduct perquisite tax computed as follows.

Income Chargeable under the head "Salaries" inclusive of all perquisites	₹6.00 lakhs
Tax on Total Salary (including Cess)	₹33,475/-
Average Rate of Tax $[(₹33,475 / ₹6,00,000) \times 100]$	5.58%
Tax payable on ₹50,000/= (5.58% of ₹50,000)	₹2790/-
Amount required to be deposited each month	₹233/- (₹2790/12)

The tax so paid by the employer shall be deemed to be TDS made from the salary of the employee.

(4) Salary from more than One Employer: Section 192(2)

- If an employee is working under more than one employer is required to furnish to the present/chosen employer details of the income under the head "Salaries" due or received from the former/other employer and also tax deducted at source there from, **in writing and duly verified by him and by the former/other employer**. The present/chosen employer will be required to deduct tax at source on the aggregate amount of salary (including salary received from the former or other employer).

(5) Relief When Salary Paid in Arrear or Advance: Sec 192 (2A)

- If during financial year an **employee of specified organization** has received any arrear salary or advance salary is entitled to the relief under Section 89(1), he may furnish to the person responsible for making the payment such particulars in **Form No. 10E duly verified by him**, and thereupon the person responsible, as aforesaid, shall compute the relief on the basis of such particulars and take the same into account in making the deduction under of TDS. **Form 10E should be submitted electronically along with return of income to claim rebate u/s 89(1) of income tax act.**

Note: Specified Organization means a Government servant or an employee in a company, co-operative society, local authority, university, institution, association or body. Amount received or receivable by an assessee on his voluntary retirement or termination of his service, in accordance with any scheme or schemes of voluntary retirement or in the case of a public sector company referred to in section 10(10C)(i) (read with Rule 2BA), a scheme of voluntary separation, if an exemption in respect of any amount received or receivable on such voluntary retirement or termination of his service or voluntary separation has been claimed by the assessee under section 10(10C) in respect of such, or **any other, assessment year is to be excluded for calculation of relief u/s 89(1).**

(6) Adjustment for Excess or Shortfall of Deduction:

- The provisions of Section 192(3) allow the deduct or (payer of salary/DDO) to make adjustments for any excess or shortfall in the deduction of tax already made during the financial year, in subsequent deductions for that employee within that financial year itself.

Specified date means the last day of the month immediately preceding the month in which salary is due or paid in advance or in arrears. If the salary is due on 3rd day of every month, then the specified date is 30th / 31st of the previous month (in case of February the date is 28th or 29th).

(7) Salary Paid in Foreign Currency:

- For the purposes of deduction of tax on salary payable in foreign currency, the value in rupees of such salary shall be calculated at the "**Telegraphic transfer buying rate**" of such currency as on the date on which tax is required to be deducted at source (see Rule 26). Pl refers Circular No.20/2015 dated. 2nd December 2015.
- **Rule 115 of the Income-tax Rules, 1962 relates for conversion of foreign income which** provides for rate of foreign exchange for conversion of income accruing or arising or deemed to be accruing or arising or received or deemed to be received in foreign currency. According to Rule 115, the rate of conversion for such income would be the telegraphic transfer ("TT") buying rate of such currency as on the "specified date". **TT buying rate means the rate of exchange adopted by State Bank of India ("SBI") for buying such currency through telegraphic transfer.**

(8) Computation of Taxable Income by the Employer for deduction of TDS u/s 192.

The employer is required to compute the taxable income by taking

- ❖ **Payment of salary, allowances and perquisites as covered under section 15, 16 & 17 of income tax act and after allowing exemption and deductions provided under income tax act to arrive at taxable salary. The legitimate claim of the employees should not be denied by the employer / payer of salary / DDO.**
- ❖ **The incomes other than salary declared by the employee for inclusion with required evidence/ documents as provided under the act / rules.**

Sl. No.	Particulars	Amount in ₹
1	Find out Taxable salary income (Salary, Allowances & Perquisites)	
2	Add: Other incomes declared by the employee (Income from House Property, Other Sources) (in case of loss only house property loss would be considered no other loss would be taken into consideration)	
3	Find out aggregate of (1) and (2)	
4	Less: Deduction under sections 80C to 80U (to be allowed on the basis of evidences of investment or expenditure as the case may be)	
5	Taxable Income for TDS (3)-(4)	
6	Tax payable on Taxable Income – Tax on (5) at applicable rate	
7	Add: Surcharge, Education Cess and Secondary and Higher Education Cess	
8	Less: Tax deducted by others as per information given by the employee	
9	Find out tax liability [(6)+(7)-(8)] for deduction of tax at source	

(9) Consideration of inclusion of Income declared by the Employees & submission of information regarding Income under any other head:

Section 192(2B) enables a taxpayer / employee to furnish particulars of income under any head other than "Salaries" to his employee for inclusion in taxable income and deduction of tax at

source. Usually following incomes declared for inclusion and documents / certificates submitted by the employee for verification.

Declaration of Income	Provisions to be adhered	Conditions and Verification of Documents by DDO
Income from House Property	Computation Statement showing – Gross Annual Value, Municipality Tax paid, Standard deduction. Deduction claimed as interest and Address of the property	<p>1. House must belong to the Employee (includes co-ownership). Proof of ownership to be submitted.</p> <p>1. The acquisition or construction of the house should be completed within 5 years from the end of the FY in which the capital was borrowed (submission of completion certificate of the house property against which deduction is claimed either from the builder or through self-declaration from the employee.)</p> <p>2. Employee has to furnish before the DDO a certificate from the person to whom any interest is payable on the borrowed capital specifying the amount of interest payable during the year. In addition to in case of new house, the employee required to submit the proof of interest paid or accrued up to last date of the last year to the previous year in which is acquired / construction completed (as reduced by any part of interest allowed as deduction under any other section of the Act) and same shall be deducted.</p> <p>3. In case a new loan is taken to repay the earlier loan, then the certificate should also show the details of Principal and Interest of the loan so readied in equal instalments for the FY in question and subsequent four FYs.</p> <p>4. Refer Note – 1 below</p>
Income from Other Sources – Dividend, Interest & other (specify)	Computation Statement in detail covering income u/s 56 & deduction u/s 57 & 58 of income tax act	

There is no restriction for declaration by an employee related to “income from Capital Gain” and “income from business or profession” for inclusion and deduction of tax at source from salary. However it is seen that an employee has been debarred to do any business as per terms and conditions of employment. So practically no employee declares “income from business or profession” for inclusion and deduction of tax act source from salary.

Note- 1: (i) Earlier the declaration was made in specified format 12 C prescribed under income tax rules which has been omitted. Now, no specified format as per income tax rules has been prescribed for such declaration. The particulars may now be furnished in a **simple statement**, which is properly signed and verified by the taxpayer in the manner as prescribed under Rule 26B(2) of the Rules and shall be annexed to the simple statement. However the form of verification usually provided under CBDT Circular from year to year which is - “I, (name of the assessee), do declare that what is stated above is true to the best of my information and belief.

(ii) The DDO shall also ensure furnishing of the evidence or particulars in Form No. 12BB in respect of deduction of interest as specified in Rule 26C read with section 192 (2D).

(iii) The DDO may take into account any loss only under the head "Income from house property". Loss under any other head cannot be considered by the DDO for calculating the amount of tax to be deducted.

(iv) Maximum interest allowed for deduction under house property is ₹2, 00,000/- (₹30,000/- if loan is availed for repair of house property at any year or the loan is availed for construction/acquisition of house property prior to 1st April 1999) in view of section 71(3A) under which set off of house property loss under the head “Income from house property” against any other income which includes Income from Salary has been restricted. Pl note that new sub section 3A is inserted to section 71 from assessment year 2018-19.

(10) Submission of Evidence and declarations to Employer / DDO for allowing deduction in computation of taxable income for TDS:

DDOs empowered to obtain evidence of proof or particulars of the prescribed claim (including claim for set-off of loss) under the section 192(2D) of income tax act:

- DDOs have been authorized u/s 192 to allow certain deductions, exemptions or allowances or set-off of certain loss as per the provisions of the Act for the purpose of estimating the income of the assessee or computing the amount of tax deductible under the said section. The evidence /proof /particulars for some of the deductions/exemptions/allowances/set-off of loss claimed by the employee such as rent receipt for claiming deduction in HRA, evidence of interest payments for claiming loss from self-occupied house property, etc is not available to the DDO. To bring certainty and uniformity in this matter, section 192(2D) provides that person responsible for paying (DDOs) shall obtain from the assessee evidence or proof or particular of claims such as House rent Allowance (where aggregate annual rent exceeds one lakh rupees); Leave Travel Concession or Assistance; Deduction of interest under the head "Income from house property" and deduction under Chapter VI-A

as per the prescribed form 12BB laid down by Rule 26C of the Rules.

- The Central Board of Direct Taxes (CBDT) has released **Form No. 12BB** after Rule 26C inserted with effect from June 1, 2016. This is a standard form for salaried tax payers to claim tax deduction on;
 - ❖ **LTA** (Leave Travel Allowance) / **LTC** (Leave Travel Concession)
 - ❖ **HRA** (House Rent Allowance)
 - ❖ **Interest payable on Home Loan** (Section 24) and
 - ❖ All Tax Deductions under **Chapter VI-A** which relates to allowable deductions under various sections including Section 80C, Section 80CCC, Section 80CCD, Section 80D etc.

The abstract of Form 12BB has been summarized for better understanding.

Nature of claim	Evidence or particulars
House rent allowance (HRA)	<ul style="list-style-type: none"> Amount of Rent paid / payable to the Land Lord <p>(CBDT as an administrative measure exempted employees</p>

	<p><i>who are drawing HRA up to ₹3,000 per month for production of rent receipt. However the Assessing Officer may make enquiry to satisfy that the employee has actually incurred the expenses for which deduction claimed u/s 10(13A).</i></p> <ul style="list-style-type: none"> • Name and address of landlord/landlords • PAN of landlord/landlords (where the aggregate rent paid during the financial year exceeds ₹1 lakh)
Leave travel concession or assistance	<ul style="list-style-type: none"> • Expenditure and evidence pertaining to expenditure
Deduction of interest under the head "Income from house property"	<ul style="list-style-type: none"> • Amount of interest paid/payable • Name & address of the Lender. • PAN of the lender (Financial Institutions/Employers/Others)
Deduction under sections 80C, 80CCC, 80CCD, 80CCG, 80D, 80DD, 80DDB, 80E, 80EE, 80GG, 80GGA, 80TTA and 80U	<ul style="list-style-type: none"> • Amount of investment/expenditure and evidence of investment/expenditure

- **No time limit has been specified for submission of Form No.12BB by employee to employer.** It may be noted that above information submitted in Form No.12BB shall be retained by the employer/DDO. However while filing return of TDS for the 4th quarter of every year in the prescribed Form No. 24 Q, the PAN of landlord (in case of House Rent Allowance) and PAN of lender (in case of interest on borrowings for house property) shall be specified in Annexure II.

(11) Deductions available to an Employee under Chapter VIA.

- Following deductions are available under Chapter VIA of income tax act and to claim such deduction an employee is required to submit the evidences of investments and expenditure as applicable along with Form 12BB to the employers. The employer/DDO is to satisfy about genuineness of such claims and allow the deduction in computation of income tax for deduction of tax at source. However in few cases there is also a restriction for consideration of the amount spent (80G – Specific Donations) in TDS for which the employee needs to claim along with filing of return of income.

