

MAY, 2019

# TAX Bulletin



VOLUME - 39



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

(Statutory Body under an Act of Parliament)

[www.icmai.in](http://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

### MISSION STATEMENT

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

### VISION STATEMENT

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

### Objectives of Taxation Committee:

1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and 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 representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders.

MAY, 2019

# TAX Bulletin



VOLUME - 39



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

Statutory Body under an Act of Parliament

[www.icmai.in](http://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



## FROM TAX RESEARCH DEPARTMENT

The Department in its endeavour to serve its stakeholders better has commenced two courses Certificate Course on TDS (which commenced on 16<sup>th</sup> April, 2019) and Certificate Course on Returns Filing and Filing (which commenced on 26<sup>th</sup> April, 2019). The courses have been gladly and cordially accepted by the masses. The Classes for the two courses are also on-going in full swing.

Speaking about courses, the department has also successfully conducted the examination of 3<sup>rd</sup> Batch GST Course on the 21<sup>st</sup> of April, 2019. The candidates of 3<sup>rd</sup> Batch and the unsuccessful or unattempted candidates of the previous batches were eligible to appear for the examination. Around 70% of the candidates who appeared cleared the examination successfully. We congratulate all of them on their success.

The classes for the Advanced course on GST is also undergoing. The GST practitioners and experts are benefitted from the take-aways of the course. It would also make you happy to note that the department has planned and prepared for a Crash Course on GST for Students of College & Universities

and it will be launched very shortly in a reputed college in Bangalore.

In the regular activities, the 37<sup>th</sup> & 38<sup>th</sup> Tax Bulletins have also been published.

In accomplishing all the above activities we have been supported by our resource pool. We are grateful for the support and guidance of our resource contributors and mentors. The department is indebted to all of them. We solicit support in serving our members, learner and students better and further.

Thank You.

Regards  
Tax Research Department  
2<sup>nd</sup> May 2019

## **TEAM - TAX RESEARCH DEPARTMENT**

CMA Rajat Kumar Basu	-	Additional Director - Tax Research
CA Neelesh Jain	-	Deputy Director - Tax Research
CMA Priyanka Roy	-	Assistant Director - Tax Research
Ms. Mukulika Poddar	-	Officer - Tax Research
CMA Debasmita Jana	-	Associate - Tax Research

### **SPECIAL ACKNOWLEDGEMENT**

Mr. Dipayan Roy Chaudhuri	-	Graphics & Web Designer
---------------------------	---	-------------------------

# CONTENTS

<b>ARTICLES</b>		
<b>INDIRECT TAX</b>		
<b>01</b>	<b>GST: REFUND OF UNUTILIZED INPUT TAX CREDIT ACCUMULATED DUE TO INVERTED DUTY STRUCTURE</b>	
	CMA Pritam Kumar Prasad	Page - 1
<b>02</b>	<b>ACCOUNTS, RECORDS AND AUDIT UNDER GST</b>	
	CMA Md Rehan	Page - 4
<b>ENHANCEMENTS IN E-WAY BILL SYSTEM IN GST</b>		
	TEAM TRD	Page - 10
<b>TAX UPDATES, NOTIFICATIONS AND CIRCULARS</b>		
	Indirect Tax	Page - 11
<b>PRESS RELEASE</b>		
	Direct Tax	Page - 19
<b>JUDGEMENTS</b>		
	Indirect Tax	Page - 21
	Direct Tax	Page - 23
<b>TAX COMPLIANCE CALENDAR AT A GLANCE</b>		
	Indirect Tax	Page - 26
	Direct Tax	Page - 26

Articles on the Topics of Direct and Indirect Taxation are invited from readers and authors. Along with the article please share a recent passport-sized photograph, a brief profile and the contact details. The articles should be the author's own original.

Please send the articles to

***trd@icmai.in /trd.ad1@icmai.in***

# GST: REFUND OF UNUTILIZED INPUT TAX CREDIT ACCUMULATED DUE TO INVERTED DUTY STRUCTURE

**CMA Pritam Kumar Prasad**

General Manager (Fin.), Bharat Coking Coal Ltd.

**S**ec 54 of the CGST Act 2017 provides for claiming refund of tax and interest, if any paid on such tax or any other amount. The refund may be claimed of any unutilized input tax credit also accumulated due to the rate of tax on inputs being higher than the rate of tax on outward supplies.

For example, in case of coal sectors, the unutilized input tax credit is growing day by day due to the fact that –

- a) the rate of GST on its main output coal is 5 %.
- b) The rates of GST on its inward supplies are more than 5 %. For example, the rate of GST on explosive and mining activities is 18 %. The rate of GST on coal transportation is 12 % if the supplier opts to claim ITC. The rate of GST on major stores and spares is 18 %. The rate of GST on capital goods like HEMMs varies from 18 % to 28 %.

The accumulation of such unutilized input tax credit is due to procurement of Capital goods, inputs and input services. However, in view of the provisions contained in Rule 89 of CGST Rule 2017, there is a general opinion that, as per rule, the refund of input tax credit accumulated on account of procurement of Capital goods and input services can't be claimed and that the refund can be claimed of input tax credit accumulated on account of procurement of inputs only.

Let us examine what are the provisions exactly made in this regard in Rule.

**The provisions contained in CGST Rule 2017 in this regard:** - The provisions of CGST rule 2017 in this regards are as under:-

Sub-rule (5) of rule 89 of the principal CGST rule reads as under:-

“In case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formulae:-

Maximum refund amount = {(Turnover of inverted rated supply of goods) X Net ITC} / Adjusted total turnover} – tax payable on such inverted rated supply of goods.

For the purpose of this rule, the expression “Net ITC” and “Adjusted total turnover” shall have the same meaning as assigned to them under sub-rule (4).”

Clause (B) of Rule 89(4) defines Net ITC as under:-

“**Net ITC**” means input tax credit availed on **input** and **input services** during the relevant period”.

Clause (E) of Rule (4) defines Adjusted total turnover as under:-

“**Adjusted total turnover**” means the turnover in a state or union territory, as defined under sub-section (112) of Section 2, excluding the value of exempt supplies other than Zero rated supplies, during the relevant period.

Sub-section (112) of Section 2 defines “turnover in State” or “turnover in Union territory” as under:-

“turnover in State” or “turnover in Union territory” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and exempt supplies made within a State or Union territory by a taxable person, exports of goods or services or both and inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person but excludes central tax, State tax, Union territory tax, integrated tax and cess.”

On analyzing the definition of “Net ITC” it is observed that it includes ITC availed on input and input services only. The ITC accumulated on account of procurement of Capital goods has not been included in this definition.



Sub-rule (5) of rule 89 was later amended vide notification no. 21/2018 - Central Tax dated 18.04.2018. The amended Sub-rule (5) of rule 89 reads as under: -

“In the case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formula:-

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

*Explanation:-* For the purposes of this sub-rule, the expressions –

- a) “**Net ITC**” shall mean input tax credit availed on **inputs** during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both; and
- b) “Adjusted Total turnover” shall have the same meaning as assigned to it in sub-rule (4).”

So, the definition of Net ITC as per amended Sub-rule (5) of rule 89 allows for refund of ITC accumulated on account of **inputs** only. The earlier provision, prevailing prior to this amendment allowing refund of ITC accumulated on account of input services, was deleted.

Further, for clause (E) sub-rule (4) of Rule 89, the following clause was substituted vide notification no. 39/2018 - Central tax dated 04.09.2018:-

“**Adjusted Total Turnover**” means the sum total of the value of-

- a) the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the turnover of services; and
- b) the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services,

excluding-

- i. the value of exempt supplies other than zero-rated supplies; and
- ii. the turnover of supplies in respect of which refund is claimed under sub-rule

(4A) or sub-rule (4B) or both, if any, during the relevant period.”

So, from analysis of the above provisions contained in Sub-rule (5) of Rule 89 of the CGST Act 2017, it is observed that this rule, at present, allows for refund of ITC accumulated due to inverted duty structure on account of procurement of input only.

In this context, it would be pertinent to mention here that the major source of accumulation of ITC due to inverted duty structure in coal sectors is on account of input services comprising of outsourced mining activities. So, as per the above provisions, refund of ITC accumulated on account of procurement of capital goods and inputs services cannot be claimed.

Now, let us examine the provisions contained in this regard under Sec 54 of the CGST Act 2017.

#### **The provisions as contained in Sec 54 of CGST Act 2017**

Sub-section (3) of Sec 54 of the CGST Act 2017 (herein after referred to as Act/) reads as under:-

“Subject to the provisions of sub-section (10), a registered person may claim refund of any unutilized **input tax credit** at the end of any tax period.

Provided that no refund of unutilized input tax credit shall be allowed in cases other than -

- a) Zero rated supplies made without payment of tax;
- b) Where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated of fully exempt supplies) except supplies of goods and services or both as may be notified by the Government on the recommendation of the Council.

Provided further that no refund of unutilized input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty:

Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or

claims refund of the integrated tax paid on such supplies.”

In view of above provisions, a registered person may claim refund of unutilized **input tax credit** in case of zero rated supplies made without payment of tax and that in cases Where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies subject to compliance of conditions stated in proviso.

