

TAX Bulletin

November, 2017 Volume-3



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

www.icmai.in

Headquarters: CMA Bhawan, 12 Sudder Street, Kolkata - 700016

Ph: 091-33-2252 1031/34/35/1602/1492

Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

Ph: 091-11-24666100



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“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.”



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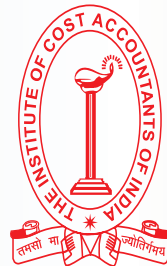
“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

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 Professional Colleagues,

Namaskar and Best wishes,

Moving forward with my new responsibilities this is my third communication to you all. I acknowledge the sustained enthusiasm and support given to me to work more effectively to achieve our goals in Tax Research. I am in receipt of new ideas and suggestions to improve our Bulletin.

This Bulletin will definitely provide an input on the burning issues like latest tax rulings on both Direct and Indirect Taxation, notifications, specifically covering GST notifications upto 30th Oct'2017, circulars in addition to the articles presented by the renowned Tax experts of the Country.

The Institute has launched its Taxation portal covering the Taxation matters including Webinars, Seminars, Workshops and other matters for updating Members and other stakeholders. The portal is ornamented with other portals in the Home page of the Institute Website.

In the Month of October, 2017, the Committee has conducted 4 Webinars and those got good response from the members. The Committee also plans to conduct more and more webinars on the current and typical issues of the Taxation, on regular basis.

I request continuous support from every corner in the quest for value creation through the activities of this department. I am also very much confident that the stake holders, Members and Team TRD bearers will provide their assistance and best efforts undoubtedly and commit for its betterment.

Thanking You,

With sincere regards

CMA Niranjan Mishra

1st November, 2017

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TRANSFER PRICING (TP) - MAINTENANCE OF DOCUMENTATION AND RULES RELATING TO COUNTRY

- BY - COUNTRY REPORT (CbCR)

CMA MRITYUNJAY ACHARJEE

Associate Vice President, Tax and Chief Internal Auditor, Balmer Lawrie Limited

Need for reporting International Transaction and Transfer Pricing

Increasing participation of multi-national groups in economic activities in India has given rise to new and complex issues emerging from transactions entered into between two or more enterprises belonging to the same group. Hence, there was a need to introduce a uniform and internationally accepted mechanism of determining reasonable, fair and equitable profits and tax in India in the case of such multinational enterprises. Accordingly, the Finance Act, 2001 introduced law of transfer pricing in India through sections 92A to 92F of the Indian Income Tax Act, 1961 which guides computation of the transfer price and suggests detailed documentation procedures. This article aims to provide a brief overview on the applicability of transfer pricing regulations in India, methods of determining the transfer price and the documentation procedures.

Transfer Pricing Regulations ("TPR") are applicable to the all enterprises that enter into an 'International Transaction' with an 'Associated

Enterprise'. Therefore, generally it applies to all cross border transactions entered into between associated enterprises. It even applies to transactions involving a mere book entry having no apparent financial impact. The aim is to arrive at the comparable price as available to any unrelated party in open market conditions and is known as the Arm's Length Price ('ALP').

Associated Enterprises ('AEs') - How Identified?

The basic criterion to determine an AE is the participation in management, control or capital (ownership) of one enterprise by another enterprise. The participation may be direct or indirect or through one or more intermediaries.

The concept of control adopted in the legislation extends not only to control through holding shares or voting power or the power to appoint the management of an enterprise, but also through debt, blood relationships, and control over various components of the business activity performed by the taxpayer such as control over raw materials, sales and intangibles. It appears that one may go to

any layer of management, control or ownership in order to find out association.

- (a) Direct Control
- (b) Through Intermediary

Understanding What is an International Transaction?

An international transaction is essentially a cross border transaction between AEs in any sort of property, whether tangible or intangible, or in the provision of services, lending of money etc. At least one of the parties to the transaction must be a non-resident entering into one or more of the following transactions.

- a) Purchase, sale or lease of Tangible or Intangible Property
- b) Provision of services
- c) Lending or borrowing of money
- d) Any transaction having a bearing on profits, income, losses or assets
- e) Mutual agreement between AEs for allocation/apportionment of any cost, contribution or expense.

Methods applied for determining Arms Length Price

In accordance with internationally accepted principles, the TPR have provided that any income arising from an international transaction between AEs shall be computed having regard to the ALP, which is the price that would be charged in the transaction if it had been entered into by unrelated parties in similar conditions.

The ALP is to be determined by any one or more of the prescribed methods. The taxpayer can select the most appropriate method to be applied to any given transaction, but such selection has to be made taking into account the factors prescribed in the TPR. With a view to allow a degree of flexibility in adopting the ALP, a variance allowance of 5 percent has been provided under the TPR.

The prescribed methods have been listed below

- a) Comparable Uncontrolled Price Method ('CUPM')
- b) Resale Price Method ('RPM')
- c) Cost plus method ('CPM')
- d) Profit Split Method ('PSM')
- e) Transactional Net Margin Method ('TNMM')

Documentation needed for presenting Transfer Pricing

The provisions contained in the TPR are exhaustive as far as the maintenance of documentation is concerned. This includes background information on the commercial environment in which the transaction has been entered into, information regarding the international transaction entered into, the analysis carried out to select the most appropriate method and to identify comparable transactions, and the actual working out of the ALP of the transaction. This also includes report of an accountant certifying that the ALP has been determined in accordance with the TPR and that prescribed documentation has been maintained. This documentation should be retained for a minimum period of 8 years.

However, it may be noted that in case the value of the international transaction is below INR 10 million, it would be sufficient for the taxpayer to maintain documentation and information which substantiates his claim for the ALP adopted by him. In effect, they need not maintain the prescribed documentation.

Burden of proof of correctness of the documentation

The primary onus is on the taxpayer to determine an ALP in accordance with the TPR and to substantiate the same with the prescribed documentation. Where such onus is discharged by the taxpayer and the data used for determining the ALP is reliable and correct, there can be no intervention by the tax officer.

However, where the tax officer is of the view that the

- a) price charged in the international transaction has not been determined in accordance with the methods prescribed,
- b) or information and documents relating to the international transaction have not been kept and maintained by the assessee in accordance with the TPR,
- c) or the information or data used in computation of the ALP is not reliable or correct,
- d) or the assessee has failed to furnish any information or document which he was required to furnish under the TPR the tax officer may reject the ALP adopted by the assessee and determine the ALP in accordance with the TPR. For this purpose, he would then refer the

matter to a Transfer Pricing Officer ('TPO') (a special post created for valuation of ALP) who would determine the ALP after hearing the arguments of the taxpayer.

In case the ALP determined by the TPO indicates understatement of income by the taxpayer, it could result into the following:

- a) Adjustment to reported income of the taxpayer
- b) Levy of penalty

The tax officer is bound to adjust the reported income of the taxpayer with the amount of adjustment proposed by the TPO. This would have an effect of increasing the assessed income or

alternatively decreasing the assessed loss. Furthermore, the eligible deductions available to the taxpayer under section 80 could not be availed on the enhanced income. However, those taxpayers who are eligible for deductions under section 10A and 10B remain unaffected as these deductions remain available on the enhanced income.

Transfer Pricing documentation

Objective is to ensure towards Developing transfer pricing documentation and defence files, aligned with global and local requirements, coordinated across all the territories in which the entity is operating:

Documentation requirement under Section 92D read with Rule 10D

10D(1)(a)	A description of the ownership structure of the assessee enterprise („AE“) with details of shares or other ownership interest held therein by other enterprises.
10D(1)(b)	A profile of the MNC group of which the assessee enterprise is a part along with the name, address, legal status and country of tax residence of each of the enterprises comprised in the group with whom international transactions have been entered into by the assessee and ownership linkages among them.
10D(1)(c)	A broad description of the business of the assessee and the industry in which the assessee operates, and of the business of the AE with whom the assessee has transacted.
10D(1)(d)	The nature and terms (including prices) of international transactions entered into with each AE, details of property transferred or services provided and the quantum and the value of each such transaction or class of such transaction.
10D(1)(e)	A description of the functions performed, risks assumed and assets employed or to be employed by the assessee and by the AE involved in the international transaction.
10D(1)(g)	Complete record of the uncontrolled transactions taken into account for analysing their comparability with the international transactions entered into, including a record of the nature, terms and conditions relating to any uncontrolled transaction with third parties which may be of relevance to the pricing of the international transactions.
10D(1)(h)	A record of the analysis performed to evaluate comparability of uncontrolled transactions with the relevant international transaction.
10D(1)(i)	A description of the methods considered for determining the arm's length price (ALP) in relation to each international transaction or class of transaction, the method selected as the most appropriate method along with the explanations as to why such method was so selected, and how such method was applied in each case.
10D(1)(j)	A record of the actual working carried out for determining the ALP, including details of the comparable data and financial information used in applying the most appropriate method, and adjustments, if any, which were made to account for difference between international transactions, or between the enterprises entering into such transactions
10D(1)(k)	The assumptions, policies and price negotiations, if any, which have critically affected the determination of the ALP.
10D(1)(l)	Details of the adjustments, if any, made to transfer prices to align them with ALP determined under these rules and consequent adjustment made to the total income for tax purposes.
10D(1)(m)	Any other information, data or document, including information or data relating to the AE, which may be relevant for determining ALP.

Documentation Requirement for Transfer Pricing

- A detailed description of the ownership of the entity with details of shares or other ownership interests held therein by other enterprises.
- A profile of the multinational group of which the entity is a part along with the name, address, legal status and tax residence of each of the enterprises comprised in the group with whom specified domestic transactions have been entered into by the entity and ownership linkages among them.
- A broad description of the business of the entity and the industry in which the entity operates, and of the business of the associated enterprises with whom the entity has transacted.
- The nature and terms (including prices) of specified domestic transactions entered into with each associated enterprise, details of property transferred or services provided and the quantum and the value of each of such transaction or class of such transaction.
- A description of the functions performed, risks assumed and assets employed or to be employed by the entity and by the associated enterprises involved in the specified domestic transaction.
- A record of the economic and market analyses, forecasts, budgets or any other financial estimates prepared by the entity for the business as a whole and for each division or product separately, which may have a bearing on the specified domestic transactions entered into by the entity.
- A record of uncontrolled transactions taken into account for analysing their comparability with the specified domestic transactions entered into, including a record of the nature, terms and conditions relating to any uncontrolled transaction with third parties which may be of relevance to the pricing of the specified domestic transactions.
- A record of the analysis performed to evaluate comparability of uncontrolled transactions with the relevant specified domestic transaction.
- A description of the methods considered for determining the arm's length price in relation to each specified domestic transaction or class of transaction, the method selected as the most appropriate method along with explanations as to why such method was so selected, and how such method was applied in each case.
- A record of the actual working carried out for determining the arm's length price, including

details of the comparable data and financial information used in applying the most appropriate method, and adjustments, if any, which were made to account for differences between the specified domestic transaction, and the comparable uncontrolled transactions, or between the enterprises entering into such transactions.

- The assumptions, policies and price negotiations, if any, which have critically affected the determination of the arm's length price.
- Details of the adjustments, if any, made to transfer prices to align them with arm's length prices determined under the Income-tax Rules and consequent adjustment made to the total income for tax purposes.
- Any other information, data or document, including information or data relating to the associated enterprise, which may be relevant for determination of the arm's length price.

Penalty for Not Maintaining Documents

As mentioned above, entities entering into international transactions are required to maintain certain documents as listed above. Failure to maintain such document or failure to report or furnishing incorrect information can attract a penalty of upto 2% of the value of each transaction, where non compliance exists.

Penalty for Not Producing Documents

Tax authorities may, in the course of any proceeding, require any person who has entered into international transactions to furnish any related information or document. The taxpayer must furnish such information or document within a period of 30 days from the date of receipt of a notice. Failure to furnish information can attract a penalty equal to 2% of the value of the specified transaction for each such failure.

Changing documentation regime – Country by Country Reporting Rules [CbCR] under the BEPS initiative:

The Central Board of Direct Taxes (CBDT) had issued draft rules relating to Master File and country by country (CrbC) reporting Rules on 6th October, 2017. The CBDT has invited comments & suggestions from the public on such draft rules, to be submitted by 16th October, 2017. This new Rule is in line with

the BEPS Action Plan. The term BEPS stands for “Base erosion and profit shifting (BEPS)” which refers to tax planning strategies used by multinational companies, that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations where there is little or no economic activity.