Section	Nature of Deduction	Amount Eligible	Remarks
80C	Deduction for Investment made in certain Schemes (Pl refer the relevant section for ascertaining the Gross Qualifying amount, Net Qualifying Amount etc.)	Up to ₹1,50,000 (Subject to overall limit of ₹1,50,000 under Section 80C, 80CCC and 80CCD)	For allowing deduction proof of investments/ deposits in support of claims are to be submitted by the employees along with Form 12BB and verified by DDO.
80CCC	Contribution to certain specified Pension Funds of LIC/other insurer for receiving pension from a Fund referred to in section 10(23AAB). (The deduction is subject to certain conditions).	Up to ₹1, 50,000. (Subject to overall limit of ₹1,50,000 under Section 80C, 80CCC and 80CCD)	After claiming deduction <ul style="list-style-type: none"> • If the assessee or his nominee surrenders the annuity before the maturity date, the surrender value shall be taxable in the hands of assessee or his nominee • The pension received is taxable in the hands of assessee or his nominee.
80CCD	Contribution to notified Pension Scheme (NPS) by an Individual. (The deduction is subject to certain conditions).	Amount deposited to pension scheme includes New pension Scheme notified vide Notification No.5/7/2003-ECB & PR dated.22 nd Dec 2003 and Atal Pension Yojana (Notification No.SO-529(E) dated.19 th Feb 2016) or 10%of salary (includes dearness allowance) / 20% gross (from AY 2018-19) total income, whichever is less (subject to ceiling limit of ₹1, 50,000 as provided under Section 80CCE) shall be allowed as deduction under Section 80CCD(1). Additional deduction to the extent of ₹50,000 shall also be available to the assessee under section 80CCD(1B). The additional deduction is not subjected to ceiling limit of ₹1,50,000 as provided under Section 80CCE. Contribution made by employer	<ul style="list-style-type: none"> • Deduction under section 80CCD(2) on account of contribution made by the employer to a pension scheme is not subjected to ceiling limit of ₹1,50,000 as provided under Section 80CCE. • No deduction is available in respect of employer's contribution in excess of 10% of salary of employee. • Addition deduction of ₹50,000 shall not be allowed in respect of contribution which is considered for deduction under Section 80CCD(1), i.e., limit of 10% of salary/ 20% of gross total income • Tax at the time of Withdrawal <ol style="list-style-type: none"> Partial withdrawal from NPS (not exceed 25% of employee contribution) – Exempted Amount received by assessee on closure of account or on his opting out of NPS Scheme – 60% taxable. Amount received by nominee on the death of assessee – Exempted Pension Received out of NPS – Taxable. Amount received out of (b), (c) & (d) utilised for purchasing annuity plan during same

		shall also be allowed as deduction under section 80CCD(2) while computing total income of the employee.	<i>previous year – Exempted.</i> (f) <i>Pension received out of annuity plan purchased</i> (e) <i>above – Taxable.</i>
80CCG	Investment Made under Rajiv Gandhi Equity Savings Scheme: Amount invested by resident individuals, whose gross total income does not exceed ₹12 lakhs, in listed shares or listed units in accordance with notified scheme for a lock-in period of 3 years (Subject to certain conditions).	Deduction of 50 % of total investment subject to maximum of ₹25,000 in 3 consecutive assessment years, beginning with the assessment year relevant to the previous year in which the listed shares or list units of equity oriented funds are first acquired	No deduction is allowed from Assessment Year 2018-19. However if any assessee has claimed deduction under this section for AY 2017-18 and earlier AY shall be allowed deduction under this section till AY 2019-20, if he is otherwise eligible to claim the deduction as per provisions of this section.
80D	Medical Insurance Premium: Amount paid (in any mode other than cash) by an individual (HUF is also eligible) to LIC or other insurer to effect or keep in force an insurance on the health of specified person*. An individual can also made payment to the Central Government health scheme and/or on account of preventive health check-up.	In case of Individual, amount paid: (a) For self, spouse and dependent children: ₹25,000 (₹30,000 if specified person is a senior citizen or very senior citizen) (b) For parents: additional deduction of ₹25,000 shall be allowed (₹30,000 if parent is a senior citizen or very super senior citizen) In case of HUF, premium up to ₹25,000 (₹30,000 if person insured is a senior citizen or very senior citizen) paid to insure any member of the family.	Specified Person means ○ In case of Individual- Self, Spouse, dependent children or parents ○ In case of HUF- Any member thereof “Senior citizen” means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year. “Very senior citizen” means an individual resident in India who is of the age of eighty years or more at any time during the relevant previous year. Note:- (a) Deduction for preventive health check-up shall not exceed in aggregate ₹5,000. (b) Payment on account of preventive health check-up may be made in cash. (c) Within overall limit, deduction shall also be allowed upto ₹30,000 towards medical expenditure incurred on the health of specified person provided such person is a very senior citizen and no amount has been paid to effect or to keep in force an insurance on the health of such person.
80DD	Maintenance including medical treatment of a handicapped dependant who is a person with disability: Deduction allowed to resident Individual (HUF also eligible) Option-1: Any expenditure incurred for the medical treatment (including nursing), training and rehabilitation of a dependent, being a person with disability Option -2: Any amount paid or deposited under an approved scheme framed in this behalf by the LIC or any other insurer or the Administrator or the specified company for the maintenance of a dependent, being a person with disability	For dependant with disability: ₹75,000/- For dependant persons with severe disability - ₹1,25,000/-.	<ul style="list-style-type: none"> • For claiming deduction a Certificate issued by Medical Authority needs to be furnished to DDO / Paying Officer who need to verify the eligibility for allowing such deduction. • Eligible only if the dependant has not claimed deduction U/S 80U. • If the dependant with disability predeceases the amount deposited or paid at Option 2 shall be deemed to be income of assessee in the previous year in which the amount received and chargeable to tax. • Disability shall have the same meaning assigned to it in section 2(i) of Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act 1995 OR A person with severe disability referred to in clause (o) of section 2 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999; • Person with disability means a person having any disability stated is not less than 40% and with severe disability means any disability of 80% or above.
80U	Deduction in case of Persons with Disability:	For dependant with disability: ₹75,000/-	<ul style="list-style-type: none"> • Disability shall have the same meaning assigned to it in section 2(i) of Persons with

	A resident individual who, at any time during the previous year, is certified by the medical authority to be a person with disability [as defined under Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995]	For dependant persons with severe disability - ₹1,25,000/-	<p>Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act 1995.</p> <ul style="list-style-type: none"> • A person with severe disability referred to in clause (i) of section 2 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999; • Person with disability means a person having any disability stated is not less than 40% and with severe disability means any disability of 80% or above.
<p>However, under both the sections 80 DD and 80U, the employee shall furnish to the DDO the following</p> <p>1. A copy of the certificate issued by the medical authority as defined in Rule 11A (1) in the prescribed form as per Rule 11A (2) of the Rules. The DDO has to allow deduction only after seeing that the Certificate furnished is from the Medical Authority defined in this Rule and the same is in the form as mentioned therein.</p> <p>2. Further in cases where the condition of disability is temporary and requires reassessment of its extent after a period stipulated in the aforesaid certificate, no deduction under this section shall be allowed for any subsequent period unless a new certificate is obtained from the medical authority as in 1 above and furnished before the DDO</p>			
80DDB	<p>For Medical Treatment of specified diseases or ailment as prescribed by the Board under rule 11DD:</p> <p>Expenses actually paid by resident individual (also HUF is eligible) for medical treatment of specified diseases and ailments of:</p> <p>a) In case of Individual: Assessee himself or wholly dependent spouse, children, parents, brothers and sisters</p> <p>b) In case of HUF: Any member of the family who is wholly dependent upon the family</p>	<p>Up to ₹40,000</p> <p>(₹60,000/- in case of senior citizen – who is at least 60 years of age at any time during previous year</p> <p>AND</p> <p>₹80, 000/- in case of very senior citizen – who is at least 80 years of age at any time during previous year)</p> <p>The amount of deduction shall be reduced by the claim received under an insurance</p>	<p>To claim the assessee is required to submit a Doctor's prescription. It is not required to submit along with return of income. The assessee should retain the same and submit before Assessing Officer during assessment.</p> <p>Prescription in respect specified diseases or ailment as prescribed by the Board under rule 11DD shall be issued by specialists</p> <p>DDO needs to verify and satisfy about the claim of an employee.</p>
80EE	<p>Interest on loan taken for residential house property:</p> <p>Interest payable on loan taken up to ₹35 lakhs by an individual taxpayer from any financial institution, sanctioned during the FY 2016-17.</p> <p>For the purpose of acquisition of a residential house property whose value does not exceed ₹50 lakhs (Subject to certain conditions).</p>	<p>Deduction of up to ₹50,000 towards interest on loan.</p>	<p>If the deduction is claimed under this section, no deduction shall be claimed under any other section including in the Computation of House Property income.</p> <p><i>This deduction is available from Assessment Year 2017-18 onwards.</i></p>
80G	<p>Deductions on respect of donations to certain funds, charitable institutions, etc.</p>	<p>Deductions on account of donation made to various funds , charitable organizations etc (Pl refer to provisions for computation as well as eligible contribution)</p> <p>No deduction under this section is allowable in case the amount of donation exceeds ₹2,000/- unless the amount is paid by any mode other than cash.</p>	<ul style="list-style-type: none"> • <i>The tax relief admissible under this section for donation given by the employee to notified public charitable institutions has to be claimed by him / her in the return of income that filed with dept.</i> • However in cases where employees make donations to the Prime Minister's National Relief Fund, the Chief Minister's Relief Fund or the Lieutenant Governor's Relief Fund through their respective employers, it is not possible for such funds to issue separate certificate to every such employee in respect of donations made to such funds as contributions made to these funds are in the form of a consolidated cheque. An employee who makes donations towards these funds is eligible to claim deduction under section 80G. It is, hereby, clarified that the claim in respect

			of such donations as indicated above will be admissible under section 80G on the basis of the certificate issued by the Drawing and Disbursing Officer (DDO)/Employer in this behalf - Circular No. 2/2005, dated 12-1-2005.
80GG	Rent paid by an individual for furnished/unfurnished residential accommodation if he is not receiving any HRA (Subject to certain conditions)	<p>Least of the following shall be exempt from tax:</p> <p>a) Rent paid in excess of 10% of total income b) 25% of the Total Income; or c) ₹5,000 per month.</p> <p>Total Income = Gross total income minus capital gains, short term capital gains u/s 111A, deductions u/s 80C to 80U (other than 80GG) and income under section 115A.</p>	<p>The employee files the declaration in Form No.10BA prescribed under income tax rules.</p> <p>The employee does not own:</p> <ul style="list-style-type: none"> any residential accommodation himself or by his spouse or minor child or where such employee is a member of a Hindu Undivided Family, by such family, at the place where he ordinarily resides or performs duties of his office or carries on his business or profession; or at any other place, any residential accommodation which is in the occupation of the employee, the value of which is to be determined under section 23(2)(a) or section 23(4)(a), as the case may be.
80GGA	Deduction in respect of certain donations for scientific, social or statistical research or rural development programme or for carrying out an eligible project or National Urban Poverty Eradication Fund shall be allowed (Subject to certain conditions)	100% of donations or contributions made.	No deduction shall be allowed if contribution is paid in cash in excess of ₹2,000
80TTA	Interest on deposits in saving account of an Individual or HUF with a banking company, a post office, co-operative society engaged in banking business, etc. (Subject to certain conditions)	100% of amount of such income subject to maximum of ₹10,000	Interest on Post Office Savings Bank is exempted up to ₹3,500/- in a single account and ₹7,000 in a joint account u/s 10(15)(i) of income tax act

(12) Other Provisions to be adhered by the DDO/ Paying Officer while making TDS from Salary:

(i) Deduction of Tax at Lower Rate:

If the jurisdictional TDS officer of the Taxpayer issues a certificate of Non Deduction or Lower Deduction of Tax under section 197 of the Act, in response to the application filed before him in Form No 13 by the Taxpayer/employees, then the DDO should take into account such certificate and deduct tax on the salary payable at the rates mentioned therein (Ref **Rule 28AA**). The Unique Identification Number of the certificate is required to be reported in Quarterly Statement of TDS (Form 24Q).

(ii) DDOS to satisfy themselves about the genuineness of claim:

The Drawing and Disbursing Officers/authorized person of the employer should satisfy themselves about the actual deposits/subscriptions/payments made by the employees, by calling for such particulars/ information as they deem necessary before allowing the aforesaid deductions. In case the DDO is not satisfied about the genuineness of the employee's claim regarding any deposit/subscription/payment made by the employee, he should not allow the same, and the employee would be free to claim the deduction/rebate on such amount by filing his return of income and furnishing the necessary proof etc., therewith, to the satisfaction of the Assessing Officer.

Conclusion: While concluding, it may be noted that, the DDO/Paying Officer authorized for payment of salary shall ensure

proper compliances to the provisions of income tax laws and circulars issued from time to time by CBDT in respect of TDS on salary and allow legitimate claim of employees after due verification and satisfaction. Usually **CBDT issues a Circular** related to **“TDS on payment of Salary”** every year citing the provisions, procedures and obligations of employer and employee which is expected for issue in the month of January 2018 (For AY 2018-19). At the same time the employee should also ensure for submission of claims along with relevant documents/declarations in time in respect of any deduction or exemption for consideration by DDO/Paying Officer for deduction of TDS on payment of salary.

Obligations of DDO/Authorized persons of Employee who is responsible for deduction of tax at source and other relevant provisions and compliances - WILL BE PUBLISH IN THE NEXT VOLUME OF TAX BULLETIN.



REFUNDS UNDER GST – PROVISIONS AND PROCESSES

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GST is all about a smooth flow of funds and compliances till the end. To facilitate such a smooth flow, it is imperative for the Government to provide for a hassle-free refund process.

