

JULY, 2019

# TAX Bulletin



VOLUME - 43



## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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

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### MISSION STATEMENT

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

### VISION STATEMENT

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

### Objectives of Taxation Committee:

1. Preparation of 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.

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## FROM TAX RESEARCH DEPARTMENT

The Tax Research Department in its constant endeavour to impart knowledge to our stake holders is successfully conducting various knowledge enhancement courses. A Crash Course on GST for college students and basic learners has been successfully completed in ASC Degree College, Bangalore with Exam being conducted on 7<sup>th</sup> June 2019.

The ongoing courses like Certificate Course on GST 4th Batch is running PAN India basis, Advanced Certificate Course on GST is also running successfully, Certificate Course on TDS is being conducted all over India and Certificate Course on Direct Tax Return Filing is also continuing.

The department has submitted representations to the Government on E-Invoicing System under GST -19th June 2019. A Pre Budget Suggestion on Union Budget for 2019-20 was also submitted. The Taxation Portal is also being updated from time to time with Direct and Indirect Tax Notifications. The 41<sup>st</sup> and 42<sup>nd</sup> Tax Bulletin has also been released.

The department is progressing with the incessant support, knowledge contribution and valuable feedback

from our authors and Key Resource people.

Thank You.

Regards

Tax Research Department

3<sup>rd</sup> July 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
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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***





# INDIA – KNOW YOUR BUDGET..!!

**Prabhakar K S**

Proprietor – Shree Tax Chambers

"Kalangathu Kanda Vinaikkan Thulangathu Thookkang Kadinthu Seyal"  
(What clearly eye discerns as right, with steadfast will and mind unslumbering, that should man fulfil– Thirukural) by Sri P. Chidambaram, then Finance Minister, in his Budget Speech on 28<sup>th</sup> February, 2013.

## Introduction

**B**udget..!! Is an annual official Financial Statement by the Government of India's income from taxes and how it will be going to spending a particular financial year, currently, April to March of the following year. Generally, two months before the start of new financial year, the incumbent Government presents before the Parliament its financial statement consist the Receipts & Expenditure in the form of 'Union Budget'. Article 112 of the Constitution of India dealt with Annual Financial Statement of the Central Government. The said Article mandates the Hon'ble President caused to be laid before the both the Houses of the Parliament before giving His Assent to the Finance Bill. India's first pre-Independence Budget goes back to 7<sup>th</sup> April, 1860 presented by then British Finance Minister Sri. James Wilson. Post-Independence first Union Budget (strictly speaking which was also the first 'Interim Budget..!!). Sri James was the founder of 'The Economist' and 'Standard Chartered Bank', who also have the credit of introducing the Income-tax Act in Indian soil. The first Budget after post-independence was presented on 26<sup>th</sup> November, 1947 by then Finance Minister Sri. R.K. Shanmukham Chetty. However, the first full-fledged Budget was presented on 28<sup>th</sup> February 1950 by then Finance Minister Sri. John Mathai. Similarly, the first deficit of Rs. 550 Crore was presented on 28<sup>th</sup> February, 1973 by then Finance Minister Sri. Y B Chauhan. The first Budget by Woman Finance Minister was presented on 28<sup>th</sup> February, 1970 by Smt. Indira Gandhi. Major overhaul brought to erstwhile Indirect Tax regime by introducing MODVAT by then Finance Sri. VP Singh in his Budget on 28<sup>th</sup> February, 1986. In the 1987 Budget the then Hon'ble Finance Minister Sri. Rajiv Gandhi had

introduced MAT concept in his budget presented on 28<sup>th</sup> February, 1987. After 1991's post-liberalization, then Finance Minister Sri. P Chidambaram had introduced 'Voluntary Income Disclosure Scheme (VDIS) in his budget presented on 28<sup>th</sup> February, 1997. In 2001, the then Finance Minister Sri. Yashwant Sinha has changed the timing of presentation of Budget to 11.00 a.m. from 5.00 p.m. and also for the first time introduced the 'Transfer Pricing Provisions' Income Tax Act, 1961. India's Rail Budget (an Annual Financial Statement of Indian Railways) was presented every year just few days before the Union Budget. However, that 92-year-old practice has been stopped by merging the same with the Union Budget from 2017-18 onwards. Like change in timing of the presentation of Budget, the then Finance Minister Sri. Arun Jaitley presented his Budget for 2018-19 on 1<sup>st</sup> February, 2018 instead on 28<sup>th</sup> February of the year and scrapped the colonial-era's tradition. 72, the total number of Budgets presented till Interim Budget for 2019-20 which includes 14 Interim Budgets and 4 special Budgets..!!.

## Objectives of Budget

The Fiscal Responsibility and Budget Management Act, 2003 (FRBM Act, 2003) which gives the mandate to carry forward the fiscal practice annually. The FRBM Act promoting the much needed prudent fiscal policy, accountability, inter-generational-equity in fiscal management and ensures long-term stability in the economy. Key objectives of the Budget are economic growth, reduction of poverty and employment and most importantly redistribution of income. Thus, Budget may be called as 'Devise' with multiple roles, to say, planning tool, fiscal tool, accountability tool and coordination between macroeconomic and

challenges of Indian economy adequately. A Budget can be divided as 'Balanced Budget where Government's estimated receipts are equal to the estimated expenditure. Unbalanced Budget where estimation is either more or less than the government's estimated receipts which further divided as Surplus Budget and Deficit Budget accordingly.

### **The Process of Budget & Halwa Ceremony**

Prior to set the tone, the Finance Ministry seeks the inputs in quadruplicate from various Ministries well in advance, say 60 days prior to Budget Day. The Finance Ministry in its budgetary exercise holds several top-level meetings with steel, power, housing and urban development and other key ministries to finalize the 'expenditure figures. The Interestingly, printing of 'Budget Documents' starts with 'Halwa Ceremony (this year the ceremony is expected on either 24<sup>th</sup> June or 25<sup>th</sup> June, 2019). In the ceremony, the Hon'ble Finance Minister himself will attend and serve the 'Halwa or Sweet Dish' to the finance ministry officials who are involving in the preparation and printing of Budget Documents. The special 'Printing Press' with all the modern security features to maintain the highest level of 'secrecy' is located in the basement of North Block, the Seat of Finance Ministry. Records reveal that it is a customary practice since 1980. After 'ceremony', the officials (more than 100) are kept in total isolation to maintain the secrecy. Even the Hon'ble Finance Minister also not allowed carrying his own smartphones...!! Only after 11.00 am on the Budget day, Officials will be allowed to communicate outside world. Even though very 'Secretive Document of the Season' it is appropriate to mention in this article. A secret sheet called 'Blue Sheet' will be maintained throughout the Budget process which normally starts in the first week of December of the previous year (This year started on 3<sup>rd</sup> December, 2018 then onwards entire North Block is in 'Quarantine' or no access to Press' till 1<sup>st</sup> February, 2019 11.00 a.m.) The Blue Sheet contains all the significant numbers, figures and statistics of the Indian economy. The sole guardian of the 'Blue Sheet' is entrusted with Joint Secretary of the Finance Minister. On the Budget day, the Finance Minister with his team first visits the Rashtrapati Bhawan to brief the significant points to the Hon'ble President. Then in the Parliament, the Finance Minister repeats the same process with the Hon'ble Prime Minister

and his Cabinet. From Cabinet, the Finance Minister accompanied by the Prime Minister will visit the Lok Sabha to present the Budget. Budget Documents & Its list - Besides the Finance Minister's Budget Speech, there will be a set of Documents which also presented in the Parliament. They are -

1. Annual Financial Statement
2. Demands for Grants
3. Finance Bill of the coming Financial year
4. Statements mandated under FRBM Act:
  - *Macro-Economic Framework Statement*
  - *Fiscal Policy Strategy Statement*
  - *Medium Term Fiscal Policy Statement*
5. Expenditure Budget
6. Receipts Budget
7. Expenditure Profile
8. Memorandum Explaining the Provisions in the Finance Bill
9. Budget at a Glance
10. Outcome Budget
11. Annual Report of each Ministry or Departments
12. Economic Survey

### **Departments and Officials**

No doubt, preparing of 6<sup>th</sup> largest Economy of the World 'Budget Documents' is tedious and lengthy task which involves hundreds of finance ministry officials, Central Ministries including Finance, Industry, Law, Comptroller of Auditor General of India, NITI Aayog and other Administrative Ministries of the Government. Team of Union Budget for 2019-20 beside Smt. Nirmala Sitharaman, Hon'ble Finance Minister, consist other top ten officials, they are - *Sri. Subhash Chandra Garg, Finance Secretary, Sri. Girish Chandra Murmu, Expenditure Secretary, Sri. Ajay Bhushan Pandey, Revenue Secretary, Sri. Sanjeev Sanyal, Principal Economic Adviser, Sri. Krishnamurthy Subramanian, Chief Economic Adviser, Sri. Pranab Kumar Das, CBIC Chairman, Sri. Pramod Chandra Mody, CBDT Chairman, Sri. Atanu Chakraborty, DIPAM Secretary, Sri. Rajiv Kumar, Financial Services Secretary and Sri. Anurag Thakur, Minister of State for Finance.*

### **Interim Budget**

Similar to full Budget, an Interim Budget (in other words, approval obtained on vote-on-accounts basis) will be presented by an incumbent Government in its last year of the five-year term or before General Elections.

Usually, in India, General elections will fall after starting of the new fiscal year, say, in April or June. Hence, to meet the day-to-day expenses and requisite funds to run the economy, the Government shall be allowed to draw the funds from the Consolidated Funds of India. Thus, an Interim budget is a temporary measure to the run-up to the General Elections passed by an outgoing Government under the conditions of lack of time and full-fledged Budget by the incoming Government.

### **Conclusion**

It is widely expected that the new Finance Minister will announce number of tax proposals under both Direct Taxes and Indirect Taxes. With respect to Indirect Tax proposals, the only Customs regime is required budgetary attention or announcements. Since GST is under the aegis of the all-powerful GST Council, is taking the due calls as and when it is required. Expectations as far as Direct Taxes or Income Tax concerned are a very big wish list is there. All four Industry Bodies i.e. CII,

ASSOCHAM, PHD and FICCI and three

Professional Institutes i.e. ICMAI – CMA, ICAI - CA

Kindly wait till 5<sup>th</sup> July, 2019 at 11.00 a.m.!! and ICSI have submitted or under process of submitting their Pre-Budget Memorandum to the Finance Ministry's perusal.

# LONG – TERM CAPITAL GAINS ON SALE OF LISTED SECURITIES (Section 112A)

**CA Saurabh Tibrewal**

Practicing Chartered Accountant

**T**he Finance Act, 2018 inserts a new Section 112A with effect from Assessment Year 2019-20. As per the new section capital gains arising from transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust shall be taxed at the rate of 10 per cent of such capital gains exceeding Rs. 1,00,000.

As per the old provisions of Income Tax Act, long-term capital gains (LTCG) arising from the transfer of listed equity shares, or units of an equity-oriented fund (EOF) or business trust (sold on the floor of a recognised stock exchange) is exempted so long as Securities Transaction Tax (STT) has been paid on such a transaction [as per Section 10(38)].

The concessional rate of 10% will be applicable if:

- a) in a case of an equity share in a company, securities transaction tax has been paid on both acquisition and transfer of such capital asset; and
- b) in a case a unit of an equity-oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

Further, sub-section (4) of the new section 112A empowers the Central Government to specify by notification the nature of acquisitions in respect of which the requirement of payment of securities transaction tax shall not apply in the case of equity share in a company. Similarly, the requirement of payment of STT at the time of transfer of long term capital asset, being a unit of equity oriented fund or a unit of business trust, shall not apply if the transfer is undertaken on recognized stock exchange located in any International Financial Services Centre (IFSC) and the consideration of such transfer is received or receivable in foreign currency.

