

AUGUST, 2019

# TAX Bulletin



VOLUME - 45



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

(Statutory Body under an Act of Parliament)

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

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

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

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

Ph: 091-11-24666100

## MISSION STATEMENT

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

## VISION STATEMENT

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

### Objectives of Taxation Committee:

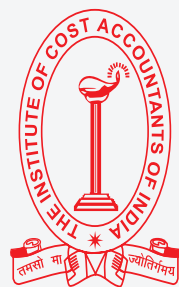
1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders.

AUGUST, 2019

# TAX Bulletin



VOLUME - 45



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

Statutory Body under an Act of Parliament

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

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

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

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

Ph: 091-11-24666100





## PRESIDENT'S MESSAGE

**T**he life's journey is a never ending one. There's always going to be growth, improvement, adversity; you just got to take it all in and do what's right, continue to grow, continue to live in the moment... It is my mantra in life. I have been a part of the Council of this prestigious Institute in the earlier two terms and the current term as well. I would say, this journey has been a pleasurable journey of learning and growth. This year I have been elevated to the post of the President of the Institute.

Being at the helm allows me to have a wider view on all the activities that are undertaken. For the last two years, I have found that the Tax Research Department has been contributing quite positively in the developments of its members and stakeholders. The various activities they have undertaken and accomplished, calls for appreciation.

The success of the different courses like, Certificate Course on GST – both Basic and Advanced level, Certificate course on TDS and return filling and filing has been commendable. It clears out the inherent doubts in the subjects and proves its point through its practical exposure. The 'Tax Bulletin' is also a noteworthy achievement of the department. Coming up with intriguing articles on both Direct and Indirect and also publishing the notifications, circulars, judgments have been their fortnightly affair. Kudos!! to the team. Webinar, seminars other publications have also been their knowledge enriching activities.

Here, I would like to state to the department that, humility is the true key to success. Humble people share the credit and wealth, remaining focused and hungry to continue the journey of success. The Department as a team has achieved a lot, but many many milestones are yet to be achieved. Keep striving hard. The resource persons, knowledge contributors and critics all are appreciated for their efforts and in bring out the best in the team.

Together, we can and we will.

Regards

A handwritten signature in black ink, appearing to read 'Balwinder Singh'.

**CMA Balwinder Singh**  
**President**

2<sup>nd</sup> August 2019



## VICE-PRESIDENT'S MESSAGE

Joel Osteen once said, 'Let go of yesterday. Let today be a new beginning and be the best that you can, and you'll get to where God wants you to be.' ... I follow it by my heart and soul. I started my journey with the Institute of Cost Accountants of India with the thought of improving myself every day and today after a long way, I am honored and humbled to be chosen by the Council as the Vice President of the Institute. On behalf of the entire Council, I would like to thank you all for giving us the opportunity to serve you and we solicit your support and active participation in all the activities.

Speaking about the Tax Bulletin, one thing that comes to my mind is that, it is an important source of knowledge. It contains the latest tax rulings, issuances, circulars, opinions and decisions from Government agencies such as CBEC, CBDT, GST Council to name a few. Each item is summarized for easy reference. It has articles which are noteworthy and intriguing. It also makes me happy to note that the said Bulletin is widely distributed to State/Central Government Departments, Trade and Industry Associations and others. It is also made available in Tax Portal of Institute's website as soon as a new edition gets published and anyone can also subscribe to get it in e-mail. This bulletin is certainly useful for the members of the Institute to be familiar with forthcoming Tax Updates.

The other activities of Tax Research Department have also been quite commendable. The courses like Certificate Course on GST – both Basic and Advanced level, Certificate course on TDS and return filling have been appreciated by masses. Webinar, seminars other publications have also been quite successful activities and they call for applause.

To sum up, I would like to appreciate the hard work and persistence of the members of Tax Research Department. The team has to acknowledge that, this is such a wonderful opportunity for them to learn, contribute and grow. The contributions of the resource persons, knowledge contributors and stakeholders for their insights and guidance have been a source of motivation. I urge you to keep up the good work and you may please look up to me for any support and guidance as and when required.

I hope you would achieve greater heights.

Regards

*Biswarup Basu*

**CMA Biswarup Basu**  
**Vice-President**  
2<sup>nd</sup> August 2019



## FROM THE DESK OF CHAIRMAN – INDIRECT TAXATION COMMITTEE

I would like to take a moment to thank all who have supported our Tax Research Department. Most of all, I have been encouraged by you to reflect on the qualities and strengths I have developed that helped me achieve this important goal. I would be happy to contemplate the friendships that have developed, the gifts of knowledge and support I have received and the values that I have learned. I would remember this momentous journey and would enjoy it, savor it and revel in it!

The year 2017 will forever be etched in Indian history as the year that saw the implementation of the biggest and most important economic reform since Independence - the Goods and Services Tax (GST). GST, which had the motion as 'one nation, one tax' by the government, aims to provide a simplified, single tax regime in line with the tax framework applicable in several major economies across the Globe. This single tax has helped streamline various indirect taxes and brought in more efficiency in business. GST law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.

The implementation of the GST got overwhelming support from the industry. The industry took this as an opportunity to redefine supply-chain model, customize IT processes, and evaluate internal and external arrangements to safeguard interest and minimize their tax costs. The Tax Research Department for last two years is working towards this motion.

The recent activities undertaken by the Tax Research may be summarized as follows. A seminar on the topic 'GST-input tax credits, returns and audit' was conducted on 14th July 2019 at Talcher Angul Chapter. Webinars have also been conducted on 23<sup>rd</sup> July, 2019 on the topic 'New Return filing system under under GST' and on 29<sup>th</sup> July, 2019 on the topic 'GST Audit'. All the courses are also on the verge of completion with examination scheduled in early September, 2019. Admissions have also commenced for the 5<sup>th</sup> Batch of Certificate Course on GST. We have also submitted to the Finance Minister, representation to include our profession under the definition of Accountants in upcoming new DT Law. Moreover, we are getting response from various educational institutions to start the GST course for the beginners in their respective institutions after we successfully completed such course in Bengalur. We are also getting response from the corporate to start the GST crash course for their executives. All these would be possible with your wholehearted support and encouragements.

I am hopeful that for this year also the department and the resource contributors would work with the same zeal and achieve new heights, obviously with support from your end.

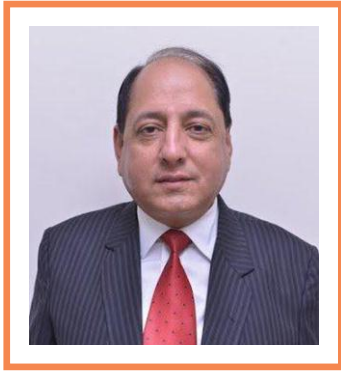
Wish you happy Independence Day

Jay Hind.

Thanking you.

A handwritten signature in blue ink, appearing to read 'Niranjan Mishra'.

**CMA Niranjan Mishra**  
**Chairman, Indirect Taxation Committee**  
2<sup>nd</sup> August 2019



## FROM THE DESK OF CHAIRMAN – DIRECT TAXATION COMMITTEE

**N**ew year, new month, new intentions, new goals, new challenges, new light, new beginning and new motivations... and this year I have started my journey as a part of the Council in the Institute of Cost Accountants of India. It is with sincere appreciation, which we would like to thank each of my council colleagues and the members of the Institute for your appreciation and support which you shared with us incessantly for the past few months. Your support and encouragement has helped me to face all the challenging situations to serve our Stake-holders better.

Nineteen years into the 21st century and we are still following a tax law that is half a century old. A law that is now largely considered inadequate to cater to the demand of the 21st century progressive India. The government has put the direct tax reforms firmly on top of its agenda, at the heart of which lies a new Direct Tax Code (DTC).

A new DTC has been in the works for almost a decade now, with law makers across the political spectrum recognizing the indispensable need for it. In fact, some of the provisions from the earlier avatar of the DTC (e.g. GAAR, POEM and the like) even made their way into the existing law by way of certain amendments. However, the time for piecemeal amendments is behind us and today's need is more for a holistic reform in the shape of a new code.