GST provides for a clearer and efficient invoice based tracking system, verifying the transactions on an individual basis, thus, allowing systematic checking of the same. It comes as a huge relief for manufacturers or exporters, especially those in a 100% EOU or Special Economic Zone, whose working capital gets tied up in this cumbersome refund process.

In this article, I have tried to cover the GST refund process in detail.

Situations Leading to Refund Claims

A claim for refund may arise on account of:

1. Export of goods or services
2. Supplies to SEZs units and developers
3. Deemed exports
4. Refund of excess tax paid in advance by casual tax payer
5. Refund of CGST & SGST paid by treating the supply as intra- State supply which is subsequently held as inter-State supply and vice versa
6. Refund on account of issuance of refund vouchers for taxes paid on advances against which, goods or services have not been supplied
7. Refund arising on account of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court
8. Finalization of provisional assessment
9. Refund of accumulated Input Tax Credit on account of inverted duty structure
10. Refund of pre-deposit
11. Refunds to International tourists of GST paid on goods in India and carried abroad at the time of their departure from India
12. Refund of taxes on purchase made by UN or embassies etc.

Time Limit

Refund claim needs to be filed within two years from relevant date. A refund of unutilized input tax credit can be claimed at the end of any tax period.

Relevant Date

As per explanation to Sec. 54 of CGST Act, 2017, “relevant date” means –

- a) in the case of goods exported out of India where a refund of tax paid is available in respect of goods themselves or, as the case may be, the inputs or input services used in such goods, -
 - i. if the goods are exported by sea or air, the date on which the ship or the aircraft in which such goods are loaded, leaves India; or
 - ii. if the goods are exported by land, the date on which such goods pass the frontier; or
 - iii. if the goods are exported by post, the date of despatch of goods by the Post Office concerned to a place outside India;
- b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is available in respect of the goods, the date on which the return relating to such deemed exports is furnished;
- c) in the case of services exported out of India where a refund of tax paid is available in respect of services themselves or, as the case may be, the inputs or input services used in such services, the date of –
 - i. receipt of payment in convertible foreign exchange, where the supply of services had been completed prior to the receipt of such payment; or
 - ii. issue of invoice, where payment for the services had been received in advance prior to the date of issue of the invoice;

- d) in case where the tax becomes refundable as a consequence of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court, the date of communication of such judgment, decree, order or direction;
- e) in the case of refund of unutilized input tax credit on account of inverted duty structure, the end of the financial year in which such claim for refund arises;
- f) in the case where tax is paid provisionally under this Act or the rules made there under, the date of adjustment of tax after the final assessment thereof;
- g) in the case of a person, other than the supplier, the date of receipt of goods or services or both by such person; and
- h) in any other case, the date of payment of tax.

Interest on delayed refunds

If any tax ordered to be refunded is not refunded within 60 days from the date of receipt of application for refund claim, interest at such rate not exceeding 6% shall be payable to the applicant by government from the date immediately after the expiry of 60 days from the date of receipt of application under the said sub-section till the date of refund of such tax.

In case of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or court which has attained finality and the same is not refunded within sixty days from the date of receipt of application filed consequent to such order, interest at such rate not exceeding 9% shall be payable in respect of such refund from the date immediately after the expiry of 60 days from the date of receipt of application till the date of refund.

Procedure for refund claim:

A. Export of goods with the payment of IGST

1. The shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on goods exported out of India. No separate application is required to be filed as shipping bill itself will be treated as application for refund.
2. The application shall be deemed to have been filed only when Export Manifest or Export Report is filed and the applicant has furnished a valid return in FORM GSTR-3 or FORM GSTR-3B.
3. Upon the receipt of the information regarding the furnishing of a valid return in FORM GSTR-3 or FORM GSTR-3B, as the case may be from the common portal, the system designated by the Customs shall process the claim for refund and an amount equal to the integrated tax paid in respect of each shipping bill or bill of export shall be electronically credited to the bank account of the applicant mentioned in his registration particulars and as intimated to the Customs authorities.
4. Where the goods are not exported within 90 days the time specified in sub-rule (1) and the registered person fails to pay the amount mentioned in the said sub-rule, the export as allowed under bond or Letter of Undertaking shall be withdrawn forthwith and the said amount shall be recovered from the registered person in accordance with the provisions of section 79.
5. Any order regarding withholding of such refund or its further sanction respectively in PART-B of FORM

GST RFD-07 or FORM GST RFD-06 shall be done manually till the refund module is operational on the common portal.

B. Claim of unutilized ITC on account of Export of goods and services without payment of IGST

1. The application for refund of unutilized input tax credit on inputs or input services used in making such zero-rated supplies shall be filed in FORM GST RFD- 01A on the common portal.
2. The amount claimed as refund shall get debited in the electronic credit ledger to the extent of the claim.
3. The common portal shall generate a proof of debit (ARN - Acknowledgement Receipt Number) which would be mentioned in the FORM GST RFD-01A submitted manually, along with following documents:-
 - The print out of FORM GST RFD-01A to the jurisdictional proper officer.
 - A statement containing the number and date of shipping bills or bills of export and the number and the date of the relevant export invoices, in a case where the refund is on account of export of goods;
 - a statement containing the number and date of invoices and the relevant Bank Realization Certificates or Foreign Inward Remittance Certificates, as the case may be, in a case where the refund is on account of the export of services;
4. No refund of unutilized input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty:

Refund Amount = $(\text{Turnover of zero-rated supply of goods} + \text{Turnover of zero-rated supply of services}) \times \text{Net ITC} \div \text{Adjusted Total Turnover}$

Where,-

- (A) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking;
- (B) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:- Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;
- (C) "Adjusted Total turnover" means the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the value of exempt supplies other than zero-rated supplies, during the relevant period;

C. Zero Rated Supplies to SEZ unit / Developers with payment of IGST

1. Application for refund is required to be filed in FORM GST RFD-01A by the supplier on the common portal.
2. A print out of the said form shall be submitted before the jurisdictional proper officer along with
 - a statement containing the number and date of invoices as provided in rule 46 along with the evidence regarding the endorsement by the specified officer of the zone ; and
 - a declaration to the effect that the Special Economic Zone unit or the Special Economic Zone developer has not availed the input tax credit of the tax paid by the supplier of goods or services or both,

D. Claim of unutilized ITC on account of Zero rated supplied to SEZ Unit/Developers without payment of IGST

1. The application for refund of unutilized input tax credit on inputs or input services used in making such zero-rated supplies shall be filed in FORM GST RFD- 01A on the common portal.
2. The amount claimed as refund shall get debited in the electronic credit ledger to the extent of the claim.
3. The common portal shall generate a proof of debit (ARN- Acknowledgement Receipt Number) which would be mentioned in the FORM GST RFD-01A submitted manually.
4. Following documents shall be submitted:-
 1. The print out of FORM GST RFD-01A to the jurisdictional proper officer.
 2. Statement containing the number and date of invoices as provided in rule 46 along with the evidence regarding the endorsement by the specified officer of the zone ; and
 3. a declaration to the effect that the Special Economic Zone unit or the Special Economic Zone developer has not availed the input tax credit of the tax paid by the supplier of goods or services or both,

E. Supplies regarded as deemed export

As per Notification No. 48/2017, following supplies of goods shall be treated as deemed exports:-

1. Supply of goods by a registered person against Advance Authorization
2. Supply of capital goods by a registered person against Export Promotion Capital Goods Authorization
3. Supply of goods by a registered person to Export Oriented Unit
4. Supply of gold by a bank or Public Sector Undertaking specified in the notification No.

50/2017-Customs, dated the 30th June, 2017 (as amended) against Advance Authorization.

The application may be filed by, -

- a) the recipient of deemed export supplies; or
- b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund.

Following documents are required to be submitted by a registered person who have made deemed export:-

1. Copy of Form A i.e. intimation for procurement of supplies from the registered person by Export Oriented Unit (EOU)/Electronic Hardware Technology Park (EHTP) Unit/ Software Technology Park (STP) unit/ Bio-Technology Parks (BTP) Unit, submitted by receiver of deem export to
 - o the registered supplier;
 - o the jurisdictional GST officer in charge of such registered supplier;
 - o its jurisdictional GST officer.
2. A statement containing the number and date of invoices
3. Copies of endorsed tax invoices by the recipient of deemed export as a proof of deemed export supplies by the registered person to EOU/EHIP/STP/BTP unit.
4. Acknowledgment by the jurisdictional Tax officer of the Advance Authorization holder or Export Promotion Capital Goods Authorization holder, as the case may be, that the said deemed export supplies have been received by the said Advance Authorization or Export Promotion Capital Goods Authorization holder, or a copy of the tax invoice under which such supplies have been made by the supplier, duly signed by the recipient Export Oriented Unit that said deemed export supplies have been received by it.
5. An undertaking by the recipient of deemed export supplies that no input tax credit on such supplies has been availed of by him.
6. An undertaking by the recipient of deemed export supplies that he shall not claim there fund in respect of such supplies and the supplier may claim the refund.

F. Refund on account of CGST & SGST paid by treating the supply as intra- State supply which is subsequently held as inter-State supply and vice versa

Application for refund required to be filed in FORM GST RFD-01 by the supplier on the common portal along with a statement showing the details of transactions considered as intra-State supply but which is subsequently held to be inter-State supply;

G. Refund on account of excess tax paid

Application for refund required to be filed in FORM GST RFD-01 by the supplier on the common portal along with a

statement showing the details of the amount of claim on account of excess payment of tax;

A declaration to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lakh rupees and Certificate by CA in prescribed format provided as Annexure 2 of FORM GST RFD-01 for the same.

H. Refund on account of issuance of refund vouchers for taxes paid on advances against which, goods or services have not been supplied Refund of account of excess tax paid

Application for refund required to be filed in FORM GST RFD-01 by the supplier on the common portal along with a statement showing the details of the amount of claim on account of issuance of refund vouchers for taxes paid on advances against which, goods or services have not been supplied

I. Claim of amount by casual tax payer on account of excess tax paid in advance

As per Sec. 27 of CGST Act, 2017, a casual tax payer is required to deposit an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought in advance.

A claim can be made of any amount, after adjusting the tax payable by the applicant out of the advance tax deposited by him in the last return required to be furnished by him.

Application for refund is required to be filed in FORM GST RFD-01 by the supplier on the common portal and should be submitted with a declaration by the registered person and Certificate by CA or CMA to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lakh rupees.

J. Refund arising on account of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court

Application for refund required to be filed in FORM GST RFD-01 by the supplier on the common portal along with

1. The reference number of the order and a copy of the order passed by the proper officer or an appellate authority or Appellate Tribunal or court resulting in such refund
2. reference number of the payment of the amount (pre-deposit)

A declaration by registered person and certificate from CA or CMA to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lakh rupees

K. Refund of accumulated Input Tax Credit on account of inverted duty structure

As per Sub-section 3 of Section 54 of CGST Act, 2017 refund of unutilized input tax credit shall be allowed in cases where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output

supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council.

Application for refund required to be filed in FORM GST RFD-01 by the supplier on the common portal along with a statement containing the number and the date of the invoices received and issued during a tax period.

Declaration of unjust enrichment is not required to be submitted in case of such refund claims.

Refund of input tax credit shall be granted as per the following formula -

Maximum Refund Amount = {(Turnover of inverted rated supply of goods) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods.

Due to the non-availability of the refund module on the common portal, it has been decided by the competent authority, on the recommendations of the Council, that the applications/ documents /forms pertaining to refund claims on account of zero-rated supplies shall be filed and processed manually till further orders.

Conclusion

To summarize, GST law envisages a simplified, time bound and technology driven refund procedure with minimal human interface between the taxpayer and tax authorities. However, refund module has not been made available on GST portal till date.



INPUT TAX CREDIT

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One of the much talked about feature of Goods and Services tax Act (GST) is seamless input tax credit. Section 16 to Section 21 of the GST Act 2017 passed on 12th April 2017 comprehensively discuss the Provisions relating to the input tax credit. Previously, no cross credit was available for the Sales tax paid to the State government for discharge of union taxes and central taxes/duties paid to Union of India while discharging state indirect taxes which has resulted into cascading effect of taxes.

With the introduction of the GST, cascading effect of tax in product price has been removed. Under GST regime, the Center will give input tax credit for central GST/IGST and the State will

give input tax credit for state GST/IGST. Furthermore, cross utilization of credit between Central GST and State GST will not be allowed. Nevertheless, the supplier of goods or Services or both shall be able to claim ITC within respective heads and so long as ITC does not get wasted or will have temporary Cash Flow.