Sub-section (62) of Sec 2 of the Act defines “input tax” as under:-

“**input tax**” in relation to a registered person, means the central tax, State tax, integrated tax or Union territory tax charged on any supply of goods or services or both made to him and includes—

- (a) the integrated goods and services tax charged on import of goods;
- (b) the tax payable under the provisions of sub-sections (3) and (4) of section 9;
- (c) the tax payable under the provisions of sub-sections (3) and (4) of section 5 of the Integrated Goods and Services Tax Act;
- (d) the tax payable under the provisions of sub-sections (3) and (4) of section 9 of the respective State Goods and Services Tax Act; or
- (e) the tax payable under the provisions of sub-sections (3) and (4) of section 7 of the Union Territory Goods and Services Tax Act,”

Further sub-sec (63) of Sec 2 defines the term “input tax credit” as under:-

“**input tax credit**” means the credit of **input tax**,”

Sub-section (52) of Sec (2) defines goods as under:-

“**goods**” means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;

On plain reading of the aforesaid definition of the goods, it implies that the goods include both capital as well as inputs [goods other than Capital goods as defined u/s 2(59) of the Act].”

As stated under clause (1) of Explanation to Sec 54, “refund” includes “refund” includes refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies, or refund of tax on the

supply of goods regarded as deemed exports, or **refund of unutilized input tax credit as provided under sub-section (3).**

So on combined reading of the above provisions of the Act, it is clear that the refund of unutilized input tax credit can be claimed for IGST, CGST, SGST, UTGST etc charged by the supplier on Capital goods, inputs and input services lying unutilized at the end of any tax period due to the reasons stated in Sec 54(3).

The above provisions of the Act are summarized as under –

- a) A registered person may claim refund of input tax credit accumulated due to inverted duty structure as per provisions of Sec 54(3).
- b) Refund includes refund of **unutilized input tax credit** on account of inverted duty structure as per the definition of “refund” stated in clause (1) of explanation to Sec 54.
- c) “**Input tax credit**” means the credit of **input tax** {refer Sec 2(63) of the Act}.
- d) “**input tax**” means the CGST, SGST, IGST, UTGST etc charged by the supplier to a registered person for supply of goods or services or both. {refer Sec 2(62) of the Act}.
- e) “**Goods**” includes both Capital Goods as well as inputs (other than capital goods) {refer Sec 2(59) of the Act}.

So, from combined reading of above provisions of the Act, it can be concluded that –

- a) The provisions of the Act allows refund of Input tax credit accumulated due to inverted duty structure i.e. tax paid on Capital goods, inputs and input services being higher than tax rate on output.
- b) The rule made for refund of input tax credit due to inverted duty structure restricting only to “inputs” only is not in consonance with the provisions of the Act.

The purpose of Rule is generally to provide machinery (procedure) for smooth implementation of the provisions contained in the Act and not to superimpose condition which is not there in the Act itself. It is a high time that the Government should examine the aforesaid issues in proper perspective, so that the refund provisions made in the rules becomes in line with the provisions of the Act & workable in order to avoid litigations.

# ACCOUNTS, RECORDS AND AUDIT UNDER GST

**CMA Md Rehan**

Practicing Cost Accountant

**G**ST law has been a major indirect tax reform implemented in India. With the intention of a strong and transparent tax governance system, GST Audit has been implemented under the law which is applicable to tax payers operating over a prescribed limit.

Since GST Audit has been implemented for the first time, it is very important for a taxpayer as well as an Auditor to shift their focus to the nuances and technicalities of Audits under GST.

## Regulation under GST law for Records and Audit

According to Section 35 of CGST Act, every registered person shall keep and maintain all records at his principal place of business. Principal place of business is the place which is mentioned in the certificate of registration. Where more than one place of business specified in certificate of registration, accounts and records of each place of business shall be maintained at such additional place of business.

Section 35 also says, every registered person whose turnover during a financial year exceeds the prescribed limit (which is 2 Crores at present) shall get his accounts audited by a Practicing cost accountant (CMA) or a Practicing chartered accountant (CA) and shall submit a copy of the audited annual accounts, the reconciliation statement duly certified, in FORM GSTR-9C.

## The accounts and records are specified in rule 56 of GST Act

Rule 56 says: Accounts and Records shall be maintained separately for each activity namely

- ❖ manufacturing
- ❖ trading and
- ❖ provision of services

## List of records suggested under GST law

### Inward Supply Records:

This is also records for input tax credit. Inward supply records include:

- **Raw material purchase register:--** Raw material register should be recorded item wise. Records for imported and domestic items should be recorded separately. Suggested to contain the following:
  - ❖ Item's name
  - ❖ HSN code
  - ❖ GSTIN and name of supplier
  - ❖ applicable GST rate,
  - ❖ taxable value and tax amount
  - ❖ status whether purchases are from registered or unregistered dealers
- **Traded goods purchase register:--** Traded goods register should be recorded item wise. Records for imported and domestic items should be recorded separately. Suggested to contain the following:
  - ❖ Item's name
  - ❖ HSN code
  - ❖ GSTIN and name of supplier
  - ❖ applicable GST rate,
  - ❖ taxable value and tax amount
  - ❖ status whether purchases are from registered or unregistered dealers
- **Register for services received:--** Register for services received should be maintained separately for each service. Records for imported and domestic services should be recorded separately. Suggested to contain the following:
  - ❖ Nature of service received
  - ❖ GSTIN and name of supplier
  - ❖ applicable GST rate,
  - ❖ taxable value and tax amount
  - ❖ status whether services received from registered or unregistered dealers
  - ❖ status whether reverse charge is applicable
  - ❖ status whether ITC is claimed in 3B or not
- **Register for purchase of consumables:--** Consumable goods register should be recorded item wise. Records for imported and domestic items of consumable goods should be

recorded separately. Suggested to contain the following:

- ❖ Item's name
- ❖ HSN code
- ❖ GSTIN and name of supplier
- ❖ applicable GST rate,
- ❖ taxable value and tax amount
- ❖ status whether purchases are from registered or unregistered dealers
- ❖ status whether ITC is claimed in 3B or not

- **Register for Credit Notes and Debit Notes issued by vendors**
- **Register for Purchase of Capital Goods**

### **Procedure of Audit of Inward Supplies**

To conduct GST Audit of Inward Supply, an auditor has to

Verify register of inward supplies item/service-wise to ensure eligibility or in-eligibility of ITC. Verify whether any inward supply is under reverse charge. If so, verify whether tax liability of reverse charge has been paid through cash ledger as liability of GST under reverse charge can only be paid through cash ledger.

Verify such register with purchase invoices of suppliers. Determine whether purchase invoices of all such suppliers have been prepared in accordance with GST Law mentioning GSTN number of business.

Verify whether pro-rata credit is taken in case of short receipt or partial quantity rejection as ITC is not available on material rejected, destroyed or short received.

Register of inward supplies should contain supplier's name, supplier's GSTIN, Invoice No. & date, items Name, items HSN code, GST rate, taxable amount and tax Amount.

Verify lists or credit notes received from vendors to reverse ITC claimed.

Verify reversal of Input Tax Credit if supplier has not been paid within 180 days from issue of invoice date as per rule 37. Aging report of vendors may be verified to check compliance. Verify reversal of ITC as per Rule 39 - reduction in ISD credit on receipt of credit note from ISD distributor.

Check reversal of ITC as per Rule 42 - reversal of ITC on input goods or services purchased due to making exempted supplies or not using for business purposes. Check Receipt of these goods or services & ITC Status.

Verify reversal of ITC as per Rule 43 - reversal of ITC on capital goods due to making exempted supplies or not using for business purposes. Verify receipt of these capital goods ITC Status.

Tax payers have to keep records of input used in supply for such goods or services as input tax credit is not available on supply of exempted goods or services\*\*\*. Where input Tax credit is not identifiable to individual exempted goods or service then total value will be pro-rated for disallowance of Input Tax Credit e.g. input tax credit of capital goods producing both exempted and taxable goods may not be identifiable to individual production of exempted goods or taxable goods etc.

Already mechanism to reverse input tax credit is available under ITC rule.

Verify whether ITC under goods or services mentioned under section 17 (5) (blocked credit) has not been availed. E.g. Cab services, food and beverages, life insurance etc. These can be verified through nature of purchase/expenses in purchase register.

**Check Reversal of ITC on excess credit taken due to an error by registered persons on carry forward of CENVAT balances from old regime in TRAN I:** check credit taken in TRANS 1 w.r.t last returns filed under old regime. Return compliance in last six months prior to 01.07.2017.

**Check reversal of ITC on excess credit taken due to an error by a person who was not registered under old regime on stock held on 01.07.2017 in TRANS II:** Also verify whether tax credit taken on stock is not older than one year as on 01.07.2017.

*Explanation: Expenses should preferably be booked under identifiable heads which enables easy distinction as to applicability of ITC e.g. purchase of insurance should be clearly identifiable in purchase register as life insurance, medical insurance, factory insurance, fire insurance, transit insurance etc. so that easily eligibility of ITC can be verified.*

### **Outward Supply Records:**

**Outward supply records are also records of tax liability.** Outward supply records include:

- Register of Tax Invoices :-- Tax invoices should be serially issued and recorded for domestic supply and export supply containing the following information:
  - ❖ HSN/SAC Code with item/service name of goods or services supplied
  - ❖ Invoice No. and date
  - ❖ GSTIN and name of recipient
  - ❖ Place of supply
  - ❖ Type of supply
  - ❖ applicable GST rate,
  - ❖ taxable value and tax amount
  - ❖ status whether reverse charge is applicable
  - ❖ status whether tax liability is paid though 3B or not
- Register of Bills of Supply; in case of supply of exempted goods or services :-- Bills of supplies should be serially issued and recorded for domestic supply and export supply containing the following information:
  - ❖ HSN/SAC Code with item/service name of goods or services supplied
  - ❖ Invoice No. and date
  - ❖ GSTIN and name of recipient
  - ❖ Place of supply
  - ❖ Type of supply
  - ❖ Exemption status,
  - ❖ Total value
- Register of Credit Notes and Debit Notes issued serially maintained with reference to original documents against which it was issued
- Register of receipt and refund voucher serially issued and recorded
- Register of goods sent free of cost (FOC) as sample or gift
- Register of goods sent on approval basis on delivery challan
- Register of related party/distinct person supplies

### **Procedure of Audit of Outward Supply**

To conduct GST Audit of outward Supply, an Auditor has to verify whether supply of goods or services are correctly classified as per approved HSN or SAC Code classification list. Verify applicable tax rate according to HSN or SAC Code.