Following are some of the basic thoughts & observations on the draft rules:

Information and documents to be kept and maintained under proviso to sub - section (1) and to be furnished in terms of sub -section (4) of Section 92D.

Master file

In accordance with Action 13, the master file should provide an overview of the MNE group business, its overall TP policies, and its global allocation of income and economic activity in order to place the MNE group’s TP practices in their global economic, legal, financial and tax context. The master file shall contain information which need not be restricted to the transaction undertaken by a particular constituent entity situated in particular country. In that aspect, information in the master file would be more comprehensive than typical current documentation standards.

Taxpayers who are subject to master file compliance in India

Under the ITR, as amended through *Finance Act, 2016*, entities that are constituents of an international group, shall be required to maintain such information and documents as prescribed (i.e., master file) in addition to the information related to the international transactions undertaken by such constituent entity in the contemporaneous local documentation. The Draft Rules provide that the master file requirements apply to every taxpayer, being a constituent entity of an international group, if the following two conditions are satisfied:

- The consolidated revenue of the international group, of which such taxpayer is a constituent entity, as reflected in the consolidated financial statement of the international group for the accounting year preceding such previous year, exceeds INR5 billion (approx. US\$76.9 million).
- Either of the below transactional threshold is achieved for the reporting year:

- The aggregate value of international transactions as per the books of accounts maintained by the taxpayer exceeds INR500 million (approx. US\$7.7 million).
- The purchase, sale, transfer, lease or use of intangible property (IP) as per the books of accounts maintained by the taxpayer exceeds INR100 million (approx. US\$1.5 million).

Upon meeting the above thresholds, each taxpayer, being a constituent entity of an international group resident in India, would be required to maintain the prescribed information and documents as part of the master file for annual compliance purposes.

Every person, being a constituent entity of an international group shall,

(i) if the consolidated revenue of the international group, of which such person is a constituent entity, as reflected in the consolidated financial statement of the international group for the accounting year preceding such previous year, exceeds five hundred crore rupees; and

(ii) the aggregate value of international transactions, (A) during the reporting year, as per the books of accounts, exceeds fifty crore rupees, or

(B) in respect of purchase, sale, transfer, lease or use of intangible property during the reporting year, as per the books of accounts, exceeds ten crore rupees, keep and maintain the following information and documents of the international group:

a) list of all the operating entities of the international group along with their addresses;

(b) a chart depicting the legal status of the constituent entity and ownership structure of the entire international group;

(c) a description of the business of international group during the reporting accounting year including,

(I) the nature of the business or businesses;

(II) the important drivers of profits of such business or businesses;

(III) a description of the supply chain for the five largest products or services of the international group in terms of revenue plus any other products and/or services amounting to more than five per cent of group turnover or revenue;

(IV) a list and brief description of important service arrangements among members of the international group, other than those for research and development services;

(V) a description of the capabilities of the main service providers within the international group;

(VI) details about the transfer pricing policies for allocating service costs and determining prices to be paid for intra-group services;

(VII) a list and description of the major geographical markets for the products and services offered by the international group;

(VIII) a description of the functions performed, assets employed and risks assumed by the constituent entities of the international group that contribute at least ten per cent of the revenues, assets and profits of the group; and

(IX) a description of the important business restructuring transactions, acquisitions and divestments during the accounting year;

(d) a description of the overall strategy of the international group for the development, ownership and exploitation of intangibles, including location of principal research and development facilities and their management;

(e) a list of all the entities of the international group engaged in development and management of intangibles along with their addresses;

(f) a list of all the important intangibles or groups of intangibles owned by the international group along with the names and addresses of the group entities that legally own such intangibles;

(g) a list and brief description of important agreements among members of the international group related to intangibles, including cost contribution arrangements, principal research service agreements and license agreements;

(h) a detailed description of the transfer pricing policies of the international group related to research and development and intangibles;

(i) a description of important transfers of interest in intangibles, if any, among entities of the international group, including the name and address of the selling and buying entities and the compensation paid for such transfers;

(j) a detailed description of the financing arrangements of the international group, including the names and addresses of the top ten unrelated lenders;

(k) a list of group entities that provide central financing functions, including their place of operation and of effective management;

(l) a detailed description of the transfer pricing policies of the international group related to financing arrangements among group entities;

(m) a copy of the annual consolidated financial statement of the international group; and

(n) a list and brief description of the existing unilateral advance pricing agreements and other tax rulings in respect of the international group for allocation of income among countries.

The report of the information referred to in this rule shall be submitted in Form No. 3CEBA and it shall be furnished to the Director General of Income-tax (Risk Assessment) on or before the due date for furnishing the return of income as specified in sub-section (1) of section 139 of the Act, Provided that the information in Form No. 3CEBA for the reporting accounting Year 2016-17 may be furnished at any time on or before the 31st day of March, 2018.

Furnishing of Report in respect of an International Group. [Rule 10DB.]

Every constituent entity resident in India, shall, if its parent entity is not resident in India, notify the Director General of Income - tax (Risk Assessment) in Form 3CEBB, the following, namely:

- (a) whether it is the alternate reporting entity of the international group; or
 - (b) the details of the parent entity or the alternate reporting entity, as the case may be, of the international group and the country or territory of which the said entities are residents.
- 2) The notification referred to in sub rule shall be made on or before sixty days prior to the due date for furnishing of report as prescribed.
- (3) Every parent entity or the alternate reporting entity, as the case may be, resident in India, shall, for every reporting accounting year, furnish the report as prescribed.

Rule 10DB(2) proposes that every constituent entity resident in India, belonging to a non-resident international group, would need to notify the Indian Tax Administration, by filing Form No 3CEBB, of whether it is the alternate reporting entity for the purposes of filing CbC report in India; or whether the said obligation shall be fulfilled in another country, either by the non-resident parent entity or any other alternate constituent entity, on or before 60 days prior to the due date of furnishing the CbC report.



#GSTR (3B = 3 = 2+1)? WHAT IF THERE IS AN INEQUALITY?

CMA CHIRANJIB DAS

GST Consultant

As we are marching towards completing the first cycle of GST compliance, attempted to be achieved through furnishing of proper information in GST Returns, theoretically and ideally, the equation GSTR (3B = 3 = 2+1) should be in equilibrium.

Yet some quick issues, big questions & horrifying concerns have therefore arisen:

- ❖ What if they are unequal? What if information furnished through these GST Returns for a Tax Period, does not match with each other?
- ❖ Will the Tax Payers be termed as non-compliant?
- ❖ Will they have to face the legal consequences as per provisions of the GST Law?

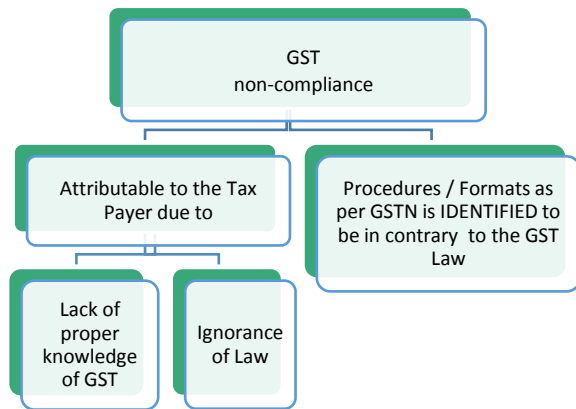
We are all aware that Goods and Services Tax (GST) in India is a 'destination based consumption tax'. GST is also the biggest Indirect Taxation Reform which we are envisaging and experiencing its process implementation. It is taking its own good time to settle down, both with the 'Tax Administrators' & 'Tax Payers' besides the common man/ consumers. Various amendments are notified post-implementation of GST, to facilitate ease of doing business in India & extend benefits to the consumers at large.

It will be a maiden attempt to demonstrate, with some limited examples, why, where and how – a Tax

Payer should not be completely held responsible for being non-compliant, despite their/ its sincere effort to be compliant.

Classifying non-compliance under GST may be out of the following major factors:

GST RETURN	NATURE	FREQUENCY (as per Stated Act / Rules)
GSTR 3B	Summary Return considering both Inward Supplies and Outward Supplies for a Tax Period	For Every Tax Period (i.e. every month) By 20 th (as of now) of the next month
GSTR 1	Statement of Outward Supplies	For Every Tax Period - By 10 th of next month
GSTR 2	Statement of Inward Supplies	For Every Tax Period – By 15 th of the next month
GSTR 3	Summary of GSTR 1 & GSTR 2	By 20 th of Next Month



As we are all **'facing the change'** of the biggest indirect tax reform / economic reform, we are all concerned, yet getting educated, skilled and updated every day with the provisions of 'Goods and Services Tax (GST) to meet its compliances at par.

Brief background of Compliance (for a Regular Tax Payer having levy u/s 9, not having any ISD, TDS, TCS issues & also ignoring the recent Notifications issued on 13/10/2017):

Issue 1 – How to Disclose Tax Liability on Advance Received from a Customer, where 'Supply' is not made / completed & Invoice not issued' ?

Analysis:

- Advance received is not a 'Supply',
- Neither the Supply was made/nor the Invoice was issued.
- GSTR 3B in its instructions (but not in Rules/Act) refers to include 'Advance received' as 'Taxable Supplies' for the purpose of its disclosure, discharge of tax liability and compliance.

As per applicable GST provisions, tax liability ideally on this type of advances received, should not be included as 'Taxable Supplies' under GSTR 3B, as Advance received is not against 'Supply'. However, one may definitely argue under the phrases of the definition of 'supply', mention 'made or agreed to be made...'. Hence, on a contrary view, one may state that, Advance received may be considered as 'Supply'.

Example:

Received an Advance of ₹10,000 against a Sales Order of ₹50,000. Supply attracts 9% CGST, 9% SGST.

Procedures:

- ❖ Issue an Advance Receipt Voucher indicating the HSN/SAC Code for the goods/services or both, for which the advance was received.
- ❖ Advance Voucher must contain the information relating to mode of payment of such receipt.
- ❖ Supplier should collect GST on the Advance also (i.e. Advance – Principal component ₹10,000 Plus CGST @ 9% = ₹900 & SGST @ 9% = ₹900) [In case, if tax is not paid by the Customer separately, then, the amount of ₹10, 000 shall be considered as inclusive of GST]
- ❖ Must show in GSTR 1 (Table No. 11), where advance is received but supply is not completed/ invoice not issued
- ❖ Accordingly, GST liability shall have to be calculated and furnished in GSTR 1.
- ❖ Payment of tax on Advances are also to be made through Electronic Cash Ledger, Input Tax Credit (ITC), if any, cannot be utilised for payment of GST liability arisen in relation to such advance received. [Note: INPUT TAX CREDIT ON ADVANCES PAID CANNOT BE CLAIMED BY THE CUSTOMER, until the final Invoice is raised and Supply (of either Goods and /or Services is completed)]

Accounting Entries (relating to advance received):

In the Books of the Recipient			
	INR	INR	Justification
(i) For receipt of advance			
Bank A/c Dr To Customer's A/c	11,800	11,800	Receipt of Advance
(ii) For creating liability to pay tax			
CGST on Advance A/c Dr	900		Tax paid on Advance, is an Asset for the Supplier
SGST on Advance A/c Dr	900		
To CGST Payable A/c To SGST Payable A/c		900 900	
(iii) For Payment of Tax			
CGST Payable A/c Dr	900		Amount of Tax on Advance shall have to be paid through Electronic
SGST Payable A/c Dr To CGST ECL	900		

A/c To SGST ECL A/c		900	Cash Ledger.
		900	
Case I: After the 'Supply' is made, say of ₹50,000, plus GST, as applicable, then, the Supplier shall have to issue an Invoice of the Total Value as follows:			
(iv) Customer's A/c Dr To Outward Supplies A/c To CGST Payable A/c To SGST Payable A/c	59,000	50,000 4,500 4,500	
<i>(v) Adjustment of Advance received from the Customer (assuming balance payment is received)</i>			
Bank A/c Dr To Customer's A/c	47,200		= 59,000 (-) 11,800
		47,200	

Where should these be reflected GSTRs?