Input Tax Credit has been introduced as a mechanism to avoid cascading effect of taxes i.e., 'tax on tax'. The procedures & restrictions laid down here are important to ensure seamless flow of credit in the whole scheme of taxation without any misuse. Main Provision are input tax credit are enumerated below.

Section 16	Section 17	Section 18
Eligibility & Conditions for taking ITC	Apportionment of credit & blocked Credits	Availability of Credit in special circumstances
Section 19	Section 20	Section 21
Taking input tax credit in respect of inputs and capital goods sent for job work	Manner of distribution of credit by Input Service Distributor	Manner of recovery of credit distributed in excess

Inter State Transactions

The Center would levy and collect the IGST on all interstate supply of goods and services. There will be seamless flow of input tax credit from one state to another. Proceeds of IGST will be used to transfer fund to the state where goods or services or both get consumed ultimately IGST credit can be utilized for payment of IGST, CGST, and SGST in sequence by dealers receiving such supply against the outward liabilities on supplies made by them.

Stock Transfer

After introduction of GST, the definition of Supply has been widened and as per Section 7(1)(C) of the CGST Act a Supply specified in Schedule I made or agreed to be made without a consideration will be considered as Supply and movement of goods or services from one state to another shall be considered as supply even though transfer is to its own branch or to its own agent would be chargeable under IGST. Under this circumstances, the branch/consignment agent can avail the credit of IGST paid on its transfer and shall be entitled to adjust the same against outward tax liability which will ultimately lead to reduction in cost of the product.

Import /Export of goods

Under the GST, the import of goods/Services would be deemed as interstate supply of goods and thus shall be subjected to the levy of IGST. Any Person making import of goods or services or both

shall be eligible to offset IGST paid on imported goods /Services against his output liability. Similarly no tax is being charged on export of goods in Post GST era. The supplier can avail the CGST/SGST and IGST credit paid on inward supplies of goods or services or both subject to the Conditions prescribed under Chapter V of the CGST Act. The Supplier may go for refund of Said ITC if he unable to utilize the tax credit.

Eligibility and Conditions for taking ITC Section 16

Registered person (RP) shall be eligible to claim tax credit subject to conditions or restrictions Section 16(1) & Section 16 (2).

Section 16 (1) Input tax credit shall be available for registered person for the central tax, state tax, or IGST charged on input services, inputs, Capital goods used or intends to be used in this course of furtherance of business. Input Tax credit shall be available to a registered person for the CGST/ SGST/ IGST/ UTGST charged on input services; Input or Capital goods used or intended to be used in the while of furtherance of business.

Section 16 (2) enumerates the Conditions for availing eligible input tax credit by a registered person.

- (i) He is in Possession of a tax invoice or debit Note Issued by a supplier registered under this act.
- (ii) A bill of Entry or any other similar document prescribed under the Customs act. 1962 or sales made there under assessment of integrated tax on Imports.

- (iii) An ISD Invoice or ISD Credit or any documents issued by input Service distributor or in accordance while the provisions of sub rule (1) of Rule 9 of invoice Rules.

In terms of the Rule 36(2) input tax credit shall be availed by a registered person only if all applicable particulars as prescribes in CGST Rules 2017 are considered in the said documents and the relevant information as contained in the said documents is furnished in Form GSTR-02 by such person

Payment of the value of goods or services or both and tax there on has to be made within 180 days

Further, every registered taxable person has to further prove that he has received such goods or services for which he is claiming credit. If the goods against invoice are received in lots or installments the ITC can be availed after receipt of last lot of installment. As per section 16(2) of the CGST act, where a recipient fails to pay to the supplier of goods or services or both the amount towards the value of Supply along with taxes and duties payable there on within a period of 180 days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to the output tax liability along with interest there on.

Re-entitlement to avail credit of input tax credit

In terms of the third provision of the Section 16(2) of the CGST Act the recipient shall be entitled to avail the credit input tax on payment made by him.

Taxes charged in respect of such supply needs to be paid to the government by the supplier vide Section 16(2)(c).

One of the pre requisite conditions for availing Cenvat credit is that tax charged in respect of such supply has been actually paid to the government by the supplier of the goods and services or both. Due to the condition, payment of the taxes by supplier of goods or service has been linked with availing of tax credit by the recipient of supply or services or both. Consequently, any delay or failure to payment of taxes by the supplier will adversely affect the availing of tax credit by the recipient

Furnishing of return by a trader under Section 16(2)(d)

The return exhibiting inward, outward supply of goods or services or both input tax credit availed, tax payable, tax paid, and other prescribed particulars must be filed electronically in accordance with the provision of the section 39 by the registered person claiming such tax credit. Similarly, return shall have also to be filed by the supplier of goods or services or both because only on the basis of details shown in outward supply the registered person can claim ITC.

Tax credit is not allowed if depreciation claimed on the components of tax –Section 16(3)

Where the registered person has claimed depreciation on the tax components of the cost of capital goods and plant and machinery under the provision of the Indian income tax Act 1961, the input tax credit on the said tax components shall not be allowed.

Time limit for taking ITC

As per Section 16(4) of the GST Act, ITC can't be claimed beyond the month of September of the following Financial Year to which the invoice pertains or date of the filing of annual return whichever is earlier. The main reason of this provision is that no change of return is permitted after September of next financial year. If annual return is filed before September, then no change can be made after filing of annual return.

Proportional Input tax credit – Section 17(1), Section 17(2), Section 17(3) of the Act

Under section 17(1), where the goods or service or both are issued by the registered person partly for the purpose of any business and partly for other purpose i.e. (non-business Purpose) the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of the business.

Under Section 17(2) of the act, where the goods or services or both are used by the registered person partly for effecting taxable supplies including Zero rated supply under the act and partly for effecting exempt supply under the said act, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supply including Zero rated supply. The registered dealer is not allowed to avail input tax credit as is attributable to the said exempted supplies. Presently the Power Companies and transmission companies are not allowed to take Cenvat credit as they are engaged in supply of product which are exempt from tax.

Further, Section 17(3) Provides that the value of exempt supply shall consist of the following:-

- (a) Such supplies as may be prescribed as exempted supplies
- (b) Supplies on which the recipient is liable to pay tax on reverse charge mechanism
- (c) Transactions in Securities
- (d) Sale of Land
- (e) Sale of Completed building

As per Section 17(4) of the CGST Act, a banking company or a financial institution including a NBFC engaged in supplying of Services by way of accepting deposit, extending loans and advances, shall have a option to claim tax credit proportionately in accordance with the provision of Section 17(2) of avail of every month equal to 50% of the eligible input tax credit on inputs, capital goods, and input services in that month and rest shall lapse.

Negative List on which the input tax credit is not permitted

Section 17(5) of the GST Act provides for the negative list on which no ITC is admissible.

- (a) **motor vehicles and other conveyances** except when they are used—
 - (i) for making the following taxable supplies, namely:—
 - (a) further supply of such vehicles or conveyances ; or
 - (b) transportation of passengers; or
 - (c) imparting training on driving, flying, navigating such vehicles or conveyances;
 - (ii) for transportation of goods;
- (b) the following supply of goods or services or both—
 - (i) **food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery** except where an inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;
 - (ii) **membership of a club, health and fitness centre;**
 - (iii) **rent-a-cab, life insurance and health insurance** except where—
 - (A) the Government notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force; or
 - (B) such inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as part of a taxable composite or mixed supply; and
 - (iv) **travel benefits extended to employees** on vacation such as leave or home travel concession;
- (c) **Works contract services when supplied for construction of an immovable property (other than plant and**

- machinery)** except where it is an input service for further supply of works contract service;
- (d) **goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account** including when such goods or services or both are used in the course or furtherance of business. The word "construction" includes re construction, renovation, additions or alternations or repairs to the extent of Capitalisation to the said immovable property.
- (e) Goods and/or Services on which the tax has been paid under Composition Scheme
- (f) Goods or Services or both received by a nonresident taxable person except on goods imported by him
- (g) Goods or Services used for personal consumption
- (h) Goods Lost, Stolen, damaged, written off or disposed of by way of gift of free samples
- (i) Any tax paid towards the confiscation, demand etc.

Availing of input tax credit in Special circumstances

Under the following Circumstances, Input tax credit shall be available to supplies of goods or services or both on the stocks and or capital goods subject to conditions mentioned in each case

- a) A Person who has applied for registration under this act within thirty days from the date on which he becomes liable for registration and has been granted such registration shall be entitled to take credit of input tax credit in respect of inputs held on Stock, Semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this act
- b) A Person who takes registration under Section 25(3) i.e. a person takes voluntary registration though not liable to take registrations under the provision of CGST Act, shall be entitled to take credit of input tax in respect of input held in stock and inputs contained in Semi-finished or finished goods held in stock on the day immediately preceding the date of grant of registration
- c) Where any registered person ceased to pay tax under Section 10 he shall be entitled to take credit of input tax in respect of inputs held in stock, inputs contained in Semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under section 9.
- d) Where an exempt supply of goods or services or both by registered person becomes a taxable supply such person shall be entitled to take credit of input tax in respect of input held in stock and inputs contained in semi-finished or finished goods held in stock relating to such exempt supply and on capital goods exclusively used for such exempt supply on the day immediately preceding the date from which such supply shall be taxable.
- e) As per Section 18(2) of the act a registered person shall not be entitled to take input tax credit under Section 18(1) of the act in respect of any supply of goods or services or both to him after the expiry of one year from the date of issue of tax invoice relating to such supply.
- f) Where there is a change in the constitution of a registered person on account of sale, merger, demerger, amalgamation, lease etc, with the specific provision for transfer of liabilities, the said registered person shall be allowed to transfer the input tax credit which remain unutilized in his electronics credit ledger to such new transferred business in such manner as may be prescribed.
- g) Where any registered person who has availed of input tax credit opts to pay tax under section 10, or where the goods or services or both supplied by him become wholly exempt, he shall pay an amount by way of debit in his electronic credit ledger or electronic cash ledger equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods reduced by such percentage as may be prescribed on the day immediately preceding the date of

exercising of such option or as the case may be the date of such option.

- h) In case of Supply of capital goods or plant and machinery, on which input tax credit has been taken the registered person shall pay an amount equal to the input tax credit taken on the said capital goods or Plant and machinery reduced by such percentage as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher.

Section 19 the act enumerates the Provision in respect of the inputs and Capital goods sent for Job work

The principal Shall be allowed ITC on input subject to such conditions and restrictions as may be prescribed be allowed input tax credit on inputs sent to a job worker for job work. The Inputs, Semi-Finished goods or capital goods shall be sent to the job worker under the cover of a challan issued by the principal including in such cases where the goods are being sent directly to the job worker.

The principal shall be allowed entitled to take credit of input tax on capital goods even if the capital goods are directly sent to the job worker for job work without first bring to his principal's place of business.

As per section 19(3), where the inputs for job worker are not received back by the principal after completion of job work or otherwise or are not supplied from the place of business of the job worker within one year of being sent out, it shall be deemed that such inputs has been supplied by the principal to the job worker on the day when the said input were sent out. However, the inputs are sent directly to a job worker the period of one year shall be counted from the date of receipt of inputs by the job worker.

Similarly the capital goods sent for job work are not received back by the principal within a period of three years of being sent out, It shall be deemed that such capital goods had been supplied by the principal to the job worker on the day when the said capital goods sent out.

Input Service Distributor (ISD) –Section 20

The input Service distributor shall distribute the credit of taxes by way of issue of a document containing the amount of input tax credit being distributed in such manner as may be prescribed. The input tax credit **available for distribution in a month** shall be distributed in the **same month** and the details thereof shall be furnished in **FORM GSTR-6** in accordance with the provisions of Chapter (Return Rules)

The input tax credit that is required to be **distributed to one of the recipients 'R1'**, whether **registered or not**, from the total of all the recipients to whom input tax credit is attributable, including the recipient(s) who are engaged in making **exempt supply**, or are otherwise not registered for any reason, shall be the amount, "C1", to be calculated by applying the following formula:-

$$C1 = (t \div T) \times C$$

Where,

"C" is the amount of credit to be distributed,

"t" is the turnover, as referred to in section 20, of person R1 during the relevant period, and "T" is the **aggregate of the turnover** of all recipients during the **relevant period**;

Recovery of Excess Credit Distributed with interest from recipient with interest from recipients –Section 21

Where the ISD distributes the credit in excess distribution of credit to one or more recipient of credits the excess credit so distributed shall be recovered from such recipients along with interest.

CONCLUSION

Input Service Distribution are rarely as simple as depicted above in the article. The article only attempts at discussing basic concepts; and practical application would require a careful study of the Provision, Circulars for statutory compliances purpose.