Further, the new provision of section 112A also provides the following:-

- i. The long term capital gains will be computed without giving effect to the first and second provisos to section 48, i.e. inflation indexation in respect of cost of acquisitions and cost of improvement, if any, and the benefit of computation of capital gains in foreign currency in the case of a non-resident, will not be allowed.
- ii. The cost of acquisitions in respect of the long-term capital asset acquired by the assessee before the 1st day of February, 2018, shall be deemed to be the higher of –
  - a) the actual cost of acquisition of such asset; and
  - b) the fair market value of such asset
- iii. Fair market value has been defined to mean –
  - a) in a case where the capital asset is listed on any recognized stock exchange, the highest price of the capital asset quoted on such exchange on the 31st day of January, 2018. However, where there is no trading in such asset on such exchange on 31.01.2018, the highest price of such asset on such exchange on a date immediately preceding 31.01.2018 when such asset was traded on such exchange shall be the fair market value; and
  - b) in a case where the capital asset is a unit and is not listed on recognized stock exchange, the net asset value of such asset as on 31.01.2018.

- iv. The benefit of deduction under chapter VIA shall be allowed from the gross total income as reduced by such capital gains. Similarly, the rebate under section 87A shall be allowed from the income tax on the total income as reduced by tax payable on such capital gains.

Example:

Mr. X is a salaried employee. In the month of July, 2016 he purchased 100 shares of ABC Ltd. @ Rs. 2,000 per share from Calcutta Stock Exchange. These shares were sold through NSE in June, 2018 @ Rs. 4,900 per share. The highest price of ABC Ltd. share quoted on the stock exchange on January 31, 2018 was Rs. 3,800 per share. What will be the nature of capital gain in this case?

Shares were purchased in July, 2016 and were sold in June, 2018, i.e., sold after holding them for a period of more than 12 months and, hence, the gain will be LTCG.

In the given case, shares are sold after holding them for a period of more than 12 months, shares are sold through recognized stock exchange and the transaction is liable to STT. Therefore, section 112A is applicable in this case.

The cost of acquisition of X Ltd. shares shall be higher of:

- a) Cost of acquisition i.e., 2,00,000 (2,000 × 100);  
 b) Lower of: (i) Highest quoted price as on 31-1-2018 i.e., 3,80,000 (3,800 × 100);  
 (ii) Sales consideration i.e., 4,90,000 (4,900 × 100)

Thus from above, the cost of acquisition of shares shall be Rs. 3,80,000. Accordingly, Long-term capital gains taxable in hands of Mr. X would be Rs. 1,10,000 (i.e., 4,90,000 – 3,80,000). Since the long-term capital gains exceeds Rs. 1,00,000, hence it will be covered under section 112A. Mr.X would be liable to pay at the rate of 10% on Rs. 10,000 i.e., gains exceeding Rs. 1,00,000.

Hence, the summary of taxability under section 112A is as under:

Sl No	Scenario	Tax Implications
1	Purchase and sale before 31/1/2018	Exempt under Section 10(38)
2	Purchase before 31/1/2018 Sale after 31/1/2018 but before 1/4/2018	Exempt under Section 10(38)
3	Purchase before 31/1/2018 Sale on or after 1/4/2018	LTCG taxable <b>Gains accrued before 31/1/2018 exempt</b> Capital Gains computed in the manner as discussed above
4	Purchase after 31/1/2018 Sale on or after 1/4/2018	LTCG taxable Capital Gains computed in the manner as discussed above

# DECISION TAKEN IN 35<sup>TH</sup> GST COUNCIL MEETING DATED 21<sup>ST</sup> JUNE 2019

TEAM TRD

<i>Recommendation regarding New Return Prototype</i>	
FORM GST ANX-1 ( <i>Replacement of GSTR 1</i> ) & FORM GST ANX-2 ( <i>Replacement of GSTR 2A</i> )	Will be available for trial from July, 2019 to September, 2019 <ul style="list-style-type: none"> <li>Invoices etc. can be uploaded in FORM GST ANX-1 on a continuous basis both by large and small taxpayers from October, 2019 onwards</li> <li>FORM GST ANX-2 may be viewed from October, 2019 onwards, but no action shall be allowed on FORM GST ANX-2</li> </ul>
FORM GST ANX-1	Will be compulsory from October, 2019 <ul style="list-style-type: none"> <li>Large taxpayers (aggregate turnover more than Rs. 5 crores in previous year) will file on monthly basis</li> <li>Small taxpayers (aggregate turnover less than Rs. 5 crores in previous year) will file for first time in January, 2020 for the quarter October, 2019 to December, 2019</li> </ul>
FORM GST RET-01 ( <i>Replacement of GSTR 3B</i> ) <ul style="list-style-type: none"> <li>Quarterly Return [<u>If turnover up to Rs. 5 Crore in preceding Final Year</u>] as well as</li> <li>Monthly Return [<u>If turnover more than Rs. 5 Crore in preceding Final Year</u>]</li> </ul> submission using Form GST RET 1- ITC on Missing Invoices can be availed	<ul style="list-style-type: none"> <li>Large taxpayers (aggregate turnover more than Rs. 5 crores in previous year) will file in January, 2020 for first time for December, 2019</li> <li>Small taxpayers (aggregate turnover less than Rs. 5 crores in previous year) will file for first time in January, 2020 for the quarter October, 2019 to December, 2019</li> </ul>
<i>Recommendation regarding GSTR 3B</i>	
FORM GSTR-3B	<ul style="list-style-type: none"> <li>Large taxpayers will file for October and November, 2019 on monthly basis</li> <li>Small taxpayers will stop to file <b>FORM GSTR-3B</b> from October, 2019 and will start filling FORM GST PMT-08</li> <li>From January, 2020 onwards, <b>FORM GSTR-3B</b> will be completely phased out</li> </ul>
<i>Recommendation regarding GST Annual Return</i>	
FORM GSTR-9, FORM GSTR - 9A	Due date has been extended till 31.08.2019
<i>Other Recommendations</i>	
FORM GST CMP-02 ( <i>Intimation to pay tax under section 10 - composition levy</i> ), for opting into the composition scheme under Notification No. 2/2019-Central Tax (Rate) dated 07.03.2019	Extended up to 31.07.2019 from 30.04.2019
Blocking of E-Way Bills on non-filing GSTR-3B/ GSTR-4 for two consecutive tax periods	Will be effective from 21.08.2019 instead 21.06.2019

Implementation of E-invoicing	Shall be rolled out from January 2020 Entities with a turnover of more than Rs 50 crore will be required to generate electronic invoices on a government portal for B2B sales.
Tenure of National Anti - Profiteering Authority	Has been extended by 2 Years. Earlier it was 30 November 2019
FORM GST ITC - 04 relating to job work	Due date has been extended till 31.08.2019 for the period July, 2017 to June, 2019
For delay in depositing the profiteered amount by more than 30 days	Levy of 10% penalty has been approved for encouraging timely compliance by the taxpayer.
Electronic ticketing system	It would be mandatory for multiplexes, having multi-screens with the aim to curb cases of tax evasion and the use of black tickets that have been prevalent.
Aadhaar-enabled GST Registration	Adhaar number shall be linked to the GSTIN when GST No. will be generated. As a result GST registration procedure would be more easy and there would be less paperwork.
GSTAT has been named by GST Appellate Tribunal	The GST council has stated the Goods and Service Tax Appellate Tribunal will be the appellate authority and It will adjudicate on appeals arising from central and state tax authorities' in-house dispute resolution system. The states will decide the number of GSTAT required by them as a result of which there can be two tribunals in a single state.

GST Council will take decision in next meeting regarding

- GST concessions on Electric Vehicle, Charger and Hiring of Electric Vehicle
- Valuation of Goods and Services in a Solar Power Generating System and Wind Turbine
- GST Rate of Lottery

# TAX UPDATES, NOTIFICATIONS AND CIRCULARS

## INDIRECT TAX

### CENTRAL TAX NOTIFICATION

#### **Notification No. 25/2019-Central Tax**

**Date – 21.06.2019**

Seeks to extend the date from which the facility of blocking and unblocking on e-way bill facility as per the provision of Rule 138E of CGST Rules, 2017 shall be brought into force to 21.08.2019.

The Central Government has made amendments in the Notification No.22/2019- Central Tax, dated the 23<sup>rd</sup> April, 2019.

Blocking of E-Way Bills on non-filing GSTR-3B/ GSTR-4 for two consecutive tax periods will be effective from 21<sup>st</sup> August, 2019 instead of 21<sup>st</sup> June, 2019.

#### **Notification No. 26/2019-Central Tax**

**Date – 28.06.2019**

Seeks to extend the due date of filing returns in FORM GSTR-7

CBIC has extended the time limit for furnishing GSTR-7 by a registered person required to deduct tax at source, till the 31<sup>st</sup> August, 2019, for the months of October, 2018 to July, 2019.

#### **Notification No. 27/2019-Central Tax**

**Date – 28.06.2019**

Seeks to prescribe the due date for furnishing FORM GSTR-1 for registered persons having aggregate turnover of up to 1.5 crore rupees for the months of July, 2019 to September, 2019

CBIC has notified the due date for furnishing the details of outward supply of goods or services or both in FORM GSTR-1 for the registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year.

<b>Quarter for which details in FORM GSTR-1 are furnished</b>	<b>Time period for furnishing details in FORM GSTR-1</b>
July –September, 2019	31 <sup>st</sup> October, 2019

#### **Notification No. 28/2019-Central Tax**

**Date – 28.06.2019**

Seeks to extend the due date for furnishing FORM GSTR-1 for registered persons having aggregate turnover of more than 1.5 crore rupees for the months of July, 2019 to September, 2019

CBIC has notified the due date for furnishing the details of outward supply of goods or services or both in FORM GSTR-1 for the registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year.

Due Date - 11<sup>th</sup> day of the month succeeding such month for each of the months from July, 2019 to September, 2019

#### **Notification No. 29/2019-Central Tax**

**Date – 28.06.2019**

Seeks to prescribe the due date for furnishing FORM GSTR-3B for the months of July, 2019 to September, 2019.



CBIC has specified due date for furnishing GSTR-3B

Due Date - on or before the 20th day of the month succeeding such month for each of the months from July, 2019 to September, 2019

**Notification No. 30/2019-Central Tax**  
**Date – 28.06.2019**

Seeks to provide exemption from furnishing of Annual Return / Reconciliation Statement for suppliers of Online Information Database Access and Retrieval Services(“OIDAR services”)

CBIC has notified the persons registered under section 24 of the Central Goods and Services Tax Rules, 2017 supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person as the class of registered persons who shall follow the special procedure as mentioned below.

The said persons shall not be required to furnish an annual return in FORM GSTR-9

The said persons shall not be required to furnish reconciliation statement in FORM GSTR-9C

**Notification No. 31/2019-Central Tax**  
**Date – 28.06.2019**

Seeks to carry out changes in the CGST Rules, 2017

CBIC has made amendments in the Central Goods and Services Tax Rules, 2017, namely:-

- In the Central Goods and Services Tax Rules, 2017 ,after rule 10, the following rule shall be inserted, namely: -

**“10A. Furnishing of Bank Account Details.**-After a certificate of registration in FORM GST REG-06 has been made available on the common portal and a GST Number has been assigned, the registered person has to provide bank details within 45 days

- ✓ from the date of grant of registration  
or
- ✓ the date on which the return required under section 39 is due to be furnished, whichever is earlier

This rule is not applicable for those persons to whom registration has been granted under rule 12 or, as the case may be rule 16.

- In the said rules, after rule 32, with effect from the 1st day of July, 2019, the following rule shall be inserted, namely: -

**“32A. Value of supply in cases where Kerala Flood Cess is applicable-** The value of supply of goods or services or both on which Kerala Flood Cess is levied under clause 14 of the Kerala Finance Bill, 2019 shall be deemed to be the value determined in terms of section 15 of the Act, but shall not include the said cess.”.