Over the past few years, we have seen certain directional changes which are perhaps pre-cursors to the kind of reforms that we can expect in the DTC. Two clear cases in point are (a) the progressive reduction of the corporate tax rates and (b) the gradual phase out of tax holidays/weighted deductions. The challenge here was that they were being carried out in a phased manner, and the latter outpaced the former, causing hardships to the section of taxpayers concerned.

We will be convincingly taking up with the Government regarding inclusion of Cost Accountants in the definition of Accountants for the purpose of Income Tax Act 1961, although till date we have not received any positive response from the Government but we will definitely continue our efforts for the same. A ray of hope of came when the Parliamentary Committee recommended the inclusion of Cost Accountant in its 49<sup>th</sup> Report of 15th Lok Sabha, relating to "The Direct Taxes Code Bill, 2010". Some of the important areas which we will be emphasizing on will include-

- Recognition of Cost Accountants at par with Chartered Accountants as already under all other Statutes such as GST, Customs, Erstwhile Central Excise, Service Tax etc except Income Tax Act
- Importance of role of Cost Accountant in the areas such as Computation of arm's length price under section 92, Tax Audit under Section 44AB
- Recognition of 'Cost Accountant' by US Laws for doing financial audit of US-SEC Listed Companies
- List of MOUs entered by the Institute of Cost Accountants of India
- Banking scams creating negative climate on the Economic growth of the Country- serious inadequacies, or inaccuracies were observed in the tax audit reports signed by the Chartered Accountants

I have been provided a chance to work in the field of Direct Tax for this year. I am optimistic that with a dedicated team at Tax Research Department, the support of Resource persons and knowledge contributors, I would be able to implement my vision and work for the betterment of the profession.

Thank You.



(Rakesh Bhalla)

**CMA Rakesh Bhalla**  
**Chairman, Direct Taxation Committee**  
2<sup>nd</sup> August 2019



# TAXATION COMMITTEES 2019 - 2020

CMA Balwinder Singh - President  
CMA Biswarup Basu - Vice-President

## Indirect Taxation Committee

### Chairman

1. CMA Niranjan Mishra

### Members

2. CMA Rakesh Bhalla  
3. CMA P. Raju Iyer  
4. CMA V. Murali  
5. CMA H. Padmanabhan  
6. CMA (Dr.) Ashish P. Thatte  
7. CMA B.M. Sharma (Co-Opted)  
8. CMA (Dr.) Sanjay Bhargave (Co-Opted)  
9. CMA V.S. Datey (Co-Opted)

### Secretary

CMA Rajat Kumar Basu, Addl. Director

## Direct Taxation Committee

### Chairman

1. CMA Rakesh Bhalla

### Members

2. CMA P. Raju Iyer  
3. CMA Niranjan Mishra  
4. CMA V. Murali  
5. CMA Paparao Sunkara  
6. CMA (Dr.) Ashish P. Thatte  
7. CMA Rakesh Sinha (Co-opted)  
8. CMA Ajay Singh (Co-opted)  
9. CMA Rajesh Goyal (Co-opted)

### Secretary

CMA Rajat Kumar Basu, Addl. Director

## ACKNOWLEDGEMENTS

CMA Mrityunjay Acharjee	Vice-President (Accounts, Finance & Taxation), Balmer Lawrie Ltd.
CMA Amit Sarker	Director Indirect Taxation, Deloitte Haskins & Sells
CMA Vishwanath Bhat	Practicing Cost & Management Accountant
CMA B Mallikarjuna Gupta	SME, Speaker, Author & Advisor on GST
CMA T K Jagannathan	Practicing Cost & Management Accountant
CMA Shiba Prasad Padhi	Practicing Cost & Management Accountant
CMA Arindam Goswami	Practicing Cost & Management Accountant
CMA Anil Sharma	Practicing Cost & Management Accountant
CMA Susanta Kumar Saha	GST Consultant
CMA Bhogavalli Mallikarjuna Gupta	Chief Taxologist & Head of Cloud Business
CMA Parag Gujar	Practicing Cost Accountant

## TEAM - TAX RESEARCH DEPARTMENT

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

### SPECIAL ACKNOWLEDGEMENT

Mr. Dipayan Roy Chaudhuri - Graphics & Web Designer

# CONTENTS

ARTICLES		
<b>INDIRECT TAX</b>		
<b>01</b>	<b>DISCOUNT AND ITS TREATMENT UNDER GST LAW</b>	
	CMA Susanta Kumar Saha	Page - 1
<b>02</b>	<b>CHECK LIST FOR GST AUDIT</b>	
	CMA Bhogavalli Mallikarjuna Gupta	Page - 7
<b>03</b>	<b>“LAST DATE FOR AVAILING ITC FOR 2017-2018 IS 31<sup>st</sup> AUGUST, 2019”: GUJARAT HIGH COURT</b>	
	CMA Parag Gujar	Page - 12
TAX UPDATES, NOTIFICATIONS AND CIRCULARS		
	Indirect Tax	Page - 14
	Direct Tax	Page - 28
PRESS RELEASE		
	Indirect Tax	Page - 30
	Direct Tax	Page - 32
JUDGEMENTS		
	Indirect Tax	Page - 34
	Direct Tax	Page - 37
TAX COMPLIANCE CALENDAR AT A GLANCE		
	Indirect Tax	Page - 40
	Direct Tax	Page - 41
BROCHURE		
	Certificate Course on GST – 5 <sup>th</sup> Batch	Page - 43

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***



# DISCOUNT AND ITS TREATMENT UNDER GST LAW

CMA Susanta Kumar Saha  
GST Consultant

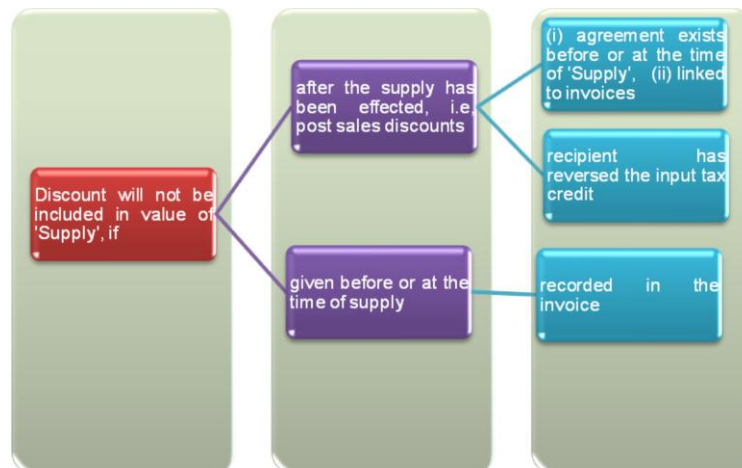


The word discount hasn't been defined in GST law. Cambridge dictionary defines the word 'discount' to mean as "a reduction in the usual price", whereas as per Collins dictionary the word 'discount' to mean as "a reduction in the usual price of something".

It is a common practice for the companies to give discounts of different types, from time to time, to survive in the competitive market. In this article, I will discuss about the treatment of discount in GST law.

## Relevant statutory provision for value of taxable supply in case of a discount:

Section 15(3) of the CGST Act, 2017 (similar provision exists in SGST/UTGST Act, 2017) stipulates that the value of the supply shall not include any discount subject to the following conditions:



Different type of discounts, may be categorised broadly under two types. Let's say, **case - I**, type of discounts which are given **before** or **at the time** of supply and are recorded in the invoice at the time of supply, and **case - II**, type of discounts which are given after the sale has been effected.

### A. Case I (illustrative):

- a. trade discount at the time of supply;
- b. special discount for making full payment in advance;

- c. bulk purchase discount, say, additional discount of 5% on purchase worth of Rs. 20,000/- or more;
- d. get 10% discount on purchase worth of Rs. 25,000/- and above, 15% discount on purchase worth of Rs. 40,000/- and above;
- e. buy six plates made of steel, get a set of two bowl made of steel free;
- f. buy two pastes of 100 gm each and get one tooth brush free;
- g. buy three shirts and get one shirt free;
- h. buy 10 cartoons of biscuits and get 100 ml of one coconut oil bottle free;

A close examination of the nature of discounts, discussed supra, reveals that such type of discounts were prevailing and were brought to the knowledge of the recipients (customers) at the time of supply. Few discounts as stated above, might even be declared on the spot before sales took place. The mode of communication in this case, may even be verbal as we see similar type of spot discounts in shopping malls. As discount offered in all the supplies, discussed supra, satisfy the condition as stipulated in section 15(3)(a) of the CGST Act, 2017 (similar provision exists in SGST/UTGST Act, 2017), **value of supply shall not include** such discounts and outward tax liability on such supplies will accordingly be calculated.