ZERO RATED SUPPLIES IN GST – IS THERE A NEED FOR RELOOK?

CMA AMIT SARKER

Director Indirect Taxation, Deloitte Haskins & Sells

The concept of zero rated supply in the context of the Indian GST system revolves around supplies of goods and services which are either exported or are used for specified export supplies.

Section 16 of the IGST Act defines zero rated supplies in respect of the following:

- Export of goods or services or both;
- Supplies of goods and or services to SEZ developer or a SEZ unit

Section 54 of the CGST Act provides two options to a supplier of zero rated supplies which are as under:

- Claim refund of the accumulated input tax credit availed on the inputs and input services used in the zero rated supplies
- Pay IGST on the zero rated supplies and then claim a refund of the IGST paid

Thus, a holistic reading of the definition of zero rated supplies together with the refund provisions suggest that the present GST law ensures that exports of goods and services are without any incidence of GST. This when compared with the pre GST indirect tax legislations reveals that the concept of zero rating of exports did prevail either through exemptions and or refunds in respect of the Central and State levies.

The objective of this article is to compare the Indian GST system with the other matured Indirect tax jurisdictions namely the United Kingdom (UK) on the concept of zero rating.

The UK VAT defines zero rate supplies in the context of specified goods and services which attract a VAT rate of 0%. However, the supplier of such goods and services is eligible to claim credit of the input taxes in respect of his business. Thus, the mechanism of zero rated supply does ensure that the end consumer is able to enjoy certain goods which have social importance without the incidence of VAT.

It is in this context that our lawmakers could possibly expand the net of zero rated supplies. A case in point is that of the health sector. While basic health services do not come under the purview of GST, however, the suppliers of such services do bear significant proportion of GST in respect of the capital goods, inputs and input services required for these services. Thus, the cost of health services in India does have an incidence of GST albeit the same is hidden to the users.

A similar situation prevails in case of agricultural products such as seeds. A company engaged in developing of seeds also bears the incidence of GST while procuring capital goods and input services required in connection with development and distribution of seeds. It is understood that a significant proportion of cost of seed companies comprise of indirect taxes and with the rate of GST on services being higher than that of pre GST regime; it is expected to have an incremental effect on such cost.

As both health services and seeds are not subject to GST, these supplies are regarded as non GST supplies. From an input tax perspective, the GST provisions preclude such suppliers from availing input tax credit and thus the GST on input supplies becomes an irrecoverable cost for such suppliers. It is also important to mention that the situation in the pre GST regime was not different and indirect taxes did remain a factor to consider for these businesses.

Agriculture and health sectors occupy primary importance in the Government's policy making. The importance of the agriculture sector in India cannot be over emphasized and the policy initiatives of the Government do amplify such importance. In addition, enabling affordable health services for the population at large has also been a key agenda on the Government's welfare mission.

GST is a transformational reform India which is expected to have significant impact on the economy both in the short and long run. The structure of Indian GST is largely founded on the principle that indirect tax should be a pass through for business. It is here, that the author feels that GST could possibly be oriented towards the welfare of farmers and the patients.

The definition of zero rated supply could be expanded to include supplies of agricultural seeds and basic health services. This would enable availment of Input Tax Credit at the hands of these suppliers and reclaim the input taxes against other taxable supplies. Alternatively, a refund mechanism of the input taxes would also enable these suppliers to recover the GST paid on their input supplies and thus effectively reduce the cost of these goods and services.

The Government's proactive approach during and after introduction of GST has caught the attention of trade and business at large. Thus, days may not be far when we may witness some pragmatic steps from the Government when GST could also act as a welfare measure for the most important areas of the economy.

TAX UPDATES, NOTIFICATIONS AND CIRCULARS

Updated Notifications - 29.12.2017

GOODS AND SERVICES TAX

CENTRAL TAX

Notification No. 67/2017 – Central Tax Dated: 21st December, 2017

The time limit for making declaration in form ITC-01 for availing input tax credit by the registered persons for the month of July 2017, August 2017, September 2017, October 2017 and November 2017 has been extended till 31st January, 2018.

Notification No. 68/2017 – Central Tax Dated: 21st December, 2017

The time limit for furnishing the return by a non-resident taxable person, in FORM GSTR-5, for the months of July, 2017, August, 2017, September, 2017, October, 2017, November, 2017 and December, 2017 has been extended till the 31st day of January, 2018.

Notification No. 69/2017 – Central Tax Dated: 21st December, 2017

The time limit for furnishing the return in FORM GSTR-5A, for the months of July, 2017, August, 2017, September, 2017, October, 2017, November, 2017 and December, 2017 has been extended till the 31st day of January, 2018.

Notification No. 70/2017 – Central Tax Dated: 21st December, 2017

This Notification is regarding amendment in Central Goods and Services Tax Rules, 2017. In the Central Goods and Services Tax Rules, 2017 in Form GST-01, the Table 6 shall be substituted by a new table of “Zero rated supplies and Deemed Exports”.

Notification No. 71/2017 – Central Tax Dated: 29th December, 2017

This Notification specifies the time limit for filing GSTR 1 by the registered persons whose Turnover is upto 1.5 Crore rupees in the preceding financial year or the current financial year.

Table

Sl No.	Quarter for which the details in FORM GSTR-1 are furnished	Time period for furnishing the details in FORM GSTR-1
(1)	(2)	(3)
1	July - September, 2017	10 th January, 2018
2	October - December, 2017	15 th February, 2018
3	January – March, 2018	30 th April, 2018

Notification No. 72/2017 – Central Tax Dated: 29th December, 2017

This Notification specifies the time limit for filing GSTR 1 by the registered persons whose Turnover is above 1.5 Crore rupees in the preceding financial year or the current financial year.

Table

Sl. No	Quarter for which the details in FORM GSTR-1 are furnished	Time period for furnishing the details in FORM GSTR-1
(1)	(2)	(3)
1	July – November, 2017	10 th January, 2018
2	December, 2017	10 th February, 2018
3	January, 2018	10 th March, 2018
4	February, 2018	10 th April, 2018
5	March, 2018	10 th May, 2018

Notification No. 73/2017 – Central Tax Dated: 29th December, 2017

The Central Govt. has decided to waive off the amount of late fee payable by any registered person for failure to furnish the return in FORM GSTR-4 by the due date, which is in excess of an amount of Rs.25 for every day during which such failure continues.

Provided that where the total amount payable in lieu of central tax in the said return is nil, the amount of late fee payable by any registered person for failure to furnish the said return by the due date shall stand waived to the extent which is in excess of an amount of Rs.10 for every day during which such failure continues.

Notification No. 74/2017 – Central Tax Dated: 29th December, 2017

This Notification states that the Procedure of Advance E-Way Bill under GST will initiate from 1ST February, 2018

Notification No. 75/2017 – Central Tax Dated: 29th December, 2017

This Notification is regarding amendment in CGST Rules, 2017. To find amendments, please visit <http://www.cbec.gov.in/htdocs-cbec/gst/notfctn-75-central-tax-english.pdf>

CIRCULARS AND ORDERS

Circular No. 22/22/2017-GST Dated: 21st December, 2017

This circular is regarding Clarification on issues related to treatment of supply by an artist in various States and supply of goods by artists from galleries. Following are the documents required to be issued:

- The supplier shall issue a delivery challan for the initial transportation of goods where such transportation is for reasons other than by way of supply.
- Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.
- It is also clarified that the supplies of the art work from one State to another State will be inter-State supplies and attracts integrated tax in terms of section 5 of the Integrated Goods and Services Tax Act, 2017.
- It is further clarified that in case of supply by artists through galleries, there is no consideration flowing from the gallery to the artist when the art works are sent to the gallery for exhibition and therefore, the same is not a supply. It is only when the buyer selects a particular art work displayed at the gallery, that the actual supply takes place and applicable GST would be payable at the time of such supply.

Circular No. 23/23/2017-GST
Dated: 21st December, 2017

This circular is regarding Clarification on Issues in respect of maintenance of books of accounts relating to additional place of business by a principal or an auctioneer for the purpose of auction of tea, coffee, rubber etc

- Both the principal and the auctioneer are required to maintain the books of accounts relating to their additional place(s) of business in such places.
- The principal and the auctioneer of tea, coffee, rubber etc. are required to declare warehouses where such goods are stored as their additional place of business.
- The buyer is also required to disclose such warehouse as his additional place of business if he wants to store the goods purchased through auction in such warehouses.
- Such principal or auctioneer shall intimate their jurisdictional proper officer in writing about the maintenance of books of accounts relating to additional place(s) of business at their principal place of business.

Circular No. 24/24/2017-GST
Dated: 21st December, 2017

This circular is regarding Clarification on Issues relating to Manual filing and processing of refund claims on account of inverted duty structure, deemed exports and excess balance in electronic cash ledger. Due to the non-availability of the refund module on the common portal, it has been decided by the competent authority that the applications/documents/forms pertaining to refund claims on account of deemed exports and excess balance in electronic cash ledger, shall be filed and processed manually till further orders.

It is clarified that refund claims in respect of zero-rated supplies and on account of inverted duty structure, deemed exports and excess balance in electronic cash ledger shall be filed for a tax period on a monthly basis in FORM GST RFD-01A. However, in case registered persons having aggregate turnover of up to ₹1.5 Crore in

Circular No. 26/26/2017-GST
Dated: 29th December, 2017

This Circular clarifies the return filing dates under GST procedure for rectification of the errors done in GSTR 3B.

		Stage of Return Filing (GSTR – 3B)			
		Stage 1	Stage 2	Stage 3	Stage 4
		Confirmed Submission	Cash Ledger Updated	Offset Liability	Return Filed
Common Error - I		Return Liabilities / Input Tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
	Liability was under reported	Use 'Edit' facility to add under reported liability.	Use 'Edit' facility to add such liability and additional cash, if required (i.e. where sufficient balances are not available in cash or credit ledgers) may be deposited in the cash ledger by creating challan in FORM GST PMT – 06 .	Liability may be added in the return of subsequent month(s) after payment of interest.	<i>Company A has four units in Haryana, while filing their return for the month of July, they inadvertently, missed on details of a last minute order. Since, they had already submitted and confirmed their output supply details, they were not sure of how to proceed. What can they do?</i>
		<i>The company may use the 'edit return' facility to add such liability in their submitted return and then proceed for filing of their return.</i>	<i>The company may use the 'edit return' facility to add such liability in their submitted return. Further, the company may generate a fresh challan under FORM GST PMT – 06 to additional cash or utilize their credit and furnish their return.</i>	<i>Company A has four units in Haryana, while filing their return for the month of July, they inadvertently, missed on details of a last minute order. Since, they had already submitted and confirmed their output supply details, they were not sure of how to proceed. The company had filed their returns in order to not pay late fees and other penalties. What can they do?</i>	<i>In this case, they may report this additional liability in the return of next month and pay tax with interest.</i>

Please visit for the entire circular <http://www.cbec.gov.in/htdocs-cbec/gst/circularno-26-cgst.pdf>

the preceding financial year or the current financial year are opting to file FORM GSTR-1 quarterly

Circular No. 25/25/2017-GST
Dated: 21st December, 2017

This circular is regarding Clarification on Issues relating to Manual filing of applications for Advance Ruling and appeals before Appellate Authority for Advance Ruling. The application for obtaining an advance ruling and filing an appeal against an advance ruling shall be made by the applicant on the common portal. However, due to the unavailability of the requisite forms on the common portal there shall be the manual filing of the application, intimation, reply, declaration, statement or issuance of notice, order or certificate in such Forms as appended to the CGST Rules.

Form and Manner of Application to the Authority for Advance Ruling

- An application for obtaining an advance ruling under sub-section (1) of section 97 of the CGST Act and the rules made there under shall be made in quadruplicate, in FORM GST ARA-01.
- The application shall be accompanied by a fee of five thousand rupees which is to be deposited online by the applicant.
- In order to make the payment of fee for filing an application for Advance Ruling on the common portal, the applicant has to fill his details using "Generate User ID for Advance Ruling" under "User Services"

Form and Manner of Appeal to the Appellate Authority for Advance Ruling.

- An appeal against the advance shall be made by an applicant in quadruplicate, in FORM GST ARA-02 and shall be accompanied by a fee of ten thousand rupees to be deposited online.
- An appeal made by the concerned officer or the jurisdictional officer shall be filed in quadruplicate, in FORM GST ARA-03 and no fee shall be payable by the said officer for filing the appeal.