GSTR	TABLE	Taxable Value	CGST	SGST	Remarks
3B	3.1(a)	10,000	900	900	Included in taxable supplies
1	11A	10,000	900	900	Disclosed exclusively as Advance.
2	N.A.	N.A.	N.A.	N.A.	N.A.
3	N.A.	N.A.	N.A.	N.A.	No specific disclosure
Impact	<ul style="list-style-type: none"> ❖ Tax liability on Advance received shall have to discharge in accordance with GSTR 1 & GSTR 3B. ❖ Tax Paid on Advance is not reflected in GSTR 3 exclusively as it considers 'Net of Advance Adjustments' on Inward Supplies attracting tax liability under Reverse Charge. 				
Concern	<ul style="list-style-type: none"> ❖ There is no appropriate disclosure in GSTR 3 for such 'Tax Paid on Advances – Unadjusted, since Tax Invoices are not issued'. 				

Now, after the completion of 'Supply' and Invoice issued amounting to ₹50,000 plus GST

Accounting Entries (related to adjustment of advance):

	INR	INR	Justification
(vi) For discharge of Tax Liability			
CGST Payable A/c Dr	4,500		
SGST Payable A/c Dr	4,500		
To CGST on Advance A/c		900	
To SGST on Advance A/c		900	
To CGST ECL A/c		3,600	
To SGST ECL A/c		3,600	

Its corresponding representation in GSTRs should be as follows:

GSTR	TABLE	Taxable Value	CGST	SGST	Remarks
1	4 / 5 / 7	50,000	4,500	4,500	Taxable Supplies
1	11A	(10,000)	(900)	(900)	Adjustment of Tax on Advance.
3	NOT REFLECTED				

Case II: If the value of Supply was ₹8,000 only (instead of proposed ₹50,000), what would be the accounting impact & its disclosure?

Customer's A/c Dr To Outward Supplies A/c To CGST Payable A/c To SGST Payable A/c	9,440			
		8,000	720	720
<i>For refund of Advance received from the Customer (assuming balance payment is received) after adjustment of Invoice Value</i>				
Customer's A/c Dr To Bank A/c	2,360			= 11,800 (-) 9440
		2,360		

Its representation in GSTRs would be as follows:

GST R	TABL E	Taxable Value	CGS T	SGS T	Remarks
1	4 /5 / 7	8,000	720	720	Taxable Supplies
1	11B	(10,000)	(900)	(900)	Advance Adjustment
1	9B	2000	180	180	Refund Voucher

Hence, from Case II also, we ascertain that there is no proper representation/ disclosure in GSTR 3 & GSTR 3B in corresponding tax periods. Hence, information furnished in GSTR 1 does not match with its corresponding information furnished in its GSTR 3B & GSTR 3.

Probable Challenges/Obstacles:

Advance received, without Supply/raising of Invoice, disclosed in GSTR 3B but 'Supply made/Invoice raised' before filing of GSTR 1. What will be the disclosure criteria?

- (i) Only advance be disclosed in GSTR 1 ; or
- (ii) Full value of supply as per invoice be disclosed ignoring the advance ; or
- (iii) Both advance to be disclosed in GSTR 1 and also Full value of invoice / supply to be disclosed?

Recommendation:

In such case, it is advisable that the design & disclosure format of GSTR 3B, should be realigned with GSTR 1.

There should be an exclusive row to be inserted, under the heading 'Tax Liability due to Advances Received'.

Issue 2 – How to Disclose Tax Liability on Advance paid to Suppliers attracting Reverse Charge u/s 9(3) & 9(4), in cases, where, Supply is not made or completed & Invoice also not raised/ issued?

Analysis:

- ❖ Advance paid to Suppliers for which tax liability has arisen u/s 9(3) / 9(4)
- ❖ There is no 'Supply' yet
- ❖ No Tax Invoice received/ self-invoice generated in accordance.
- ❖ Tax Payer (being the prospective recipient of Supply) shall have to discharge Tax Liability on Advance on which Tax is Payable under RCM.

Example: Tax Payer, had paid an Advance of ₹1,000 to one of its Supplier (against a proposed supply of

₹5,000), which attracts a GST @ 18%. The 'supply' attracts 'Reverse Charge'; hence liability to pay Tax on such Advance also rests with the Tax Payer.

Accounting Entries (relating to advance paid):

In the Books of the Recipient			
	INR	INR	Justification
(i) For advance paid			
Vendor's A/c Dr To Bank A/c	1,000	1,000	Advance Paid
(ii) For creating liability to pay tax			
CGST on Advance A/c Dr	90		Tax paid on Advance, is an Asset for the Supplier
SGST on Advance A/c Dr	90		
To CGST Payable A/c		90	
To SGST Payable A/c		90	
(ii) For Payment of Tax			
CGST Payable A/c Dr	90		Amount of Tax on Advance shall have to be paid through Electronic Cash Ledger.
SGST Payable A/c Dr	90		
To CGST ECL A/c		90	
To SGST ECL A/c		90	
Case I: After the 'Supply' is made, say of ₹5,000, plus GST, as applicable, then, the Supplier shall have to issue an Invoice of the Total Value as follows:			
(iv) Inward Supplies A/c Dr	5,000		
CGST ITC			
Suspense A/c Dr	450		
SGST ITC			
Suspense A/c Dr	450		
To Vendor's A/c		5,000	
To CGST Payable A/c		450	
To SGST Payable A/c		450	
(v) Adjustment of Advance received from the Customer (assuming balance payment is received)			
Bank A/c Dr	4,720		= 5,900
To Customer's A/c		4,720	(-) 1,180

Where should these be reflected GSTRs?

GSTR	TABLE	Taxable Value	CGST	SGST	Remarks
3B	3(1)(d)	1,000	90	90	Considered as Inward Supplies attracting reverse charge
1	N.A.	N.A.	N.A.	N.A.	-
2	10A	1000	90	90	Tax on Advance
3	N.A.	N.A.	N.A.	N.A.	No specific disclosure
Impact	<ul style="list-style-type: none"> ❖ Tax liability on Advance paid shall have to made in accordance with GSTR 2 & GSTR 3B. ❖ Tax Paid on Advance is not reflected in GSTR 3 exclusively 				
Concern	<ul style="list-style-type: none"> ❖ There is no appropriate disclosure in GSTR 3 for such 'Tax Paid on Advances – Unadjusted, since Tax Invoices are not received'. 				
For adjustment of advance paid earlier, tax on such deposited earlier, against Invoice received of ₹5,000 plus GST @18%					
GSTR	TABLE	Taxable Value	CGST	SGST	Remarks
2	4	5,000	450	450	Taxable Inward Supplies on RCM
2	10B	(1,000)	(90)	(90)	Adjustment of Tax on Advance.
3	NOT REFLECTED				

Accounting Entries (related to adjustment of advance paid):

Invoice received ₹5,000 plus CGST 9%, SGST 9%			
	INR	INR	Justification
(vi) For discharge of Tax Liability			
CGST Payable A/c Dr	450		
SGST Payable A/c Dr	450		
To CGST on Advance A/c		90	
To SGST on Advance A/c		90	
To CGST ECL A/c		360	
To SGST ECL A/c		360	

Case II: If the value of Supply was ₹800 only (instead of proposed ₹5,000), what would be the accounting impact & its disclosure?

Inward Supplies A/c Dr	800		
CGST ITC Suspense A/c Dr	72		
SGST ITC Suspense A/c Dr	72		
To Vendor's A/c		800	
To CGST Payable A/c		72	
To SGST Payable A/c		72	
<i>For refund of Advance paid to Vendor (assuming balance payment is received) after adjustment of Invoice Value</i>			
Customer's A/c Dr	200		= 1000
To Bank A/c		200	(-) 800

Its corresponding representation in GSTRs would be as follows:

GSTR	TABLE	Taxable Value	CGST	SGST	Remarks
2	4	800	72	72	Inward Supplies
2	10B	(1,000)	(90)	(90)	Advance Adjustment
1 (???)	9B	200	18	18	Refund Voucher (???)

Hence, from "Case II of Issue 2" also, it may be concluded that there is no proper representation/disclosure in GSTR 3 in corresponding tax periods. Hence, information furnished in GSTR 2 does not match with information in GSTR 3B & 3.

This is a typical situation, which I believe is not reflected in the GSTN Online Portal in its GST Return Formats.

Probable Challenges/Obstacles:

Tax on Advances, paid, without receipt of Supply/Invoice, disclosed in GSTR 3B but 'Supply received/Invoice received' before filing of GSTR 2. What will be the disclosure criteria?

(i) Only tax paid u/s 9(3) / 9(4) on advances paid, be disclosed in GSTR 2; or

(ii) Full value of supply received as per invoice /self-invoice, be disclosed ignoring the tax paid on such type of advances as per (i) above; or

(iii) Both advance to be disclosed in GSTR 2 and also Full value of invoice/supply to be disclosed?

14.00]	
Net Proceeds	171.68

Recommendation:

In such case, it is advisable that the design & disclosure format of GSTR 3B, should be realigned with GSTR 2.

There should be an exclusive row to be inserted, under the heading 'Tax Liability due to Advances Paid under Reverse Charge u/s 9(3) / 9(4) '.

Issue 3 – Where & how to disclose Exports/ Supply to SEZ 'with payment of Tax' in GSTR 3B?

Analysis:

- ❖ Exports/Outward Supply to SEZ can be made either (i) with payment of IGST, or (ii) without payment of IGST.
- ❖ GSTR 3B provides for disclosure as Outward Supplies – zero rated / taxable outward supplies.
- ❖ Now, if in case of Exports/ Outward Supplies to SEZ, with payment of Tax, where should this be disclosed in GSTR 3B – under Taxable outward supplies or Zero-rated?
- ❖ If it is shown under 'zero-rated', then how to disclose the tax liability & how to discharge the said tax liability?
- ❖ Will the said furnished information be treated as information 'not-furnished / wrongly furnished'?

This is a serious disconnect between GSTR 3B & GSTR 1 as regards 'Exports/Supply to SEZ – with payment of IGST'.

Issue 4 – Tax Payer making supplies through an e-commerce operator. Sale proceeds received after deduction of applicable charges imposed by such e-commerce operator & GST paid on such.

Example: A Tax Payer had made a supply to a customer/consumer, through an e-commerce operator, for ₹200, inclusive of GST @ 5%. Now, the e-commerce operator had remitted the net proceeds to the tax payer as under:

Particulars	(INR)
Sale Proceeds collected from Customer/Consumer (inclusive of GST @ 5%)	200.00
Less: Fixed Closing Fees	10.00
Less: Facilitation fees	14.00
Less: IGST @ 18% on (fixed closing fees and facilitation fees)[= 18% on (10.00 +	4.32

It is evidenced by the Tax payer, that the e-commerce operator had not furnished its GSTR 1.

Accordingly, GST levied, charged & collected by the e-commerce operator, from the Tax Payer (i.e. businessman) cannot be claimed as an 'eligible ITC', as it is not getting reflected in GSTR 2A (auto-drafted on the basis of GSTR 1's uploaded by the Suppliers).

Now, if in GSTR 3B, the Tax Payer, estimates the ITC and avail such, by adjusting against its tax liability –

- ❖ Will it be considered as wrongful availment of ITC?
- ❖ Will such not lead to mismatch of ITC?
- ❖ Will this tax payer be directed to repay the amount of ITC so availed?
- ❖ Will penalty / interest be levied on such amount of ITC availed by the Tax Payer?

Each business has its own uniqueness & there would be hundreds and thousands of small / big issues, which are faced by tax payers. Hence, challenges would increase manifold in GST & we will have to gear up and acclimatise in accordance.

Conclusion on GSTRs:

With these few instances, a sketch is drafted, demonstrating that information furnished by Tax Payers, it is proved that – GSTR (3B ≠ 1 + 2 ≠ 3).

- ❖ Redesign GSTR 3B, in line with GSTR 1/2, until the same (i.e. GSTR 3B) is in force.
- ❖ Facilitate furnishing of proper information & allow discharging of tax liabilities.

Government of India, Ministry of Finance, GST Council & all State Governments are keeping no stone unturned to facilitate tax payers to create a tax-friendly economic environment by incorporating appropriate amendments in rules/procedures under GST. Yet, appropriate advisory should be issued covering both assessments under GST & Income Tax – so as to avoid/mitigate litigations in future.

Suggestions:

(1) A revised draft of GSTR 3B, Table 3.1 is suggested for increasing the degree of transparency & improving upon the quality of information which is getting furnished in the GSTN. This will definitely help both the Tax Payers and the Tax Administrators to avoid/ mitigate probable litigations in future.