For this, outward supplies need to be sorted on HSN or SAC code and verify whether GST Rate has been applied uniformly as prescribed.

Verify invoicing procedure of the registered person. Verify whether correct type of GST is charged with respect to place of supply. Review supplies of exempted goods or services, export of goods or services, or supplies applicable to reverse charge. Verify related party/distinct person transaction and its valuation procedure.

Check valuation of outward supplies as per rule 27 to 35 of GST rule as applicable.

Verify delivery challan details issued for supply of Semi Knocked Down (SKD) goods, free of cost (FOC) goods, free samples, gifts or branch transfer within state for the same GSTIN.

Verify non-returnable gate passes - removal of goods for testing, scrap or otherwise (as sample). Verify whether liability of GST is paid on such goods. If liability of GST is not paid, then ITC reversal to be checked on such goods.

Cross verify outward supplies with supplies furnished in GSTR 1 and GSTR 3B to establish any tax liability.

### **Goods Sent on Job work Records:**

- Delivery Challan Details for sending and receiving the goods
- Register of rejection /scrap at job workers end
- Register of capital goods sent for Job Work
- Register of Delivery Challan for sending and receiving the Capital goods
- Register of Dies, Moulds, Jigs & Fixtures Provided to Job worker
- Register of rejection /scrap at job workers end

### **Procedure of Audit of Goods Sent on Job work**

To verify details of goods sent on Job Work, an Auditor has to check delivery challan for goods sent on job work.

Verify ITC-04 has been filed regularly every quarter with respect to due dates of every filing or extension thereof

Ensure that pending challans for goods with job worker has not exceeded 360 days for manufacturing goods and 3 years in case of capital goods.

Verify whether stipulated time for return of goods sent on job work has not expired. If stipulated time i.e. 1 year in case of inputs sent to job worker and 3 years in case of capital goods has expired then, list out all such pending challans' Qty., HSN code, taxable value for computation of liability of GST and interest payable on the same. Interest to be calculated from the date on which goods were initially sent to job worker i.e. the date of delivery challan.

### **Procedure of Audit of Goods Sent on Approval Basis**

For sales subject to customer's approval. goods must be accepted or returned back within one year.

Verify whether sales subject to customer approval has been supplied on delivery challan. For Audit of such supply, verify such challans and ensure that they are not pending for more than one year. If goods were sent in previous regime then time period shall not be more than 180 days

List out such challans for determining tax liability & interest. Currently interest rate is 18% per annum i.e. 1.5 % per month (the interest has to be calculated from the next day on which tax was due in the month when the goods were dispatched through delivery challan)

### **Stock Register Records:**

**This is again very important register from both records and audit perspective**

#### **Stock Register Records, If Tax Payer is a Manufacture:**

Every registered person manufacturing goods shall maintain periodical records stock register of raw material consumption, consumable consumed, **and production showing quantitative details with HSN code, applicable GST Rate and value** used in manufacture.

#### **Stock register format of Raw Materials**

##### **Opening balance of raw materials and other Inputs**

*Add: Receipt of Raw Material and other Inputs*

*Less: Raw Material and other Inputs Consumed in Manufacture or production*

*Less: Raw Material and other inputs Lost/Stolen/Destroyed/Written off or Disposed*

*Less: Scrap/By-product and wastage thereof*

##### **Closing balance of raw materials and other Inputs goods**

#### **Recommended to format for Raw Material Consumption register**

Date of Issue for Production	RM Code	Raw Material Name	HSN Code of Raw Material	GST Rate on RM	Qty. Consumed in Production of Finished Goods	UOM	RM Rate Per Unit	Value of RM Consumed	FG HSN Code	FG Item	Remarks
17/03/19	ABC123	Item 1	1234	5%	13	KG	17	221	4356	FG 1	Taxable
17/03/19	ABC334	Item 2	1234	12%	18	Mtr	190	3420	6754	FG 1	Taxable
17/03/19	ABC678	Item 3	3445	18%	17	SFT	189	3213	9878	FG 1	Taxable
18/03/19	ABC123	Item 1	1234	28%	16	Ltrs	15	240	8778	FG 2	Exempted
18/03/19	ABC334	Item 2	1234	12%	201	Mtr	190	18090	8778	FG 2	Exempted
19/03/19	ABC123	Item 1	1234	5%	13	KG	17	221	4356	FG 1	FOC
19/03/19	ABC334	Item 2	1234	12%	18	Mtr	190	3420	6754	FG 1	FOC
20/03/19	ABC678	Item 3	3445	18%	17	SFT	189	3213	9878	FG 1	FOC

Note: Input Tax Credit is not available in case of raw material or inputs lost, destroyed, written off or disposed and needs to be disclosed separately and accounted for.

Every registered person manufacturing goods shall maintain periodical records of input services received showing proportionate value of such service utilized and applied to a product in manufacturing activity i.e. taxable goods production, Exempt goods production and goods supplied as free sample free of cost (FOC) etc.

Input tax credit on input services used in manufacturing of goods are usually common for taxable and exempt goods or otherwise so input services should be applied on individual manufacturing of products on pro-rata basis as mechanism is available in ITC rule.

For example, a machine can produce both taxable and exempt goods so input tax credit on purchase of such machine should be applied on individual product on prorata basis.

### **Finished goods (production / purchase) stock register format:**

#### **Opening Finished Goods**

*Add: Finished Goods Manufactured During the Month*

*Less: Finished Goods Lost/ Stolen/ Destroyed/ Written Off or Disposed (No ITC Available on Raw Material Consumed)*

*Less: Finished Goods Supplied FOC as Sample or gift (No ITC Available on RM Consumed)*

*Less: Finished Goods Supplied*

#### **Closing Finished Goods in Balance**

### **Stock Register in case of Service Provider.**

Every registered Service Provider shall maintain accounts details showing details of services utilized and quantitative details of goods used in provision of services.

### **Stock Register of input goods for provision of service**

(Each Service-wise details of input goods in stock to be maintained showing HSN code, GST Rate, Qty and Value.):

#### **Opening Balance of input goods for Provision of Service**

*Add: Purchase of input goods*

*Less: input goods Lost/Stolen/Destroyed*

*Less: Service-wise consumption of input goods*

#### **Closing Balance of input goods in hand for provision of Service**

*Note: No ITC is Available on Input Purchase if such goods are lost stolen or destroyed*

### **Stock Register For Traders**

Audit of traders are relatively easier than manufacturer of goods/service provider

Every registered Trader of Goods shall maintain accounts details of each goods traded showing HSN Code, GST Rate, Qty. of Traded Goods with value as Followed:

#### **Opening Balance of Traded Goods**

*Add: Purchase of Traded Goods*

*Less: Lost/Stolen/Destroyed/Written Off (No ITC on Purchase)*

*Less: Traded Goods Supplied FOC for Sample or Gift (No ITC on Purchase)*

*Less: Traded Goods Sold*

#### **Closing Balance of Traded Goods**

### **Procedure of Audit of Stock register**

Verify whether all stock register is maintained for each traded goods containing proper HSN code, UOM, Qty. GST Rate, and Value.

Verify whether traded goods supplied free of cost (FOC) for Sample, Gift or lost / stolen / destroyed / written off is maintained separately. Verify reversal of ITC on such goods.

Verify authenticity of disclosures given by registered person for lost / stolen / destroyed / written off of goods.

### **Related Party/Distinct Person Transaction Record:**

Register of Related Parties/distinct person transactions should be maintained separately. Ensure valuation methodology is in accordance with GST valuation rules.

#### **Persons shall be deemed to be related if they fall under any of the categories below:**

- An Officer/ director of one business is the officer/ director of another business
- If Businesses are legally recognized as partners
- An employer and an employee
- If Any person holds at least 25% of shares in another company either directly or indirectly
- One of them controls the other directly or indirectly

- They are under common control or management
- The entities together control another entity
- They are members of the same family

**Persons shall be deemed to be distinct person if having multiple registration against same PAN number.**

#### **Procedure of Audit of Related Party/Distinct Person**

Verify related party transactions. Verify whether goods or services are supplied to related party/distinct person as per valuation rules. **Verify cost of production or procurement, if goods or services are supplied to related parties/distinct person as per valuation rule 30 cost of production + 10%**

#### **Record of Returns Filed**

In Records of GST return includes:

- GSTR 3B
- GSTR 1
- GSTR 2A
- ITC 4
- GSTR 9

**To conduct GST Audit of returns filed, an auditor has to**

- Verify liability of GST and ITC Availed in GSTR 3B returns
- Verify GSTR 1 return (invoice wise) filed. Verify whether it is matching to GSTR 3B (summary) and supplies as booked in books of accounts
- Verify all amendments in Invoices in GSTR 1
- Verify Invoice Serial Documents Numbers and Challan Serial numbers are properly recorded in GSTR
- Verify all ITC in GSTR 3B is claimed correctly and Reconciled with books of accounts and GSTR 2A. Verify whether ineligible inputs are there claimed in GSTR 3B.
- Verify all liability under reverse charge is paid through cash ledger

#### **Form 9C Part A for reconciliation and B for certification**

GSTR-9C is an annual Audit form and it has two major parts, Part A for reconciliation and Part B for certification of Audit report. Instruction of reconciliation is provided by the department vide Notification No. 49/2018 – Central Tax dated 13<sup>th</sup> September 2018 and further amendment made by Notification No. 74/2018 – Central Tax dated 31<sup>st</sup> December, 2018

Part A is divided into 5 basic parts as follows:

Pt. I Basic details of the tax payers

Pt. II Reconciliation of Turnover declared in Audited Annual Financial Statement with Turnover declared in Annual Return (GSTR9): An auditor has to report reconciliation of GSTR 9 with Financial Statement and report reason of un-reconciled balance, inconsistencies and deviations.