On a plain reading of the examples given in sl. no A(e) to A(h) above, one may get tempted to conclude that input tax credit (ITC) may not be available on the items which might appear to have given free.

In the case of examples given in point no. A(e) and A(g), there is no free issue of goods, rather six plates and two bowls are supplied at a price of six plates and likewise four shirts are supplied at the price of three shirts. These type of discounts may be termed as quantity discounts for furtherance of sales. As the supply is made in the course or furtherance of sale, there shall be no denial of ITC.

Now let us assume that in case of example given in point no. A(f), the company offering such discount scheme, manufactures both the products and in case of example given in point no. A(h), the company offering such discount scheme, manufactures biscuits only and has bought 100 ml bottles of coconut oil from the market. We will also examine whether the company can claim the benefits of input tax credit (ITC).

Again in case of point A(f), the manufacturer offers two pastes of 100 gm each and one tooth brush at the cost of two pastes only. Similarly, in case of point A(h), the company offers 10 cartoons of biscuits and 100 ml of one coconut oil bottle at the cost of 10 cartoons of biscuits.

Let us analyse whether the free items can constitute as supplies. If so, what would be the

position with respect to the claim of ITC on such items?

Section 7 of the CGST Act, 2017 (similar provision exists in SGST/UTGST Act, 2017) stipulates 'supply' to include **all forms of supply** of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made **for a consideration** by a person **in the course or furtherance** of business.

100 ml coconut oil bottle being supplied here with 10 cartoons of biscuits and one tooth brush being supplied here with two pastes of 100 gm each are **certainly for consideration**, and **not gratuitous**. Supply of one 100 ml coconut oil bottle and one tooth brush are not independent but conditional to purchase of biscuits of specified quantity and two pastes of 100 gm each respectively. Supply of 100 ml of coconut oil bottle is connected to supply of biscuits which is being manufactured by the company and similarly supply of tooth brush is also connected to supply of paste, both of which are being manufactured by the company. Therefore, **supply of 100 ml coconut oil bottle and tooth brush are clearly in the course or furtherance of business**.

Having understood that both the supplies are in the course or furtherance of business, let us understand their nature of supply, i.e, whether they are composite supply or mixed supply.

Section 2(30) of the CGST Act, 2017 (similar provision exists in SGST/UTGST Act, 2017) stipulates "**composite supply**" to mean a supply made by a taxable person to a recipient consisting of **two or more taxable supplies** of goods or services or both, or any combination thereof, which are **naturally bundled** and supplied **in conjunction** with each other in the ordinary course of business, one of which is a **principal supply**.

Section 2(90) of the CGST Act, 2017 (similar provision exists in SGST/UTGST Act, 2017) stipulates "**principal supply**" to mean the supply of goods or services which constitutes the **predominant element of a composite supply** and to which any other supply forming part of that composite supply is **ancillary**.

Section 2(74) of the CGST Act, 2017 (similar provision exists in SGST/UTGST Act, 2017) stipulates “**mixed supply**” to mean **two or more individual supplies** of goods or services, or any combination thereof, made **in conjunction** with each other by a taxable person for a **single price** where such supply **does not constitute a composite supply**.

In these cases, predominant supplies are obviously supply of biscuits and supply of tooth pastes and not coconut oil and tooth brush respectively according to my considered view. Furthermore, coconut oil and tooth brush are offered as complementary items on purchase of biscuits and tooth paste respectively. Therefore, supply of coconut oil is ancillary to biscuits and similarly supply of tooth brush is ancillary to tooth paste. Thus the argument that the biscuit and coconut oil are two independent supplies and are artificially bundled, may not be tenable according to my considered view.

Coconut oil and tooth brush are not the principal supplies but biscuits and tooth paste are only principal supplies respectively in the above examples, both the supplies are to be considered as composite supplies and not mixed supplies according to my considered view.

Section 16(1) of the CGST Act, 2017 (similar provision exists in SGST/UTGST Act, 2017) stipulates that every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, **be entitled to take credit of input tax charged** on any supply of goods or services or

both to him which are used or intended to be used **in the course or furtherance of his business** and the said amount shall be credited to the electronic credit ledger of such person.

Since, coconut oil and tooth brush are being supplied here in the course or furtherance of business, **ITC can be claimed** according to my considered view. As supply of these items are conditional and are neither supplied as free nor as gift (gratuitous supply), credit of input tax are not blocked under section 17(5) of the CGST Act, 2017 according to my considered view.

There may be an argument that **clause 1 of Schedule I** states that *permanent transfer or disposal of business assets where input tax credit has been availed on such assets* shall be treated as supply even without consideration. As there is no consideration for the said free quantities (tooth brush or 100 ml bottle of coconut oil), one may further argue that **valuation rules** may have to be referred, to determine the value of free supply as per **Section 15(4)** of the said act.

However, this argument may not be tenable at all as the free products (tooth brush or 100 ml bottle of coconut oil) are available to the recipients only upon fulfilment of conditions specified therein, stated above, whereas the **clause 1 of Schedule I** refers to those cases where the **business asset** has been **transferred solo and in individual capacity** i.e. transfer of which is not dependent on any other supply, and is absolutely without consideration. Thus, on both the counts, this argument will not be tenable according to my considered view

**B. Case II (illustrative):**

- a. additional discount of 2% (say), on payment being made within 10 days from the date of invoice;
- b. additional discount of 3% (say) for lifting of 10,000 cartoons of 100 ml coconut oil bottle during a specified period;
- c. special discount of 2% (say), for meeting the yearly purchase target by a recipient (distributors, dealers etc)



The matter whether the value of supply will exclude the value of post-sale discounts, will be governed by the provision of clause (b) of sub-section (3) of section 15 of the CGST Act, 2017 which is reproduced below:

*“(3) The value of the supply shall not include any discount which is given—*

*(a) .....*

*(b) after the supply has been effected, if—*

*(i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and*

*(ii) input tax credit (ITC) as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply.”*

From perusal of the above, it is evident that post sale discount, shall **not form** part of the **value of supply only** if it satisfies the following conditions:

- there exists an agreement for discount which was entered into between the parties either at or before the supply took place;
- the supply was made in accordance with such agreement and must not for any other supplies;
- such discount must be specifically linked with invoices vide which supply was made under the agreement;
- ITC attributable to such discounts have been duly reversed by the recipient(s).

Thus it may be concluded that prior and proper documentation holds the key for the purpose of excluding discount from the value of supply. Without going into the legal interpretation of the word ‘agreement’, it is desirable to have written agreement in place to establish the claim.

What could happen to valuation if the proper and prior agreement could not be established?

Assume there was an agreement which states (say) “the distributors will be eligible for a trip to Manali on lifting of 10,000 cartons of coconut oil of 100 ml each during the quarter January to March”. Upon being eligible for the trip, by a distributor, based on the criteria as per the agreement, the company, let’s say, has issued a credit note with tax (GST) for a lump sum amount of, Rs. 25,000/- plus taxes (say ) at applicable rate.

The agreement didn’t have an option to choose between a trip to Manali or a cash amount, in lieu of Manali trip. The basis on which the company has evaluated the cost of Manali trip equivalent to Rs. 25,000/- cannot be established as no trip details were laid down in the agreement, viz, trip to Manali by flight for two nights three days with a stay in a 5 star hotel or something of similar line. Thus the nexus, i.e, the discount was offered in accordance with a pre-existed agreement has been made, will be very difficult to established in this case and therefore the value of discount may not be excluded from the value of supply according to my considered view.