	Nature of Supplies	Taxable value	IG ST	CG ST	SG ST	CE SS
(a)	Outward taxable supplies (other than zero rated, nil rated and exempted)					
(b)	Outward taxable supplies (zero rated /without payment of IGST)					
(c)	Outward Taxable Supplies (zero – rated/with payment of IGST)					
(d)	Other outward supplies (nil rated, exempted)					
(e)	Inward supplies (liable to reverse charge)					
(f)	Non-GST Outward Supplies					
(g)	Tax Liability on Advances received					
(h)	Tax Liability on Advances Paid for supplies under Reverse Charge u/s 9(3) / 9(4)					

(2) GSTR 3B should be (i) either abolished or (ii) Date for its filing should be realigned, so as to avoid the probable instances which may lead to litigation in future.

A smart deviation from GST would hold us before another major issue under Income Tax Act, especially, relating to computation of Taxable Profits under the head 'Income from Business/ Profession'.

Issue 5 – Impact on INCOME TAX AUDIT – matters related to disallowances u/s 37 of the Income Tax Act, 1961 for Interest, Penalty, Late Fees, etc. to be paid under GST.

Analysis:

As per Sec.37 of the Income Tax Act, 1961, any amount relating to infringement/ violation of law is disallowed. Hence, we will have to wait and watch – whether these type of payments made towards interest, penalty, late fees under GST, would be allowed as eligible business expense or disallowed.

Presumably, if disallowed, during assessment under Income Tax, then, it would be an additional burden on the Tax Payer/Assessee – for no fault of his / its own.

Disconnect in GSTRs should not be attributable to the Tax payer – Assessee.

Issue 6 – Reconciliation between GST Annual Returns & Income Tax Returns & Statutory Audit Reports/ Financial Statements.

We are all aware that all Tax Payers above the prescribed threshold limit shall have to furnish Annual Returns under GST.

Challenges:

- ❖ GST Compliance is Registration based/ State specific
- ❖ GST Annual Returns would be based on specific GSTN
- ❖ Income Tax Return is PAN-based for the Assessee, covering all its Operations spread across different States.
- ❖ Statutory Audit Reports/Financial Statements would also be for the entire organisation.

Reconciliation of information furnished under GST Annual Return vis-à-vis Statutory Audited Financial Statements vis-à-vis Income Tax Return, would be quite interesting and challenging too. Entrusted Professional Bodies/Institutes should prepare & prescribe appropriate guidelines to serve the Tax Payers, Professionals & Tax Administrators to meet compliance at par.

LOOKING FORWARD to be GST Compliant.



INVOICE MATCHING UNDER GOODS AND SERVICES TAX & IMPORTANCE OF IT SYSTEM UNDER GST

CMA VISHWANATH BHAT

Practicing Cost Accountant

Goods and Services Tax (GST), has been implemented by most countries in the world. But the form of tax varies from country to country. GST in India differs from other countries in two important aspects; firstly, the levy of Integrated GST on interstate supply of goods or services or both, secondly, the requirement for matching the claim of ITC. The matching of ITC procedure would not only ensure that due revenue is transferred to importing state but, would also ensure that the importing taxable person can claim the ITC that he would be entitled to. The procedure thus sits of the heart of Indian GST. The matching of ITC under GST is an extended version of the current structure being followed for value added tax by some of the states in India.

This concept is likely stimulate the integration between suppliers and their vendors in the industry to ensure that there are minimal discrepancies (inter alia goods in transit, difference in invoice booking), with respect to the claim of ITC. Also, since impact of incorrect details filed by the vendor will be faced by the recipient; there would be a need for effective vendor management. Implementation of GST inevitably may create an interdependent ecosystem for businesses and in the long run ensure better compliance. It is likely to substantially reduce work of audit by the tax authorities.

Every purchase invoice in GST regime must reconcile with sale invoice of the supplier on GST common portal for availing input tax credit. For many businesses, this will also mean a complete overhaul of IT systems and major re-engineering work. Many small and medium businesses will, for the first time, use technological tools for bookkeeping and tax compliance purpose. We can easily call this as one of the biggest change that businesses are going to witness. It also calls for patience and change management from the business community for smooth transition.

What Is Invoice Matching?

Matching all supplies taxable & Nontaxable, bought by a buyer and supplied by a supplier is known as Invoice Matching. According to finance minister, "It is through the invoice matching and automated return mechanism that the government can ensure eligible input tax credit is accurately transferred between the states". GSTN is working towards the GST web application which is hosted on the common portal to make invoice matching easy.

How does Invoice Matching work?

Invoicing Matching is very important because, under the GST law, the input tax credit of purchased

services and goods will be available only when the inward supply details filed in buyer's GSTR-2 return matches the outward supplies details filed in supplier's GSTR-1. This interlink has been created by auto-population of the data filed in supplier's GSTR-1 and buyer's GSTR-2. Hence, if these two fields do not match then the buyer will be unable to claim the input tax credit of paid taxes of the purchased goods or services or both. Compliance rating is an incentive for businesses to file returns on time and the related compliance. Basically, how invoice matching work is by matching all the taxable GST supplies with all the taxable supplies received by the buyer. When the supplier files form GSTR1, the recipient can identify the purchase with the help of auto populated form GSTR2A. After necessary modifications are done, the recipient's electronic credit ledger will be credited with the input credit on a provisional basis. If any modifications or additions are done to the GSTR-2 form, it will be reflected on the GSTR-1A Form for the supplier. When the Form GSTR-3 (Monthly Returns Form) is filled by the supplier the input credit becomes available; payment tax should also be considered while filling the monthly returns form.

Why do We Need an IT System under GST?

The government is on a spree of economic reforms and we have witnessed in recent times how various initiatives have been carried out; demonetization being one such reform. Continuing the reforms agenda, they have now come up with the concept of invoice matching under Goods and Services. This invoice matching is possible only when both the buyer and the supplier are tightly integrated through an information system, which will enable a seamless flow of information and fool-proof validations. Thus it becomes highly critical for businesses to be highly compliant on a real-time basis and thus needs to have a proper system in place to support it.

Matching Process:

Form of Return	Person required to furnish	Details required to be furnished
GSTR-1	Supplier	Prescribed particulars in respect of outward supply
GSTR-2A	Auto-populated for the recipient	Basis the Form GSTR-1 of supplier, the particulars of inward supply would be auto populated
GSTR-	Recipient	Recipient shall modify,

2		delete or include the details of inward supply basis the auto-populated from GSTR-2A and furnish the final details of his inward supply
GSTR-1A	Auto-populated for the supplier	Basis the form GSTR-2 of recipient, the particulars of outward supply as validated by the recipient would be made available for the supplier, which he may accept to update and finalize his earlier submitted Form GSTR-1
GSTR-3	Supplier and recipient	Matching of ITC would be done only after the due date for furnishing the monthly return

The claim of ITC would be treated as matched

- In respect of the invoices and debit note in FORM GSTR-2 that were acknowledged by the recipient on the premise of the FORM GSTR-2A, without amendment and the corresponding supplier furnishing a valid return.
- Where the amount of ITC claimed by the recipient is equal to or less than the output tax paid on such tax invoice or debit note by the corresponding supplier.

With a specific end goal to check for duplication of claim of ITC, the details of every inward supply furnished by the taxable person (i.e. the "recipient" of goods and/or services) in form GSTR-2 shall be matched:

- With the relating points details of outward supply furnished by the corresponding taxable person (i.e. the "supplier" of goods and/or services) in his valid return for the same tax period or any preceding tax period and
- With the additional duty of customs i.e. IGST paid by the recipient in respect of goods imported.

Therefore, the most important requirement for carrying out matching of ITC is that the supplier must have filed his valid returns for the corresponding or preceding tax period and/or the

IGST has been paid by the recipient if there would arise an occurrence of import of product.

Mismatching of ITC

In terms of the provisions of Model GST law; the reversal of ITC arises when:

- (a) There is excess claim of ITC by the recipient as against the tax pronounced by the supplier, or
- (b) The outward supply is not declared by the Supplier, or
- (c) There is a duplication of claim of ITC by the recipient.

This mechanism of matching mismatching seems to be highly motorized and thus all the returns of selling brokers as well as buying dealer will be connected with each other, so that any change on one side will be correspondingly reflected on the other side. Therefore, both the seller as well as purchaser is required to be very careful in filing the returns and in uploading sale/purchase details. Even a slight mismatch in the details will lead to unnecessary demands and may also lead to litigation for recovery of tax.



IMPORTANT TUTORIAL UNDER GST FOR TAXABLE PERSON

CMA RAJENDRA RATHI

Practicing Cost Accountant

Important Tutorial under GST for Taxable Person

Sr. No.	Type	Periodicity & relevant section/Rule post GST	Important point to check	Additional points
1	Registration	One Time Verification of correct Registration type	Please check in GSTN portal that registration certificate is issued and capturing the correct nature of business activity such as : a) Regular Taxable b) Composition c) SEZ	
2	Place of Supply	One Time for one type of customer IGST Section 12 IGST Section 2 (14) &(15)	1. To decide correct Place of Supply. 2. POS With reference to specific business needs to be ascertain correctly as per the POS Rules. Two important point to be kept in mind while deciding place of supply. 1. Location of recipient of service - General rule registered person address 2. Location of supplier of service – Supply from registered place of business	
3	Classification	One Time for one type of customer CGST Sec 9 IGST Sec 5	To decide correct classification of goods & service with applicable rate of GST.	
4	Invoicing	Regular	Invoice should contain all details as per law &	

		Section 31 read with Rule 46	<p>same will be base for Return</p> <ol style="list-style-type: none"> 1. Correct charging of CGST/SGST/IGST to be ensured as no provision to correct or file revised GST return. 2. To issue invoices with correct GSTN number of recipient, correct HSN upto 8 digit and SAC code upto 6 digit, tax rate and nature of tax. 3. Tax Invoice & original for recipient to be mentioned on invoice. 4. It is important to capture the correct details viz. <ol style="list-style-type: none"> I. Name, Address & GSTN no. of our company. II. HSN/SAC & description, quantity, value of goods or services. III. Rate of Tax and amount of Tax. IV. Tax Invoice should be marked with original for recipient & Signature of authorized signatory. V. Place of supply in case of interstate supply. 	
5	Payment of Tax	Monthly Section 49(7) read with Rule 85 of CGST Act 2017	<p>Ensure timely payment of Tax payable/due as per the GST provisions i.e. 20th. Of succeeding month.</p> <p>Ensure Tax to be paid in full as in absence of full payment, return will not be considered as “Valid return”.</p>	
6	Filling of Return	Monthly (Section 37/38/39 read with Rule 59 to 61 of CGST Rules, 2017)	<p>Based on Return, GST liability is determined and details to customer will flow through this for ITC. For all B2B Supply invoice wise rate wise data to be uploaded. Debit/Credit note to be shown separately.</p> <p>Ensure to file GST returns as under :</p> <p>GSTR-1 : Furnish the details of outward supplies of taxable goods/services</p> <p>GSTR-2 : Furnish the details of inward supplies of taxable goods/services</p> <p>GSTR-3 : Major data will be flow automatically from GSTR-1 & GSTR-2</p> <p>GSTR-3B: For July to December only.</p>	
7	Matching	Section 41/42 read with Rule 69 of CGST Act 2017	<p>Ensure correct uploading of Invoices wise details on real time basis on GSTN portal to avoid any mismatching of ITC at later date at customer end.</p> <p>To ensure detail sent to customer Accepted by customer timely and details received from supplier are also to be accepted timely to avoid mismatch cases later.</p>	<p>Proper mechanism for timely acceptance of inward and outward supply to be in place.</p> <p>GSTR-2A and GSTR-1A</p>

Important bullet points with flow chart sequence.

Care to be taken by Supplier at the time of Issue of Invoice and Uploading details in GST Portal through GSTR-1



Supplier to ensure following vital details in invoice :- a) Customer's GSTIN No, b) Invoice No. c) Tax Rate d)Tax Amount



Supplier to ensure uploading vital details of invoice on GST Portal through GSTR-1 so that the same shall appear in GSTR-2A of the Customer



Customer to ensure matching vital details of invoice populated in GSTR-2A and take it forward in GSTR-2 for claim of ITC



In case of Mismatch in the vital details, it would result in non availability of ITC till matching details are available and delays ITC availment



Supplier to ensure mentioning appropriate HSN / SAC Code and Tax Rate

(it is advisable to mention complete 8 digit HSN / 6 digit SAC code in invoice as there is a chance of different tax rates within subgroup of 4 digit HSN / SAC)



Bill of Supply – to be issued for Exempt Goods or Exempt Services



Composition Dealers to give declaration this effect in their bills

Above points prepared for regular taxable person covered under monthly return. Changes made by GST council on routine basis to be read and applied wherever applicable.