Pt. III Reconciliation of tax paid: Reconciliation of rate wise liability and amount payable thereon and reason for un-reconciled amount with GSTR 9 shall be reported by Auditor.

Pt. IV Reconciliation of Input Tax Credit (ITC): An auditor has to report reconciliation of ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN) and GSTR 9 and report any deviation and exception with respect to applicable law.

Pt. V Auditor's recommendation on additional Liability due to non-reconciliation. An Auditor has to quantify the amount of tax payable if any, with respect to deviation, exception and inconsistencies with the law.



# ENHANCEMENTS IN E-WAY BILL SYSTEM IN GST

TEAM TRD

The National Informatics Centre (“NIC”) has introduced certain new enhancements to the E-Way Bill (EWB) system dated April 23, 2019. The purpose of introduction of such enhancement is to ease the process of generation of E-Way Bill system by the taxpayers and the transporters.

*The enhancements are:*

- **Auto calculation of distance based on PIN Codes for generation of e-Way Bill:**

The e-Way bill system has enhanced with auto calculation of distance between the source and destination, based on the PIN Codes. The e-waybill system will calculate and display the estimated motorable distance between the supplier and recipient addresses.

Knowing the distance between two PIN codes: Route distance calculation between source and destination uses the data from various electronic sources.

- **Blocking the generation of multiple E-Way Bills on one Invoice/Document:**

If the e-way Bill is generated once with a particular invoice number, then none of the parties - consignor, consignee or transporter, can generate the e-Way Bill with the same invoice number.

- **Extension of E-Way Bill in case the consignment is in Transit/Movement:**

The transporters had proposed to incorporate the provision to extend the e-way Bill, when the goods are in Transit/Movement.

- **Report on list of E-Way Bills about to expire:**

Taxpayers or transporters can now view the list of e-Way Bills about to expire in a period of 4 days [From current date (T) then (T)-1, (T) +1, (T) +2]. They can keep track of expiry dates for each of the consignments generated.

# TAX UPDATES, NOTIFICATIONS AND CIRCULARS

## INDIRECT TAX

### GOODS AND SERVICES TAX

#### CENTRAL TAX

**Notification No. – 20/2019**

**Date –23.04.2019**

Seeks to make Third amendment, 2019 to the CGST Rules

The Central Government has made further amendments in the Central Goods and Services Tax Rules, 2017.

- Rule 23, sub rule (1) - All returns due for the period from the date of the order of cancellation of registration till the date of the order of revocation of cancellation of registration shall be furnished by the said person within a period of 30 days from the date of order of revocation of cancellation of registration:  
Provided also that where the registration has been cancelled with retrospective effect, the registered person shall furnish all returns relating to period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration within a period of thirty days from the date of order of revocation of cancellation of registration.”
- Rule 62 - in the marginal heading, for the words “Form and manner of submission of quarterly return by the composition supplier”, the words “Form and manner of submission of statement and return” shall be substituted.
- Rule 62, sub rule (1) - for the portion beginning with the words and figures “paying tax under section 10” and ending with letters and figures “ FORM GSTR-4”, the following shall be substituted, namely:-  
“Paying tax under section 10 or paying tax by availing the benefit of notification of the Government of India, Ministry of Finance, Department of Revenue No. 02/2019- Central Tax (Rate), dated the 7th March, 2019,
  - I. furnish a statement containing the details of payment of self-assessed tax in FORM GST CMP08, till the 18th day of the month succeeding such quarter for every quarter; and
  - II. furnish a return for every financial year in FORM GSTR-4, till the 13th day of April following the end of such financial year.
- Rule 62, sub rule (2) - for the portion beginning with the words “return under” and ending with the words “other amount”, the following shall be substituted, namely:-  
“statement under sub-rule (1) shall discharge his liability towards tax or interest”.
- Rule 62, sub rule (4)- after the words and figures “opted to pay tax under section 10” the words, letters, figures and brackets “or by availing the benefit of notification of the Government of India, Ministry of Finance, Department of Revenue No. 02/2019- Central Tax (Rate), dated the 7th March, 2019, shall be inserted.
  - (ii) in the Explanation,-
    - (A) after the words “not be eligible to avail”, the word “of” shall be omitted;
    - (B) after the words “opting for the composition scheme”, the words, letters, figures and brackets “or opting for paying tax by availing the benefit of notification of the Government of India, Ministry of Finance, Department of Revenue No. 02/2019- Central Tax (Rate), dated the 7th March, 2019, shall be inserted.
- Rule 62, sub rule (5)- for the words, figures and letters “the details relating to the period prior to his opting for payment of tax under section 9 in FORM GSTR- 4 till the due date of furnishing the return for the quarter ending September of the succeeding financial year or furnishing of annual return of the preceding financial year, whichever is earlier”, the words, letters and figures “a statement in FORM GST CMP-08 for the period for which he has paid tax under the

composition scheme till the 18th day of the month succeeding the quarter in which the date of withdrawal falls and furnish a return in FORM GSTR-4 for the said period till the 13th day of April following the end of the financial year during which such withdrawal falls” shall be substituted.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-20-central-tax-english-2019.pdf>

**Notification No. – 21/2019**

**Date –23.04.2019**

Seeks to notify procedure for quarterly tax payment and annual filing of return for taxpayers availing the benefit of Notification No. 02/2019– Central Tax (Rate), dated the 7th March, 2019

CBIC has notified the registered persons paying tax under the provisions of section 10 of the said Act or by availing the benefit of Notification No. 02/2019– Central Tax (Rate), dated the 7th March, 2019, as the class of registered persons who shall follow the special procedure for furnishing of return and payment of tax.

- The said persons shall furnish a statement containing the details of payment of self-assessed tax in FORM GST CMP-08 of the Central Goods and Services Tax Rules, 2017, till the 18th day of the month succeeding such quarter for every quarter
- The said persons shall furnish a return in FORM GSTR-4 of the Central Goods and Services Tax Rules, 2017, on or before the 30th day of April following the end of such financial year for every financial year.
- The registered persons paying tax by availing the benefit of the said notification, in respect of the period for which he has availed the said benefit, shall be deemed to have complied with the provisions of section 37 and section 39 of the said Act if they have furnished FORM GST CMP-08 and FORM GSTR-4.

**Notification No. – 22/2019**

**Date –23.04.2019**

Seeks to notify the provisions of rule 138E of the CGST Rules w.e.f 21st June, 2019

As per this notification 21st June 2019 is the date from which the provisions of the Central Goods and Services Tax (14th) Amendment Rules, 2018 rule 12 of [notification No. 74/2018–Central Tax, dated the 31st December, 2018] shall come into force.

**CIRCULARS (CENTRAL TAX)**

**Circular No. – 98/2019**

**Date –23.04.2019**

Seeks to clarify the manner of utilization of input tax credit post insertion of the rule 88A of the CGST Rules

Section 49 was amended and Section 49A and Section 49B were inserted vide Central Goods and Services Tax (Amendment) Act, 2018 which came into effect from 1st February 2019.

Rule 88A was inserted in the Central Goods and Services Tax Rules, 2017 in exercise of the powers under Section 49B of the CGST Act vide Notification No. 16/2019- Central Tax, dated 29th March, 2019.

In order to ensure uniformity in the implementation of the provisions of the law, the Board, has clarified the issues raised as below-

- The newly inserted Section 49A of the CGST Act provides that the input tax credit of Integrated tax has to be utilized completely before input tax credit of Central tax / State tax can be utilized

for discharge of any tax liability. Further, as per the provisions of section 49 of the CGST Act, credit of Integrated tax has to be utilized first for payment of Integrated tax, then Central tax and then State tax in that order mandatorily. This led to a situation, in certain cases, where a taxpayer has to discharge his tax liability on account of one type of tax (say State tax) through electronic cash ledger, while the input tax credit on account of other type of tax (say Central tax) remains un-utilized in electronic credit ledger.

- The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized.

For more details, please follow - <http://www.cbic.gov.in/resources/htdocs-cbec/gst/Circular-98-17-2019-GST.pdf;jsessionid=A339C81E7E94071CB026DA76B798493E>

**Circular No. – 99/2019**

**Date –23.04.2019**

Seeks to clarify the extension in time under sub-section (1) of section 30 of the Act to provide a onetime opportunity to apply for revocation of cancellation of registration on or before the 22nd July, 2019 for the specified class of persons for whom cancellation order has been passed up to 31st March, 2019

Registration of several persons was cancelled under sub-section (2) of section 29 of the Central Goods and Services Tax Act, 2017 due to non-furnishing of returns in FORM GSTR-3B or FORM GSTR-4. Sub-section (2) of section 29 of the said Act empowers the proper officer to cancel the registration, including from a retrospective date. Thus registration have been cancelled either from the date of order of cancellation of registration or from a retrospective date.