Now let us look at another type of discount, i.e, employee discount:



Let’s assume, a retail store who sells different type of clothing, apparels etc has a policy of giving 10% discount in addition to prevailing promotional schemes. Even if no such scheme is available for the time being, the employee will be entitled to 10% discount. Whether the discount will be excluded from the value of supply for the purpose of payment of tax (GST) by the company?

Explanation to section 15 of the CGST Act, 2017 states that employer and employee shall be deemed to be “related persons”. Rule 28 of the CGST Rules, 2017 stipulates that value of supply of goods or services or both between related persons, other than through an agent, would be the open market value of such supply. Thus, the employer would be failing in discharging proper tax liability if tax (GST) has been

calculated on a value net off discount at the rate of 10%.

- C. Financial transactions are reportable under GST law in prescribed form, disclosure of such credit notes issued towards post sale discounts in Form GSTR-1 / Form GSTR-3B / Form GSTR-9 / Form GSTR-9C will be as stated below:
- a. **Form GSTR-3B:** discounts which have met the conditions as stipulated under section 15(3)(b), will be netted off against taxable value and tax amount under table no. 3.1(a);
  - b. **Form GSTR-1:**
    - i. in case of B2CS: to be shown in Table 7 after reducing from taxable value and tax amount; and
    - ii. in case of B2B: to be shown in Table 9B as a separate document.
  - c. **Form GSTR-9:**
    - i. invoice and credit note, both, pertains to the same financial year, say for an example, July, 2017 to March, 2018:
      - in case of B2C transaction, reduce the taxable value and tax, to be shown in table 4A;
      - in case of B2B transaction, the value of CN is to be shown separately in Table 4I;
    - ii. invoice relates to the period (say), July, 2017 to March, 2018 and credit note was issued during the period April, 2018 to March, 2019;
      - in case of B2B and B2C, both, value of credit note is to be netted off from invoice raised and to be shown in table 11;
  - d. **Form GSTR-9C:**
    - i. if credit note has been issued post 31<sup>st</sup> March, 2018 (in this case), to be shown in table 5E;
    - ii. if credit note has not issued as per GST law, but has been accounted for in the financial statement, to be shown in table 5J.
- D. The Government of India, Ministry of Finance, Department of Revenue, CBIC, GST Policy Wing, exercising its powers conferred under section 168(1) of the CGST Act, 2017, has issued clarification on various doubts related to treatment of sales promotion schemes under GST vide Circular No. 92/11/2019-GST dated 7<sup>th</sup> March, 2019. A brief synopsis is given below:

a. **Free samples and gifts:**



- samples are given without consideration, such as, pharmaceutical companies often provide drug samples to stockists, dealers, medical practitioners;
- goods or services or both which are supplied at free of cost (without any consideration) shall not be treated as 'supply' except in case of activities mentioned in Schedule I of the Act;
- further section 17(5)(h) stipulates, ITC shall not be available to the supplier on the inputs, input services and capital goods to the extent they are used in relation to the gifts or free samples distributed without any consideration;
- under such circumstances, such supply will not be considered as 'supply' as per the GST law and input tax credit (ITC) shall not be available to the supplier.

**b. Buy one and get one free offer:**

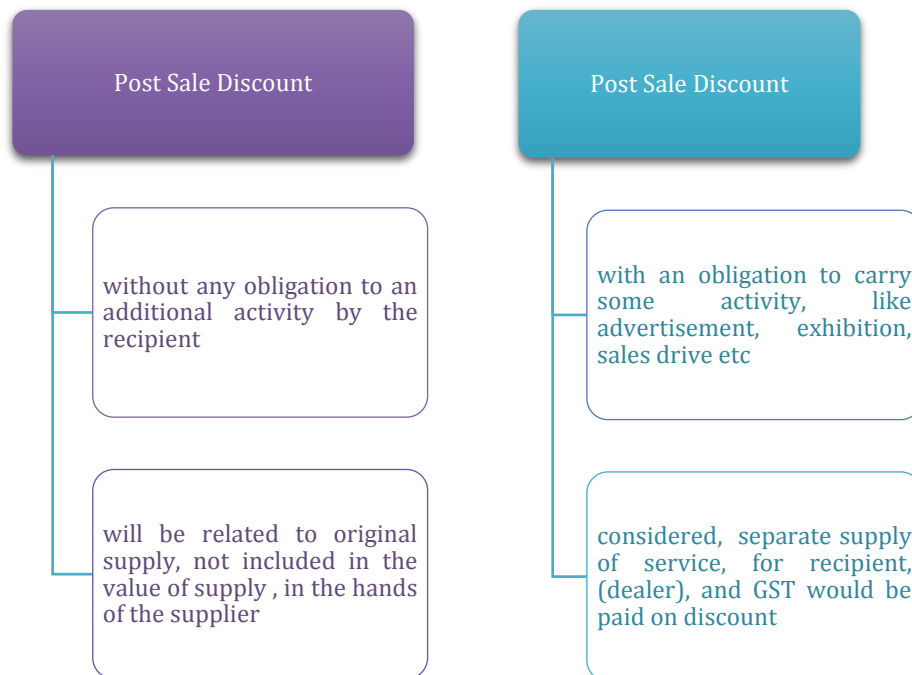
We have discussed the scenario with similar examples as mentioned in point no A(e), A(f) or A(g) and thus the same points have not been repeated here again.

**c. Discounts including 'Buy more, save more' offers:**

We have discussed the scenario with similar examples as mentioned in point no B(b) or B(c) and thus the same points have not been repeated here again..

**d. Secondary Discounts:**

Matter related to secondary discounts has been more elaborately clarified vide Circular No. 105/24/2019-GST dated 28<sup>th</sup> June, 2019, described below in brief through a diagram:



**e. Financial / Commercial Credit Note:**

It has been clarified that financial or commercial credit note can be issued when the conditions laid down in clause (b) of sub-section (3) of section 15 of the CGST Act, 2017 are not satisfied. However, secondary discounts shall not be excluded while determining the value of supply by the supplier and there shall be no impact on availability or otherwise of ITC in the hands of supplier.

**Disclaimer:**

*The publications contain information solely for informational purpose. It is not a guidance note and does not constitute any professional advice at all. The author does not accept any responsibility for any loss or damage of any kind arising out of any information in this article or for any actions taken in reliance thereon.*





## CHECK LIST FOR GST AUDIT

**CMA Bhogavalli Mallikarjuna Gupta**  
Chief Taxologist & Head of Cloud Business  
Logo Infosoft Business Technology Private Limited

**G**ST Audit Report, GSTR – 9C is required to be filed by all the taxpayers who has crossed the turnover of Rs 200 lacs during the year, Being the first year of GST and the implemented from the middle of the Financial year in 2017-18, there is a confusion for determining the turnover to be considered. Should be it for the complete financial year or from 1<sup>st</sup> of July 2017, the rollout date of GST. We would recommend to go for the complete year as there is no official communication in this matter.

As it is the first audit under GST, it is new for the Taxpayers, for the professionals and for the Department also, so we need to be extra cautions while doing the audit. The wording used in the GST Audit Certificate are “true and correct” which brings the onus and the responsibility on the GST Auditor who is certifying the same. GST audit is not a mere reconciliation between the books of accounts and the GST Return filed during the said period. If we see the definition given for the Audit in CGST Act, it says that examination of records, documents, returns along with it to verify the correctness of the taxes paid, input tax credit availed etc., So the job is not mere reconciliation but doing an in depth analysis of the implementation of GST at the clients location.

Given below is an indicative list of the check list to be followed while doing the GST Audit, it can vary from audit to audit based on the clients nature of industry.

### General

- Make sure on the scope of work for the GST Audit.
- Make sure that you are aware of the total operations and business process of the client, if not understand them before the start of the Audit.
- Take an engagement letter form the client for the GST Audit
- Plan the audit work like which team member will do which work and in which location.
- Maintain all the working papers for the Audit
- Have copies of the Trial Balance, Profit & Loss Account, Balance Sheet and Cash flow statement before the commencement of the Audit Work.
- Read the GST Implementation Report of the client if they had engaged any consultant for the GST rollout and implementation.
- Check if the Anti-profiteering provisions are followed accordingly or not.
- Check if the client has received notices / demands and replies have been filed or not?
- Check if any Advance Ruling are filed by the client and the status of the same.
- Check if any order is issued for the Advance Ruling filed and the same is implemented by the client or not?
- Check if any departmental inspection proceedings for Transaction Credit is in process or completed.
- Check the internal audit report of the client and see if any observations on the GST process and the corrective action taken on those points.
- Check if the Statutory Auditor has passed any comments or given any recommendations on the GST and status of the implementation of the same.
- Check for any unusual transactions and its impact on GST.
- Check for the other incomes or miscellaneous receipts and its implications on GST.