**Order No. 11/2017-GST
Dated: 21st December, 2017**

The period for intimation of details of stock held on the date preceding the date from which the option to pay tax under section 10 (Composition levy under GST) of the Act is exercised in FORM GST CMP-03 is extended till 31st January, 2018.

**CUSTOMS
TARIFF**

**Notification No. 91/2017 – Customs (T)
Dated: 14th December, 2017**

This Notification is regarding increase in the rate of import duty for the items specified in the first schedule of Customs Tariff Act, 1975.

(a) in Section XVI, in Chapter 85 -

Customs Tariff Item	Rate of Duty
8516 50 00 - Microwave ovens	20%
8517 12 10 - Push button type, 8517 12 90 – Other	15%
8521 90 90 – DVD Player (other)	15%
8525 80 - Television cameras, digital cameras and video camera recorders	15%
8528 71 00 - Not designed to incorporate a video display or screen	20%
8528 72 - Television, colour	20%
8539 50 00 – Light – emitting diode (LED) lamps	20%

(b) in Section XVIII, in Chapter 90 –

Customs Tariff Item	Rate of Duty
9028 30 – Electricity meters	15%

(c) in Section XVIII, in Chapter 94 –

Customs Tariff Item	Rate of Duty
9405 – Solar lanterns or solar lamps	20%

**Notification No. 92/2017 – Customs (T)
Dated: 14th December, 2017**

This Notification is regarding exemption of goods when imported into India from so much of duty calculated in excess of Standard Rate mentioned in the Earlier Notification no. No. 50 /2017 –Customs. As per this Notification few entries into the Notification no. No. 50 /2017 –Customs shall be amended i.e

S. No.	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate	Integrated Goods and Services Tax	Condition No.
“499A	8521 90 90	All goods other than Digital video Recorder (DVR/ Network Video Recorder (NVR)	10%	-	“;”;
“502A	8525 80	All goods other than CCTV Camera/IP camera	10%	-	“;”;
“514	8529	LED (Light Emitting Diode) or OLED (Organic LED) panels for manufacture of Television	7.5%	-	9”;
“581A	9028 30	All goods other than Smart Meter	10%	-	“;”;
“586A	9405	All goods other than LED lamps	10%	-	“;”;

Serial number 158 (Petroleum Coke) and the entries relating thereto, shall be omitted.

**Notification No. 93/2017 – Customs (T)
Dated: 21st December, 2017**

This Notification is the amendment to the Notification No. 50/2017- Customs, dated the 30th June, 2017. As per this Notification, there is an amendment in Serial No. 20

S. No.	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate	Integrated Goods and Services Tax	Condition No.
20	0713	Pulses [other than Tur, Chickpeas or Masoor (Lentils)]	Nil	-	“;”;

The Govt has decided to impose 30% Basic Customs Duty on Chana (Chickpeas) and Masoor (Lentils).

**Notification No. 94/2017 – Customs (T)
Dated: 22nd December, 2017**

This Notification is regarding exemption of goods when imported into India from Japan, so as to provide a deepen in the concessional rate of basic customs duty in respect of tariff item 8708 40 00 [gear box and parts thereof, of specified motor vehicles], from so much of the duty of customs leviable thereon as is in excess of the amount calculated at the rate specified.

In serial No. 746, tariff – 8710 for all goods under the tariff, the rate of duty 0.0 shall be substituted by 6.88.

This notification shall come into force with effect from the 1st day of January, 2018.

**Notification No. 95/2017 – Customs (T)
Dated: 22nd December, 2017**

This Notification is regarding amendments in the notification No.152/2009-Customs, dated the 31st December, 2009 for providing deeper tariff concessions in respect of specified goods imported from Korea RP under the India-Korea Comprehensive Economic Partnership Agreement (CEPA). There are multiple updations in the rate of duty.

This notification shall come into force with effect from the 1st day of January, 2018

For the entire list, please visit
<http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2017/cs-tarr2017/cs95-2017.pdf>

NON TARIFF

Notification No. 114/2017 – Customs (N.T) Dated: 14th December, 2017

This Notification is regarding Section 108A of Customs Act, 1962 (Penalty for failure to furnish information return). In this regard the Central Govt. has made a new rule.

Furnishing of Information Rules, 2017: The information required to be furnished under Rule 108A of the Customs Act, 1962, shall be furnished electronically by a Banking company in respect of all the transactions done in foreign exchange.

Notification No. 115/2017 – Customs (N.T) Dated: 14th December, 2017

This Notification is regarding amendment in Notification No. 40/2012- Customs (N.T) dated: 2nd May, 2012. The Following are the amendments:

Sl. No.	Designation of the officers	Functions under Section of the Customs Act, 1962
4.	Deputy Director or Assistant Director in the Directorate General of Revenue Intelligence and Directorate General of Central Excise Intelligence.	(iii) Section 108B (added by amending prior notification)
8	Principal Additional Director General or Additional Director General or Director of Revenue Intelligence (Headquarters)	(i) Section 108A (entry inserted)

Notification No. 116/2017 – Customs (N.T) Dated: 15th December, 2017

This notification is regarding exemption to some of the goods when imported into India from so much of Custom Duty paid in excess of the Standard Rate. Below mentioned is the table including some of the items.

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	678
2	1511 90 10	RBD Palm Oil	720
3	1511 90 90	Others – Palm Oil	699
4	1511 10 00	Crude Palmolein	724
5	1207 91 00	Poppy seeds	2485

For the entire list, please visit - <http://www.cbec.gov.in/resources//htdocscbec/customs/cs-act/notifications/notfns-2017/cs-nt2017/csnt116-2017.pdf>

Notification No. 117/2017 – Customs (N.T) Dated: 19th December, 2017

This Notification is a further amendment in the Notification No. 113/2017 7-CUSTOMS (N.T.), dated 7th December, 2017. Here, The Central Board of Excise and Customs determines the rate of exchange of conversion of foreign currency “South African Rand” into Indian currency or vice versa, shall, with effect from 20th December, 2017, is the rate mentioned as mentioned below:

Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(For Imported Goods)	(For Export Goods)
5.20	4.85

Notification No. 118/2017 – Customs (N.T) Dated: 21st December, 2017

This Notification is a further amendment in the Notification No. 113/2017 7-CUSTOMS (N.T.), dated 7th December, 2017. Here, the Central Board of Excise and Customs determines that the rate of exchange of conversion of each of the foreign currencies into Indian currency or vice versa, shall, with effect from 22nd December, 2017, is the rate mentioned in this Notification.

SCHEDULE-I

Sl. No	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1	Australian Dollar	49.95	48.20
2	Bahrain Dinar	175.75	164.20
3	Canadian Dollar	50.80	49.10
4	Chinese Yuan	9.90	9.60

For the entire table, please visit <http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2017/cs-nt2017/csnt118-2017.pdf>

Notification No. 119/2017 – Customs (N.T) Dated: 28th December, 2017

This Notification is regarding amendment in enforceable Date of various other Customs Non Tariff Notifications.

S. No.	Notification number and date	Amendments
(1)	(2)	(3)
1	Notification No. 82/2017- Customs (N.T.) dated 24th August, 2017	In the said principal Notification, in paragraph 2, for the figures, letters and word “1st January, 2018”, the figures, letters and word “15th January, 2018” shall be substituted.
2	Notification No. 85/2017- Customs (N.T.) dated 07th September, 2017	In the said principal Notification, in paragraph 2, for the figures, letters and word “1st January, 2018”, the figures, letters and word “1st April, 2018” shall be substituted.
3	Notification No. 92/2017- Customs (N.T.) dated 28th September, 2017	In the said principal Notification, in paragraph 2, for the figures, letters and word “1st January, 2018”, the figures, letters and word “15th January, 2018” shall be substituted.

ANTIDUMPING DUTY

Notification No.56/2017-Customs (ADD) Dated: 21st December, 2017

This Notification is regarding extending anti-dumping duty on Phthalic Anhydride originating in or exported from Korea RP, Chinese Taipei and Israel. Unless revoked earlier, the antidumping duty shall remain in force up to and inclusive of the 23rd December, 2018.

CUSTOMS - CIRCULARS

Circular No. 50/2017-Customs
Dated: 18th December, 2017

The Circular is about Sale of goods and display of prices at duty free shops in Indian currency – amendment of circular 31/2016 - Customs dated 6th July 2016. It has been stated that merchandise on display at duty free shops is denominated in foreign currency and passengers have to bear conversion charges alongside of transaction fee and other charges.

In view of the Foreign Trade (Exemption in application of Rules in certain cases) Order 2017 and clarification of RBI. It has been decided to extend the facility of payments in Indian rupees, through INR debit cards or credit cards at Duty Free Shops, without any need for conversion of foreign currency into Indian Rupees.

Circular No. 51/2017-Customs
Dated: 21st December, 2017

All entitled exporters who have acquired RFID e-seals and are stuffing containers at approved premises for export through Ports/ICDs where facilities for readers are available shall be free to continue/ adopt the new e-sealing procedure. This procedure is voluntary till 1st March, 2018.

Further 1st March, 2018 the procedure shall become mandatory for AEO exporters or for persons availing supervised stuffing at their premises for list a list of locations such as JNCH NhavaSheva (INNSAI), Chennai Port (INMAAI), Mundra Port (INMUNI) etc...

Please visit <http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2017/circ51-2017cs.pdf;jsessionid=EFPE3FB09971BA95B13B06E4D5729436>

Circular No. 52/2017-Customs
Dated: 22nd December, 2017

This circular is related to customs procedure for export of cargo in containers and closed bodied trucks from ICDs/CFSs through Land Customs Stations (LCSs). The Board has taken into consideration the upcoming bi-lateral project being implemented under the auspices of the Asian Development Bank. Under the project, transit cargo from Kolkata to Nepal and vice versa shall be transported under Electronic Cargo Tracking System (ECTS). As a part of the project, facilities for locking / unlocking ECTS seals will be provided at Kolkata Port and at the border points of Raxaul, Jogbani and Sunauli.

The Board has decided to leverage the introduction of a new technology being provided under “Managed Service Provider” system to monitor and facilitate transhipment of consignments sealed at ICDs/CFSs and destined for export to Nepal or Bangladesh.

The exporters will be required to bring goods meant for export to the designated ICD/CFSs, and file a Shipping Bill on EDI.

INCOME TAX

Notification No. 98/2017
Dated: 20th December, 2017

This Notification is related to amendment in the Income-tax rules, 2017.

In the Income-tax Rules, 1962, in rule 127, in sub-rule (2), after the proviso, the following proviso shall be inserted:-

“Provided further that where the communication cannot be delivered or transmitted to the address mentioned, the communication shall be delivered or transmitted to the following address:-

- The address of the assessee as available with a banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies.
- The address of the assessee as available with the Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898);
 - The address of the assessee as available with the insurer as defined in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938); etc.

PRESS RELEASE

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs**

16th December, 2017

Decision of GST Council: Inter State e-way Bill to be made compulsory from 1st February, 2018; system to be ready by 16th January, 2018.

The 24th meeting of the GST Council held today through a video conference. It discussed about the implementation of e-way Bill system in the country. Till such time as National e-way Bill is ready, the States were authorized to continue their own separate e-way Bill systems. However, it was represented by the trade and transporters that this is causing undue hardship in inter-State movement of goods and therefore, bringing in an early all India system of e-way Bill has become a necessity. The GST Council reviewed the progress of readiness of hardware and software required for the introduction of nationwide e-way Bill system. After discussions with all the states, the following decisions are taken:-

- i. The nationwide e-way Bill system will be ready to be rolled out on a trial basis latest by 16th January, 2018. Trade and transporters can start using this system on a voluntary basis from 16th January, 2018.
- ii. The rules for implementation of nationwide e-way Bill system for inter-State movement of goods on a compulsory basis will be notified with effect from 1st February, 2018. This will bring uniformity across the States for seamless inter-State movement of goods.
- iii. While the system for both inter-State and intra-State e-way Bill generation will be ready by 16th January, 2018, the States may choose their own timings for implementation of e-way Bill for intra-State movement of goods on any date before 1st June, 2018. There are certain States which are already having system of e-way Bill for intra-State as well as inter-State movement and some of those States can be early adopters of national e-way Bill system for intra-State movement also. But in any case uniform system of e-way Bill for inter-State as well as intra-State movement will be implemented across the country by 1st June, 2018.

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs**

21st December, 2017

Press release on increase in import duty on Chana (Chickpeas) and Masoor (Lentils)

1. There has been a record production of pulses in the current year. However, despite sufficient domestic availability, import of pulses continues to take place on account of low prevailing international prices. Such imports suppress the domestic prices of pulses and adversely affect the interest of farmers.