Representations have been received that large number of persons whose registration were cancelled could not apply for revocation of the said cancellation of registration within the period of 30 days as provided in sub-section (1) of section 30 of the said Act.

Accordingly, a Removal of Difficulty Order (RoD) number 05/2019-Central Tax dated the 23rd April, 2019 has been issued wherein persons whose registrations have been cancelled under sub-section (2) of section 29 of the said Act after they were served notice in the manner and who could not reply to the said notice and for whom cancellation order has been passed up to 31st March, 2019, have been given one time opportunity to apply for revocation of cancellation of registration on or before the 22nd July, 2019. Further, vide Notification No. 20/2019-Central Tax, dated the 23rd April, 2019.

First proviso to sub-rule (1) of rule 23 of the said Rules provides that if the registration has been cancelled on account of failure of the registered person to furnish returns, no application for revocation of cancellation of registration shall be filed, unless such returns are furnished and any amount in terms of such returns is paid.

Thus, where the registration has been cancelled with effect from the date of order of cancellation of registration, all returns due till the date of such cancellation are required to be furnished before the application for revocation can be filed.

Further, in such cases, in terms of the second proviso to sub-rule (1) of rule 23 of the said Rules, all returns required to be furnished in respect of the period from the date of order of cancellation till the date of order of revocation of cancellation of registration have to be furnished within a period of 30 days from the date of the order of revocation.

Where the registration has been cancelled with retrospective effect, the common portal does not allow furnishing of returns after the effective date of cancellation. In such cases it was not possible to file the application for revocation of cancellation of registration.

Therefore, a third proviso was added to sub-rule (1) of rule 23 of the said Rules enabling filing of application for revocation of cancellation of registration, subject to the condition that all returns relating to the period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration shall be filed within a period of 30 days from the date of order of such revocation of cancellation of registration.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular-99-18-2019-GST.pdf;jsessionid=CF6EE49298451078167AF36A3534A98E>

**Circular No. – 100/2019**

**Date –30.04.2019**

### GST Applicability on Seed Certification Tags

Representations have been received by the Board seeking clarification regarding applicability of GST on supply of Seed Certification Tags. Reference in this regard has also been received from the State of Tamil Nadu.

The matter has been examined. It is seen that the process of seed testing and certification followed in the state of Tamil Nadu, as prescribed in the Seeds Act, 1966 and elaborated in the Manual on Seed Production and Certification, published by Centre for Indian Knowledge Systems, Chennai, involves the following steps:

#### **Application for seed production**

Any person who wants to take up certified seed production should submit a sowing report in triplicate to the Assistant Director of Seed Certification to register the crop and season with a registration fee of Rs. 25/- (Rupees twenty-five only) and prescribed certification charges. The fee is for a single crop variety for an area up to 25 acres and for a single season.

#### **Registration of sowing report**

After receiving the application of the sowing report, the Assistant Director of Seed Certification scrutinizes and registers the seed farm and duly assigns a Seed certification number for each sowing report.

#### **Field inspection**

Field inspections to check for the factors that may affect the genetic purity and physical health of the seeds are conducted by the Seed Certification Officer (SCO) to whom the specific seed farm has been allocated. Number of field inspections differs from crop to crop. Generally field inspections are carried out during the following growth stages of the crop.

- Pre flowering stage
- Flowering stage
- Post flowering and Pre harvest stage
- Harvest time

#### **Seed processing**

Once the seeds are harvested from the seed farm by following the required field standards, it is taken to the approved seed processing units. Each seed lot should accompany the processing report and each seed lot in the unit is verified with this report. Processing includes cleaning, drying, grading, treating and other operations to improve the seed quality. Seed Certification Officer inspects the processing plant to check the possibility of mechanical mixtures.

## Seed sampling and analysis

Seed sample should be sent to the seed testing laboratory for analysis through the Assistant Director of Seed Certification. The fee of Rs.30/- (Rupees thirty only) for seed analysis should be paid during the registration of the seed farm. To analyse the genetic purity of the seed sample, the producer should pay a fee of Rs. 200/- (Rupees two hundred only) to the Assistant Director of Seed Certification. Seed lots which meet the prescribed seed standards like purity, free of inert matter, moisture percentage and germination capacity alone will be allotted the certification label. White colour label for foundation seeds and blue colour label for certified seeds should be bought from the Assistant Director of Seed Certification by paying Rs. 3/- and Rs. 2/- respectively.

## Tagging and sealing

Approved seed lots should be tagged with certification tag within two months from the date of the receipt of seed analysis report or within 30 days from the date of genetic purity test performed. On receipt of the seed tags, it is verified by the Seed Certification Officer. All the prescribed details are entered in the tag without any omission. The green colour (10 – 15 cm size) producer tag should also be attached to the seed lot along with the certification tag. Avoid stitching more than once on the tags. All the tagging operations should be done in the presence of the Seed Certification Officer. If tagging has not been done within the specific time limit, confirmation samples can be taken with prior permission from the Assistant Director of Seed Certification. In such cases the validity of the seed lot will be fixed from the initial date of seed analysis and tagged. The fee for the delayed tagging is Rs. 50/- (Rupees fifty only) and seed analysis fee of Rs. 30/- (Rupees thirty only) has to be paid in such cases.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-100.pdf?jsessionid=2E55086002ADA266AC4554E0E76C22CC>

### Circular No. – 101/2019

Date –30.04.2019

GST exemption on the upfront amount payable in installments for long term lease of plots, under Notification No. 12/2017, Central Tax (Rate), S. No. 41, dated 28.06.2017

Representations have been received by the Board seeking clarification regarding admissibility of GST exemption on the upfront amount which is determined upfront but is paid or payable in installments for long term (thirty years, or more) lease of industrial plots or plots for development of financial infrastructure under Notification 12/2017 – Central Tax (R) S. No.41 dated 28.06.2017.

Sl. No	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
41	Heading 9972	“Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease (of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 50 per cent. or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area.”	NIL	NIL

It is hereby clarified that GST exemption on the upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable for long term lease (of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business under Entry No. 41 of Exemption Notification 12/2017 – Central Tax (R) dated 28.06.2017 is admissible irrespective of whether such upfront amount is payable or paid in one or more installments, provided the amount is determined upfront.

### **CUSTOMS - TARIFF**

**Notification No. – 13/2019**

**Date –26.04.2019**

Seeks to further amend notification No. 50/2017- Customs dated 30.06.2017 so as to increase basic customs duty (BCD) on wheat from present 30% to 40%

CBIC has made amendments in the Notification No. 50/2017-Customs, dated the 30th June, 2017.

*Amendments* - In the said notification, in the Table, against serial number 37, for the entry in column (4), the entry “40%” shall be substituted.

**Notification No. – 14/2019**

**Date –01.05.2019**

Seeks to further amend notification No. 50/2017-customs dated 30th June 2017 to postpone the implementation of increased customs duty on specified imports originating in USA from 2nd May, 2019 to 16<sup>th</sup> May, 2019

CBIC has made amendments in the Notification No. 50/2017-Customs, dated the 30th June, 2017.

*Amendments* - In the said notification, in the third proviso for the words and figures “2nd day of May, 2019”, the words and figures “16th day of May, 2019” shall be substituted.

### **CUSTOMS - NON TARIFF**

**Notification No. – 32/2019**

**Date –18.04.2019**

Exchange Rates Notification No.32/2019-Custom (NT) dated 18.04.2019

CBIC has determined the rate of exchange of conversion of each of the foreign currencies into Indian currency or vice versa relating to imported and export goods.

Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
	(For Imported Goods)	(For Exported Goods)
Australian Dollar	51.10	48.85
Bahraini Dinar	190.50	178.60
Canadian Dollar	53.00	51.10
Chinese Yuan	10.55	10.20
Danish Kroner	10.70	10.30
EURO	80.00	77.05

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-nt2019/csnt32-2019.pdf;jsessionid=FC921AC9F3C5DD130B295EDDCED0F743>

## **Notification No. – 33/2019**

**Date –25.04.2019**

Shipping Bill (Electronic Integrated Declaration and Paperless Processing) Regulations, 2019

CBIC has made following regulations, namely:-

### **Definitions –**

- a) “Act” means the Customs Act, 1962 (52 of 1962);
- b) “authorised person” means an exporter or a person authorised by him who has a valid licence under the Customs Brokers Licensing Regulations, 2018 and includes an employee of the Customs broker who has been issued a photo identity card in Form G under the Customs Brokers Licensing Regulations, 2018;
- c) “electronic integrated declaration” means particulars relating to the export goods that are entered in the Indian Customs Electronic Data Interchange System;
- d) “ICEGATE” means the customs automated system of Central Board of Indirect Taxes and Customs;
- e) “section” means section of the Act;
- f) “service centre” means the place specified by the Principal Commissioner or the Commissioner of Customs, as the case may be, where the data entry of an electronic integrated declaration, is carried out;
- g) “shipping bill” means an electronic integrated declaration accepted and assigned a unique number by the Indian Customs Electronic Data Interchange System, and includes its electronic records or print outs.

### **Authorised person to enter, etc. electronic integrated declaration. –**

The authorised person shall –

- a) enter the electronic integrated declaration and upload the supporting documents on the ICEGATE by affixing his digital signature on the ICEGATE; or
- b) get the electronic integrated declaration made on the ICEGATE along with the supporting documents by availing the services at the service centre.

### **Shipping bill when deemed to be filed and self-assessment completed. –**

The shipping bill shall be deemed to have been filed and self-assessment completed when, after entry of the electronic integrated declaration on the ICEGATE or by way of data entry through the service centre, a shipping bill number is generated by the Indian Customs Electronic Data Interchange System for the said declaration.