- In the said rules, in rule 66, in sub-rule (2),-
  - a) for the words, letters and figures “suppliers in Part C of FORM GSTR-2A and FORMGSTR-4A” the word “deductees” shall be substituted;
  - b) the words “the due date of” shall be omitted;
  - c) after the words, letters and figures “ FORM GSTR-7” the words “for claiming the amount of tax deducted in his electronic cash ledger after validation” shall be inserted.
- A registered person may transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for integrated tax, central tax, State tax or Union territory tax or cess in FORM GST PMT-09.”

In the said rules, after rule 95, with effect from the 1<sup>st</sup> day of July, 2019, the following rule shall be inserted, namely: -

**“95A. Refund of taxes to the retail outlets established in departure area of an international Airport beyond immigration counters making tax free supply to an outgoing international tourist.-**

- 1) Retail outlet established in departure area of an international airport, beyond the immigration counters, supplying indigenous goods to an outgoing international tourist who is leaving India shall be eligible to claim refund of tax paid by it on inward supply of such goods.
- 2) Retail outlet claiming refund of the taxes paid on his inward supplies, shall furnish the application for refund claim in FORM GST RFD- 10B on a monthly or quarterly basis, as the case may be, through the common portal either directly or through a Facilitation Centre notified by the Commissioner.
- 3) The self-certified compiled information of invoices issued for the supply made during the month or the quarter, as the case may be, along with concerned purchase invoice shall be submitted along with the refund application.
- 4) The refund of tax paid by the said retail outlet shall be available if-
  - (a) the inward supplies of goods were received by the said retail outlet from a registered person against a tax invoice;
  - (b) the said goods were supplied by the said retail outlet to an outgoing international tourist against foreign exchange without charging any tax;
  - (c) name and Goods and Services Tax Identification Number of the retail outlet is mentioned in the tax invoice for the inward supply; and
  - (d) such other restrictions or conditions, as may be specified, are satisfied.
- 5) The provisions of rule 92 shall, mutatis mutandis, apply for the sanction and payment of refund under this rule.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-31-central-tax-english-2019.pdf;jsessionid=3930764D428464A482E72F5D494E649A>

**Notification No. 32/2019-Central Tax  
Date – 28.06.2019**

Seeks to extend the due date for furnishing the declaration FORM GST ITC-04

CBIC has extended the time limit for furnishing the declaration in FORM GST ITC-04 in respect of goods dispatched to a job worker or received from a job worker till the 31st day of August, 2019 for the period from July, 2017 to June, 2019

**CENTRAL TAX (RATE) NOTIFICATION**

**Notification No. 11/2019-Central Tax (Rate)  
Date – 29.06.2019**

Seeks to specifies retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund

CBIC has specified retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund of applicable central tax paid on inward supply of such goods, subject to the conditions specified in rule 95A of the Central Goods and Services Tax Rules, 2017.

**Explanation** - For the purposes of this notification, the expression “outgoing international tourist” shall mean a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.

This notification has come into force with effect from the 1st day of July, 2019

## **INTEGRATED TAX (RATE) NOTIFICATION**

### **Notification No. 10/2019-Integrated Tax (Rate)**

**Date - 29.06.2019**

Seeks to specifies retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund.

CBIC has specified retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund of applicable integrated tax paid on inward supply of such goods, subject to the conditions specified in rule 95A of the Central Goods and Services Tax Rules, 2017.

**Explanation** - For the purposes of this notification, the expression “outgoing international tourist” shall mean a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.

This notification has come into force with effect from the 1st day of July, 2019

### **Notification No. 11/2019-Integrated Tax (Rate)**

**Date - 29.06.2019**

Seeks to exempts any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, to an outgoing international tourist

CBIC has exempted any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, to an outgoing international tourist, from the whole of the integrated tax leviable thereon under section 5 of the Integrated Goods and Services Tax Act, 2017.

**Explanation** - For the purposes of this notification, the expression “outgoing international tourist” shall mean a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.

This notification has come into force with effect from the 1st day of July, 2019

## **UNION TERRITORY TAX (RATE) NOTIFICATION**

### **Notification No. 11/2019- Union Territory Tax (Rate)**

**Date - 29.06.2019**

Seeks to specifies retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund.

CBIC has specified retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund of applicable union territory tax paid on inward supply of such goods, subject to the conditions specified in rule 95A of the Central Goods and Services Tax Rules, 2017.

**Explanation** - For the purposes of this notification, the expression “outgoing international tourist” shall mean a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.

This notification has come into force with effect from the 1st day of July, 2019

## **COMPENSATION CESS (RATE) NOTIFICATION**

**Notification No. 01/2019- Compensation Cess (Rate)**

**Date - 29.06.2019**

Exempts any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, to an outgoing international tourist

CBIS has exempted any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, to an outgoing international tourist, from the whole of the goods and services tax compensation cess leviable thereon under section 8 of the Goods and Services tax (Compensation to States) Act.

**Explanation** - For the purposes of this notification, the expression “outgoing international tourist” shall mean a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.

This notification has come into force with effect from the 1st day of July, 2019

## **CIRCULARS - CGST**

**Circular No. 102/2019**

**Date - 28.06.2019**

Clarification regarding applicability of GST on additional / penal interest - reg

Various representations have been received from the trade and industry regarding applicability of GST on delayed payment charges in case of late payment of Equated Monthly Installments (EMI).

Doubts have been raised regarding the applicability of GST on additional / penal interest on the overdue loan i.e. whether it would be exempt from GST in terms of Sl. No. 27 of notification No. 12/2017-Central Tax (Rate) dated 28th June 2017 or such penal interest would be treated as consideration for liquidated damages.

In order to ensure uniformity in the implementation of the provisions of the law, CBIC has issued the following clarification.

Generally, following two transaction options involving EMI are prevalent in the trade:-

### **Case - 1:**

X sells a mobile phone to Y amounting to Rs 40,000/-. X gives Y an option to pay in installments, Rs 11,000/- every month before 10th day of the following month, over next four months (Rs 11,000/- \*4 = Rs. 44,000/- ). Further, as per the contract, if there is any delay in payment by Y beyond the scheduled date, Y would be liable to pay additional / penal interest amounting to Rs. 500/- per month for the delay.

In some instances, X is charging Y Rs. 40,000/- for the mobile and is separately issuing another invoice for providing the services of extending loans to Y, the consideration for which is the interest of 2.5% per month and an additional / penal interest amounting to Rs. 500/- per month for each delay in payment.

**Applicability of GST** - As per the provisions of sub-clause (d) of sub-section (2) of section 15 of the CGST Act, the amount of penal interest is to be included in the value of supply. The transaction between X and Y is for supply of taxable goods i.e. mobile phone. Accordingly, the penal interest would be taxable as it would be included in the value of the mobile, irrespective of the manner of invoicing.

### **Case - 2:**

X sells a mobile phone to Y. The cost of mobile phone is Rs 40,000/-. Y has the option to avail a loan at interest of 2.5% per month for purchasing the mobile from M/s ABC Ltd. The terms of the loan from M/s ABC Ltd. allows Y a period of four months to repay the loan and an additional / penal interest @ 1.25% per month for any delay in payment.

**Applicability of GST** - The additional / penal interest is charged for a transaction between Y and M/s ABC Ltd., and the same is getting covered under Sl. No. 27 of notification No. 12/2017- Central Tax (Rate) dated 28.06.2017. Accordingly, in this case the 'penal interest' charged thereon on a transaction between Y and M/s ABC Ltd. would not be subject to GST, as the same would not be covered under notification No. 12/2017- Central Tax (Rate) dated 28.06.2017. The value of supply of mobile by X to Y would be Rs. 40,000/- for the purpose of levy of GST.

It is further clarified that the transaction of levy of additional / penal interest does not fall within the ambit of entry 5(e) of Schedule II of the CGST Act i.e. "agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act", as this levy of additional / penal interest satisfies the definition of "interest" as contained in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017.

It is also further clarified that any service fee/charge or any other charges that are levied by M/s ABC Ltd. in respect of the transaction related to extending deposits, loans or advances does not qualify to be interest as defined in notification No. 12/2017- Central Tax (Rate) dated 28.06.2017, and accordingly will not be exempt.

**Circular No. 103/2019**  
**Date – 28.06.2019**

Clarification regarding determination of place of supply in certain cases – reg

Various representations have been received from trade and industry seeking clarification in respect of determination of place of supply in following cases: -

- i. Services provided by Ports - place of supply in respect of various cargo handling services provided by ports to clients;
- ii. Services rendered on goods temporarily imported in India - place of supply in case of services rendered on unpolished diamonds received from abroad, which are exported after cutting, polishing etc.

The provisions relating to determination of place of supply as contained in the Integrated Goods & Services Tax Act, 2017 have been examined.

CBIC has clarified the same as below: -

Issue	Clarification
<p>Various services are being provided by the port authorities to its clients in relation to cargo handling. Some of such services are in respect of arrival of wagons at port, haulage of wagons inside port area up-to place of unloading, siding of wagons inside the port, unloading of wagons, movement of unloaded cargo to plot and staking hereof, movement of unloaded cargo to berth, shipment/loading on vessel etc.</p> <p>Doubts have been raised about determination of place of supply for such services i.e. whether the same would be determined in terms of the provisions contained in sub-section (2) of Section 12 or sub-section (2) of Section 13 of the IGST Act, as the case may be or the same shall be determined in terms of the provisions contained in sub-section (3) of Section 12 of the IGST Act.</p>	<p>It is hereby clarified that such services are ancillary to or related to cargo handling services and are not related to immovable property. Accordingly, the place of supply of such services will be determined as per the provisions contained in sub-section (2) of Section 12 or sub-section (2) of Section 13 of the IGST Act, as the case may be, depending upon the terms of the contract between the supplier and recipient of such services.</p>
<p>Doubts have been raised about the place of supply in case of supply of various services on unpolished diamonds such as cutting and polishing activity which have been temporarily imported into India and are not put to any use in India?</p>	<p>Place of supply in case of performance based services is to be determined as per the provisions contained in clause (a) of sub-section (3) of Section 13 of the IGST Act and generally the place of services is where the services are actually performed. But an exception has been carved out</p>

	<p>in case of services supplied in respect of goods which are temporarily imported into India for repairs or for any other treatment or process and are exported after such repairs or treatment or process without being put to any use in India, other than that which is required for such repairs or treatment or process.</p> <p>In case of cutting and polishing activity on unpolished diamonds which are temporarily imported into India are not put to any use in India, the place of supply would be determined as per the provisions contained in sub-section (2) of Section 13 of the IGST Act.</p>
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**Circular No. 104/2019**

**Date - 28.06.2019**

Processing of refund applications in FORM GST RFD-01A submitted by taxpayers wrongly mapped on the common portal – reg

Doubts have been raised in respect of processing of a refund application by a jurisdictional tax authority (either Centre or State) to whom the application has been electronically transferred by the common portal in cases where the said tax authority is not the one to which the taxpayer has been administratively assigned.

CBIC has clarified the issues as follows-

Prior to 31.12.2018, refund applications were being processed only after submission of printed copies of FORM GST RFD 01A in the respective jurisdictional tax offices. Subsequent to the issuance of Circular No.79/53/2018-GST dated 31.12.2018, copies of refund applications are no longer required to be submitted physically in the jurisdictional tax office.

Now, the common portal forwards the refund applications submitted on the said portal to the jurisdictional proper officer of the tax authority to whom the taxpayer has been administratively assigned.

Now the question is whether application for refund can at all be processed by the proper officer of the State tax authority or the Central tax authority to whom the refund application has been wrongly transferred by the common portal.