2. At present, tur attract 10% import duty. Further, Government has recently imposed 50% import duty on yellow peas. Other pulses, however, attract Nil import duty.
3. Production of Chana (Chickpeas) and Masoor (Lentils) are expected to be high during the forthcoming Rabi season, and cheap imports, if allowed unabated, are likely to adversely affect the interest of the farmers. Taking these factors into consideration and to protect the interest of the farmers, Government has decided to impose 30% import duty on Chana (Chickpeas) and Masoor (Lentils), with immediate effect.
4. Notification number 93/2017 - Customs dated 21.12.2017 has been issued in this regard.

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

New Delhi, 20th December, 2017

Release of Income Tax Return Statistics for AY 2015-16

Central Board of Direct Taxes (CBDT) has been proactively releasing Time-series Data relating to Direct Tax collections, number of taxpayers, cost of collection etc., as also data of number of PAN allotted and data relating to distribution of income and tax payable in the returns filed for different Assessment Years. In this series, analysis of income declared and tax payable for Assessment Years 2012-13, 2013-14 and 2014-15 has already been released by CBDT last year and the updated Time-series Data has already been released earlier this year.

In continuation of its efforts to place more and more information in public domain, CBDT has further released data relating to distribution of income and tax payable in respect of returns filed for Assessment Year 2015-16. With this release, detailed income-tax data for four recent assessment years (apart from Time-series Data from FY 2000-01 to FY 2016-17) have become available in public domain enabling researchers, scholars, policy makers, students and all other stakeholders to make a better analysis of the trends in incomes and tax payments.

The reports containing the released data are available at www.incometaxindia.gov.in.

(Surabhi Ahluwalia)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson,
CBDT.

JUDGEMENTS

DIRECT TAX

ADDITIONS UNDER SECTION 68 OF INCOME TAX ACT AS THE ASSESSEE RECEIVED HUGE GIFTS FROM DONORS HAVING NO SOURCE OF INCOME

Pandit Vijay Kant Sharma v. Commissioner of Income-tax, Moradabad

IT APPEAL NO. 20 OF 2017 /NOVEMBER 27, 2017

Ref: Reported [2017] 88 taxmann.com 219 (Allahabad)

FACTS OF THE CASE:

During relevant year 2001-02 the Assessee has received ₹19.02 lakhs as gift from different persons. Assessing authority (AO) has examined the alleged gifts by calling for record from bank as well as issuing notices to person's allegedly gifted money to assessee. AO concluded that gifts were not genuine as donors were very petty persons having no source to gift such a heavy amount to assessee and added said amount to assessee's income under section 68 of income tax act in the assessment proceeding u/s 143(3). Aggrieved by the order of assessment an appeal was filed by the assessee before the CIT (Appeals). The CIT (Appeals) vide order dated 6.5.2004 has allowed the appeal and deleted the addition made by the assessing authority under Section 68 of the Act.

Aggrieved by the order of the CIT (Appeals) the Income tax department has preferred an appeal before the ITAT (ITA No. 3391/Del/2004). The appeal has been allowed in part by the ITAT. The ITAT held that, the order of the Assessing Officer is very clear about the assessee, who has failed in establishing the creditworthiness of the donors, occasion for making the gifts and why and donors who were strangers and not men of means gifted such huge amounts to the assessee HUF out of love and affection. Accordingly, it was held that the CIT (A) without examining these aspects in the instant case of the assessee in his order has wrongly deleted the impugned amount received by the assessee as gifts and, therefore, the order of CIT (A) in this regard is set-aside and order of Assessing Officer making the impugned addition of ₹19, 02,000/- is upheld.

Against the order of ITAT, the Assessee has filed an appeal before Hon'ble High Court of Allahabad and it is held that, the unexplained deposits of huge amount of ₹19,02,000/- allegedly/stated to have been received as gift by the appellant. The assessing authority has examined the alleged gifts by calling for the record from the bank namely relevant passbooks as well as has also issued the notices to the persons allegedly gifted the money to the appellant. The assessing authority has concluded that the gifts were not found genuine as the donors were very petty persons having no source to gift such a heavy amount to the appellant. The assessing authority has further inquired into the matter with regard to the gift of ₹10 lacs by Smt. Dropati Devi and it is found that the return of about one lac has been filed by the heirs of the alleged donor Dropati Devi after a gap of about 10 months from her death. According to the assessing authority it is clearly a case of 'cash credit' and the same therefore, is covered under Section 68 of the Act.

DECISION OF THE CASE:

Hon'ble High Court of Allahabad found that there is no illegality in the order of Tribunal and came to the conclusion that the present case is fully covered within the parameter of Section 68 of the Act and held that findings recorded by authorities below being findings of fact, same did not require any interference. Accordingly Assessee's appeal has been dismissed.

SECTION 80 IB OF INCOME TAX ACT

Deputy Commissioner of Income Tax, Income Tax Circle 11(1), Vs. M/S Ace Multi Axes Systems Ltd (SC)

Civil Appeal No. 20854 of 2017 (Arising out of SLP (Civil) No.4565 of 2015)
Civil Appeal No. 20856 of 2017 (Arising out of SLP (Civil) No.8331 of 2016)
Civil Appeal No. 20857 of 2017 (Arising out of SLP (Civil) No.3323 of 2016)
Civil Appeal No. 20855 of 2017 (Arising out of SLP (Civil) No.148 of 2016)

Date of Pronouncement: 5th December, 2017

FACTS OF THE CASE:

Section 80 IB under in Chapter VIA of Income Tax Act, provides for deductions of specified percentage from the profits and gains of the specified industrial undertakings other than infrastructure development undertakings covered under Section 80 IA. The incentive provided under the scheme applies to small scale industrial undertakings as defined in Clause 14(g) which in terms refers to Section 11 B of the Industries (Development and Regulation) Act, 1951. Under the second proviso to Clause 2, disqualification is applicable to industrial undertaking, other than small scale industrial undertakings. The small scale industrial undertakings eligible are only those which begin manufacture or produce, articles or things during the beginning of 1st day of April, 1995 and ending on 31st day of March, 2002 [Clause 3(ii)]. For other categories of industrial undertakings, different periods are prescribed, e.g. under sub-clause (i) of Clause (3). As per section 80IB, the extent of deduction permissible is 25% (30% in the case of a company) of the profits and gains derived from such industrial undertakings for 10 consecutive assessment years beginning with the initial assessment as mentioned in Clause 3. The 'initial assessment year' is defined in Clause 14 (c) as the year in which manufacturing/production commences. The assessee is a small scale industrial undertaking eligible for deduction u/s 80IB as fulfilled in the initial assessment year. The issue raised before Hon'ble Supreme Court that, "When once the eligible business of an assessee is given the benefit of deduction under Section 80 IB on the assessee satisfying the conditions mentioned in sub-sec. (2) of Section 80 IB, can the assessee be denied the benefit of the said deduction on the ground that during the said 10 consecutive years, it ceases to be a small scale industry?"

DECISION OF COURT:

Hon'ble Supreme Court had considered above issues and question raised and held as follows.

The incentive meant for small scale industrial undertakings cannot be availed by the Undertakings which do not continue as Small Scale Industrial Undertakings during the relevant period. Each assessment year is a different assessment year. The fact that the object of legislature is to encourage industrial expansion does not mean that the incentive should remain applicable even where on account of industrial expansion, the small scale industrial undertakings ceases to be small scale industrial undertakings. The fact that in the initial year eligibility was satisfied is irrelevant. In view of the assessee is not entitled to benefit of exemption if it loses its eligibility as a small scale industrial undertaking in a particular assessment year even if in initial year eligibility was satisfied.

TAXABILITY OF CAPITAL ASSET UNDER SECTION 54 OF "CAPITAL GAINS"

Mustansir I Tehsildar vs. ITO (ITAT Mumbai)

Date of pronouncement - December 18, 2017

FACT OF THE CASE

The facts relating to the issue are discussed in brief:

- The assessee held a flat in an apartment and the same was sold for a consideration and consequent thereto, the long term capital gain was computed.
- The assessee had earlier booked a new flat, which was under construction. He had made payments to the builder much earlier to the date of transfer of old flat. He had also made some payment subsequent to the date of transfer of old flat.

For the purpose of sec. 54 of the Income Tax Act, it should be observed whether the assessee has completed the construction within three years from the date of transfer of old asset. In the instant case, there is no dispute that the assessee took possession of the new flat within three years from the date of sale of old residential flat and the assessee has complied with the time limit prescribed. Since the amount invested in the new flat prior to the due date for furnishing return of income was more than the amount of capital gain, the requirements of depositing any money under capital gains account scheme does not arise in the instant case.

However, the AO took the acquisition of flat as a case of purchase of flat. Accordingly he took the view that the flat should have been purchased one year before or two years after the date of transfer, as per the requirements of sec. 54.

Accordingly the AO computed the long term capital gain and assessed the same.

The assessee could not succeed in the appeal filed before Ld CIT (A). Aggrieved by the order the assessee made an appeal to Income Tax Appellate Tribunal.

DECISION OF THE CASE

Acquisition of new flat in an apartment under construction should be considered as a case of "Construction" and not "Purchase". The date of commencement of construction is irrelevant for purpose of sec 54. The fact that the construction may have commenced prior to the date of transfer of the old asset is irrelevant. If the construction is completed within 3 years from the date of transfer, the exemption is available.

INDIRECT TAX

Law on order of Cross utilization of GST: HC issues notice to department

A & M Design & Print Production Vs. Union Of India &Ors. (Delhi High Court)

Appeal Number: W.P. (C) No. 7977/2017

Date of Order: 08.09.2017

FACT OF THE PETITION

Where the assessee was trying to offset its IGST liability partially from CGST credit and partially from SGST credit but disallowed by portal with a message to first offset CGST credit completely before cross utilization. As there is no provision in GST law against such utilization.

ORDER OF THE PETITION

Learned counsel for the Petitioner points out that this pop-up error is appearing only on the system and there is no such rule prescribed in terms of Section 49 (4) of the CGST Act. He also states that it does not appear on the form which is available on the Portal. It appears only after the figures are entered. A reference is made to Rule 86 (2) of the CGST Rules which states that 'the electronic credit ledger shall be debited to the extent of discharge of any liability in accordance with the provisions of Section 49.' It is also pointed out that under Section 146 of the CGST Act, the mandate of the Common Goods and Services Tax Electronic Portal is to facilitate the registration, payment of tax, furnishing of its returns, etc. It is also submitted that the system cannot be programmed so as to deny the utilization of CGST and SGST credit in a manner not envisaged either under Section 49 (5) of the Act or the Rules made under Section 49 (4) of the Act.

TAX COMPLIANCE CALENDAR AT A GLANCE

DIRECT TAX CALENDER – JANUARY, 2018

07. 01. 2018:

- Due date for deposit of Tax deducted/collected at source for the month of December, 2017. However, all sum of Tax deducted / collected at source by an office of the Government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.
- Deposit of Tax on Perquisites paid to employees when opted to be deposited by the employer.
- Due date for deposit of TDS for the quarter ending Dec 31, 2017 (October 2017 to December 2017) when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.

14. 01. 2018:

- Due date for issue of TDS Certificate for tax deducted at source under section 194-IA in the month of November, 2017.

15. 01. 2018:

- Due date for furnishing of Form 24G by an office of the Government where TDS for the month of December, 2017 has been paid without the production of a challan.
- Filling of Quarterly statement of TDS for the quarter ending December 31, 2017 in Form 27EQ
- 3rd installment deposit of Advance income tax except an assessee who has declare his business /professional income in accordance with the provisions of Sec 44AD(1) or Sec 44ADA(1) of income tax act.
- Uploading of declarations received from recipient claiming income without deduction of tax at source in form 15G/15H during the quarter ending December 31, 2017.
- Uploading quarterly statement under Rule 37BB (7) by an authorised dealer in respect of foreign remittances made during the quarter ending December 31, 2017 in Form 15CC.

30.01. 2018:

- Quarterly TCS certificate in respect of tax collected for the quarter ending December 31, 2017
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA (TDS on sale of immovable property) in the month of December, 2017

31. 01. 2018:

- Filling of Quarterly return of TDS deposited for the quarter ending December 31, 2017 in the prescribed format. (TDS - Salary in Form 24Q, TDS – Others in Form 26Q, TDS – Non-residential in Form 27Q)
- Quarterly return of non-deduction at source by a banking company from interest on time deposit in respect of the quarter ending December 31, 2017, in the prescribed format Form 26QAA under section 206A.

DIRECT TAX CALENDER – FEBRUARY, 2018

07.02.2018:

- Due date for deposit of Tax deducted/collected for the month of January, 2018. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.