## **GST Registration**

- Check if the client has applied for new registration under GST or migrated from old tax regimes?
- Check how many registrations the client has?
- Check the details provided in the GST Registration Certificate with the actual principal place of business, additional place of business, partners/ directors details are correct, HSN given are relevant one, address mentioned is correct, proper documentation is there for the authorized signatories?
- Check if there are any casual registration taken during the audit period and they are surrendered?
- Check if the GSTIN / Registration Certificate is displayed in all places mentioned in the GST Registration Certificate?
- Check if there is any ISD registration taken by the client?

## **Supply**

- Check if the items are classified as Taxable, Exempted, Nil Rate as per Law?
- Check all the transactions carried out by the client and check if they fall under the scope of supply and tax is levied on them accordingly or not?
- Verify if interstate supply is properly implemented?
- Verify if intra state supply is properly implemented?
- Check the supplies made to SEZ or SEZ Developers are actually Zero Rated supplies or not?
- Check if LUT is applied and in place for the supplier to SEZ or SEZ Developers on without payment of taxes?
- Verify the composite supply is principle of taxability is implemented or not?
- Check the supplies are classified as mixed supplies or not?
- Check the tax rate is levied accordingly or not in case of mixed supplies?
- Check if the tax rate is applied properly in case of advance received for supply of goods or services having different tax rates?
- Check on the receipt voucher is tax is levied correctly if the place of supply is not known at the time of receipt of advance from the customer?
- Check if the classification of supply of goods and services is carried out correctly or not?

## **Time of supply**

- Check if Time of Supply is followed correctly for the inward supply of goods or services from unregistered taxpayers for receiver charge?
- Check if there any transactions for Time of supply where goods are sent on sale or approval? If yes, check if documentation is carried out accordingly.
- Check if the provisions of Time of Supply is followed for the issue of tax invoices for supply of goods or services.
- Check if the provisions related to Time of Supply are followed for the Continuous Supply.
- Check if the provisions are followed correctly for the issue of voucher as per the provisions of Time of Supply.

## **Documentation**

- Check if the tax invoices, bill of supply, Credit / Debit Notes are issued as per the provisions of the GST provisions.
- Check if place of supply is mentioned or not in case of inter-state supplies?
- Check if the credit notes are issued by Sep 2018?
- Check if there are any debit notes to be issued for the period 2017-18?
- Check if the signatory on the tax invoice is same as the authorized signatory mentioned in the registration certificate?
- Check if the tax invoices are issued as per the provisions of the time of supply or not?
- Check if there are any goods sent on sale or approval basis and which are not returned within 6 months and tax invoices are issued or not?
- Check if the inputs sent to job worker for job work on proper delivery challan and separate series is maintained or not?
- Check the taxable value for the GSTR – 1 and e-waybill data are matching or not? Ask the client or prepare a reconciliation statement for the same.

- Check in case of supply of services, the tax invoices are issued within 30 days from the date of completion of service.
- Check if separate series and bill of supply is being issued for the non-gst and exempted supplies?
- Check if there are any cancellation of documents like Tax Invoice, Bill of Supply, Credit / Debit Note, Payment Voucher, Refund Voucher, Receipt Voucher, Delivery Challan? As per provisions cancellation is not allowed.
- Check if any invoices are revised, if yes, are they updated in the GSTR – 1 accordingly?
- Check if receipt voucher is issued for advance receipts for supply of goods till Nov 15<sup>th</sup> and for services after that also.
- Check if self-invoice is issued for RCM Payments?
- Check if e-waybill register / delivery challan register is being maintained?
- Check the document series is matching with the GST Returns and series maintained in the books of accounts?

### **Classifications**

- Check if the goods are classified correctly as per the Customs Tariff Act?
- Check if the services are classified correctly as per the Notification No 11 of Central Taxes dated 28<sup>th</sup> Jun 2017.
- Check if the tax rate is applied on the goods or services is followed as per the relevant notifications from time to time.
- Check if the client is first identifying the HSN as per the Customs Tariff Act and then only determining the tax rate or not?
- Check if there are any Advance Rulings filed by the client for the Classification of goods or services for rates or HSN code determination.
- Check if the item master created in the systems is updated with how many digits of HSN code?

### **Value of Supply**

- Check if the provisions of Section 15 are followed for the value of Supply or not?
- Check if any discounts are given post supply and verify the GST implications if the same is not documented in the Sales agreement or contracts or sales orders, etc?
- Check the process followed for the internal consumption for determining the valuation?
- Check the pricing followed for the branch transfers?
- Check if all the taxes or levies other than GST are included in the valuation of Goods or Services?
- Check if there are any agreements for pure agents, if verify all the process is followed for the pure agents as per the provisions of the law.

### **Place of supply**

- Check if the Place of Supply is determined correctly for the Inter and Intra state transactions as per the IGST Act on inward and outward supplies.
- Check if all the conditions given are fulfilled to qualify the transaction as Export of Goods or Service?
- Check if there are any import of goods / services, verify if all the provisions are met.
- Check if there are any Zero rated supplies, if yes all the conditions are full filled or not?
- Check if there are any High Sea Sales and how the place of supply is determined and the provisions are met accordingly.
- Check if the client is having any intermediary supplies under GST and all the conditions are fulfilled?
- Check the place of supply provisions are followed for the purchase and sale returns?
- Check if the conditions for the location of supplier and recipient are met as per the provisions of the law and place of supply is determined accordingly.
- Check if the place of supply is determined correctly for the supplies to SEZ / SEZ Developers.

### **Input Tax Credit**

- Check if input tax credit is availed only on the receipt of goods or services only.
- Check if the input tax credit is availed on receipt of original tax invoice only.
- Check if the input tax credit is availed only in receipt of final lot if goods are being received in lots.

- Check the eligibility of input tax credit claimed?
- Check if there are any transactions on which input tax credit is not availed?
- Check the amount of input tax credit claimed reflected correctly in the GSTR – 3B?
- Check if there any inputs used for both taxable and exempted supplies?
- Check in the above case the input tax credit is reversed as per the provisions of the law.
- Check if matching is done between the GSTR – 2A and the purchase register.
- Check the input tax credit is accounted under the head inputs, services, capital goods, import of good and services correctly in the books of accounts.
- Check process followed for the reversal of input tax credit in case where the capital goods are sold before the completion of the life of the asset?
- Check if there are any invoices which are not paid within 180 days? If there any, check the reversal of input tax credit is done and interest is paid.
- Check the tax invoices, Debit / Credit notes received from the supplier are as per the provisions of the law?
- Check if the input tax credit is availed, the GSTIN is mentioned correctly on the supplier's tax invoice.
- Check if there is any credit which is availed is falling under the blocked input tax credit.
- Check if there any transition credit availed in GST TRAN -1, if yes is the assessment is complete.
- Check in case capital goods purchase, on such transactions input tax credit benefit is availed and the same is considered for computation of depreciation.
- Check if there is any input tax credit availed form transition from Composition taxpayer to regular tax payer.

### **Reverse Charge**

- Check if reverse charge tax is paid under 9(4) of the CGST Act 2017 up to 12th October 2017?
- Check if any taxes are paid under reverse charge on notified supplies under Section 9(3) and 9(5) of the CGST Act 2017 is duly paid?
- Check if the payment for reverse charge is made correctly or not?
- Check if input tax credit on reverse charge payment is take only in cases it is eligible?
- Check all the conditions for the reverse are fulfilled or not?
- Check if the payment voucher is issued for payment of reverse charge.