It is clarified that in such cases, where reassignment of refund applications to the correct jurisdictional tax authority is not possible on the common portal, the processing of the refund claim should not be held up and it should be processed by the tax authority to whom the refund application has been electronically transferred by the common portal. After the processing of the refund application is complete, the refund processing authority may inform the common portal about the incorrect mapping with a request to update it suitably on the common portal so that all subsequent refund applications are transferred to the correct jurisdictional tax authority.

**Circular No. 105/2019**

**Date - 28.06.2019**

Clarification on various doubts related to treatment of secondary or post-sales discounts under GST – reg

For the purpose of value of supply, post sales discounts are governed by the provisions of clause (b) of sub-section (3) of section 15 of the CGST Act. It would be important to examine whether the additional discount is given by the supplier of goods in lieu of consideration for any additional activity / promotional campaign to be undertaken by the dealer.

It is clarified that

- if the post-sale discount is given by the supplier of goods to the dealer without any further obligation or action required at the dealer's end, then the post sales discount given by the said supplier will be related to the original supply of goods and it would not be included in the value of

supply, in the hands of supplier of goods, subject to the fulfillment of provisions of sub-section (3) of section 15 of the CGST Act.

- However, if the additional discount given by the supplier of goods to the dealer is the post-sale incentive requiring the dealer to do some act like undertaking special sales drive, advertisement campaign, exhibition etc., then such transaction would be a separate transaction and the additional discount will be the consideration for undertaking such activity and therefore would be in relation to supply of service by dealer to the supplier of goods.
- The dealer, being supplier of services, would be required to charge applicable GST on the value of such additional discount and the supplier of goods, being recipient of services, will be eligible to claim input tax credit (hereinafter referred to as the "ITC") of the GST so charged by the dealer.
- If the additional discount is given by the supplier of goods to the dealer to offer a special reduced price by the dealer to the customer to augment the sales volume, then such additional discount would represent the consideration flowing from the supplier of goods to the dealer for the supply made by dealer to the customer. This additional discount as consideration, payable by any person (supplier of goods in this case) would be liable to be added to the consideration payable by the customer, for the purpose of arriving value of supply, in the hands of the dealer, under section 15 of the CGST Act.
- The customer, if registered, would be eligible to claim ITC of the tax charged by the dealer only to the extent of the tax paid by the said customer to the dealer in view of second proviso to sub-section (2) of section 16 of the CGST Act.
- There may be cases where post-sales discount granted by the supplier of goods is not permitted to be excluded from the value of supply in the hands of the said supplier not being in accordance with the provisions contained in sub-section (3) of section 15 of CGST Act. It is clarified that the dealer will not be required to reverse ITC attributable to the tax already paid on such post-sale discount received by him through issuance of financial / commercial credit notes by the supplier of goods in view of the provisions contained in second proviso to sub-rule (1) of rule 37 of the CGST Rules read with second proviso to sub-section (2) of section 16 of the CGST Act as long as the dealer pays the value of the supply as reduced after adjusting the amount of post-sale discount in terms of financial / commercial credit notes received by him from the supplier of goods plus the amount of original tax charged by the supplier.

#### **Circular No. 106/2019**

**Date - 28.06.2019**

#### Refund of taxes paid on inward supply of indigenous goods by retail outlets established at departure area of the international airport beyond immigration counters when supplied to outgoing international tourist against foreign exchange – reg

CBIC has notified that the retail outlets established at departure area of the international airport beyond immigration counters shall be entitled to claim refund of all applicable Central tax, Integrated tax, Union territory tax and Compensation cess paid by them on inward supplies of indigenous goods received by them for the purposes of subsequent supply of goods to outgoing international tourists i.e. to a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes against foreign exchange.

With a view to ensuring expeditious processing of refund claims, the Board has specified the conditions, manner and procedure for filing and processing of such refund claims in succeeding paras.

**Duty Free Shops and Duty Paid Shops:** -It has been recognized that international airports, house retail shops of two types - „Duty Free Shops“ (hereinafter referred to as “DFS”) which are point of sale for goods sourced from a warehoused licensed under Section 58A of the Customs Act, 1962 (hereinafter referred to as the “Customs Act”) and duty paid indigenous goods and „Duty Paid Shops“ (hereinafter referred to as “DPS”) retailing duty paid indigenous goods.

**Procurement and supply of imported / warehoused goods:** - The procedure for procurement of imported / warehoused goods is governed by the provisions contained in Customs Act. The procedure and applicable rules as specified under the Customs Act are required to be followed for procurement and supply of such goods.

**Procurement of indigenous goods:** - Under GST regime there is no special procedure for procurement of indigenous goods for sale by DFS or DPS. Therefore, all indigenous goods would have to be procured by DFS or DPS on payment of applicable tax when procured from the domestic market.

**Supply of indigenous goods by DFS or DPS established at departure area of the international airport beyond immigration counters to eligible passengers:** The sale of indigenous goods procured from domestic market by retail outlets to an eligible passenger is a “supply” under GST law and is subject to levy of Integrated tax but the same has been exempted vide notification No. 11/2019-Integrated Tax (Rate) and 01/2019-Compensation Cess (Rate) both dated 29.06.2019. Therefore, retail outlets will supply such indigenous goods without collecting any taxes from the eligible passenger and may apply for refund as per procedure explained in succeeding paragraphs.

In this circular, eligibility to claim refund and procedure for applying for refunds, Processing and sanction of the refund claim have been elaborated also.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-106.pdf;jsessionid=EFE1A277D985935B37B5EC9A3361CDD5>

## **CUSTOMS – NON TARIFF**

**Notification No. 42/2019-Customs (N.T)  
Date – 18.06.2019**

**Customs (Supplementary Notice) Regulations, 2019**

The Central Board of Indirect Taxes and Customs has made the regulations, namely:-

### **Short title and commencement. –**

- 1) These regulations may be called the Customs (Supplementary Notice) Regulations, 2019.
- 2) They has come into force on the date of their publication in the Official Gazette

### **Application. –**

These regulations shall apply to the notices issued under clause (a) of subsection (1) or in sub-section (4) of section 28 or under second proviso to section 124 of the Act including those which have not been adjudicated on the date of enforcement of these regulations.

### **Manner and circumstances under which a supplementary notice may be issued.—**

Where a notice has been issued under section 28 or section 124 of the Act, a supplementary notice may be issued by the proper officer in any of the following circumstances:

- a) in case there is a difference in the quantum of duty demanded in such notice including the cases which may necessitate change in adjudicating authority;
- b) for invoking penal action under the provisions of the Act against a person/persons in addition to those charged in such notice;
- c) for invoking additional section/sections of the Act in such notice;
- d) in case there is any additional evidence that may have a significant bearing on the outcome of the case.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-nt2019/csnt42-2019.pdf;jsessionid=8B8505C0BD75B71DEC821EFBF5F475DE>

**Notification No. 43/2019-Customs (N.T)  
Date – 18.06.2019**

**Proper officer for Customs (Supplementary Notice) Regulations, 2019**

CBIC has directed each of the Notifications of the Government of India for amendment as follows-



<b>Notification number and date</b>	<b>Amendments</b>
44/2011-Customs (N.T.), dated the 6th July, 2011 [vide number S.O. 1541(E), dated the 6th July, 2011]	In the said notification, in the opening paragraph, for the words and figures "Section 17, Section 28 and Section 28AAA", the words and figures "section 17, section 28, section 28AAA and second proviso to Section 124" shall be substituted.
40/2012-Customs (N.T.), dated the 2nd May, 2012 [vide number S.O. 993(E), dated the 2nd May, 2012]	In the said notification, in the Table, in the column (3) against serial number 3, after item (xxxi), the following item shall be inserted, namely:- "(xxxi a) second proviso to Section 124;".

**Notification No. 44/2019-Customs (N.T)**  
**Date - 19.06.2019**

Manufacture and other operations in Warehouse Regulations, 2019

CBIC has made the following regulations, namely: -

**Short title and commencement**

- 1) These regulations may be called the Manufacture and Other Operations in Warehouse Regulations, 2019.
- 2) They has come into force on the date of their publication in the Official Gazette.

**Eligibility for application for operating under these regulations**

The following persons shall be eligible to apply for operating under these regulations, -

- i. a person who has been granted a licence for a warehouse under section 58 of the Act, in accordance with the Private Warehouse Licensing Regulations, 2016 which were notified by the Central Government in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-Section (i), vide the number G.S.R 518 (E), dated the 14th May, 2016.
- ii. a person who applies for a licence for a warehouse under Section 58 of the Act, along with permission for undertaking manufacturing or other operations in the warehouse under section 65 of the Act.

**Application for permission**

An application for operating under these regulations shall be made to the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be.

**Grant of permission**

Upon due verification of the application made as per regulation 4, the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be, shall grant permission to operate under the provisions of these regulations to a person, who -

- i. has been granted a licence for a warehouse under Section 58 of the Act, in accordance with Private Warehouse Licensing Regulations, 2016;
- ii. undertakes to maintain accounts of receipt and removal of goods in digital form in such format as many be specified and furnish the same to the bond officer on monthly basis;
- iii. undertakes to execute a bond in such format as may be specified.
- iv. undertakes to inform the input-output norms, wherever considered necessary, for raw materials and the final products and to inform the revised input-output norms in case of change therein.

**Audit**

The proper officer may conduct audit of a unit operating under section 65 in accordance with the provisions of the Customs Act and the rules made thereunder.

## Validity of permission

Any permission granted under regulation 5 shall remain valid unless it is cancelled or surrendered, or the license issued under section 58 is cancelled or surrendered, in terms of the provisions of the Act or the rules and regulations made thereunder.

## Penalty

If any person contravenes any of the provisions of these regulations, or abets such contravention or fails to comply with any of the provisions of these regulations, he shall be liable to pay a penalty in accordance with the provisions of the Act.

For more details, please follow - <http://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfn-2019/cs-nt2019/csnt44-2019.pdf>

### Notification No. 45/2019-Customs (N.T)

Date - 20.06.2019

#### Exchange Rates Notification No.45/2019-Custom (NT) dated 20.06.2019

CBIC has determined the rate of exchange of conversion of each of the foreign currencies into Indian currency or vice versa, which has been effective from 21st June, 2019, relating to imported and export goods.