14.02.2018:

- Due date for issue of TDS Certificate for tax deducted under Section 194-IA in the month of December, 2017.

15.02.2018:

- Due date for furnishing of Form 24G by an office of the Government where TDS for the month of January, 2018 has been paid without the production of a challan.
- Issue of TDS/ TCS certificate to the deductee or the payee for the qtr ending Dec 2017, other than salary

GST CALENDER

Date	Return Type
10 th January, 2018	GSTR 1 for the month of July To Sept, 2017 (for persons with Turnover upto 1.5 Crore)
10 th January, 2018	GSTR 1 for the month of July To Nov, 2017 (for persons with Turnover above 1.5 Crore)
18 th January, 2018	GST 4 for the months from Oct 2017 To Dec 2017
20 th January, 2018	GSTR 3B for December, 2017
31 st January, 2018	Form ITC-01 for the months from Oct 2017 To Dec 2017
31 st January, 2018	Form GSTR-5 for the months from Oct 2017 To Dec 2017
31 st January, 2018	Form GSTR-5A for the months from Oct 2017 To Dec 2017
10 th February, 2018	GSTR 1 for the month of Dec, 2017 (for persons with Turnover above 1.5 Crore)
15 th February, 2018	GSTR 1 for the month of Oct-Dec, 2017 (for persons with Turnover upto 1.5 Crore)

WEBINAR CALENDAR UPTO 15th JANUARY, 2018

Sl. No	Date	Time	Topic of the Webinar	Name of the Faculty
1.	03.01.2018 (Wednesday)	4:00 – 5:00 PM	Documentation in GST	CMA B Mallikarjuna Gupta
2.	10.01.2018 (Wednesday)	4:00 – 5:00 PM	Transfer pricing	CMA Chiranjib Das

Please note: One CEP hour awarded for attending each webinar

WEBINAR CONDUCTED FROM 15th - 31st DECEMBER, 2017

Sl. No	Date	Time	Topic of the Webinar	Name of the Faculty
1.	19.12.17 (Tuesday)	4:00 – 5:00 P.M.	GST - Valuation Rules & Invoice Rules	CMA Ashish Bhavsar
2.	22.12.17 (Friday)	11:00 – 12:00 P.M.	TDS is not tedious	CMA Viswanath Bhat
3.	28.12.17 (Thursday)	4:00 – 5:00 P.M.	Anti - Profiteering	CMA Dr. Sanjay Bhargave

KNOW YOUR RESOURCE PERSON



V S DATEY

CMA V S Datey (age 74) is B Tech (Hons), FCS, FCMA

He is having a rich experience of 27 years in corporate field at senior levels in leading listed companies like Kirloskar Tractors, Taparia Tools, as Company Secretary and General Manager (Finance), during 1966 to 1993.

He started his career as an author on books relating to indirect taxes in 1993. Since 1994, CMA Datey is concentrating on consultancy in indirect taxes and writing books on topics relating to indirect taxes and corporate laws.

CMA V S Datey is a leading author on books relating to Indirect Taxes and has written many books for professionals and students, all of which are published by Taxmann, New Delhi.

For professionals and practitioners

- All About GST
- Service Tax Ready Reckoner.
- Central Sales Tax – Law & Practice
- Customs Law Practice & Procedures
- Central Excise Law & Practice
- Company Law Ready Reckoner.
- FEMA and FDI Ready Reckoner.

For Students

- Indirect Taxes Law And Practice – Two volume edition for CA/CS/CMA

His books have been prescribed for professional examinations like CMA, CA, CS and also widely referred by professionals and departmental officers.

Presently, he is concentrating on writing books on topics relating to GST, Customs Law and corporate laws.

CMA Datey conducts training programmes on GST related topics.

He is based out of Pune, Maharashtra.

BROCHURE – NATIONAL SEMINAR ON GST



National Seminar on GST

Jointly organized by

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

TAX RESEARCH DEPARTMENT

&

BHUBANESWAR CHAPTER

Theme

“Goods and Services Tax – The Sustainability Imperative”

Date : 27th - 28th January, 2018

Venue : KIIT University, SOM Auditorium

Campus-7, Bhubaneswar, Odisha



“Behind Every Successful Business Decision, there is always a CMA”



“Live as if you were to die tomorrow. Learn as if you were to live forever.”

— Mahatma Gandhi

Dear Sir/Madam,

Greetings from the Institute of Cost Accountants of India (ICAI) – Tax Research Department and Bhubaneswar Chapter.

Goods and Services Tax (GST) has been rolled out in our country w.e.f 1st July, 2017 amidst many speculations and challenges. The new tax law has replaced the manifold indirect tax buckets along with the cascading effect and evolved as a game-changing reform for Indian economy by developing a common Indian market with single indirect tax across country. All business houses have put their best efforts for implementing the GST and made substantial changes in their accounting system and business process to incorporate the requirement of the new law. Even if business processes have been synchronized in most of the industries and transactions are stabilized, but still few issues will take some time to get stabilized.

Industry, GST Council, Tax department, Professional bodies and common Tax payers are continuously deliberating on many relevant aspects of GST to make it simpler for all the stakeholders and to achieve its objective. With this intention in backdrop, ICAI has planned to organize a Two-day National Seminar on GST to address the most relevant issues cropped up during last six months. As a Professional Accounting body, we are continuously receiving feedback from our members in service and practice those who are dealing with both manufacturing and service sector. Hence, the objective of this Two-day seminar is to discuss, deliberate and conclude on many significant aspects of GST law with the help of our eminent Tax experts from Tax Department, Industry Executives, Professional Tax Analysts and Researchers. The subject matters for various sessions are summarized below for quick reference.



GST Framework- Principles and Processes

- Supply - Understanding it more
- Export of goods and international services
- Time and Place of supply
- Valuation- Trade promotion schemes, discounts and related persons
- Invoicing - Check points
- Input Tax Credit & Credit distribution- Rules & Tools

Contract Management- Works & Supply

- GST Philosophy for Contract Management
- Impact of GST on Contracts

- Managing and negotiating both Works & Supply Contracts
 - Supplier and Recipient perspective
- Import Contracts and its changed scenario
- How to avail the benefit of smooth flow of credit
- Continuous supply and stage payment
- Do's, Don'ts and Best Practices
- Anti-Profitteering

Amendments & Legal Framework

- Amendments and notifications
- Offences and penalties
- Assessment and Audit
- Advance Ruling

We are confident that critical analysis of the above mentioned aptly chosen theme will be of relevance to executives, professionals, students, learners and practitioners in the functional domain of Finance, Procurement, Contract and Strategy formulation.

Let's learn, de-learn and re-learn with all agility so as to contribute towards Nation building.

Looking forward to have your participation and active support.

With best regards

(CMA Uttam Kumar Nayak)
Co-Chairman, Conference Committee

(CMA Niranjan Mishra)
Council Member & Chairman, Conference Committee

“Behind Every Successful Business Decision, there is always a CMA”

Registration Fee

Particulars	Fee
Corporate Delegate	₹ 2,500/-
Self Sponsored	₹ 2,000/-
Cost Accountants-in-Practice/Chapter MC Member	₹ 1,500/-
Accompanying CMA Student	₹ 1,000/-
Accompanying Spouse	₹ 1,000/-

N.B: Above Fees is inclusive of GST.

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Ordinary Full Page (Black & White)	₹ 10,000/ -
Ordinary Half Page (Black & White)	₹ 7,500/ -
Ordinary Quarter Page (Black & White)	₹ 5,000/ -

N.B: GST @18% shall be charged extra

Sponsorship Details

Sl. No	Type	Amounts (in ₹)	Benefits
1	Platinum	3,00,000	1. Five free Delegates 2. Display on the Conference Backdrop as Platinum Sponsor 3. Full page Color coverage in Souvenir
2	Gold	2,50,000	1. Four free Delegates 2. Display on the Conference Backdrop as Gold Sponsor 4. Full page Color coverage in Souvenir
3	Silver	2,00,000	1. Three free Delegates 2. Display on the Conference Backdrop as Silver Sponsor 3. Full Page Black & White coverage in Souvenir
4	Lunch	3,00,000	1. Four free Delegates 2. Display at Conference lunch and on the Conference Backdrop as Sponsor 3. Full page Colour coverage in Souvenir
5	Memento	2,50,000	1. Three free Delegates 2. Sponsor Name printed in Memento and Display on the Conference Backdrop as Sponsor 3. Full page Colour coverage in Souvenir
6	Conference Kits	1,50,000	1. Two free Delegates 2. Sponsor Name printed in Conference Kit and Display on the Conference Backdrop as Sponsor 3. Full page Black & White coverage in Souvenir
7	High Tea	1,00,000	1. One free Delegate 2. Sponsor Name Display at Conference High Tea (Banner & Standby) 3. Half page Black & White coverage in Souvenir
8	Tea	50,000	1. One free Delegate 2. Sponsor Name Display at Conference Tea 3. Quarter Page B&W Coverage in Souvenir
9	Stationery	40,000	1. One free Delegate 2. Display on the Conference Backdrop as Sponsor 3. Quarter Page B&W Coverage in Souvenir
10	Other (Banner/ Stall/ Publicity Material on request)	25,000	1. One free Delegate 2. Display on the Conference Backdrop as Sponsor

N.B: GST @18% shall be charged extra

Programme Schedule

Theme: "Goods and Services Tax- The Sustainability Imperative"

DAY - 01 : 27th January, 2018 (Saturday)

09:00 AM – 10:00 AM : Registration
10:00 AM – 11:15 AM : Inaugural Session
11:15 AM – 11:30 AM : Tea Break
11:30 AM – 01:30 PM : Session - I
GST Framework- Principles and Processes
01:30 PM – 02:30 PM : Lunch Break
02:30 PM – 05:00 PM : Session –II
Contract Management- Works & Supply

DAY - 02 : 28th January, 2018 (Sunday)

09:00 AM – 10:00 AM : Registration & Breakfast
10:00 AM – 01:30 PM : Session - III
Amendments & Legal Framework
01:30 PM – 02:30 PM : Lunch Break
02:30 PM – 04:30 PM : Valedictory Session

CEP Credit - 8 hours

"Behind Every Successful Business Decision, there is always a CMA"



CHIEF PATRON

CMA Sanjay Gupta

President, The Institute of Cost Accountants of India (ICAI)

PATRON

CMA H Padmanabhan

Vice President, ICAI

CMA Manas Kumar Thakur

Immediate Past President, ICAI

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- **CMA Himoj Mishra**
Treasurer, ICAI-Bhubaneswar Chapter
- **CMA Saswat Tripathy**
Chairman, PD Committee, ICAI-Bhubaneswar Chapter
- **CMA Siba Prasad Kar**
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CO-CHAIRMAN

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Co-opted Member, Taxation Committee, ICAI
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Director, Indirect Tax, Deloitte Touche Tohmatsu Ltd., Mumbai
- **CMA Mrityunjay Acharjee**
Sr. VP Corp Taxation & Internal Audit, Balmer Lawrie and Co Ltd
- **CMA Satyasundar Mahasuar**
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- **CMA Satyabrata Samal**
Member, ICAI-Bhubaneswar Chapter

SOUVENIR COMMITTEE

CHAIRMAN

CMA Saktidhar Singh

Member of the MC, The ICAI-Bhubaneswar Chapter

MEMBER

- **CMA Manas Ranjan Lenka**
Past Chairman, ICAI-Bhubaneswar Chapter
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Member of MC, ICAI-Bhubaneswar Chapter
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Member, ICAI-Bhubaneswar Chapter
- **CMA Priyanath Behera**
Member, ICAI-Bhubaneswar Chapter

"Behind Every Successful Business Decision, there is always a CMA"

TAXATION COMMITTEE - PLAN OF ACTION

Proposed Action Plan:

1. Train the trainers' program- capacity building of the practicing members of the Institute and others on PAN India basis to equip them on Registration, record maintenance, Filing of different returns and other matters.
2. Carry out webinars for the Capacity Building of Members of the Institute - Trainers in the locality to facilitate the traders/ registered dealers on various practical aspects.
3. Conducting Seminars in association with the Trade associations/Traders/ Chambers of Commerce at different locations on practical issues/aspects associated with GST.
4. Conducting workshop on industry specific issues with Chambers of Commerce, CREDAI, Jewellers Association, Hotel and Restaurant Association, Bankers' Association and other agencies to resolve their issues instantly.
5. Forwarding suggestions and issues on GST to the Government after getting feedback from various stake holders.
6. GST National seminar at Bhubaneswar on 27th and 28th Jan'18.
7. Extending Certificate Course on GST for Corporate and Trade Bodies.

Disclaimer:

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