TAX UPDATES, NOTIFICATIONS AND CIRCULARS

Updated Notifications till – 30.10.2017

GOODS AND SERVICES TAX

CENTRAL TAX

Notification No. 47/2017 – Central Tax

Dated: 18th October 2017

This Notification is related to amendment in the Central Goods and Services Rules, 2017.

- (i) In Rule 89, in sub rule (1) for third proviso, the following proviso shall be substituted, namely:-
“Provided also that in respect of supplies regarded as deemed exports, 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”
- (ii) In rule 96A, in sub-rule (1), in clause (a), after the words “after the expiry of three months”, the words “, or such further period as may be allowed by the Commissioner,” shall be inserted;
- (iii) FORM GST RFD-01 is also amended.

Notification No. 48/2017-Central Tax

Dated: 18th October 2017

The Government may, on the recommendations of the Council, notify certain supplies of goods as deemed exports, where goods supplied do not leave India, and payment for such supplies is received either in Indian rupees or in convertible foreign exchange, if such goods are manufactured in India.

The Central Government notifies the supplies of goods listed in column (2) of the Table below as deemed exports, namely:-

S.No	Description of supply
1.	Supply of goods by a registered person against Advance Authorisation
2.	Supply of capital goods by a registered person against Export Promotion Capital Goods Authorisation
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

Explanation –

For the purposes of this notification, –

1. “Advance Authorisation” means an authorisation issued by the Director General of Foreign Trade under Chapter 4 of the Foreign Trade Policy 2015-20 for import or domestic procurement of inputs on pre-import basis for physical exports.
2. Export Promotion Capital Goods Authorisation means an authorisation issued by the Director General of Foreign Trade under Chapter 5 of the Foreign Trade Policy 2015- 20 for import of capital goods for physical exports.
3. “Export Oriented Unit” means an Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-Technology Park Unit approved in accordance with the provisions of Chapter 6 of the Foreign Trade Policy 2015-20.

Notification No. 49/2017-Central Tax

Dated: 18th October 2017

Evidences which are required to be produced by the supplier of deemed export supplies for claiming refund

S. No	Evidence
1.	Acknowledgment by the jurisdictional Tax officer of the Advance Authorisation holder or Export Promotion Capital Goods Authorisation holder, as the case may be, that the said deemed export supplies have been received by the said Advance Authorisation or Export Promotion Capital Goods Authorisation 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.
2.	An undertaking by the recipient of deemed export supplies that no input tax credit on such supplies has been availed of by him.
3.	An undertaking by the recipient of deemed export supplies that he shall not claim the refund in respect of such supplies and the supplier may claim the refund.

Notification No. 50/2017-Central Tax

Dated: 24th October 2017

This Notification states that the Central Government has decided to waive the Late Fee payable under section 47 of the Central Goods and Services Tax Act, for all registered persons who failed to furnish the return in FORM GSTR-3B for the months of August and September, 2017 by the due date.

Notification No. 51/2017 – Central Tax

Dated: 28th October 2017

This Notification is related to amendment in the Central Goods and Services Rules, 2017.

1. Rule 24, sub-rule 4 - Every person registered under any of the existing laws, who is not liable to be registered under the Act may, on or before **31st December, 2017**, at his option, submit an application electronically in FORM GST REG-29 at the common portal for the cancellation of registration granted to him and the proper officer shall, after conducting such enquiry as deemed fit, cancel the said registration.
2. Rule 45, sub-rule 3 - The details of challans in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another during a quarter shall be included in FORM GST ITC-04 furnished for that period on or before the twenty-fifth day of the month succeeding the said quarter or **within such further period as may be extended by the Commissioner by a notification in this behalf, provided that any extension of the time limit notified by the Commissioner of State tax or**

the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

3. Rule 96, sub-rule 2 – For Refund of integrated tax paid on goods exported out of India, the following shall be added:
**Where the date for furnishing the details of outward supplies in FORM GSTR-1 for a tax period has been extended in exercise of the powers conferred under section 37 of the Act, the supplier shall furnish the information relating to exports as specified in Table 6A of FORM GSTR-1 after the return in FORM GSTR-3B has been furnished and the same shall be transmitted electronically by the common portal to the system designated by the Customs.
Provided further that the information in Table 6A furnished under the first proviso shall be auto-drafted in FORM GSTR-1 for the said tax period.**
4. Rule 96A, sub-rule 2 – For Refund of integrated tax paid on export of goods or services under bond or Letter of Undertaking, the following shall be added:
Where the date for furnishing the details of outward supplies in FORM GSTR-1 for a tax period has been extended in exercise of the powers conferred under section 37 of the Act, the supplier shall furnish the information relating to exports as specified in Table 6A of FORM GSTR-1 after the return in FORM GSTR-3B has been furnished and the same shall be transmitted electronically by the common portal to the system designated by the Customs.

Provided further that the information in Table 6A furnished under the first proviso shall be auto-drafted in FORM GSTR-1 for the said tax period.

**Notification No. 52/2017 – Central Tax
Dated: 28th October 2017**

This Notification is regarding extension of date for filing FORM GST ITC-01, by the registered persons, who have become eligible to avail the input tax credit during the months of July, 2017, August, 2017 and September, 2017, till the 30th day of November, 2017.

**Notification No. 53/2017 – Central Tax
Dated: 28th October 2017**

This Notification is regarding extension of time limit for making the declaration in FORM GST ITC-04, in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another, during the quarter July to September, 2017, till the 30th day of November, 2017.

**Notification No. 54/2017 – Central Tax
Dated: 30th October 2017**

This Notification state that the last date for filing GSTR-2, by the registered persons, for the month of July, 2017 has been extended till 30th November, 2017 and the last date for filing GSTR-3, by the registered persons, for the month of July, 2017 has been extended till 11th December, 2017.

CENTRAL TAX RATE

**Notification No. 39/2017-Central Tax (Rate)
Dated: 18th October, 2017**

This Notification is regarding amendment in the Central Tax Rate. Central Government has notified the central tax rate of 2.5 per cent on intra State supplies of Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government, when the supplier of such food preparations produces a certificate from an officer not below the rank of the Deputy Secretary to the Government of India to the effect that such food preparations have been distributed free to the economically weaker sections of the society under a programme duly approved by the Central Government or the State Government

concerned, within a period of five months from the date of supply of such goods.

**Notification No. 40/2017-Central Tax (Rate)
Dated: 18th October, 2017**

Central Government exempts the intra-State supply of taxable goods by a registered supplier to a registered recipient for export, from so much of the central tax leviable thereon under section 9 of the Central Goods and Services Tax Act, 2017, as is in excess of the amount calculated at the rate of 0.05 per cent, subject to fulfilment of certain conditions, namely-

- (i) the registered supplier shall supply the goods to the registered recipient on a tax invoice;
- (ii) the registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill or bill of export, as the case may be;

To get the complete list of conditions, please visit: <http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-40-cgst-rate-english.pdf>

The notification also states that the registered supplier shall not be eligible for the above mentioned exemption if the registered recipient fails to export the said goods within a period of ninety days from the date of issue of tax invoice.

INTEGRATED TAX RATE

**Notification No. 40/2017-Integrated Tax (Rate)
Dated: 18th October, 2017**

This Notification is regarding amendment in the Integrated Tax Rate. Central Government has notified the Integrated tax rate of 5 per cent on Inter State supplies of Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government, when the supplier of such food preparations produces a certificate from an officer not below the rank of the Deputy Secretary to the Government of India to the effect that such food preparations have been distributed free to the economically weaker sections of the society under a programme duly approved by the Central Government or the State Government concerned, within a period of five months from the date of supply of such goods.

**Notification No. 41/2017-Integrated Tax (Rate)
Dated: 23rd October, 2017**

Central Government exempts the inter-State supply of taxable goods by a registered supplier to a registered recipient for export, from so much of the integrated tax leviable thereon under section 5 of the Integrated Goods and Services Tax Act, 2017, as is in excess of the amount calculated at the rate of 0.1 per cent., subject to fulfilment of certain conditions, namely-

- (i) the registered supplier shall supply the goods to the registered recipient on a tax invoice;
- (ii) the registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill or bill of export, as the case may be;

To get the complete list of conditions, please visit:
<http://www.cbec.gov.in/resources/htdocs-cbec/gst/notfctn-41-igst-rate-english.pdf>

The notification also states that the registered supplier shall not be eligible for the above mentioned exemption if the registered recipient fails to export the said goods within a period of ninety days from the date of issue of tax invoice.

UNION TERRITORY TAX RATE

**Notification No. 39/2017-Union Territory Tax
(Rate)
Dated: 18th October, 2017**

This Notification is regarding amendment in the Union Territory Tax Rate. Central Government has notified the Integrated tax rate of 2.5 per cent on intra State supplies of Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government, when the supplier of such food preparations produces a certificate from an officer not below the rank of the Deputy Secretary to the Government of India to the effect that such food preparations have been distributed free to the economically weaker sections of the society under a programme duly approved by the Central Government or the State Government concerned, within a period of five months from the date of supply of such goods.

**Notification No. 41/2017- Union Territory Tax
(Rate)
Dated: 23rd October, 2017**

Central Government exempts the intra-State supply of taxable goods by a registered supplier to a registered recipient for export, from so much of the union territory tax leviable thereon under section 7 of the Union Territory Good and Services Tax Act, 2017, as is in excess of the amount calculated at the rate of 0.05 per cent, subject to fulfilment of certain conditions, namely-

- (i) the registered supplier shall supply the goods to the registered recipient on a tax invoice;
- (ii) the registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill or bill of export, as the case may be;

To get the complete list of conditions, please visit:
<http://www.cbec.gov.in/resources/htdocs-cbec/gst/notfctn-40-utgst-rate-english.pdf>

The notification also states that the registered supplier shall not be eligible for the above mentioned exemption if the registered recipient fails to export the said goods within a period of ninety days from the date of issue of tax invoice.

**Circular No.13/13/2017-GST
Dated: 27th October, 2017**

In this Circulation it is clarified that the Unstitched Salwar Suits would be classified as Fabrics and would attract a uniform GST rate of 5% with no refund of the unutilized input tax credit. Mere cutting and packing of fabrics into pieces of different lengths from bundles or thans, will not change the nature of these goods and such pieces of fabrics would continue to be classified as fabric and attract the 5% GST rate.

**Circular No. 12/12/2017-GST
Dated: 26th October, 2017**

This Circulation is regarding clarification on applicability of GST on the superior kerosene oil [SKO] retained for the manufacture of Linear Alkyl Benzene [LAB]. It is clarified that GST will be payable by the refinery only on the net quantity of superior kerosene oil (SKO) retained for the manufacture.

**Circular No 11/11/2017- GST,
Dated: 20th October, 2017**

This Circular is regarding clarification on taxability of printing contracts. It is clarified that supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc. printed with logo, design, name, address or other contents supplied by the recipient of such printed goods, are composite supplies and the question, whether such supplies constitute supply of goods or services would be determined on the basis of what constitutes the principal supply.

**Circular No 10/10/2017- GST,
Dated: 18th October, 2017**

Goods which are taken for supply on approval basis can be moved from the place of business of the registered supplier to another place within the same State or to a place outside the State on a delivery challan along with the e-way bill wherever applicable and the invoice may be issued at the time of delivery of goods. For this purpose, the person carrying the goods for such supply can carry the invoice book with him so that he can issue the invoice once the supply is fructified.

It is further clarified that all such supplies, where the supplier carries goods from one State to another and supplies them in a different State, will be inter-state supplies and attract **integrated tax** in terms of Section 5 of the Integrated Goods and Services Tax Act, 2017.

**Circular No 9/9/2017- GST
Dated: 18th October, 2017**

The Board, hereby specifies the Assistant Commissioner/Deputy Commissioner, having jurisdiction over the place declared as address in the application for enrolment as Goods and Service Tax Practitioner in **FORM GST PCT-1** submitted, the officer is authorized to approve or reject the said application.

It is also clarified that the applicant shall be at liberty to choose either the Centre or the State as the enrolling authority. The choice will have to be specified by the applicant in Item 1 of Part B of FORM GST PCT-1.