#### SCHEDULE-I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Exported Goods)
1.	Australian Dollar	49.10	46.90
2.	Bahraini Dinar	190.50	178.60
3.	Canadian Dollar	53.50	51.55
4.	Chinese Yuan	10.25	9.95
5.	Danish Kroner	10.70	10.30
6.	EURO	79.85	76.90
7.	Hong Kong Dollar	9.05	8.75
8.	Kuwaiti Dinar	236.40	221.60
9.	New Zealand Dollar	47.00	44.80
10.	Norwegian Kroner	8.15	7.90
11.	Pound Sterling	89.80	86.60
12.	Qatari Riyal	19.75	18.50
13.	Saudi Arabian Riyal	19.15	17.95
14.	Singapore Dollar	52.05	50.25
15.	South African Rand	5.00	4.70
16.	Swedish Kroner	7.50	7.25
17.	Swiss Franc	71.65	68.85
18.	Turkish Lira	12.40	11.60
19.	UAE Dirham	19.55	18.35
20.	US Dollar	70.40	68.70

#### SCHEDULE-II

Sl. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	65.85	63.35
2.	Korean Won	6.15	5.75

**Notification No. 46/2019-Customs (N.T)****Date - 25.06.2019****Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver- Reg**

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

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables has been substituted, namely: -

**TABLE-1**

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
1	1511 10 00	Crude Palm Oil	525 (i.e. no change)
2	1511 90 10	RBD Palm Oil	556 (i.e. no change)
3	1511 90 90	Others - Palm Oil	541 (i.e. no change)
4	1511 10 00	Crude Palmolein	559 (i.e. no change)
5	1511 90 20	RBD Palmolein	562 (i.e. no change)
6	1511 90 90	Others - Palmolein	561 (i.e. no change)
7	1507 10 00	Crude Soya bean Oil	709 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3487 (i.e. no change)
9	1207 91 00	Poppy seeds	3350 (i.e. no change)

**TABLE-2**

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	452 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	477 per kilogram (i.e. no change)

**Notification No. 47/2019-Customs (N.T)****Date - 28.06.2019****Tariff Notification in respect of Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver - Reg**

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

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted, namely: -

**"TABLE-1**

Sl. No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
1	1511 10 00	Crude Palm Oil	508
2	1511 90 10	RBD Palm Oil	540
3	1511 90 90	Others - Palm Oil	524
4	1511 10 00	Crude Palmolein	546

5	1511 90 20	RBD Palmolein	549
6	1511 90 90	Others - Palmolein	548
7	1507 10 00	Crude Soya bean Oil	697
8	7404 00 22	Brass Scrap (all grades)	3471
9	1207 91 00	Poppy seeds	3350

TABLE-2

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	451 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	492 per kilogram

TABLE-3

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne)
1	080280	Areca nuts	3920"

For more details, please follow -

<https://www.ilovepdf.com/download/vtsA6k5zf2ws4p9krmpgkp4t8n45bbs65j114vs4lrjww1vkchb5r3xqpi67r5q769xnw69gp0f6tdf4qqsg45g5z2vf5n8n8gx50py00Ays8czlAc9nlwtxn2Awgslqkpz6sfw4w7y9vwgkAy0k388y4r4c8xyg335p06q3wzg42mc07pg1/16o>

## CUSTOMS - ANTI DUMPING DUTY

**Notification No. 24/2019-Customs (Add)**

**Date - 18.06.2019**

Seeks to levy anti-dumping duty on jute sacking cloth under tariff heading 5310 originating in or exported from Bangladesh to prevent the circumvention of levy of anti-dumping duty levied on jute sacking bags vide notification No. 1/2017-Customs (ADD) dated 5th January, 2017

In case of levy of anti-dumping duty on import of Jute Products namely, Jute Yarn/ Twine (multiple folded/cabled and single), Hessian fabric, and Jute sacking bags, falling under tariff headings 5307, 5310, 5607 or 6305 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) originating in or exported from Bangladesh or Nepal and imported into India, the designated authority in its final findings vide Notification No.14/9/2015-DGAD, dated 20th October, 2016, had recommended imposition of the anti-dumping duty on the said products.

The designated authority vide notification No.7/3/2018-DGAD, dated the 20th March 2018., in the matter of circumvention of the anti-dumping duty imposed on imports of jute sacking bags, had initiated an investigation to determine the need for extending antidumping duty imposed on the import of said products.

The designated authority in its final findings, published vide notification No. 7/3/2018-DGAD dated the 19th March 2019, in the Gazette of India, Extraordinary, Part I, Section 1, has come to the conclusion that-

- (i) imports of sacking cloth have increased post levy of anti-dumping duty;

- (ii) the value addition in converting sacking cloth to sacking bag is much less than the prescribed threshold in the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 Rules.
- (iii) the import of sacking cloth has undermined the remedial effect of existing antidumping measure of on sacking bags imposed vide notification No. 01/2017- Customs (ADD) dated 5th January, 2017, published vide number G.S.R. 11(E), dated the 5th January 2017.

and has recommended extension of the existing anti-dumping duty on sacking bags imposed vide aforesaid notification No. 01/2017 – Customs (ADD), dated the 5th January, 2017 on jute sacking cloth.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-add2019/csadd24-2019.pdf;jsessionid=300C00C7398B9EEB96D690626E6D6A9B>

#### **Notification No. 25/2019-Customs (Add)**

**Date – 23.06.2019**

Seeks to amend notification No. 23/2013-Customs(ADD), dated the 10th October, 2013 to extend the anti-dumping duty on ductile iron pipes originating in, or exported from China PR till 9th October, 2019

In case of 'Ductile iron pipes' falling under tariff items 7303 00 30 or 7303 00 90 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) originating in, or exported from China PR and imported into India, the designated authority in its final findings vide Notification No. 15/1006/2012-DGAD, dated the 4th September, 2013, had recommended continuation of anti-dumping duty on the imports of subject goods.

The designated authority had initiated the review investigation vide Notification No. 7/18/2018-DGAD, dated the 9th October, 2018, concerning imports of subject goods originating in or exported from China PR.

After completion of review investigation, the designated authority issued final finding vide Notification No. 7/18/2018-DGAD, dated the 1st April, 2019, and concluded that continuation of anti-dumping duty is not warranted and did not recommend further extension of anti-dumping duty on import of subject goods originating in or exported from China PR.

In pursuance of the Judgment dated the 3rd May, 2019 of Hon'ble High Court of Gujarat in the matter of Special Civil Application No. 6896 of 2019, filed by M/s Jindal Saw Limited, the Central Government had extended the anti-dumping duty on the subject goods upto the **23rd June, 2019** vide Notification No. 21/2019- Customs (ADD), dated the 9th May, 2019.

Now, for the figures, letters and words "**23rd June 2019**", the figures, letters and words "**9th October 2019**" shall be substituted.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-add2019/csadd25-2019.pdf;jsessionid=0CB1CDC58CF81A6576610411F0651C15>

#### **Notification No. 26/2019-Customs (Add)**

**Date – 24.06.2019**

Seeks to extend levy of anti-dumping duty till 09.07.2019, on imports of " Paracetamol" originating in or exported from china PR, extended vide notification No. 39/2018 Customs (ADD), dated the 20th August, 2018, in pursuance of order of Hon'ble High Court of Gujarat in the matter of SCA 5278/2019

The Central Government levied anti-dumping duty on imports of 'falling under Chapter 29 of the First Schedule to the Customs Tariff Act, originating in or exported from China PR vide Notification No. 26/2013- Customs (ADD), dated the 28<sup>th</sup> October, 2013, for a period of 5 years from the date of publication in the Official Gazette.

The designated authority, vide Notification No. 7/16/2018-DGAD, dated the 25<sup>th</sup> April, 2018, initiated a review in the matter of continuation of anti-dumping duty and recommended the extension of the antidumping duty on the subject goods for a period of 6 months.

On the basis of the recommendations of the designated authority, the Central Government had extended the anti-dumping duty on the subject goods, originating in or exported from the subject country up to and inclusive of the 26<sup>th</sup> April, 2019 vide Notification No.39/2018- Customs (ADD), dated the 20<sup>th</sup> August, 2018.

The designated authority in its final findings dated 29th January, 2019, vide Notification No. 7/16/2018-DGAD, dated the 29th January, 2019, regarding the review of anti-dumping duty on the subject goods originating in or exported from the subject country, recommended termination of the antidumping duty on the import of subject goods.

On the basis of these final findings, the Central Government, vide Notification No.19/2019-Customs (ADD), dated the 16th April, 2019, rescinded the Notification No. 39/2018-Customs (ADD), dated the 20th August, 2018 to terminate the levy of anti-dumping duty on the subject goods.

Finally, in pursuance of the High Court of Gujarat order dated 20.06.2019, and the ultimate outcome of the SLP in the Hon'ble Supreme Court, the Central Government has made further amendments in the Notification No. 39/2018 Customs (ADD), dated the 20th August, 2018

**Amendments** - In the said notification, for the figures, letters and word "24<sup>th</sup> June, 2019", the figures, letters and word "9<sup>th</sup> July, 2019" shall be substituted.

## **CUSTOMS – CIRCULARS**

**Circular No. 16/2019**

**Date – 17.06.2019**

### IGST refunds- mechanism to verify the IGST payments for goods exported out of India in certain cases- reg

The procedure for claiming IGST refunds is fully automated as provided under Instruction 15/2017-Cus dated 09.10.2017. It has come to the notice of the Board that instances of availment of IGST refund using fraudulent ITC claims by some exporters have been observed by various authorities. Exporters have availed ITC on the basis of ineligible documents or fraudulently and utilized that credit for payment of IGST on goods exported out of India. It has also been observed in several cases that there is huge variation between the FOB value declared in the Shipping Bill and the Taxable value declared in GST Return apparently to effect higher IGST pay out leading to encashment of credit.

In view of above, it has been decided to verify the IGST payments through the respective GST field formations. The procedure specified in the instruction 15/2017-Cus dated 09.10.2017 stand modified to the extent as under

- A. Identification of Suspicious cases:** DG (Systems) shall work out the suitable criteria to identify risky exporters at the national level and forward the list of said risky exporters to Risk Management Centre for Customs (RMCC) and respective Chief Commissioners of Central Tax. DG (Systems) shall inform the respective Chief Commissioner of Central Tax about the past IGST refunds granted to such risky exporters (along with details of bank accounts in which such refund has been disbursed).
- B. Inserting Alert in the System:** RMCC shall insert alerts for all such risky exporters and make 100% examination mandatory of export consignments relating to those risky exporters. Also, alert shall be placed to suspend IGST refunds in such cases.
- C. Examination of the export goods:** Customs officers shall examine the consignment as per the RMCC alert. In case the outcome of examination tallies with the declaration in the Shipping Bill subject to no other violation of any of provision of the Customs Act, 1962 or other laws being observed, the consignment may be cleared as per the regular practice.
- D. Suspension of IGST refunds:** Notwithstanding the clearance of the export consignments as per para C above, such Shipping Bills shall be suspended for IGST refund by the Deputy or Assistant Commissioner of Customs dealing with refund at the port of export.
- E. Verification by GST formations:**
  - (i) Chief Commissioner of Central Tax shall get the verification of the IGST refund claims and other related aspects done in accordance with the Standard Operating procedure to be issued by the GST policy wing.

- (ii) The GST formation shall furnish a report to the respective Chief Commissioner of Central Tax within 30 days specifying clearly whether the amount of IGST paid and claimed/sanctioned as refund was in accordance with the law or not.
  - (iii) Chief Commissioner of Central Tax shall compile and forward report of all cases to RMCC and concerned customs port of export within 5 working days thereafter.
- F. Action to be taken by customs formations on receipt of verification report from GST formations:**
- (i) Cases where no malpractices have been reported on verification:**  
On receipt of verification report from Chief Commissioner of Central Tax informing that the ITC availed by the exporter was in accordance with the GST Law and rules made thereunder, the Customs officer at the port of export shall proceed to process the IGST refund to the extent verified by the GST Authorities. The detailed advisory in this regard shall be issued by DG(Systems) for the benefit of customs officers handling refunds.
  - (ii) Cases where malpractices have been reported on verification:**  
For cases where upon verification, it has been found that the exporter has availed ITC fraudulently or on the basis of ineligible documents and utilized the said ITC for payment of IGST claimed as refund, the customs officer will not process the refund claim.

**Circular No. 17/2019**

**Date - 19.06.2019**

Applicability of Additional Customs duty on goods re-imported under Customs Notification No. 94/96-  
Customs dated 16.12.1996 exported earlier for exhibition purpose/ consignment basis

As per section 3 of the Central Excise Act, 1944, all goods produced or manufactured in India are leviable to duty of Central Excise at rates prescribed in the First Schedule to the Central Excise Tariff Act, 1985. As per Rule 4 of the Central Excise Rules, 2002, such duties are however collected by the Government at the time of removal from the place of manufacture/ warehouse of such manufactured goods.

During the 2016-17 Union Budget, Central Excise duty of 1% (without input tax credit) or 12.5% (with input tax credit) was imposed on articles of jewellery falling under heading 7113 of the First Schedule to the Central Excise Tariff Act, 1985.

After the levy of Central Excise Duty on articles of jewellery during Budget 2016-17, Articles of Jewellery (Collection of Duty) Rules, 2016 were notified vide Notification no.34/2016 (N.T.) dated 26.07.2016 by the Government.