### **Refund**

- Check the client is eligible to claim an refund under the provisions of the law?
- Check if all the refund applications filed are processed for refund or any applications are still pending.
- Check if the refund is claimed as per the provisions of the GST.
- Check if there are any differences between the refund application claimed and sanctioned.
- Check the reasons for such differences if any?
- Check if the refund amount is credited correctly to the Electronic Credit ledger correctly or not.
- Check all the documents submitted with the refund application.
- Check if any of the refund applications submitted are rejected, if yes check the reasons for the same.
- Check if the client is eligible to claim refund for inverted duty structure or not?
- Check the accounting entries in the books of accounts are passed correctly for the refund claimed and received.
- Check if there is any delay the processing of refund and if yes, has interest been credited for the delayed refund credited

### **Goods Sent to Job Work**

- Check the all the provisions of Job Work are met? In GST the job worker cannot add any materials to the job.
- Check delivery challan are issued when material is shipped to Job Workers Location.
- Check if the Job Workers location is updated in the GST Registration if the goods are shipped directly from the Job Workers location.
- Check if the goods which are shipped prior to the rollout of GST are returned back within 6 months from the date of rollout of GST.

- Check the Job Worker is endorsing the challans before the material is being returned back to the client.
- Check if the delivery challans are separately numbered for the challans issued for the Job Work.

### **GST collections and payment verification**

- Check the GST Liability is discharged on time or not.
- Check if Interest is paid as per provisions of section 50 for delayed payment of taxes if any?
- Check if the amount of tax collected is not more than the tax payable by the recipient or not?
- Check the tax liability is discharged under the correct heads and not discharged under wrong heads?
- If there any such cases, check refund is claimed or how it is adjusted?
- Check the Liability register is updated correctly for the tax payable and paid.

### **Input Tax Service Distributor**

- Check if the client has taken Input Service Distributor registration or not?
- If yes, check the returns have been filed on time or not?
- Check the distribution of credit is carried out correctly as per the provisions of the GST Law.
- Check if the tax invoices are issued correctly for the distribution of the input tax credit.
- Check if there is any ineligible input tax credit and the same is distributed or not?

### **Returns**

- Check if the returns are filed as due date for all the registrations.
- Check the amount of late fee paid is correct or not?
- Check if the liability as per the GSTR – 3B is matching with liability as per GSTR – 1 and the sales register or not?
- Check if there is any interest payment on delayed payments is discharged or not?
- Check the liability for GSTR -1 matching with the liability as per GSTR – 9 filed.
- Check all the amendments to the invoices are getting reflected in the GSTR – 1 and GSTR – 3B correspondingly if any.

### **Maintenance of Books of Accounts**

- Check if the books of accounts are maintained at the Principal Place of Business.
- Check if accounts are maintained as per the provisions of the GST Law.
- Check if the client has maintained separate account for advances received, paid.
- Check if the client has maintained complete data of the suppliers from whom he has purchased goods or services or both
- Check if the client has maintained complete data of the customers from whom he had supplied goods or services or both
- Check if the client has maintained Production Register
- Check if the client has maintained the Stock Register, Purchase Register, Sales Register
- Check the client has maintained proper records for Agents appointed by him if any.
- Whether the supplier maintains the Cash/Bank Register for recording the transactions entity wise?
- Whether the books of Accounts maintained are centralized or decentralized?
- Check books of accounts are maintained for each Registration or not?
- Check if the client has maintained Trail Balance and P & L for each registration number.

We should also educate the client on the process of the GST Audit and its implications before taking the GST Audit assignments. As the time involved is also lot, the professional fee should be quoted accordingly.

#### **Disclaimer:**

*Any views or opinions represented above are personal and belong solely to the author and do not represent those of people, institutions or organizations that the owner may or may not be associated with in professional or personal capacity, unless explicitly stated. Any views or opinions are not intended to malign any religion, ethnic group, club, organization, company, or individual.*



# “LAST DATE FOR AVAILING ITC FOR 2017-2018 IS 31<sup>st</sup> AUGUST, 2019”: GUJARAT HIGH COURT

**CMA Parag Gujar**  
Practicing Cost Accountant

## **Introduction:-**

Recently Hon'ble Gujarat High Court pronounced a landmark judgment relating to last date of availing ITC relating to invoices issued for the period from July 2017 to March 2018. The High Court held that FORM GSTR-3B is not a return in lieu of FORM GSTR-3 and it is only a temporary stop-gap arrangement till the due date of filing the return in FORM GSTR -3 is notified.

*This has resulted in availing of ITC of missed out invoices issued during the period from July 2017 to March 2018 till 31st August, 2019.* First, Let us go through the basic provisions regarding Input Tax Credit.

## **Basic Conditions for taking ITC**

As per Section 16(2) of CGST Act, 2017 No registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless –

- a) In possession of tax invoice.
- b) Received Goods and Services.
- c) Tax is actually paid to the Government.
- d) *Had furnished the return under section 39.*

## **Time Limit to avail the input tax credit [Section 16(4) of the CGST Act, 2017]**

Time limit for availing of credit by registered taxable person is prescribed in the following manner.

a) Filing of return under sec.39 for the month of September following end of financial year to which such invoice pertains.

OR

b) Filing of Annual Return  
Whichever is earlier

## **Rule 61:- Form and manner of Submission of Monthly Return –**

“Every registered person other than a person referred in Section 14 of the Integrated Goods and Services Tax Act, 2017 or an Input Service Distributor or a Non- resident taxable person or a person paying tax under section 10 or section 51 or, so as the case may be, under section 52 shall furnish a return specified under sub- section (1) of Section 39 in FORM GSTR -3 electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.”

## **Rule 61(5)**

“Where the time limit for furnishing of details in FORM GSTR-1 under section 37 and in FORM GSTR-2 under section 38 has been extended and the circumstances so warrant, the commissioner may, by notification, specify that return shall be furnished in FORM GSTR- 3B electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.”

Having read with the provisions regarding Input Tax Credit, let's have a brief look upon the judgement of Hon'ble Gujarat High Court and its possible implications.

## Case law:-AAP &CO., Chartered Accountants v/s Union of India

In the decision, the Gujarat High Court has held that FORM GSTR-3B was **not** introduced as a return in lieu of return required to be filed in FORM GSTR-3. The return in FORM GSTR-3B is only a temporary arrangement till due date of filing the return in FORM GSTR-3 is notified.

Para- 3 of the press release dated 18th October 2018 says that "With taxpayers self-assessing and availing ITC through return in FORM GSTR-3B, the last date for availing ITC in relation to the said invoices issued by the corresponding suppliers during the period from July, 2017 to March, 2018 is the last date for filing of such return for the month of September, 2018 i.e. 20th October, 2018."

The Hon'ble Gujarat High Court also held that the **above said clarification** could be said to be **illegal to the extent of its para-3 and contrary to Section 16(4) of the CGST Act, 2017 read with Section 39(1) of The CGST Act, 2017 read with Rule 61 of the CGST Rules.**

Therefore the last date for availing ITC for 2017-2018 is 31st August, 2019.

The Court further held that FORM GRSTR-3B is **not a return under section 39**. The due date of filing return under section 39 for the month of July 2017 to March 2019 shall be subsequently notified in Official Gazette.

The Judgement of High Court has settled the issue regarding last date of availing ITC, but it may have resulted in following complications: -

**Complications:** - If FORM GSTR-3B is not a return under section 39, as it is held by the court then:-

- 1) **Under section 16(2) (d)** of CGST Act, 2017 no registered person can claim input tax credit unless return is furnished under section 39. **This can create a huge problem for the tax payers as many businesses may have already claimed ITC.**
- 2) **1st Proviso to Section 37(3)** of the CGST Act provides that no rectification of error or omission in respect of the details furnished under Section 37(1) i.e. GSTR-1 shall be allowed after furnishing of the return under Section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier. **In such case GSTR-1 can be rectified for any mismatch till the date of filing annual return.**
- 3) Section 39(7) of the CGST Act provides that registered person who is required to furnish return under Section 39 shall pay to the Government tax due as per return not later than the last date on which he is required to furnish such return. **In such case, whether it is open for a taxpayer to contend that there is no last date for payment of tax dues till GSTR-3 is notified and therefore, not liable for interest for any delay in payment so far.**

Let's see how the government is going to tackle the problems arising from the recent judgement or else they will go with retrospective effect to the extent.