### **Order under section 51 or section 69. –**

After the completion of assessment, payment of duty or cess, etc. if any, and examination of export goods, if so required, an order permitting clearance, under sub-section (1) of section 51 or section 69 as the case may be, shall be made and the order under this regulation may be recorded on the ICEGATE and conveyed electronically to the authorised person, the custodian, and to any other person(s) designated by the authorised person.

### **Retention of assessed copy of shipping bill and supporting documents. –**

The authorised person shall retain, for a period of five years from the date of presentation of the shipping bill, the assessed copy of the shipping bill, digital or otherwise, and all supporting documents in original, which were used or relied upon by him in submitting the electronic integrated declaration, and shall produce them before Customs authorities in connection with any action or proceedings under the Act or under any other law for the time being in force.

### **Generation of authenticated copy of shipping bill. –**

An authenticated copy of shipping bill may be generated at the request of the authorised person if possession of the said copy is required by him for compliance of provisions of any law for the time being in force.



**Penalty for contravention, etc. of regulations. -**

Any authorised person who contravenes any provision of these regulations or who fails to comply with any provisions of these regulations shall be liable to a penalty which may extend to fifty thousand rupees.

For more details, please follow - <http://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-nt2019/csnt33-2019.pdf;jsessionid=6C48FAF4662DF0E9312A2C5CA62E1680>

**Notification No. - 34/2019  
Date -30.04.2019**

Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Sliver – Reg

CBIC has made amendments in the Notification No. 36/2001-Customs (N.T.), dated the 3rd August, 2001.

Sl. No	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
1	1511 10 00	Crude Palm Oil	545
2	1511 90 10	RBD Palm Oil	577
3	1511 90 90	Others – Palm Oil	561
4	1511 10 00	Crude Palmolein	579
5	1511 90 20	RBD Palmolein	582
6	1511 90 90	Others – Palmolein	581
7	1507 10 00	Crude Soya bean Oil	696
8	7404 00 22	Brass Scrap (all grades)	3686
9	1207 91 00	Poppy seeds	3441

Sl. No	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 and 358 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	412 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 and 359 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	483 per kilogram

# PRESS RELEASE

## DIRECT TAX

Date – 18.04.2019

### **CBDT invites stakeholder comments on report pertaining to Profit Attribution to Permanent Establishment (PE) in India**

Taxation of non-residents in India is governed by the provisions of the Income-tax Act, 1961 (“the Act”) and the provisions of the Double Taxation Avoidance Agreement(s) [DTAA(s)] concluded or adopted by the Central Government under the powers conferred under Section 90 or 90A of the Act, respectively. The business income of a non-resident can be taxed in India if it satisfies the requisite thresholds provided under the Act as well as the threshold provided in the applicable tax treaty, by a concept of Permanent Establishment (PE), which is defined in Article 5 of Model Tax Conventions and tax treaties. Under Article 7 in the Indian treaties, profits are to be attributed to the PE as if it were a distinct and separate entity on the basis of the accounts of the PE and where such accounts are not available to enable determination of profits attributable to the PE, the profits attributable to the PE can be determined under the domestic laws. For the application of this method, the Assessing Officer in India can resort to Rule 10 of Income-tax Rules, 1962.

Recognizing the significance of issues relating to attribution of profits to a permanent establishment as well as the need to bring greater clarity and predictability in the applicable tax regime, a Committee was formed to examine the existing scheme of profit attribution to PE under Article 7 of DTAA and recommend changes in Rule 10 of the Income-tax Rules, 1962. The Committee has submitted its report and it has been decided to seek suggestions/comments of the stakeholders and the general public. For this purpose, the notice seeking suggestions/comments of the stakeholders and the general public along with the report of the Committee on profit attribution has been placed in public domain and can be accessed at [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in). Suggestions/comments on the same may be furnished electronically at the email address [usfttr-1@gov.in](mailto:usfttr-1@gov.in) within 30 days of the publication of the aforementioned document on the website of the Department.

.....  
Date – 22.04.2019

### **Note on search conducted in NCR on a group in the Power sector**

The Delhi unit of the Directorate General of Income-tax (Investigation) initiated search and seizure action on a group in NCR, Bhopal, Indore and Goa based upon credible information of large scale collection, possession and movement of unaccounted assets, a few weeks back.

CBDT had earlier issued a press note pertaining to searches conducted in MP. As some new developments have taken place, this press release is being issued pertaining to search and seizure operation carried out in NCR on 07/04/2019 on a leading Solar Power group connected in the matter. Some of the significant transactions detected during the search operation are detailed hereunder:-

**Accommodation entries of Rs 370 crore:** During the search, a maze of shell companies used as mere conduits for providing entries to the group have been detected. Accommodation entries in the garb of bogus unsecured loans/share application money to the tune of Rs. 370 crore have been found.

**Bogus billing of Rs. 330 crore:** Evidence of inflation of expenses through bogus billing to the tune of around Rs. 330 crore has been detected in the case of a power plant of the said group. The money so siphoned off was collected in USD through hawala operators.

**Unaccounted diary transactions of Rs. 240 crore:** A handwritten diary containing records of out of books cash receipts to the tune of around Rs.240 crore was seized from the office of the group. The entries therein have been admitted by the persons concerned.

**Bogus loans of Rs. 30 crore in a group company:** Investigations reveal that a loan entry of Rs. 30 crore in one of the group companies was an accommodation entry arranged by an entry operator against equivalent cash.

**Over-invoicing of imports and round tripping of Rs. 252 crore:** During the search, evidence was found indicating that the group grossly over-invoiced its imports from original manufacturers by re-invoicing it through a shell company of a person who is an accused in a major defence scam. The surplus so created was ploughed back in the books as FDI through another shell company of the same person.

**Unaccounted foreign investments/expenses:** Enquiries reveal that the group used the services of a Dubai based operator to park unaccounted foreign remittances in overseas jurisdictions. Out of such remittances, approximately Rs. 27 crore was paid towards credit card expenses and Rs. 72 crore for purchase of a property abroad.

Apart from the above, unaccounted payment of Rs. 9 crore towards purchase of a property has also been detected.

Seizure of unaccounted assets of Rs. 3 crore has been made during the search.

The search action was undertaken on the basis of credible information and has led to detection of large scale tax evasion of more than Rs. 1350 crore.

.....

**Date – 25.04.2019**

### **Income Tax Department continues search action in J&K Region**

Income Tax Department conducted search and seizure operations at 5 locations in the Kashmir Valley on 25.04.2019. The searches were carried out against a group which is a monopolistic wholesale distributor of pharmaceuticals in the Kashmir Valley. It was gathered that the group charged huge premium on life saving drugs which were exclusively sourced through it in the Valley and the extra normal profits earned by this modus operandi were used for investment in real estate in Srinagar, as well as for unaccounted expenditure by the promoter's family not disclosed in their income tax returns. The search action has yielded incriminating documents and digital evidence that suggest huge concealment of income by the promoter and his family members. Apparently, Rs. 3.08 crore of on-money in transactions of 2 pieces of land in Srinagar has been earned by the group, which has not been disclosed in the returns of income. The digital evidence in the form of hard disc that has been seized, indicates that a part of the sales proceeds, approximating nearly 10% of the turnover are kept outside the books of accounts to suppress profits.

The search action has also led to unearthing of an undisclosed bank account in the name of a family member of the promoter of the group in the J& K Bank at the Allamgiri Branch in Srinagar. The proceeds in this bank account are apparently used to channel unaccounted income earned in the pharmaceutical business. Three bank lockers of the group have also been found in the search and their operation is likely to yield more incriminating evidence against the group. The group has been allowed restructuring of its debt owed to J&K Bank, whereby 50 percent of its monthly interest repayment is waived. Prima facie, the debt has been restructured in a manner that defies normal commercial transaction norms.

The searched group had deposited cash of Rs. 47.20 lakh in the old demonetised currency during the demonetisation period. The source of this cash remains unexplained.

# JUDGEMENTS

## INDIRECT TAX

**Interest payable on Total Tax Liability including a portion of which is liable to be set-off against ITC, says Hyderabad HC**

**M/S Megha Engineering & Infrastructure Ltd. vs. Commissioner of Income Tax & Superintendent of Income Tax**

**Case No. - 44517 of 2018**

**Date - 18.04.2019**

### Fact of the Case

- The petitioner is engaged in the manufacture of MS Pipes and in the execution of infrastructure projects and a registered taxpayer under the GST.
- The petitioners claimed that the GST portal is designed in such a manner that unless the entire tax liability is charged by the assessee, the system will not accept the return in GSTR - 3B Form.
- According to the petitioner, the total tax liability of the petitioner for the period from July, 2017 to May, 2018 was Rs.1014,02,89,385/- and the ITC available to the credit of the petitioner during this period was Rs. 968,58,86,133/-. They claimed that they could not make payment and file the return within time due to certain constraints.
- However, the entire liability was wiped out in May, 2018. After the tax liability was discharged by the assessee, the department levied interest at 18%, under Section 50 of the CGST Act, 2017.
- The petitioner appealed to the Hyderabad High Court for solution of the above problem.

### Decision of the Case

- Until a return is filed as self-assessed, no entitlement to credit and no actual entry of credit in the electronic credit ledger takes place. As a consequence, no payment can be made from out of such a credit entry. It is true that the tax paid on the inputs charged on any

supply of goods and/services, is always available. But, it is available in the air or cloud.