As per Rule 6 of the said rules, liability to pay Central Excise duty arises at the time of first sale by the manufacturer/ principal manufacturer from his registered premises. However, such payment of Central Excise duty is done on a monthly basis by the 5th/6th day of the following month. Prior to imposition of Central Excise duty on jewellery, the same was exported without Bond/LUT as clarified by Circular no. 928/18/2010-CX dated 28.06.2010. On imposition of Central Excise duty, such jewellery was exported under self-declaration and submission of LUT to Customs without the need to get the LUT ratified by jurisdictional central excise authorities vide Circular Nos. 1021/9/2016-CX dated 21.03.2016 and 1042/30/2016-CX dated 26.07.2016.

There was no liability to pay Central Excise duty in re-import of jewellery which was exported under bond/LUT for exhibition abroad or on consignment basis as it arises only at the time of first sale by the manufacturer.

In the case where the export has taken place under claim of rebate, then it is clear that Central Excise duty has been paid. This means that as per Rule 6 of Articles of Jewellery (Collection of Duty) Rules, 2016, sale has taken place and then at the time of re-import, rightly it has to be done under condition 1(c) of the notification which requires repayment of the rebate claimed by the exporter.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2019/Circular-No-17-2019.pdf;jsessionid=65FE764380DE32481F55074622F3B18B>

## **DIRECT TAX**

**Notification No. 45/2019**

**Date – 20.06.2019**

### **Notification regarding Central Silk Board**

The Central Government has notified, 'Central Silk Board', Bengaluru, PAN: AAALC0093M a Board constituted by the Central Government, in respect of the following specified income arising to that Board, namely: -

- a) Grants/Funds received from the Centre/State/NGO or any other Statutory body by Central Silk Board;
- b) Compensation received on account of sale, disposal, auction or acquisition of movable and immovable properties of Central Silk Board;
- c) Royalty or any other income received for the technologies patented and intellectual property rights owned by Central Silk Board;
- d) Penalties and Levies collected under Government Statutes;
- e) Fees/charges/ receipt received on account of services rendered by Central Silk Board as per the provisions of the Central Silk Board Act, 1948 (LXI of 1948) as amended by the Central Silk Board (Amendment) Act, 2006 (42 of 2006) and the Central Silk Board Rules, 1955 as amended by the Central Silk Board (Amendment) Rules, 2015; and
- f) Interest earned on (a) to (e) above.

2. This notification shall be effective subject to the conditions that Central Silk Board, Bengaluru,-

- a) shall not engage in any commercial activity;
- b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. 3. This notification shall apply with respect to the assessment year 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.

**Notification No. 46/2019**

**Date – 20.06.2019**

### **Notification regarding International Sericultural Commission**

The Central Government has notified 'International Sericultural Commission', Bengaluru, (PAN: AAAGI0020F) a body constituted under a treaty entered into by the Central Government, in respect of the following specified income arising to the said body, namely:-

- a) Membership Fee received from Member Countries and Associate Members;
- b) donations or grants received from United Nations, Inter-Governmental agencies, and Government of Member countries;
- c) registration fees for participating in international events organised by International Sericultural Commission; and
- d) interest earned on (a) to (c) above.

This notification shall be deemed to have been applied for the assessment year 2014-15 and subsequent assessment years.

**Notification No. 47/2019**

**Date – 20.06.2019**

### **Notification regarding scheme for industrial park**

The Central Government has framed and notified a scheme for industrial park, by the notifications of the Government of India in the Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) vide number S.O. 354(E), dated the 1st day of April, 2002, for the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2006.



M/s. Magrath Properties Pvt. Ltd. having its registered office at First Floor, Embassy Point, 150, Infantry Road, Bangalore-560001 has developed an industrial park located at Survey No. 13/2, Challaghata Village, Varthur Hobli, Bangalore, Karnataka - 560001.

The Central Government has approved the said Industrial Park vide Ministry of Commerce and Industry letter No. 15/177/2005-IP&ID dated 25-07-2006.

For more details, please follow

- [https://www.incometaxindia.gov.in/communications/notification/notification47\\_2019.pdf](https://www.incometaxindia.gov.in/communications/notification/notification47_2019.pdf)

**Notification No. 49/2019-**

**Date - 27.06.2019**

**Notification regarding Karnataka Electricity Regulatory Commission**

CBDT has issued notified 'Karnataka Electricity Regulatory Commission', Bengaluru (PAN AAAGK0112L), a commission established by the Government of Karnataka, in respect of the following specified income arising to that Commission, namely:-

- a) Grant by Government of Karnataka;
- b) Annual Fees;
- c) Tariff Application Fees;
- d) Power Purchase Agreement processing fees;
- e) Fines and Penalties (if levied);
- f) Miscellaneous receipts like copying charges of various documents sale of retail tariff orders sale of regulations, RTI application fees etc.; and
- g) Interest earned on (a) to (f) above.

This notification shall be effective subject to the conditions that Karnataka Electricity Regulatory Commission, Bengaluru -

- a) shall not engage in any commercial activity;
- b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and
- c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

This notification shall apply with respect to the assessment year 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.

**Notification No. 50/2019-**

**Date - 27.06.2019**

**Notification regarding M/s. Rolls-Royce Defense Services, Inc**

CBDT has specified that any income arising to the foreign company namely, M/s. Rolls-Royce Defense Services, Inc., 450 South Meridian Street, Indianapolis, Indiana 46225-1103, United State of America, by way of royalty or fees for technical services received in pursuance of the Mission Ready Management Solutions Agreement (MRMS) No. CABS/18FET005/17-18, dated the 14 July 2017, entered into between M/s. Rolls Royce Defense Services, Inc. and Centre for Air borne Systems, Defence Research and Development Organization, Ministry of Defence, to the extent of USD 21, 67,317.50, shall not be included in computing the total income of the said foreign company.

**CIRCULARS**

**Circular No. 11 /2019**

**Date - 19.06.2019**

**Clarification regarding non-allowability of set-off of losses against the deemed income under section 115BBE of the Income-tax Act, 1961 prior to assessment-year 2017-18-reg**

As per section 115BBE, sub-section (2) of the Income-tax Act, 1961 (Act) provides that where total income of an assessee includes any income referred to in section(s) 68/69j69A/69B/69Cj69D of the Act, no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee under any provisions of the Act in computing the income referred to in section 115BBE (1) of the Act.

In this regard, it has been brought to the notice of the Central Board of Direct Taxes (the Board) that in assessments prior to assessment year 2017-18, while some of the Assessing Officers have allowed set off of losses against the additions made by them under Section(s) 68/69j69A/69B/69C/69D, in some cases, set off of losses against the additions made under Section 115BBE (1) of the Act have not been allowed.

As the amendment inserting the words 'or set off of any loss' is applicable with effect from 1st of April, 2017 and applies from assessment year 2017-18 onwards, conflicting views have been taken by the Assessing Officers in assessments for years prior to assessment year 2017-18.

The matter has been referred to the Board so that a consistent approach is adopted by the Assessing Officers while applying provision of section 115BBE in assessments for period prior to the assessment year 2017-18.

Finally, the board has come to the conclusion that since the term 'or set off of any loss' was specifically inserted only vide the Finance Act 2016, w.e.f. 01.04.2017, an assessee is entitled to claim set-off of loss against income determined under section 115BBE of the Act till the assessment year 2016-17.

**Circular No. 12 /2019**  
**Date - 19.06.2019**

Assessment of Firms'-some of the important issues to be kept under consideration by the Assessing Officers while framing assessment-reg.

C&AG had carried out a Performance Audit regarding 'Assessment of Firms' under the Income tax Act, 1961 ('Act') and in its Report NO.7 of 2014, has made certain suggestions so that in future, assessments in these cases are handled in a more effective manner by the Assessing Officers (AOs).

In order to improve the quality of assessments being framed in these cases and also to reduce the scope for committing errors, the Board desires that Assessing Officers should duly take into consideration the following issues while making assessments in case of firms.

- Expenses in the hands of the firm such as interest on capital paid to the partners, remuneration payable to the working partners etc. are taxable in the hands of respective partners. Therefore, while framing assessment in case of firms, a cross-verification of such amounts with income-tax return of firm's partner will be desirable and any discrepancy between the tax return of a firm and its partners should be dealt with as per provisions of the Act.
- AOs should invariably call for a copy of the partnership deed during the course of assessment proceedings and examine it carefully so that instances of payment of remuneration to any non-working partner or remuneration payment for period prior to the date of partnership deed but claimed as deductible are identified and cognizance of these are duly taken in assessment.
- Where the interest in the partnership deed was stated to be below twelve percent, yet, the same was allowed at the rate of twelve percent by the AO. Such mistakes should be avoided.
- In case the rate prescribed in the partnership deed is in excess of twelve percent, the excess should be disallowed in assessment. The AO is also required to ascertain whether payment of interest is duly authorized by the partnership deed or not.
- While calculating interest payable to the partners for purposes of section 40(b)(iv) of the Act, AOs are taking different yardsticks for calculating interest viz. opening balance of capital, closing balance of capital, fixed capital or current capital etc. In this regard, section 40(b)(iv) of the Act prescribes that payment of interest to partners should be authorized by and be in accordance with the partnership deed. Therefore, while framing assessment, AOs should refer to the terms of the partnership deed for purpose of computation of interest on capital payable to a partner.
- In some assessments, AOs had allowed expenditure on remuneration to the working partners though the same was either not authorized by the partnership deed or was in excess of the amount specified therein. In order to prevent recurrence of mistakes and allowing the expenditure strictly as per provisions of the Act, the AOs should ensure that claim under section 40(b)(v) of the Act is allowed only after a thorough verification of the partnership deed.

- While computing remuneration which is allowable to a working partner under section 40(b)(v) of the Act, the term 'in accordance with the terms of the partnership deed' in clauses (ii) and (v) of section 40(b) of the Act implies that remuneration should not be undetermined or undecided.
- In situations where the remuneration either so specified in the partnership deed or computed as per the method indicated therein falls short of the amount allowable under section 40(b)(v) of the Act, it would be restricted to the figure computed on the basis of the partnership deed.
- At the time of computing 'book profit' for purposes of section 40(b)(v) of the Act, all incomes such as capital gain, interest, rental income, income from other sources etc. which do not fall under the head 'profit or gain of business or profession', should be excluded.
- ADs are advised to apply the provisions of Chapter XVI of the Act in assessment of firms whenever required. It should be taken into consideration that under section 185 of the Act, any noncompliance by the firm or its partners with provisions of section 184 of the Act may result in denial of expenses such as remuneration, interest etc. payable to the partners which are otherwise allowable under the provisions of the Act.
- Some firms try to inflate the profits eligible for deduction under section 80IA of the Act by not claiming expenditure towards remuneration, salary, interest etc. which are payable to the partners. In such situations, Assessing Officers may examine these transactions in light of provisions of sub-section (10) of section 80IA of the Act which empower Assessing Officer to re-compute profit of the eligible business after excluding the profits of the related activity/business which produced the excessive profit.
- While framing assessments in case of firms claiming carry forward and set off of losses, Assessing Officers are requested to verify such claims taking into consideration provisions of section 78 of the Act which disallow such a carry forward and set off in case of change in constitution of the firm or on succession.
- **Regarding the issue concerning possible action against the tax auditor for furnishing incomplete information in the Tax-Audit Report and effective utilization of information in the Tax Audit Report by the Assessing Officers, it is reiterated that directions given earlier viz. Instruction No. 09/2008 dated 31.07.2008 of CSDT should be followed scrupulously by the field authorities.**

**Circular No. 13 /2019**

**Date - 24.06.2019**

Exemption of service clement and disability element of disability pension granted to disabled personnel of armed forces who have been invalidated on account of disability attributable to or aggravated by such service-reg

Under the existing provisions of clause (~ of sub-section 2 of section 297 of the Income tax Act, 1961 ('Act any notification issued under sub-section (I) of section 60 or section 60A of the Indian Income-Tax Act, 1922 (now repealed) and in force immediately before the commencement of the Act shall continue to be in force to the extent to which no provision has been made under the Act. Previously, in exercise of powers conferred under section 60 of the Indian Income - Tax Act, 1922, vide Notification no. 878 -F dated 21.03.1922, it was ordered at para 19 that 'pensions granted to members of His Majesty's naval, military or air forces who have been invalidated for naval, military or air force service on account of bodily disability attributable to or aggravated by such service would be exempt from tax under the Indian Income Tax Act, 1922".