# TAX UPDATES, NOTIFICATIONS AND CIRCULARS

## INDIRECT TAX

### GOOD AND SERVICES TAX

#### CENTRAL TAX NOTIFICATION

**Notification No. 33/2019-Central Tax**

**Date - 18.07.2019**

#### **Seeks to carry out changes in the CGST Rules, 2017**

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

- 1) These rules may be called the Central Goods and Services Tax (Fifth Amendment) Rules, 2019.
- 2) In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), in rule 12, in sub-rule (1A),-
  - a) after the words "A person applying for registration to", the words "deduct or" shall be inserted;
  - b) after the words "in accordance with the provisions of", the words and figures "section 51, or, as the case may be," shall be inserted.

3) In the said rules, in rule 46, in the fourth proviso, with effect from the 1st day of September, 2019, after the words "Provided also that a registered person", the words ", other than the supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens," shall be inserted.

4) In the said rules, in rule 54, after sub-rule (4), with effect from the 1st day of September, 2019, the following sub-rule shall be inserted, namely:-

"(4A) A registered person supplying services by way of admission to exhibition of cinematograph films in multiplex screens shall be required to issue an electronic ticket and the said electronic ticket shall be deemed to be a tax invoice for all purposes of the Act, even if such ticket does not contain the details of the recipient of service but contains the other information as mentioned under rule 46.

Provided that the supplier of such service in a screen other than multiplex screens may, at his option, follow the above procedure."

5. In the said rules, after rule 83A, with effect from such date as may be notified by the Central Government, the following rule shall be inserted, namely:-

"83B. Surrender of enrolment of goods and services tax practitioner.-

- a) A goods and services tax practitioner seeking to surrender his enrolment shall electronically submit an application in FORM GST PCT-06, at the common portal, either directly or through a facilitation centre notified by the Commissioner.
- b) The Commissioner, or an officer authorised by him, may after causing such enquiry as deemed fit and by order in FORM GST PCT-07, cancel the enrolment of such practitioner."

6. In the said rules, in rule 137, for the words "two years", the words "four years" shall be substituted.

7. In the said rules, in rule 138E, in the first proviso,-

- a) after the words "Provided that the Commissioner may," , the words, letters and figures "on receipt of an application from a registered person in FORM GST EWB-05," shall be inserted;



- b) after the words “reasons to be recorded in writing, by order”, the words, letters and figures “in FORM GST EWB-06” shall be inserted.

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-33-central-tax-english-2019.pdf;jsessionid=873B6CFE59DF6CF3E41ECCA717760D8B>

**Notification No. 35/2019-Central Tax  
Date - 29.07.2019**

**Seeks to extend the last date for furnishing FORM GST CMP-08 for the quarter April -June 2019 till 31.08.2019**

CBIC has made amendments in the Notification No. 21/2019- Central Tax, dated the 23rd April, 2019, **For Composite Dealer** - The due date for furnishing the statement containing the details of payment of self-assessed tax in said FORM GST CMP-08, for the quarter April, 2019 to June, 2019, or part thereof, has been extended up to 31st August, 2019.

**CENTRAL TAX RATE NOTIFICATION**

**Notification No. 12/2019-Central Tax (Rate)  
Date - 31.07.2019**

**Which seeks to reduce the GST rate on Electric Vehicles, and charger or charging stations for Electric vehicles.**

CBIC has made amendments in the Notification No.1/2017-Central Tax (Rate), dated the 28th June, 2017

In the said notification, -

(a) in Schedule I - 2.5%,-

- i. after serial number 234A and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

234B	8504	Charger or charging station for Electrically operated vehicles
------	------	--

- ii. after serial number 242 and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

242A	87	Electrically operated vehicles, including two and three wheeled electric vehicles. Explanation .- For the purposes of this entry, “Electrically operated vehicles” means vehicles which are run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicles and shall include E- bicycles.”;
------	----	---

(b) in Schedule II - 6%, serial number 206 and the entries relating thereto shall be omitted;

(c) in Schedule III - 9%, against serial number 375, in the entry in column (3), after the word “inductors”, the words “, other than charger or charging station for Electrically operated vehicles” shall be inserted.

This notification has been effective from the 1st of August, 2019.

**Notification No. 13/2019-Central Tax (Rate)  
Date - 31.07.2019**

**Which seeks to exempt the hiring of Electric buses by local authorities from GST.**

CBIC has made amendments in the Notification No.12/2017- Central Tax (Rate), dated the 28th June, 2017. In the said notification, in the Table, against serial number 22, in the entries in column (3), after clause (a), the following clause shall be inserted, namely: -

(3)
‘(aa) to a local authority, an Electrically operated vehicle meant to carry more than twelve passengers; or
<b>Explanation.-</b> For the purposes of this entry, “Electrically operated vehicle” means vehicle falling under

Chapter 87 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) which is run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicle.’

This notification has been effective from the 1st of August, 2019.

### **INTEGRATED TAX RATE NOTIFICATION**

**Notification No. 12/2019-Integrated Tax (Rate)**

**Date – 31.07.2019**

#### **Which seeks to reduce the GST rate on Electric Vehicles, and charger or charging stations for Electric vehicles**

CBIC has made amendments in the Notification No.1/2017- Integrated Tax (Rate), dated the 28th June, 2017.

In the said notification,

-

(a) in Schedule I - 5%,

- i. after serial number 234A and the entries relating thereto, the following serial numbers and entries shall be inserted, namely: -

234B	8504	Charger or charging station for Electrically operated vehicles
------	------	--

- ii. after serial number 242 and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

242A	87	Electrically operated vehicles, including two and three wheeled electric vehicles. Explanation .- For the purposes of this entry, “Electrically operated vehicles” means vehicles which are run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicles and shall include E- bicycles.”;
------	----	---

(b) in Schedule II - 12%, serial number 206 and the entries relating thereto shall be omitted;

(c) in Schedule III - 18%, against serial number 375, in the entry in column (3), after the word “inductors”, the words “, other than charger or charging station for Electrically operated vehicles” shall be inserted.

This notification has been effective from the 1st of August, 2019.

**Notification No. 13/2019-Integrated Tax (Rate)**

**Date – 31.07.2019**

#### **Which seeks to exempt the hiring of Electric buses by local authorities from GST.**

CBIC has made amendments in the Notification No.9/2017- Integrated Tax (Rate), dated the 28th June, 2017.

In the said notification, in the Table, against serial number 23, in the entries in column (3), after clause (a), the following clause shall be inserted, namely: -

(3)
‘(aa) to a local authority, an Electrically operated vehicle meant to carry more than twelve passengers; or <b>Explanation.-</b> For the purposes of this entry, “Electrically operated vehicle” means vehicle falling under Chapter 87 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) which is run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicle.’

This notification has been effective from the 1st of August, 2019.

## **UNION TERRITORY TAX RATE NOTIFICATION**

**Notification No. 12/2019-Union Territory Tax (Rate)**

**Date - 31.07.2019**

### **Which seeks to reduce the GST rate on Electric Vehicles, and charger or charging stations for Electric vehicles.**

CBIC has made amendments in the Notification No.1/2017-Union territory Tax (Rate), dated the 28th June, 2017.

In the said notification, -

(a) in Schedule I - 2.5%, -

i. after serial number 234A and the entries relating thereto, the following serial numbers and entries shall be inserted, namely: -

234B	8504	Charger or charging station for Electrically operated vehicles
------	------	--

ii. after serial number 242 and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

242A	87	Electrically operated vehicles, including two and three wheeled electric vehicles. Explanation .- For the purposes of this entry, "Electrically operated vehicles" means vehicles which are run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicles and shall include E- bicycles.";
------	----	---

(b) in Schedule II - 6%, serial number 206 and the entries relating thereto shall be omitted;

(c) in Schedule III - 9%, against serial number 375, in the entry in column (3), after the word "inductors", the words ", other than Charger or charging station for Electrically operated vehicles" shall be inserted.

This notification has been effective from the 1st of August, 2019.