**Order No. 05/2017- GST
Dated: 28th October, 2017**

This Order is regarding extension of time limit for intimation of details of stock held on the date preceding the date from which the option for composition levy is exercised in FORM GST CMP-03. 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 of the Act is exercised in FORM GST CMP-03 is extended till 30th November, 2017.

**Order No. 06/2017- GST
Dated: 28th October, 2017**

This Order is regarding extension of time limit for submitting application in FORM GST REG-26. The time limit for submitting electronically the application in the FORM GST REG- 26 is extended till 31st December 2017.

**Order No. 07/2017- GST
Dated: 28th October, 2017**

This Order is regarding Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117 of the Central Goods and Services Tax Rules, 2017. The time limit for submitting the declaration in FORM GST TRAN-1 is extended till 30th November, 2017.

**Order No. 08/2017- GST
Dated: 28th October, 2017**

This Order is regarding Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 120A of the Central Goods and Service Tax Rules, 2017. The time limit for submitting the declaration in FORM GST TRAN-1 is extended till 30th November, 2017.

CENTRAL EXCISE

**Notification No.26/2017-CENT
Dated: 17th October, 2017**

This Notification is regarding Appointment of officers and Assigning Jurisdictional Power to Commissioner Rank Officers in a zone for the purpose of deciding appeals pending as on 30th June 2017.

SERVICE TAX

Circular No. 208/6/2017-Service Tax
Dated: 17th October, 2017

This circular is regarding reassignment of cases pending as on 30-6-2017 with the Commissioner of Central Excise and Service Tax (Appeals). This measure is related to reduction of pendency at the level of Commissioner (Appeals) by redistributing the cases pending as on 30.06.2017.

CUSTOMS

Notification No. 77/2017-Customs
Dated: 13th October 2017

This Notification is regarding the following amendments in the Notification No. 50/2017- Customs, dated the 30th June, 2017.

The following serial number and entries shall be inserted, namely: -

S. No	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate	Integrated Goods and Services Tax	Condition No.
(1)	(2)	(3)	(4)	(5)	(6)
"212A	30	Medicines/drugs/vaccines supplied free by United Nations International Children's Emergency Fund (UNICEF), Red Cross or an International Organisation subject to specified conditions.	Nil	Nil	103";
"359A	71	Import of gold by specified banks and specified Public Sector Units (as per List 34). List 34: 1. Allahabad Bank 2. Axis Bank 3. Bank of Baroda 4. Bank of India 5. Bank of Nova Scotia 6. Canara Bank 7. Corporation Bank 8. Andhra Bank 9. The Federal Bank Ltd 10. HDFC Bank 11. ICICI Bank 12. Indian Bank 13. IndusInd Bank Ltd 14. Indian Overseas Bank 15. Kotak Mahindra Bank 16. Oriental Bank of Commerce 17. Punjab National Bank 18. State Bank of India 19. Syndicate Bank 20. Union Bank of India 21. Bank of Maharashtra 22. Central Bank of India	-	Nil	-";

		23. City Union Bank Ltd 24. Dhan laxmi Bank 25. ING Vysya Bank 26. Karur Vysya Bank 27. Punjab and Sind Bank 28. South Indian Bank 29. Standard Chartered Bank 30. State Bank of Bikaner and Jaipur 31. State Bank of Hyderabad 32. State Bank of Mysore 33. State Bank of Patiala 34. State Bank of Travancore 35. Yes Bank 36. Dena Bank 37. Metals and Minerals Trading Corporation of India (MMTC) 38. The Handicraft and Handlooms Exports Corporation of India Ltd 39. PEC Limited 40. The State Trading Corporation of India Ltd 41. MSTC Ltd”			
“557A	89	Rigs and ancillary items imported for oil or gas exploration and production taken on lease by the importer for use after import.	Nil	Nil	-”;

ANNEXURE

In the Annexure following condition shall be inserted, namely: -

Condition No.	Condition
“103	If the importer at the time of import- (1) furnishes a certificate from an officer not below the rank of a Deputy Secretary to the Government of India in the Department of Health and Family Welfare, Government of India, to the effect that the imported medicines or drugs or vaccines (in respect of description, quantity and technical specifications) are supplied by United Nations International Children's Emergency Fund (UNICEF), Red Cross or an international organisation and are required for Central Government/State Government sponsored immunisation programmes; and (2) furnishes an undertaking to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, to the effect that the imported goods shall be used for the above purpose and he shall pay, on demand, in the event of his failure to use the imported goods for the above purpose, an amount equal to the difference between the duty leviable on such quantity of the imported goods but for the exemption under this notification”;

Notification No. 78/2017-Customs

Dated: 13th October 2017

Section 3(1)

Any article which is imported into India shall, in addition, be liable to a duty (hereafter in this section referred to as the **additional duty**) equal to the **excise duty** for the time being leviable on a like article if **produced or manufactured in India** and if such excise duty on a like article is leviable at any percentage of its value, the additional duty to which the imported article shall be so liable shall be calculated at that percentage of the value of the imported article.

Section 3(3)

If the Central Government is satisfied that it is necessary in the public interest to levy on any imported article [whether on such article duty is leviable under subsection (1) or not] such **additional duty** as would **counterbalance** the **excise duty leviable on any raw materials**, components and ingredients of the same nature as, or similar to those, used in the production or manufacture of such article, be liable to an **additional duty** representing such portion of the **excise duty** leviable on such **raw materials, components and ingredients**.

Section 3(5)

If the Central Government is satisfied that it is necessary in the public interest to levy on any imported article [whether on such article duty is leviable under subsection (1) or, as the case may be, sub-section (3) or not] such **additional duty** as would **counter-balance the sales tax, value added tax, local tax** or any other charges for the time being leviable on a like article on its sale, purchase or transportation in India.

In the above sub sections after this notification the **integrated tax** and **compensation cess** would be leviable as an additional duty thereon under sub-sections (7) and (9), respectively of section 3 of the said Customs Tariff Act.

Notification No. 79/2017 – Customs Dated: 13th October, 2017

Central Government seek to amend various Customs exemption notifications to exempt Integrated Tax/Cess on import of goods under AA/EPCG Schemes.

This Notification amends the following Notifications:

SL NO.	Notification number and date	Amendments
(1)	(2)	(3)
1.	16/2015-Customs, dated 1st April, 2015	<p>The Central Government exempts goods specified in the Table 1(Capital goods for pre-production, production and post-production, Capital goods in Semi Knocked Down (SKD) / Completely Knocked Down (CKD) conditions to be assembled into capital goods by the importer etc.), from,-</p> <p>(i) The whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act),</p> <p>(ii) The whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act, when specifically claimed by the importer.</p> <p>“(iii) The whole of integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7) and sub-section (9) of section 3 of the said Customs Tariff Act: Provided that the exemption from integrated tax and the goods and services tax compensation cess shall be available up to the 31st March, 2018.”; [AMENDMENT]</p> <p>In the Explanation C (II) (Explanation for Export Obligation), for the words “However, the following categories of supplies, shall also be counted towards fulfilment of export obligation:”, the words “However, in authorisations where exemption from integrated tax and goods and service tax compensation cess is not availed, the following categories of supplies, shall also be counted towards fulfilment of export obligation:” [AMENDMENT] shall be substituted.</p>

2.	18/2015-Customs, dated 1st April, 2015	<p>The words whole of the additional duty leviable thereon under sub sections (1), (3) and (5) of section 3 shall be substituted with integrated tax leviable thereon under sub-section (7) of section 3, goods and services tax compensation cess leviable thereon;</p> <p>Condition for exemption from integrated tax ,compensation cess, safeguard duty, transitional product specific safeguard duty and anti-dumping duty leviable thereon; In condition viii, the following shall be added:</p> <ul style="list-style-type: none"> • The exemption from integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7) and sub-section (9) of section 3 of the said Customs Tariff Act, has been availed, the export obligation shall be fulfilled by physical exports only;" • The exemption from integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7) and sub-section (9) of section 3 of the said Customs Tariff Act shall be subject to pre-import condition; • The exemption from integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7) and sub-section (9) of section 3 of the said Customs Tariff Act shall be available up to the 31st March, 2018."
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In the Notification No. 20/2015-Customs dated 1st April, 2015, 21/2015-Customs dated 1st April, 2015, 22/2015-Customs dated 1st April, 2015 and Notification No. 45/2016-Customs, dated 13th August, 2016, the words whole of the additional duty leviable thereon under sub sections (1), (3) and (5) of section 3 shall be substituted **with integrated tax leviable thereon under sub-section (7) of section 3, goods and services tax compensation cess leviable thereon.**

The exemption from integrated tax and the goods and services tax compensation cess leviable thereon under sub-section (7) and sub-section (9) of section 3 of the said Customs Tariff Act shall be available up to the **31st March, 2018.**"

**Notification No. 80/2017 – Customs
Dated: 27th October, 2017**

This Notification is regarding the Basic Customs duty that has been increased for many items of Textile falling under chapter 50 to 63.

Example – Chapter 5407:54:30 cover PRINTED POLYESTER SAREES, old customs rate 10% or ₹20/- per Sq.mtr, whichever is higher. New Rate 25% or ₹20/- per Sq.mtr. whichever is higher.
Example – Import one Saree ₹1000/- Per piece of 5 mts. old Customs duty – ₹100/- Per piece of Saree. New custom duty ₹250/- per piece of Saree, if value same.

**Notification No. 81/2017 – Customs
Dated: 27th October, 2017**

This Notification is regarding the rate of notification 14/2006 customs dated 01/03/2006 amended and effective duty increased on specified fabrics. But in many items there is higher cap of customs duty, hence the increase in Advalorem rate from 10% to 20%, will not change the effect of maximum duty.

**Notification No. 82/2017 – Customs
Dated: 27th October, 2017**

This Notification is regarding the new rate of Basic Customs Duty given w.e.f. 27/10/2017 and on comparison it is noticed that Basic Customs duty has been increased in many items of chapter 50 to 63, but in few items rate not changed.

NON TARIFF

**Notification No. 11/2017-Customs (N.T./CAA/DRI)
Dated: 13th October, 2017**

This Notification is regarding Appointment of Common Adjudicating Authority by DGRI. Director General, Revenue Intelligence appoints officers to act as a common adjudicating authority to exercise the powers and discharge the duties conferred or imposed on officers in respect of noticees (M/s JBF Industries Ltd., M/s Brightways, 401B, Park Avaneu,

M G Road, Mumbai, M/s G. D. Mangalam Exim Pvt. Ltd., Delhi etc.) for the purpose of adjudication of show cause notices.

Notification No. 12/2017-Customs (N.T./CAA/DRI)

Dated: 24th October, 2017

This Notification is regarding Appointment of Common Adjudicating Authority by DGRI. Director General, Revenue Intelligence appoints officers to act as a common adjudicating authority to exercise the powers and discharge the duties conferred or imposed on officers in respect of noticees (M/s Aarti Industries Limited, M/s Galaxy Surfactants Pvt. Ltd., M/s Indus Chemicals etc.) for the purpose of adjudication of show cause notices.

Notification No. 13/2017-Customs (N.T./CAA/DRI)

Dated: 24th October, 2017

This Notification is regarding amendment in Notification No. 1/2017-Customs (N.T./CAA/DRI) dated 13th January 2017. For the noticee “ M/s Panchmahal Steel Ltd., GIDC Estate, Village Kalol-

389330, Panchmahal, Gujarat” Common Adjudicating Authority shall be “Additional Director General (Adjudication), Directorate of Revenue Intelligence, Mumbai”.

Notification No. 14/2017-Customs (N.T./CAA/DRI)

Dated: 14th October, 2017

This Notification is regarding amendment in Notification No. 4/2017-Customs (N.T./CAA/DRI) dated 30th January 2017. For the noticee “M/s Aarti Industries Limited (Surfactant Specialties Division), Survey No. 193, Khanvel-Udhawa Road, Kherdi, Silvassa, Dadar & Nagar Haveli and Sh. Nikhil Desai, Executive Director, M/s Aarti Industries Limited (Surfactant Specialties Division), Survey No. 193, Khanvel-Udhawa Road, Kherdi, Silvassa, Dadar & Nagar Haveli” Common Adjudicating Authority shall be “Additional Director General (Adjudication), Directorate of Revenue Intelligence, Mumbai”.

Notification No.95/2017-CUSTOMS (N.T.)