In furtherance to the above, instruction no. 136/1970 dated 14.01.1970 in F. No. 34/3/68 IT (AI) and instruction no. 2/2001 dated 02.07.2001 in F. No. 200/51/99-ITA-I have been issued to clarify that the entire disability pension, i.e. "disability clement" and "service element" of a disabled officer of the Indian Armed Forces continues to be exempt from income tax under the Income-tax Act, 1961.

The notification no. 878-F dated 21.03.1922, provides income tax exemption to all members of armed Forces who have been invalidated for naval, military or air force service on account of bodily disability attributable to or aggravated by such service. Thus, income-tax exemption under above clause would be available to all armed forces personnel (irrespective of rank) who have been invalidated for such service on account of bodily disability attributable to or aggravated by such service.

Further, such tax exemption will be available only to armed forces personnel who have been invalidated from service on account of bodily disability attributable to or aggravated by such service and not to personnel who have been retired on superannuation or otherwise.

# PRESS RELEASE

## INDIRECT TAX

**Date – 20.06.2019**

### **IGST refunds to the exporters for taking further necessary action**

Some newspapers have today highlighted a perceived set-back to the automated process of refunds for exporters under GST on account of the introduction of manual checks to curb large scale frauds in IGST refunds. These news items regrettably create a misleading impression that genuine exporters would suffer on account of the newly introduced verification process.

The CBIC has recently instructed its Customs and GST formations to verify the correct availment of input tax credit (ITC) by few exporters who are perceived as “risky” on the basis of pre-defined risk parameters. Only 5,106 risky exporters have been identified so far as against about 1.42 lakh total exporters. Thus the risky exporters are only 3.5% of the total exporters. Further, in the last two days i.e. 17.06.2019 and 18.06.2019 only 1,436 Shipping Bills filed by total 925 exporters have been interdicted. Considering that about 20,000 Shipping Bills are filed by roughly 9,000 exporters on a daily basis, the intervention is negligible. Even for these risky exporters, the exports are allowed immediately. However, the refund would be released after verification of ITC within a maximum of 30 days.

The new verification exercise is aimed at preventing unscrupulous exporters from defrauding the exchequer and bringing a bad name to the larger exporting community. CBIC would like to assure all genuine exporters that they would continue to get their IGST refunds in a timely manner in a fully automated environment.

## DIRECT TAX

**Date – 27.06.2019**

### **Income Tax Department continues to strike in J&K Region**

The Income Tax Department conducted search and seizure operations on 27.06.2019 on a prominent business group based in Srinagar, covering 4 premises in the Kashmir Valley and 6 places in the Jammu region. Apart from the premises in J&K, 10 other business premises situated in Ludhiana, NCR and Jammu belonging to parties that have actively assisted the main tax evader in concealing his income and indulging in illegal activities have also been covered under survey action. The group is engaged in the business of real estate and information technology. There were allegations of large scale diversion and misappropriation of loan taken from J&K Bank by the group.

During the search, it was detected that the tax evader has been given illegal benefit of Rs 60 crore by J&K Bank. His outstanding loan of Rs 190 crore was settled at Rs 130 crore, although he did not deserve any concessional treatment. Additionally, even the reduced bank liability has either been defaulted by him or the repayment has been facilitated by active connivance of bank officials, who have ever greened his loan account by lending to third parties, who, in turn, gave their loaned funds to the tax evader through dubious financial transactions with him.

During the search operation, evidence was found that the main promoter was a director in a Dubai based company. He is also holding and operating a foreign bank account. Neither his interest in the Dubai Company nor the foreign bank account has ever been disclosed by him in his tax returns. He is likely to face action under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 as well as other relevant laws of the land for deliberate omission to declare foreign investment as mandated by law.

Field enquires have also revealed that the tax evader has sold/booked part of his real estate project of Paradise Avenue near Jammu against unaccounted cash. The cash component has neither been disclosed in tax returns by purchasers of the flats of Paradise Avenue nor has he disclosed these receipts in his books of accounts.

Other than the Paradise Avenue project, the tax evader has also undertaken real estate transactions in his personal capacity or in the name of family members wherein allegedly more than Rs 7 crore of unaccounted cash has changed hands.

During the demonetization period, the group had made cash deposits of Rs. 1.44 crore. The main promoter could not explain the source of these cash deposits during the course of search action.

# JUDGEMENTS

## INDIRECT TAX

### Printing of Images from Digital Media attracts 18% GST: AAR

M/s Colortone Process Pvt. Ltd. vs. Karnataka AAR

Case No. – KER 42/2019  
Date – 12.04.2019

#### Fact of the Case

- M/s Colortone Process Pvt. Ltd. is the applicant in the present case and engaged in the activity of high-quality digital printing services.
- The customers provided the content that is to be printed and the applicant is executing the job work of printing. It was contended that the applicant neither owns nor generates any content and the cost of printing depends upon the quality of paper selected for the printing.
- As printing technology has developed, the applicant has adopted a state of art digital technology driven by the use of computers so that the high quality of the printout can be generated like photographic prints.
- Before the AAR, the applicant sought an advance ruling regarding their tax liability under the GST Act.

#### Decision of the Case

- The AAR observed that the technological difference between ordinary print with digital print is in the way the images get transferred onto the paper.
- The quality of the print 1 output depends upon the quality of paper used. The printing of pictures images on ordinary paper and glossy coated/paper is entirely different. The quality of printing is high in glossy coated paper.
- As per the explanatory notes to the scheme of 1 classification of services as discussed above the printing of pictures I images on glossy coated/paper/ photo paper will not come

under the Service Classification Code 998912.

- Therefore, the work of printing of images from digital media executed by the applicant comes within the ambit of Service Classification Code 998386.
- The Advance Ruling Authority (AAR), Kerala has held that the activity of printing of images from digital media would attract 18% Goods and Services Tax (GST).

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### Advance Ruling Authority has No Jurisdiction to determine 'Place of Supply': AAR

M/s. Sutherland Mortgage Service Inc vs. Kerala AAR

Case No. – KER/32/2019  
Date – 24.05.2019

#### Fact of the Case

- The applicant is engaged in the business of providing information technology enables services such as mortgage orientation, primary servicing, special servicing, cash management and analytics and reporting.
- The Head Office prevented outsourcing of its work to any other third party. Therefore, M/s. Sutherland Mortgage Services Inc. India is entered into an inter-company agreement with the M/s. Sutherland Mortgage Services Inc. USA for providing services to the customers located outside India.
- The inter-company agreement is entered only for the purpose of transfer pricing regulation as the branch has no legal separate entity.
- The applicant submitted that M/s. Sutherland Mortgage Services Inc. India Branch has provided the services to the customers located outside India and not to Head Office and therefore services would qualify as export of services, which is considered as zero-rated supply in terms of Section 16 of the IGST Act.

### **Decision of the Case**

- This authority has been constituted in exercise of the powers conferred by section 96 of the Kerala Goods and Services Tax Act, 2017, which Act extends to the whole of the state of Kerala.
- This authority has to function within the legal boundary mandated by the Act. As the 'place of supply' is not covered by Section 97(2) of the Acts, this authority is helpless to answer the question raised in the application.
- The Kerala State Advance Ruling Authority (AAR) has held that it has no jurisdiction to determine the 'place of supply' under the Goods and Services Tax (GST) Act.

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### **Dream11 is a Game of Skill and not a Game of Chance, not come under Gambling, attracts 18% GST: Bombay HC**

Surdeep Singh Sachar vs. Union of India, Dream 11 Fantasy Pvt. Ltd. and others

Case No. – Criminal Public Interest Litigation  
Stamp No. 22 of 2019  
Date – 30.04.2019

### **Fact of the Case**

- In the present case Surdeep Singh Sachar is the petitioner.
- The petitioner claims himself as a public spirited advocate sought directions to initiate criminal prosecution against the respondent company named Dream 11 Fantasy Pvt. Ltd.
- The respondent co. is involved in conducting illegal operations of gambling/betting/wagering in the n the guise of Online Fantasy Sports Gaming which attracts penal provisions of public gambling act 1867.
- The respondent also evades GST payable by it violating the provisions of GST Act.

### **Decision of the Case**

The division observed the followings-

- The actionable claim in the Online Fantasy Sport Gaming of the

respondent No.3 are not considered as 'supply of goods' or 'supply of services.

- Actionable claim referred to in Rule 31A is limited to only activities or transactions in the form of chance to win in "lottery" or "betting" or "gambling" or "horse racing in a race club.
- Thus, Rule 31A which is restricted only to such four supplies of actionable claim has no application in this case.
- The Online Fantasy Sports Gaming of respondent No.3 is not gambling services; the respondent No. 3 is not in error in paying GST under this entry for its online gaming activities, by paying applicable GST @ 18%.
- It can be seen that success in Dream 11's fantasy sports depends upon user's exercise of skill based on superior knowledge, judgment and attention, and the result thereof is not dependent on the winning or losing of a particular team in the real world game on any particular day.
- So, dismissing a Writ Petition against Dream11, a fantasy sports platform, the Bombay High Court has observed that it is undoubtedly a game of skill and not a game of chance.

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### **NAA dismisses Profiteering Charges against Bharati Telemedia**

Bharati Telemedia Pvt. Ltd. vs. Director General of Anti Profiteering

Case No. – 37/2019  
Date – 12.06.2019

### **Fact of the Case**

The complaint filed an application before standing committee on anti – profiteering under rule 128 of GST Rules 2017 against DTH industry in the following way

- Before introduction of GST, the entertainment tax rate was between 10% to 25% in various states.
- In addition, there was a service tax 15%.
- After implementation of GST, the rate came down to 18%.
- But the DTH operators did not passing the benefit of GST rate cut to its customers.

### **Decision of the Case**

- The NAA said that, the Entertainment Tax was neither allowed as ITC in pre-GST era nor has been allowed in the GST era, and that the cost of the entertainment tax was borne by the Respondent himself as is clear from the invoices produced by him.
- Accordingly, there is no ground to believe the contention of the above Applicant as no benefit of ITC has accrued to the Respondent which was required to be passed on.
- The NAA also observed that “It is also apparent that the plans and packages post-GST had been changed and thus. There were no comparable prices for the old packages with that of the new ones.
- In view of the above facts, it is evident that there is no evidence to prove that the Respondent had charged more price in the GST era and not passed on the benefit of tax reduction, as the tax rate had increased from 15% to 18%.
- The National Anti-Profitteering Authority (NAA) has dismissed profiteering charges against Bharati Telemedia Private Limited for not passing on GST rate cut benefits to its consumers.

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### **Drainage of Channels and Riverbeds is Exempted from GST: AAR**

Arihant Dredging Developers Pvt. Ltd vs. West Bengal AAR

Case No. – 16 of 2019  
Date – 16.04.2019

### **Fact of the Case**

- The Applicant is a contractor who got a contract for resectioning of river Jamuna from the upstream of Charghat Bridge to the downstream of Ghonja Haspur Bridge. They approached the AAR for determining their tax liability under the new tax regime.
- The Applicant submitted that the recipient is the State Government. According to them, a price schedule that describes the work and its value.
- They argued that the work involves earthwork in excavation and re-

excavation of the drainage channels and riverbed, and is pure service or a composite supply where the supply of goods is negligible.

- They further claimed that the work is an activity in relation to a function entrusted to a panchayat under Article 243G and / or a municipality under Article 243W.