- Such tax becomes an in-put tax credit only when a claim is made in the returns filed as self-assessed. It is only after a claim is made in the return that the same gets credited in the electronic credit ledger. It is only after a credit is entered in the electronic credit ledger that payment could be made, even though the payment is only by way of paper entries.
- the petitioner filed returns belatedly, for whatever reasons. As a consequence, the payment of the tax liability, partly in cash and partly in the form of claim for ITC was made beyond the period prescribed. Therefore, the liability to pay interest under Section 50 (1) arose automatically. The petitioner cannot, therefore, escape from this liability.
- A two-judge bench of the Hyderabad High Court has held that the interest under section 50 of the Central GST Act, 2017 is payable on the total tax liability including a portion of which is liable to be set-off against the input tax credit.

**ITC available on Vehicles Supplied to Customers on Lease Rent subject to Conditions: AAR Madhyapradesh**

**M/S Narsingh Transport vs. M.P AAR**

**Case No. - 25/2018**

**Date - 18.02.2019**

### Fact of the Case

- The petitioner M/s Narsingh Transport, based in Ujjain, is providing 'Goods Transport Agency Service'.
- The applicant while purchasing cars for providing to other companies on a monthly lease rent under a lease agreement has paid GST as applicable.
- The applicant had desired the advance ruling on whether the GST paid on these cars will be available to it as ITC in terms of section 17(5) of CGST Act, 2017.

### **Decision of the Case**

- Additional Commissioner of CGST and Central Excise, Rajiv Agarwal and Joint Commissioner of Commercial Tax, Manoj Kumar Choubey passed the application and stated that “The applicant is entitled to avail ITC on vehicles which are further supplied to customers on lease rent.
- Such Vehicles must be registered for commercial use and permit holder as per section 66 under Motor Vehicle Act, 1988.
- As per Section 17 (5) of CGST Act 2017. M.P GST Act 2017 and Notification No. 11/2017 dated 28.06.2017; the application is entitled to avail ITC on vehicles which are further supplied to customers on lease rent.

---

### **Online Journals supplied to IIM not subject to RCM under GST: Karnataka AAAR**

#### **IIM Bangalore vs. Karnataka AAR**

**Case No. – KAR/AAAR/08/2018-19  
Date – 08.03.2019**

### **Fact of the Case**

- In the present case the applicant qualifies as an ‘educational institution’ as defined under clause 2(y) of the Notification No. 12/2017 Central Tax (Rate) dated 28/06/2017 and is eligible for exemption under entry no. 66(a) of the Exemption Notification.
- The applicant claimed that they are eligible to tax exemption in respect of long duration postgraduate diplomas and degree-granting programmes.
- They also claimed that exemption is available for the supply of online journals and periodicals to the IIM is also exempted from reverse charge mechanism in view of the Notification No 02/2018.

### **Decision of the Case**

- The Appellate authority held that with effect from 31st January 2018, the long duration fast graduate diploma/degree programs offered by IIM13, where a degree/ diploma is conferred as recommended by the Board of

Governors as per the power vested on them under the IIM Act, 2017, will be eligible for exemption from GST.

- Regarding the supply of online educational journals or periodicals to the IIMB, the authority held that the said supply would be exempted from reverse charge.
- The Appellant in their additional submissions have stated that they subscribe to on journals and periodicals for its students and faculty, both from within India and abroad.
- The Appellate Authority for Advance Ruling (AAAR), Karnataka has held that the supply of online journals and periodicals to the IIM Bangalore is exempted from reverse charge mechanism under GST.

---

### **GST Exemption for Sub-Contractors involved in Construction of Indo-Nepal border: AAR refers Matter to Appellate Authority**

#### **M/S NHPC Ltd. vs. Uttarakhand AAR**

**Case No. – 17/2018-19  
Date – 30.01.2019**

### **Fact of the Case**

- In the present case The Assessee M/s NBHPC Ltd. was subcontracted a road construction work by the PWD, Uttarakhand, which in turn was contracted to by the Ministry of External Affairs, as a part of ‘AID TO NEPAL’ Project.
- The question presented in the application was whether the notification No. 12/2017- Central Tax (rate) is applicable to the contractors/sub-contractors involved in the aforementioned project.

### **Decision of the Case**

- As per opinion of Authority Member Amit Gupta was that sub-contractors of supply in question are exempted from payment of GST in terms of the notification concerned.”
- However the different opinion of Authority Member Vipin Chandran was that construction of road’ by sub-contractor is not exempted, therefore

the sub-contractor are liable to pay GST”.

- Owing to the difference in opinion among the Authority for Advance Ruling (AAR), Uttarakhand, the matter, whether Sub-contractors involved in the construction of Indo-Nepal border road are entitled to GST exemption, was put forward for reference to the Appellate Authority for hearing and decision.

---

**No GST on Interest-Free Security Deposit for Lease: AAR**

**E-Square Leisure Pvt. Ltd. vs. Maharashtra AAR**

**Case No. – 76  
Date – 29.12.2018**

**Fact of the Case**

- In the present case the applicant, E-Square Leisure Pvt. Ltd. is engaged in providing various services, including renting of immovable property for commercial purposes. The applicant is discharging GST on the rent received in relation to such commercial properties.
- The applicant had approached the AAR seeking clarifications on whether GST will be applicable on interest-free security deposit and notional interest if any, and in case GST is applicable, what will be the value of notional interest for the levy.
- According to the applicant, no GST is applicable on the amount collected as interest-free security deposit. It argued that the definition of consideration given under the CGST Act specifically excludes any deposits, unless the same is applied as consideration for the supply.
- The security deposits taken from the occupant does not influence the rent payable for the commercial properties. The security deposits are only taken to safeguard the interests of the lessor.

**Decision of the Case**

The authority observed the following-

- The definition of supply requires presence of consideration as an

element for any of the defined transactions to be exigible to tax.

- The definition of consideration given under the CGST Act, 2017 requires a direct link between the payment and supply.
- Deposits will only classify as consideration where the supplier appropriates such deposit as consideration for the said supply.
- There are some parameters for a payment to qualify as ‘security deposit’
  - a) for performance of an obligation
  - b) security against return of hired goods
  - c) security against damage to properties rented and it should be reasonable
- It was further held that these parameters apply in the present case, so it ruled that security deposit taken by the applicant cannot be treated as consideration for supply and they are not liable to pay any GST on the same.

**DIRECT TAX**

**No TDS on Broadcast Company on Channel Placement Fees as per subsequent Amendment in Definition of Royalty: ITAT, Mumbai Bench**

**M/S Asianet News Network Pvt. Ltd. vs. Assistant Commissioner of Income Tax**

**Case No. – 7443/Mum/2016  
Date – 28.03.2019**

**Fact of the Case**

- In the present case M/s Asianet News Network P. Ltd is the assessee.
- The assessee has filed return submission on all admission made by the AO and deleted the additions made by the AO towards disallowance of agency commission and transponder fees.
- In respect of the disallowance of channel placement fee is a carriage fee according to the AO which comes under the definition of ‘royalty’.
- The assessee appealed to the Tribunal against the order of A.O

**Decision of the Case**

- Relying on Bombay High Court decision it is held that in the case channel

placement fees is not a royalty in term of Explanation 2to section 9 (i)(vi) of the Income Tax Act 1961.

- Hence no disallowance could be made u/s 40(a) (ia) for failure to deduct tax source u/s 194J Income Tax Act 1961.
- Allowing the appeal, the Tribunal also observed that “The assessee could not have deducted tax u/s 194J on account of subsequent amendment in the definition of royalty.
- AO has erred in determining disallowance of expenses incurred in relations to exempt income u/s 14A of the Act.

---

**Advance Tax / Self-Assessed Tax paid can't adjust against Tax admitted in IDS Declaration: Bombay HC**

**Umesh D. Ganore & Mahesh D. Ganore vs. Principal Commissioner of Income Tax**

**Writ Petition – 14709 & 14710 of 2018  
Date – 08.03.2019**

**Fact of the Case**

- In the present case the assessee is advance tax payer.
- The Petitioner had already paid a sum of Rs.8,19,465/to the Income Tax Department by way of advance tax, self-assessed tax and tax deducted at source. Out of the said sum of Rs.81,54,233/, therefore, after deducting the said sum of Rs.8,19,465/the Petitioner had to pay the remaining of R.73,34,770/.
- The Petitioner claimed that advance tax, self-assessed tax and TDS paid by the Petitioner prior to the filing of declaration, should be adjusted towards discharge of the Petitioner's liability to pay tax, surcharge and penalty under the said Scheme.
- The department, on the other hand, contended that such adjustment can be made only in relation to the tax deducted at source.

**Decision of the Case**

- Relying on the Delhi High Court judgment in Kumudam Publications Pvt Ltd, the bench held that “the provisions contained in the scheme enable the assessee to disclose undisclosed income.
- There is no provision in the scheme which requires the declarant to make a composite declaration in relation to

several assessment years for which he desirous to make a declaration of undisclosed income.

- Under these circumstances, we do not find any provision under the said scheme requiring competent authority to either accept or reject the declaration in respect of several assessment years in entirety.
- A two-judge bench of the Bombay High Court has held that the advance tax or the self- assessed tax paid by the assessee cannot be set off against tax liability arising IDS declaration for lack of specific provision in the said Scheme.

---

**Income Tax Re-Assessment Notice to a Dead Person is Invalid: Bombay High Court**

**Rupa Shyamsunder Dhumatkar vs. Assistant Commissioner of Income Tax**

**Case No. – 404 of 2019  
Date – 05.04.2019**

**Fact of the Case**

- In the present case the petitioner is the widow of late Shyamsunder Dhumatkar who was engaged in his individual business.
- He filed his income tax returns till the year 2007-08. After this period he did not file the returns since he has no taxable income. In October 2016, the assessee expired.
- The Assessing Officer issued a notice in 2018 in the name of Late Shri Shyamsundar Dhumatkar under Section 148 of the Income Tax Act, 1961 reopening the assessment for the assessment year 2011-2012.
- The Petitioner has filed this Petition challenging the said notice dated 27/03/2018.