Dated: 13th October, 2017

This Notification amends the Notification No. 36/2001-Customs (N.T.), dated the 3rd August, 2001. The Tariff Notification is in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver.

Sl. No	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
1	1511 10 00	Crude Palm Oil	719
2	1511 90 10	RBD Palm Oil	751
3	1511 90 90	Others – Palm Oil	735

For entire list, please visit

<http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2017/cs-nt2017/csnt95-2017.pdf>

Notification No. 96/2017 - Customs (N.T.)

Dated: 18th October, 2017

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 19th October, 2017, be the rate mentioned in this Notification.

Notification No. 97/2017 - Customs (N.T.)

Dated: 24th October, 2017

This Notification is a further amendment in the

Notification No. 96/2017 7-CUSTOMS (N.T.), dated 18th October, 2017. Here, The Central Board of Excise and Customs determines the rate of exchange of conversion of foreign currency “Qatari Riyal” into Indian currency or vice versa, shall, with effect from 25th October, 2017, be the rate mentioned in this Notification.

Notification No. 98/2017 - Customs (N.T.)

Dated: 27th October, 2017

This Notification is a further amendment in the Notification No. 96/2017 7-CUSTOMS (N.T.), dated

18th October, 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 28th October, 2017, be the rate mentioned in this Notification.

Notification No. 99/2017 - Customs (N.T.)

Dated: 27th October, 2017

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

Notification No. 100/2017 - Customs (N.T.)

Dated: 27th October, 2017

This Notification is regarding appointment of place "Kapashera in New Delhi" as Air Freight station for the purpose of unloading of imported goods and loading of export goods.

ANTI DUMPING DUTY

Notification No. 49/2017-Cus (ADD)

Dated: 18th October, 2017

This Notification is related to impose of definitive anti-dumping duty on the imports of " Color Coated/ Pre-Painted flat products of alloy or non-alloy steel " originating in or exported from China PR and European Union.

The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, the 11th January, 2017 and shall be payable in Indian currency.

Notification No. 50/2017-Cus (ADD)

Dated: 18th October, 2017

In this Notification, Central Government seeks to rescind notification No.34/2012-Customs (ADD) dated 03.07.2012, in supersession of notification No. 55/2016-Customs (ADD) dated 21.12.2016.This notification has been issued since the time limit of three months for issuing the notification is ending shortly. However, the operation of the said rescinding notification shall remain in abeyance, till the final decision of the Honourable High Court of Gujarat in Special Civil Applications 14202 of 2017.

Therefore, in effect, anti-dumping duty under notification No.34/2012-Customs (ADD) dated 03.07.2012 [imposing anti-dumping duty on the imports of Soda Ash, originating in or exported from China PR, EU, Kenya, Pakistan, Iran, Ukraine and USA] will continue to be levied till the final decision of the Honourable High Court of Gujarat in the matter.

Notification No. 51/2017-Cus (ADD)

Dated: 18th October, 2017

In this Notification, Central Government Seeks to rescind notification No. 08/2013-Customs (ADD) dated 18.04.2013, in supersession of notification No. 56/2016-Customs (ADD) dated 21.12.2016.This notification has been issued since the time limit of three months for issuing the notification is ending shortly. However, the operation of the said rescinding notification shall remain in abeyance, till the final decision of the Honourable High Court of Gujarat in Special Civil Application 14202 of 2017. Therefore, in effect, anti-dumping duty under notification No. 08/2013-Customs (ADD) dated 18.04.2013 [imposing anti-dumping duty on the imports of Soda Ash, originating in or exported from Russia and Turkey] will continue to be levied till the final decision of the Honourable High Court of Gujarat in the matter.

Circular No. 40/2017-Customs

Dated: 13th October, 2017

Pilot Implementation of Paperless Processing under SWIFT. Under the project "Saksham", CBEC has upgraded its IT infrastructure, which would be used for the introduction of paperless processing under Single Window Interface for Facilitation of Trade (SWIFT).

INCOME TAX

Notification No. 91/2017

Dated: 23rd October, 2017

This Notification state that the Central Government notifies the Indian Commodity Exchange (PAN: AABCI9479D) as the Recognized Association. Central Government has also mentioned some conditions to be followed by the Indian Commodity Exchange for continuing as Recognized Association.

Circular No. 25/2017
Dated: 23rd October, 2017

This Circular is related to guidelines for establishing 'Place of Effective Management' (PoEM) in India. The concept of 'Place of Effective Management' (PoEM) is important for deciding residency status of a company, other than an Indian company.

PRESS RELEASE

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

New Delhi, 18th October, 2017

PRESS RELEASE

Draft Notification of amendment of Rule 17A and Form 10A of the Income-tax Rules, 1962 –comments and suggestions thereof.

Vide Finance Act, 2017, a new clause (ab) was inserted in sub-section (1) of section 12A of the Income-tax Act, 1961 ('the Act') w.e.f 01.04.2018 to the effect that where a trust or an institution, which has been granted registration under sections 12A or 12AA of the Act has subsequently adopted or undertaken modification of the objects and such modification does not conform to the conditions of such registration, then such trust or institution shall be required to obtain registration again by making an application within a period of thirty days from the date of such adoption or modification of the objects.

As per the Memorandum related to Delegated Legislation laid on the floor of the Parliament along with the Finance Bill, 2017, the form and manner in which an application of registration u/s 12(1)(ab) shall be made to the Principal Commissioner or Commissioner for registration of the trust or institution subsequent to modification of its objects, is required to be prescribed.

The rules for making an application for registration of charitable or religious trusts under section 12A of the Act are laid down under Rule 17A of the Income-tax Rules, 1962 ('the Rules'). As per the Rules, the application, for registration of charitable or religious trusts under section 12A of the Act, is to be made in Form 10A.

Accordingly, subsequent to the aforesaid amendment to the Act, Rule 17A and Form 10A are proposed to be amended. In this regard, draft notification providing for the amendment of Rule 17A and Form 10A has been framed and uploaded on the website of the Income Tax Department www.incometaxindia.gov.in for comments from stakeholders and general public.

The comments and suggestions on the draft Rules may be sent by 27th October, 2017 electronically at the email address, dirtpl1@nic.in.

JUDGEMENTS

Direct Taxes

1. Levy of Dividend Distribution Tax on Dividends

UOI vs. Tata Tea Co. Ltd (Supreme Court)

Date of pronouncement-September 20, 2017

FACT OF THE CASE-

The taxpayer is a tea company which cultivates tea in gardens and processes it in its own factory/plants for marketing the same. The cultivation of tea is an agricultural process, although processing of tea in the factory is an industrial process. The agricultural income is within the legislative competence of the State and not in the legislative competence of the Parliament. Section 115-O of the Act imposes a tax on the dividend distributed by the company which is nothing but imposing the tax on the agricultural income of the tax payer.

The taxpayer and others filed a writ petition where the validity of Section 115-O of the Act was challenged in so far as it purports to levy the income tax on the profit which is decided to be distributed as dividend. Thereby imposing an additional income-tax even on the portion of the composite income which represents agricultural income and which is also to be made available for the distribution of dividend and, therefore, transgresses the limits of legislative power. The Parliament has no competence to levy income tax on agricultural income.

Entire law on the constitutional validity of Dividend Distribution Tax (DDT) under Article 246 of the Constitution read with Entry 82 of List I and Entry 46 of List II in the Seventh Schedule and whether tea companies are liable for the tax on only 40% of the dividend income explained.

DECISION OF THE CASE

This Court, however, while considering the nature of dividend in the above case held that although when the initial source which has produced the revenue is land used for agricultural purposes but to give to the words 'revenue derived from land', apart from its direct association or relation with the land, an unrestricted meaning shall be unwarranted. Again as noted above Nalin Behari Lal Singha (supra)

observation was made that shares of its profits declared as distributable among the shareholders is not impressed with the character of the profit from which it reaches the hands of the shareholder.

Therefore, such dividend was not agricultural income and DDT was not unconstitutional.

2. 80 IA Deduction

Plastiblends India Limited vs. ACIT

Date of pronouncement- October 9, 2017

FACT OF THE CASE-

80-IA contains substantive and procedural provisions for computation of special deduction. Any device adopted to reduce or inflate the profits of eligible business has to be rejected. The claim for 100% deduction, without taking into consideration depreciation, is anathema to the scheme u/s 80-IA of the Act which is linked to profits. If the contention of the assessee is accepted, it would allow them to inflate the profits linked incentives provided u/s 80-IA of the Act which cannot be permitted

DECISION OF THE CASE

It may be stated at the cost of the repetition that judgment in Mahendra Mills was rendered while construing the provisions of Section 32 of the Act, as it existed at the relevant time, whereas it is concerned with the provisions of Chapter VI-A of the Act. Marked distinction between the two Chapters, as already held by this Court in the judgments noted above, is that not only Section 80-IA is a code by itself, it contains the provision for special deduction which is linked to profits. In contrast, Chapter IV of the Act, which allows depreciation under Section 32 of the Act is linked to investment.

This Court has also made it clear that Section 80-IA of the Act not only contains substantive but procedural provisions for computation of special deduction. Thus, any device adopted to reduce or inflate the profits of eligible business has to be rejected. The assessee/appellants want 100% deduction, without taking into consideration depreciation which they want to utilise in the subsequent years. This would be anathema to the scheme under Section 80-IA of the Act which is linked to profits and if the contention of the assessee is accepted, it would allow them to inflate

the profits linked incentives provided under Section 80-IA of the Act which cannot be permitted.

3. “Deemed dividend” not assessable if recipient not shareholder

CIT vs. Madhur Housing And Development Co

Date of pronouncement- October 5, 2017

FACT OF THE CASE-

In **CIT vs. Ankitech Pvt Ltd** (2012) 340 ITR 14, the Delhi High Court was concerned with a case where the assessee, a company, received advances of ₹6.32 crores by way of book entry from Jacksons Generators Pvt. Ltd, a closely held company. The shareholders having substantial interest in the assessee company were also having 10% of the voting power in Jacksons Generators. **The AO & CIT(A)** held that as the shareholders who held substantial interest in Jacksons Generators also had substantial interest in the assessee company, for purposes of s. 2(22)(e), the amount received by the assessee from Jacksons constituted “advances and loans” and was assessable as deemed dividend. On appeal, the Tribunal, relying on **Bhaumik Colour** 313 ITR 146 (Mum) (SB), deleted the addition on the ground that though the amount received by the assessee by way of book entry was “deemed dividend” u/s 2(22)(e), it was not assessable in the hands of assessee company as it was not a shareholder of Jacksons Generators.

DECISION OF THE CASE

On appeal by the department to the High Court, the High Court dismissed the appeal on the basis that: U/s 2(22) (e), any payment by a closely-held company by way of advance or loan to a concern in which a substantial shareholder is a member holding a substantial interest is deemed to be “dividend” on the presumption that the loans or advances would ultimately be made available to the shareholders of the company giving the loan or advance.

The legal fiction in s. 2(22)(e) enlarges the definition of dividend but does not extend to, or broaden the concept of, a “shareholder”. As the assessee was not a shareholder of the paying company, the “dividend” was not assessable in its hands.

On appeal by the department to the Supreme Court, HELD dismissing the appeal:

“Having perused the judgment and having heard arguments, we are of the view that the judgment is

a detailed judgment going into Section 2(22)(e) of the Income Tax Act which arises at the correct construction of the said Section. We do not wish to add anything to the judgment except to say that we agree therewith.”

4. Permanent Establishment (PE) under Article 5 of DTAA (Double Taxation Avoidance Agreement)

ADIT vs. E-Funds IT Solution Inc

Date of pronouncement- October 24, 2017

FACT OF THE CASE-

Entire law on concept of “fixed place of business”, “service PE” and “agency PE” explained. The fact that there is close association and dependence between the US company and the Indian companies is irrelevant. The functions performed, assets used and risk assumed, is not a proper and appropriate test to determine whether there is a location PE.

DECISION OF THE CASE

The assessing authority decided that the assessee had a permanent establishment (hereinafter referred to as PE) as they had a fixed place where they carried on their own business in Delhi, and that, consequently, Article 5 of the India U.S. Double Taxation Avoidance Agreement of 1990 (hereinafter referred to as DTAA) was attracted. Consequently, the assessee was liable to pay tax in respect of what they earned from the aforesaid fixed place PE in India.