### **Decision of the Case**

- The AAR noted that “the recipient is engaged in the development of irrigation and waterways, which includes activities in relation to the function listed under Sl No. 5 of the Eleventh Schedule, and, therefore, entrusted to a panchayat under Article 243G of the constitution of India.
- The recipient certifies that the work awarded to the Applicant, involving drainage of channels and riverbeds, is an activity undertaken in relation to the function referred to above.
- The West Bengal Authority for Advance Rulings (AAR) has held that the drainage of channels and riverbeds is an exempt supply under the Goods and Services Tax (GST) regime.

### **DIRECT TAX**

### **Delay in Filing of TDS due to sudden Resignation of Accountant is ‘Sufficient Cause’: ITAT**

Sudip Roy Chowdhury vs. JCIT, TDS

Case No. – 1890/Kol/2018  
Date – 12.06.2019

### **Fact of the Case**

- In the present case the assessee is the sole proprietor of a partnership firm.
- The income tax department has initiated proceedings against the assessee, a sole proprietor for delayed filing TDS return.
- The assessee claimed that he was in deep administrative trouble due to the sudden resignation of his accountant. It was also claimed that he was even not at all aware of the fact of non-filing of the TDS return for a considerable time.



- Only after the new accountant joins and visited NSDL for filing the 26Q for Quarter-3, he was alerted by the NSDL personnel about the lapses and the assessee forthwith filed the pending TDS returns.
- Before the Tribunal, the assessee claimed that the late filing of TDS return was not intentional nor it can be viewed as deliberate defiance of law or arising from the conduct of gross negligence.

### **Decision of the Case**

The Tribunal noted the followings in the present case –

- The delay had happened due to assessee's ignorance about the lapses caused by his past accountant.
- The accountant left the job without notice. No list of the pending job was handed over. The new accountant and the assessee was not aware of the fact of non-filing of TDS return till they visited NSDL.
- The assessee had shown reasonable cause for his failure in complying with the provisions of section 200(3) of the Act.
- The assessee had deducted and deposited the tax within the prescribed period and thereby made substantive compliance.
- The government revenue was not defrauded or deferred. The assessee did not have any motive to make any financial gain. Due to the sudden resignation of the accountant, the assessee could not trace his leftover jobs which include non-filing of TDS returns in Form 26Q for Quarter-1 & Quarter-2 for FY 2010-11. As soon the same was noticed, TDS both the returns were filed.
- The circumstance shows that the delay in filing the return was not intentional the delay in filing of TDS return because of the sudden resignation of the assessee's accountant would constitute 'sufficient cause' for such default.

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### **ITAT upholds Penalty against NDTV Promoters**

Radhika Roy vs. DCIT

Case No. – 2019, 2020/Del/2017

Date – 14.06.2019

### **Fact of the Case**

- In the present case the NDTV founders named Pranoy Roy & Radhika Roy are the applicants.
- The Tribunal of the Income Tax finding that during 2009-2011, the husband and wife earned huge income by the illegal trade of NDTV's shares.
- The return filed by the assesseees were revised on March 16, 2011 stating the same taxable income, but claiming carry forward of long-term capital loss of RS. 3,54,000,000, which was not claimed in the original return of income.
- The department had alleged that the NDTV's promoters committed tax evasion of Rs.116 cr by hushing up their illegal income earned through dubious ways like stock exchange rigging of NDTV's shares.
- Pranoy and Radhika Roy, Founders of NDTV, are facing a double whammy for a loan agreement with Viswapradhan Commercial Pvt Ltd (VCPL). A few days ago, the SEBI stayed an order passed by the Securities and Exchange Board of India (Sebi) barring New Delhi Television (NDTV) promoters Pranoy Roy and Radhika Roy from holding managerial positions at the news television network.

### **Decision of the Case**

- Before the Tribunal, the assesseees contended that they could not benefit from transaction as it was within promoter group was rejected by ITAT.
- The tribunal said, "the assessee entered into complex agreements with the lenders to realise the sale consideration in guise of loans from lenders.
- The Tribunal relied on SEBI's 2018 order saying, "The takeover exercise has been conveniently couched as a loan agreement with the predominant intention of VPCL to acquire control over NDTV without contemplating any repayment of the loan.
- In a major setback to the NDTV founders after the SEBI order, the

Income Tax Appellate Tribunal (ITAT), Delhi bench has upheld the penalty of Rs. 91 crores levied by the income tax department alleging tax evasion on Prannoy Roy and his wife Radhika Roy.

**Subsidy received under Technical Upgradation Fund Scheme is Capital Receipt: ITAT**

M/S Deepak Spinners Ltd. vs. DCIT

Case No. – 2055/Kol/2018  
Date -12.06.2018

**Fact of the Case**

- In the present case M/S Deepak Spinners Ltd is the assessee.
- The assessee treated the amount received under the technical upgradation fund scheme as capital receipt whereas the Assessing Officer held that the same amount to revenue receipt.

**Decision of the Case**

- The Tribunal observed that where a portion of the cost of an asset acquired by the assessee has been met directly or indirectly by the Central Government or State Government in the form of subsidy then so much of the cost as is relatable to such subsidy shall not be included in the actual cost of the asset.
- When such subsidy cannot be directly relatable to the asset acquired, then such subsidy shall not be included in the actual cost of the asset. Then that cost should be reduced from the cost of the asset.
- In the assessee's case under consideration, no asset was being acquired by using TUF subsidy; therefore, it should not be reduced from fixed assets.
- The Kolkata bench of the Income Tax Appellate Tribunal (ITAT) has held that the subsidy received under the technical up-gradation fund (TUF) scheme is the capital receipt and therefore, no income tax can be levied on such grant.

**No Deduction in respect of Delayed Payment of EPF: Kerala HC disallows Harrison's Malayalam's Plea**

M/S Harrison's Malayalam Ltd. vs. The commissioner of Income Tax

Case No. – 252 of 2015  
Date – 14.06.2019

**Fact of the Case**

- In the present case the assessee company is engaged in the business of manufacture/production of tea and rubber.
- During the course of its assessment, the AO disallowed the delayed payments made to Employees' Provident Fund, Labour Welfare Fund and Employees' State Insurance was allowable as deduction under section 36(1)(va) of Income Tax Act.
- On appeal, the Tribunal upheld the order of the Assessing Officer.
- The assessee claimed that the contributions which are deducted at the time of payment of salary is received by the employer-company and is treated as income u/s 2(24). On remittance of this contribution, within the due date, it is allowed as a deduction under Section 36.

**Decision of the Case**

- The High Court had earlier said that if the said contribution having not been paid to the applicable welfare fund within the due date provided, the assessee for all time is deprived of claiming such a remittance, made subsequently, as a deduction from the income."
- The Tribunal has found that payments have to be made only before the due date prescribed u/s 139(1) for filing return of income to claim the benefit u/s 36(1)(va).
- The Kerala High Court has recently dismissed the deduction claim made by Harrison's Malayalam wherein it was held that the deduction under Section 36(1)(va) of Income Tax Act cannot be granted if such payment was made after the due date.

**Depreciation not allowable on Office Premises Let Out If It is already assessed as House Property Income: ITAT**

Shri Prashant Jayantilal Patel vs. DCIT

Case No. – 53140/Mum/2017

Date – 3.04.2019

**Fact of the Case**

- The assessee is a share broker.
- The assessee return for the relevant AY was selected for scrutiny. During the assessment proceedings, the Assessing Officer observed that the assessee had earned rental income by letting out certain office premises. Such income was assessed as Income from House Property.
- The assessee had claimed office maintenance charges and depreciation against these premises as business expenditure. These claims were disallowed by the AO.
- On the first appeal, the CIT (A) confirmed the disallowances made by the AO.

**Decision of the Case**

On appeal, the Tribunal observed the followings –

- The rental income from these premises has been assessed under the head Income from House Property against which statutory deduction under section 24 has already been allowed to the assessee.
- As per record the assessee is in the possession of various galas, out of which few galas have been let out during the financial year and few galas have been used by the assessee for its own use.
- The depreciation on galas used for business purposes is not under dispute. However, depreciation on galas as given on rent amount to Rs.4.34 Lacs which have been disallowed by Ld. AO.
- The primary condition as envisaged by Section 32 to claim the depreciation is that the assets should be used for the purposes of assessee's business which has remained unfulfilled for galas given on rent.

# TAX COMPLIANCE CALENDAR AT A GLANCE

## GST CALENDAR

Date	Return Type
11-07-2019	<i>Due date for filing GSTR-1 for month of June 2019</i> – Applicable for taxpayers with Annual Aggregate turnover above Rs. 1.50/- Crore or opted to file monthly Return (Rs. One Crore Fifty Lacs).
10-07-2019	<i>Due date for filing GSTR-8</i> - to be filed by the E-commerce operators required to deduct TDS under GST for the month of June 2019.
13-07-2019	<i>Due date for filing GSTR-6</i> - to be filed by Input Service Distributor for month of June 2019.
20-07-2019	<i>GSTR-3B</i> - for the month of June 2019.
20-07-2019	<i>Due date for filing GSTR-5 &amp; 5A</i> - to be filed by the Non-Resident taxable person & OIDAR for the month of June 2019.
31-07-2019	<i>Due date for filing GSTR-1 for June quarter</i> – Applicable for taxpayers with Annual Aggregate turnover upto Rs. 1.50/- Crore.

## DIRECT TAX CALENDAR - JULY, 2019

### 07.07.2019

- Due date for deposit of Tax deducted/collected for the month of June, 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
- Due date for deposit of TDS for the period April 2019 to June 2019 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.

### 10.07.2019

- Due date for issuing quarterly TDS certificates in respect of salary paid and tax deducted has been extended from June 15, 2019 to July 10, 2019 vide order F.No. 275/38/2017-It(b), dated 04-06-2019

### 15.07.2019

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of June, 2019 has been paid without the production of a challan
- Due date for issue of TDS Certificate for tax deducted under section 194-IA & section 194-IB in the month of May, 2019
- Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending June, 2019
- Quarterly statement of TCS deposited for the quarter ending 30 June, 2019
- Upload the declarations received from recipients in Form No. 15G/15H during the quarter ending June, 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 June, 2019
- Due date for issuing quarterly TDS certificates and TDS certificate in respect of salary paid and tax deducted has been extended from June 15, 2019 to July 15, 2019 for the deductors of the State of Odhisha vide order F.No. 275/38/2017-It(b), dated 24-5-2019

### 30.07.2019

- Quarterly TCS certificate in respect of tax collected by any person for the quarter ending June 30, 2019
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA & section 194-IB for the month of June, 2019

### 31.07.2019

- Quarterly statement of TDS deposited for the quarter ending June 30, 2019
- Annual return of income for the assessment year 2019-20 for all assessee other than (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) working partner of a firm whose accounts are required to be audited or (d) an assessee who is required to furnish a report under section 92E.
- Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending June 30, 2019
- Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is July 31, 2019)
- Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on or before July 31, 2019)
- Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or 11(1) (if the assessee is required to submit return of income on or before July 31, 2019)
- Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2018-19 and of foreign tax deducted or paid on such income in Form no. 67. (If the assessee is required to submit return of income on or before July 31, 2019.)

## DIRECT TAX CALENDAR - AUGUST, 2019

### 07.08.2019

- Due date for deposit of Tax deducted/collected for the month of July, 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
- Due date for issue of TDS Certificate for tax deducted under section 194-IA and section 194-IB in the month of June, 2019

### 15.08.2019

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of July, 2019 has been paid without the production of a challan
- 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 July, 2019
- Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2019

### 30.08.2019

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA and section 194-IB for the month of July, 2019

## 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.

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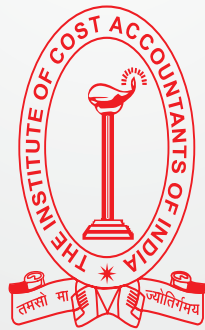
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