**Decision of the Case**

- The bench comprising Justice Sarang V Kotwal and Justice Akil Kureshi noted that the Petitioner had produced the death certificate of Shri Shyamsundar Dhumatkar before the Income Tax authorities, indicating that he died on 14/10/2016.
  - Referring various decisions made by different high courts it can be said that notice for re-opening of assessment against a dead person is invalid.
-

**Receipt from Patients Shared with Consulting Doctors in a Fixed Ratio subject to TDS: Bombay High Court**

**Commissioner of Income Tax vs. Asian Heart Institute & Research Center Pvt. Ltd**

**Case No. – Appeal No. 1294 of 2016  
Date – 05.03.2019**

**Fact of the Case**

- Consulting Doctors are the assessee in the present case.
- The respondent-Assessee is a trust, running a hospital. The assessee had to deduct the tax at source under Section 192 of the Income Tax Act while making payment to the doctors discharging their duties at the said hospital.
- The Revenue contended that these services of the doctors have been engaged under a contract executed between the parties and that the doctors are not employees of the hospital.
- The assessee, on the other hand, argued that section 192 of the Act was not applicable.
- The bench noted that the doctors were entitled to admit, investigate and provide treatment to the patients and that the doctors would be responsible for their clinical care.
- It was observed that 15% of the fee collected by the doctors would be deducted by the hospital as its share and the balance 85% would be paid to the doctors after deduction of tax at source.

**Decision of the Case**

Bombay High Court observed the followings-

- It was on this basis the Tribunal had come to the conclusion that the relationship between the hospital and the doctors cannot be treated as one of the employer-employee relationships.
- The sharing was in the proportion of 15% v/s. 85% between the hospital and the doctors. Contractual tenure of these doctors was for a period of one year which would be renewable depending on the performance of the doctor to be assessed by the Medical Advisory Council of the hospital.
- These doctors are not entitled to benefits of leave encashment, gratuity, provident fund, superannuation benefits etc. which regular employees of the

hospital are. These doctors would on their own obtain indemnity insurance.

- The Bombay High Court has held that the sharing of receipts received from patients with consultant doctors in the fixed ratio was liable for Tax Deduction at Source (TDS) under Section 194J of the Income Tax Act, 1961 as the same would constitute professional fees.

**Supreme Court refuses to stay HC Order quashing Criminal Proceedings against Chidambaram's Kin**

**The Principal Chief Commissioner of Income Tax vs. Nalini Chidambaram**

**Case No. – 7377/2019  
Date – 16.04.2019**

**Fact of the Case**

- In the present case Income Tax department is the appellant.
- The case is related to non-disclosure of overseas assets and bank accounts held up by Chidambaram's wife, son Karti and daughter-in-law Srinidhi.
- Earlier, the Madras High Court had quashed criminal prosecution against Karti Chidambaram and Nalini Chidambaram in an alleged black money case.
- The IT department appealed to Supreme Court against the order passed by Madras High Court.

**Decision of the Case**

- The bench headed by chief justice of India, Ranjan Gogoi and Justice Sanjiv Khanna sought responses from Nalini & Karti Chidambaram.
- Learned Counsel for the petitioner prays for interim stay of the Judgment of the High Court on a ground that the said judgment may be acted upon on other similar cases.
- But the bench of Supreme Court headed by chief justice & others decline the prayer for stay as because the same stay order would amount to grant of final relief.
- Until appropriate orders are passed in connection with the above matter the supreme court has refused to stay Madras High Court order quashing criminal prosecution against Karti Chidambaram & Nalini Chidambaram



# TAX COMPLIANCE CALENDAR AT A GLANCE

## GST CALENDAR

Date	Return Type
20-05-2019	Form GSTR-3B for the month of April 2019
20-05-2019	Form GSTR-5 - to be filed by the Non-Resident taxable person & OIDAR for the month of April 19
11-05-2019	Form GSTR-1 - Return of outward supplies of taxable goods and/or services for the month April 2019 (for Assesses having turnover more than 1.5 Cr.)
13-05-2019	Form GSTR-6 - to be filed by Input Service Distributor for the month of April 2019
10-05-2019	Form GSTR-7 - to be filed by authorities deducting tax at source for the month of April 2019
10-05-2019	Form GSTR-8 - Details of supplies effected through e-commerce operator and the amount of tax collected to be filed for the month of April 2019
28-05-2019	Form GSTR-11- Details of inward supplies to be furnished by a person having UIN and claiming a refund to be filed for the month of April 2019

## DIRECT TAX CALENDAR - MAY, 2019

### 07.05.2019

- Due date for deposit of Tax deducted/collected for the month of April, 2019. 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

### 15.05.2019

- Due date for issue of TDS Certificate for tax deducted under Section 194-IA & 194-IB in the month of March, 2019
- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of April, 2019 has been paid without the production of a challan
- Quarterly statement of TCS deposited for the quarter ending March 31, 2019
- Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of April, 2019

### 30.05.2019

- Submission of a statement (in Form No. 49C) by non-resident having a liaison office in India for the financial year 2018-19
- Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194-IA & 194-IB in the month of April, 2019

### 31.05.2019

- Quarterly statement of TDS deposited for the quarter ending March 31, 2019
- Return of tax deduction from contributions paid by the trustees of an approved superannuation fund
- Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under sub-section (1) of section 285BA of the Act respect of a financial year 2018-19.
- Due date for e-filing of annual statement of reportable accounts as required to be furnished under section 285BA (1) (k) (in Form No. 61B) for calendar year 2018 by reporting financial institutions.
- Application for allotment of PAN in case of non-individual resident person, which enters into a financial transaction of Rs. 2,50,000 or more during FY 2018-19 and hasn't been allotted any PAN.
- Application for allotment of PAN in case of person being managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of the person referred to in Rule 114(3)(v) or any person competent to act on behalf of the person referred to in Rule 114(3)(v) and who hasn't allotted any PAN.

## DIRECT TAX CALENDAR - JUNE, 2019

**07.06.2019**

- Due date for deposit of Tax deducted/collected for the month of May, 2019. 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

**14.06.2019**

- Due date for issue of TDS Certificate for tax deducted under section 194-IA & section 194-IB in the month of April, 2019

**15.06.2019**

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of May, 2019 has been paid without the production of a challan.
- Quarterly TDS certificates (in respect of tax deducted for payments other than salary) for the quarter ending March 31, 2019
- First instalment of advance tax for the assessment year 2020-21
- Certificate of tax deducted at source to employees in respect of salary paid and tax deducted during Financial Year 2018-19
- Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of May, 2019

**29.06.2019**

- Due date for e-filing of a statement (in Form No. 3CEK) by an eligible investment fund under section 9A in respect of its activities in financial year 2018-19.

**30.06.2019**

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA & section 194-IB in the month of May, 2019
- Return in respect of securities transaction tax for the financial year 2018-19
- Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending March 31, 2019
- Statement to be furnished (in Form No. 64C) by Alternative Investment Fund (AIF) to units holders in respect of income distributed during the previous year 2018-19
- Report by an approved institution/public sector company under Section 35AC(4)/(5) for the year ending March 31, 2019
- Due date for furnishing of statement of income distributed by business trust to its unit holders during the financial year 2018-19. This statement is required to be furnished to the unit holders in form No. 64B

## TAXATION COMMITTEE - PLAN OF ACTION

### Proposed Action Plan:

1. Successful conduct of Certificate Course on GST.
2. Publication and Circulation of Tax bulletin (both in electronic and printed formats) for the awareness and knowledge updation of stakeholders, members, traders, Chambers of Commerce, Universities.
3. Publication of Handbooks on Taxation related topics helping stakeholders in their job deliberations.
4. Carry out webinars for the Capacity building of Members - Trainers in the locality to facilitate the traders/registered dealers.
5. Conducting Seminars and workshops on industry specific issues, in association with the Trade associations/ Traders/ Chamber of commerce in different location on practical issues/aspects associated with GST.
6. Tendering representation to the Government on practical difficulties faced by the stakeholders in Taxation related matters.
7. Updating Government about the steps taken by the Institute in removing the practical difficulties in implementing various Tax Laws including GST.
8. Facilitating general public other than members through GST Help-Desk opened at Head quarter of the Institute and other places of country.
9. Introducing advance level courses for the professionals on GST and Income Tax.
10. Extending Crash Courses on Taxation to Corporates, Universities, Trade Associations etc.

### Disclaimer:

The Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, users should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in these documents does not cover every situation and is not intended to replace the law or change its meaning.

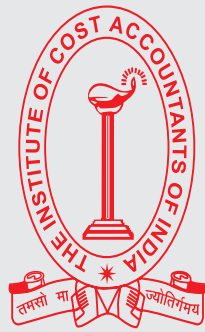
The opinion expressed in Article is fully based on the views of the experts. This information is provided for public services only and is neither an advertisement nor to be considered as legal and professional advice and in no way constitutes an attorney-client relationship between the Institute and the User. Institute is not responsible or liable in any way for the consequences of using the information given.

### Contact Details:

Tax Research Department  
12, Sudder Street, Kolkata - 700016

Phone: +91 33 40364747/ +91 33 40364721/ +91 33 40364711

E-mail: [trd@icmai.in](mailto:trd@icmai.in)



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

[www.icmai.in](http://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

Behind every successful business decision, there is always a CMA