The CIT (Appeals) dismissed the appeals of the assessee holding that Article 5 was attracted, not only because there was a fixed place where the assessee carried on their business, but also because they were “service PEs” and “agency PEs” under Article 5. In an appeal to the ITAT, the ITAT held that the CIT (Appeals) was right in holding that a “fixed place PE” and “service PE” had been made out under Article 5, but said nothing about the “agency PE” as that was not argued by the Revenue before the ITAT. However, the ITAT, on a calculation formula different from that of the CIT (Appeals), arrived at a nil figure of income for all the relevant assessment years.

The appeal of the assessee to the High Court proved successful and the High Court in **e-Funds IT Solutions/ e-Funds Corp vs. DIT (Delhi High Court)**, by an elaborate judgment, set aside the findings of all the authorities referred to above, and further dismissed the cross-appeals of the Revenue. On

appeal by the Revenue to the Supreme Court HELD dismissing the appeal.

Indirect Taxes

1. Access to registration certificate of partnership firm (Allahabad High Court)

M/s Modern Pipe Industries Versus State Of U.P. & 5 Others

FACT OF THE CASE

Case of appellant is that even though the G.S.T. ID/ password for a partnership firm has been provided to the petitioner, but on logging with the said ID/password, he is not able to access the registration certificate of his partnership firm which is migrated to G.S.T.

DECISION OF THE CASE

Held that - respondent may seek instructions if any arrangement has been made to resolve such kind of problems. In view of the above, let necessary GST ID/ pass word in the name of partnership firm be issued within a period of two weeks and the registration certificate be corrected within a week thereafter.

In the meantime, no penal action would be initiated against the petitioner on non filing of the GST return and deposit of tax thereon provided the returns and the tax is deposited within two weeks of the issuance of the correct registration certificate.

2. Determination of rate of IGST on import of goods (Madras High Court)

M/s. Jaap Auto Distributors Versus The Assistant Commissioner of Customs

FACT OF THE CASE

Case of petitioner is that the respondent is neither a proper officer nor an adjudicating authority as defined and contemplated under the CGST Act or the IGST Act.

DECISION OF THE CASE

Held that - a Writ Court cannot make a fact finding exercise to ascertain, which would be an appropriate entry under which the goods are to be classified. Infact, under the normal course in respect

of classification disputes, the High Court cannot entertain an appeal against an order passed by the CESTAT as appeal lies to the Hon'ble Supreme Court in respect of classification issues or matters concerning rate of tax.

3. Vires of the Goods and Service Tax (Compensation to States) Act, 2017 (Gujarat high court)

FC Agrawal Coal Pvt. Ltd. Versus Union of India

FACT OF THE CASE

The petitioner is an importer of coal. The petitioner has challenged vires of the Goods and Service Tax (Compensation to States) Act, 2017 and relevant notifications issued under the said Act, inter alia, on the ground that the same is ultravires [Article 279A](#) of the Constitution of India. Main grievance of the petitioner is that on the coal imported by it prior to the introduction of goods and service tax regime, the petitioner had already paid clean energy cess at the prescribed rate and on the stock which the petitioner had not cleared, no credit would be allowed on such cess and the petitioner would be asked to pay fresh cess under the Goods and Service Tax.

DECISION OF THE CASE

Held that: In view of the fact that the validity of a Union legislation is questioned, let there be NOTICE to the learned Attorney General also.

4. Detention of Goods (Kerala High Court)

M/s Ascics Trading Company Versus The Assistant State Tax Officer, The State Of Kerala

FACT OF THE CASE

Non compliance with the requirement of carrying the prescribed documents under the IGST Act

DECISION OF THE CASE

Held that - although the power to prescribe the documents that are to accompany the transportation of goods in the course of interstate trade is conferred on the Central Government, the Central Government has, till date, not notified the documents that have to be carried by a transporter of the goods in the course of interstate movement. Under the said circumstances, and finding that neither the State Legislature nor the State Government would have the power to make

laws/rules to govern interstate movements of goods in the course of trade, and for the purposes of levy of tax, Thus, detention for the sole reason that the transportation was not accompanied by the prescribed documents under the IGST Act/CGST Act/CGST Rules cannot be legally sustained.

Petitioner in terms of the AAs issued to it. Interim relief is granted subject to the Petitioner furnishing to the Respondent authorities a letter of undertaking that the clearance of the imported goods in terms of the AA will be subject to the final result of the present petition.

5. Works contract - levy of VAT or GST (Madras High Court)

Coimbatore Corporation Contractors Welfare Association Versus State of Tamil Nadu, The Commissioner of Municipal Administration, The Commissioner, Coimbatore Corporation, The Chief Accounts Officer, Coimbatore Corporation, The Chief Engineer, Coimbatore Corporation, The Commissioner, GST Policy Section, The Commissioner of Commercial Taxes

FACT OF THE CASE

The petitioner, an association registered under the provisions of the Tamil Nadu Societies Act challenged the levy of 12 per cent GST on works contract. Case of petitioner is that the contract works for which the agreements were executed prior to 01.07.2017, GST cannot be imposed and VAT alone is applicable.

DECISION OF THE CASE

Held that - there will be a direction to the Commissioner of Commercial Taxes to consider the representation given by the petitioner/ association and pass orders on merits and in accordance with law, within a period of four weeks from the date of receipt.

6. Relief Package of Exporters(Delhi High Court)

Jindal Dyechem Industries (P) Ltd. Versus Union of India & Others

FACT OF THE CASE

Relief package for exporters in terms of Advance Authorization Scheme in respect of the imports of gold bars.

DECISION OF THE CASE

Held that - in view of the press release dated 6th October 2017, which prima facie makes no distinction as regards the Advance Authorizations (AA) issued prior to or after 1st July 2017, the Petitioner will not hereafter be required to pay IGST in respect of the imports of gold bars made by it

TAX COMPLIANCE CALENDAR AT A GLANCE

(3rd QTR)

TAX CALENDER – NOVEMBER

07.11. 2017:

- Due date for deposit of Tax deducted/collected for the month of October, 2017. 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.

14.11. 2017:

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

15.11. 2017:

- Due date for furnishing of Form 24G by an office of the Government where TDS for the month of October, 2017 has been paid without the production of a challan.
- Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending September 30, 2017

30.11. 2017:

- Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA in the month of October, 2017.
- Annual return of income for the assessment year 2017-18 in the case of an assessee if he/it is required to submit a report under section 92E pertaining to international or specified domestic transaction(s)
- Audit report under section 44AB for the assessment year 2017-18 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E
- Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction
- Statement of income distribution by Venture Capital Company or venture capital fund in respect of income distributed during 2016-17.
- Statement to be furnished in Form No. 64D by Alternative Investment Fund (AIF) to Principal CIT or CIT in respect of income distributed (during previous year 2016-17) to units holders.
- Due date to exercise option of safe harbour rules for international transaction by furnishing Form 3CEFA
- Due date to exercise option of safe harbour rules for specified domestic transaction by furnishing Form 3CEFB
- Due date for filing of statement of income distributed by business trust to unit holders during the financial year 2016-17. This statement is required to be filed electronically to Principal CIT or CIT in form No. 64A
- Due date for e-filing of report (in Form No. 3CEJ) by an eligible investment fund in respect of arm's length price of the remuneration paid to the fund manager.

- Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on November 30, 2017).
- Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or 11(2) (if the assessee is required to submit return of income on November 30, 2017)
- Submit copy of audit of accounts to the Secretary, Department of Scientific and Industrial Research in case company is eligible for weighted deduction under section 35(2AB) [if company has any international/specified domestic transaction]

TAX CALENDER – DECEMBER

07. 12. 2017:

- Due date for deposit of Tax deducted/collected for the month of November, 2017. 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.

15. 12. 2017:

- Due date for furnishing of Form 24G by an office of the Government where TDS for the month of November, 2017 has been paid without the production of a challan.
- Third instalment of advance tax for the assessment year 2018-19
- Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of October, 2017

30. 12. 2017:

- Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA in the month of November, 2017.

GST CALENDER

Date	Return Type
15 th November, 2017	ISD (GSTR-6) for the period July, August and September, 2017
	Composition Dealer (GSTR-4) for July to Sep 2017
20 th November 2017	Online Information & Data base access (GSTR-5A) for the period July, August and September, 2017
	GSTR 3B for the month of October
30 th November 2017	TRAN – 1 (With revision facility)
	ITC – 01 for the period July, August and September, 2017
	ITC – 04 for the period July, August and September, 2017
	GSTR – 2 for the month of July, 2017

WEBINAR CALENDAR UPTO 15TH NOVEMBER 2017

Sl. no	Date	Time	Topic of the Webinar	Name of the Faculty
1.	09.11.17 (Thursday)	4:00 - 5:00 PM	GST - Impact on Banking Sector	CMA. Ashish Bhavsar
2.	14.11.2017 (Tuesday)	4:00 - 5:00 PM	Opportunities for Cost Accountants under GST	CMA. Vivek Laddha

Please note: One CEP hour awarded for attending each webinar

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CMA B Mallikarjun Gupta

CMA Bhogavalli Mallikarjuna Gupta is an Associate member of Institute of Cost Accountants of India and also has a Master's degree in Financial Management; he is also a Post Graduate Diploma holder in Computer Sciences. He is member of The Institute of Independent Directors and experienced in areas of Finance, Accounting, Costing and Project Accounting in the manufacturing industry and IT industry for nearly two decades. He has designed and implemented Enterprise Resource Planning applications and Business Intelligence Tools. He is also functional architect of GST Solution for two leading ERP's & Accounting Software in India.

He is subject matter expert on Goods and Services Tax, speaker at various professional and trade bodies; he is author of the books "Roll up Your Sleeves for GST, The Impending Tax Reform India", "GST" & "Good and Simple Tax – GST for You". His articles on GST are published in various souvenirs and online portals. He is a corporate trainer and adviser on GST for various private and public-sector organizations. As a lead architect, he designed a unique solution for one of the ERP's for taxation, where users can configure the complex Indian tax requirements and the proposed Goods and Service Tax.

He is a socially responsible citizen and is been actively involved in many activities and projects on Environment and Road Safety – Traffic. He is a member of National Advisory and Governing Body of MSME World and Indirect Tax Committee Chairman at CMA Club.



CMA Vishwanath Bhat

CMA Vishwanath Bhat is a Commerce Graduate and Fellow Member of Institute of Cost Accountants of India. He is a practicing Cost Accountant since more than 15 years. He has specialized in Costing in the field of Electrical, Minerals, Automobile, Garments, Solar and etc. He held various positions in Bangalore Chapter, like Secretary, Vice Chairman and Chairman of Bangalore Chapter. Presently he is President of Karnataka State Cost Accountant Association.

He has rich experience in the areas like Costing, Budgeting, MIS, VAT, Central Excise, Income Tax, Service Tax, Internal Audit & GST. He is a Cost Auditor to Bharat Heavy Electricals Limited, one of the largest PSUs in India. Apart from this, he is a consultant and auditor to the private sectors/MNCs. He has delivered lectures on VAT and Cost Accounting Record Rules in our Sister Institute i.e. Bangalore Chapter of Company Secretaries of India and Management Institutions and at Bangalore Chapter. He has played a key role in including Cost Accountants to take up Audit in Co-operative Societies in the State of Karnataka.

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. Advanced Online/offline Course on GST for Members/Students.
7. The Institute has been conducting a skill Development- Short term course called "Certificate in Accounting Technicians (CAT)" across the country. GST has been included in the CAT Course curriculum. Apart from the CAT Students, the Institute is having students undergoing the CMA Course from across the country. The students of the Institute are being trained in GST and their services can further be used to help the traders across the country. The students of the Institute, who are undergoing training under GST can be used for helping the Traders in filing the GST Returns and Accounting purposes. Around 1.5 lakhs students of the Institute could be used for the above purposes across the country.

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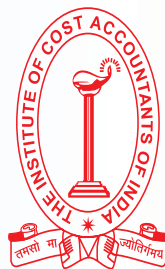
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Contact Details:

Tax Research Department
12, Sudder Street, KolKata - 700016

Phone: +91 33 40364777/22521031/1034/1035/1492
+91 33 22521602/1619/7373/7143/2204
+91 33 22520141/0191 [Extn: 311, 201 and 214]

E-mail: trd@icmai.in



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

www.icmai.in

Headquarters: CMA Bhawan, 12 Sudder Street, Kolkata - 700016

Ph: 091-33-2252 1031/34/35/1602/1492

Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

Ph: 091-11-24666100

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