**Notification No. 13/2019-Union Territory Tax (Rate)**

**Date - 31.07.2019**

### **Which seeks to exempt the hiring of Electric buses by local authorities from GST.**

CBIC has made amendments in the Notification No.12/2017- Union Territory Tax (Rate), dated the 28th June, 2017.

In the said notification, in the Table, against serial number 22, in the entries in column (3), after clause (a), the following clause shall be inserted, namely: -

(3)
'(aa) to a local authority, an Electrically operated vehicle meant to carry more than twelve passengers; or <b>Explanation.-</b> For the purposes of this entry, "Electrically operated vehicle" means vehicle falling under Chapter 87 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) which is run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicle.'

This notification has been effective from the 1st of August, 2019.

## CENTRAL TAX CIRCULARS

**Circular No. 107/2019**

**Date - 18.07.2019**

### **Clarification on doubts related to supply of Information Technology enabled Services (ITeS services)**

CBIC has clarified the issues related to supply of Information Technology enabled Services (hereinafter referred to as "ITeS services") such as call center, business process outsourcing services, etc. and "Intermediaries" to overseas entities under GST law and whether they qualify to be "export of services" or otherwise

- The definition of intermediary inter alia provides specific exclusion of a person i.e. that of a person who supplies such goods or services or both or securities on his own account. Therefore, the supplier of services would not be treated as „intermediary“ even where the supplier of services qualifies to be „an agent/ broker or any other person“ if he is involved in the supply of services on his own account.
- Information Technology enabled Services (ITeS services), though not defined under the GST law, have been defined under the sub-rule (e) of rule 10 TA of the Income-tax Rules, 1962 which pertains to Safe Harbour Rules for international transactions. It defines ITeS services as- "information technology enabled services" means the following business process outsourcing services provided mainly with the assistance or use of information technology, namely:
  - (i) back office operations;
  - (ii) call centres or contact centre services;
  - (iii) data processing and data mining;
  - (iv) insurance claim processing;
  - (v) legal databases;
  - (vi) creation and maintenance of medical transcription excluding medical advice;
  - (vii) translation services;
  - (viii) payroll;
  - (ix) remote maintenance;
  - (x) revenue accounting; support centres;
  - (xi) website services; (xiii) data search integration and analysis;
  - (xii) remote education excluding education content development; or
  - (xiii) clinical database management services excluding clinical trials,

but does not include any research and development services whether or not in the nature of contract research and development service.

There may be various possible scenarios when a supplier of ITeS services located in India supplies services for and on behalf of a client located abroad. These scenarios have been examined and are being discussed in detail hereunder.

#### **Scenario -I:**

The supplier of ITeS services supplies back end services. In such a scenario, the supplier will not fall under the ambit of intermediary under sub-section (13) of section 2 of the IGST Act where these services are provided on his own account by such supplier. Even where a supplier supplies ITeS services to customers of his clients on clients" behalf, but actually supplies these services on his own account, the supplier will not be categorized as intermediary. In other words, a supplier "A" supplying services, on his own account to his client "B" or to the customer "C" of his client would not be intermediary in terms of sub-section (13) of section 2 of the IGST Act

#### **Scenario -II:**

The supplier of backend services located in India arranges or facilitates the supply of goods or services or both by the client located abroad to the customers of client. Such backend services may

include support services, during pre-delivery, delivery and post-delivery of supply (such as order placement and delivery and logistical support, obtaining relevant Government clearances, transportation of goods, post-sales support and other services, etc.). The supplier of such services will fall under the ambit of intermediary under sub-section (13) of section 2 of the IGST Act as these services are merely for arranging or facilitating the supply of goods or services or both between two or more persons. In other words, a supplier "A" supplying backend services as mentioned in this scenario to the customer "C" of his client "B" would be intermediary in terms of sub-section (13) of section 2 of the IGST Act

### **Scenario -III:**

The supplier of ITeS services supplies back end services, on his own account along with arranging or facilitating the supply of various support services during pre-delivery, delivery and post-delivery of supply for and on behalf of the client located abroad. In this case, the supplier is supplying two set of services, namely ITeS services and various support services to his client or to the customer of the client. Whether the supplier of such services would fall under the ambit of intermediary under sub-section 13 of section 2 of the IGST Act will depend on the facts and circumstances of each case.

In other words, whether a supplier "A" supplying services as well as support services listed in Scenario -II above to his client "B" and / or to the customer "C" of his client is intermediary or not in terms of sub-section (13) of section 2 of the IGST Act would have to be determined in facts and circumstances of each case and would be determined keeping in view which set of services is the principal / main supply.

It is also clarified that supplier of ITeS services, who is not an intermediary in terms of sub-section (13) of section 2 of the IGST Act, can avail benefits of export of services if he satisfies the criteria mentioned in sub-section (6) of section 2 of the IGST Act, which reads as under –

“export of services”|| means the supply of any service when,-

- (i) the supplier of service is located in India;
- (ii) the recipient of service is located outside India;
- (iii) the place of supply of service is outside India;
- (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange; and
- (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8.

### **Circular No. 108/2019**

**Date - 18.07.2019**

#### **Clarification in respect of goods sent/taken out of India for exhibition or on consignment basis for export promotion**

CBIC has clarified the issues related to goods sent / taken out of India for exhibition or on consignment basis for export promotion. Such goods sent / taken out of India crystallise into exports, wholly or partly, only after a gap of certain period from the date they were physically sent / taken out of India

As per section 7 of the CGST Act, for any activity or transaction to be considered a supply, it must satisfy twin tests namely-

- (i) it should be for a consideration by a person; and
- (ii) it should be in the course or furtherance of business.

The exceptions to the above are the activities enumerated in Schedule I of the CGST Act which are treated as supply even if made without consideration. Further, sub-section (21) of section 2 of the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the "IGST Act") defines "supply", wherein it is clearly stated that it shall have the same meaning as assigned to it in section 7 of the CGST Act.

Section 16 of the IGST Act deals with “Zero rated supply”. The provisions contained in the said section read as under:

16. (1) “zero rated supply” means any of the following supplies of goods or services or both, namely:-

- a) export of goods or services or both; or
- b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.

Therefore, it can be concluded that only such „supplies“ which are either „export“ or are „supply to SEZ unit / developer“ would qualify as zero-rated supply.

It is, accordingly, clarified that the activity of sending / taking the goods out of India for exhibition or on consignment basis for export promotion, except when such activity satisfy the tests laid down in Schedule I of the CGST Act do not constitute supply as the said activity does not fall within the scope of section 7 of the CGST Act as there is no consideration at that point in time. Since such activity is not a supply, the same cannot be considered as „Zero rated supply“ as per the provisions contained in section 16 of the IGST Act.

Since the activity of sending / taking specified goods out of India is not a supply, doubts have been raised by the trade and industry on issues relating to maintenance of records, issuance of delivery challan / tax invoice etc. These issues have been examined and the clarification on each of these points is as under: -

Issue	Clarification
Whether any records are required to be maintained by registered person for sending / taking specified goods out of India?	The registered person dealing in specified goods shall maintain a record of such goods as per the format at Annexure to this Circular.
What is the documentation required for sending / taking the specified goods out of India?	<p>a) As clarified above, the activity of sending / taking specified goods out of India is not a supply.</p> <p>b) The said activity is in the nature of “sale on approval basis” wherein the goods are sent / taken outside India for the approval of the person located abroad and it is only when the said goods are approved that the actual supply from the exporter located in India to the importer located abroad takes place. The activity of sending / taking specified goods is covered under the provisions of sub-section (7) of section 31 of the CGST Act read with rule 55 of Central Goods &amp; Services Tax Rules, 2017 (hereinafter referred to as the “CGST Rules”).</p> <p>c) The specified goods shall be accompanied with a delivery challan issued in accordance with the provisions contained in rule 55 of the CGST Rules.</p> <p>d) As clarified in paragraph 6 above, the activity of sending / taking specified goods out of India is not a zero-rated supply. That being the case, execution of a bond or LUT, as required under section 16 of the IGST Act, is not required.</p>
When is the supply of specified goods sent / taken out of India said to take place?	<p>a) The specified goods sent / taken out of India are required to be either sold or brought back within the stipulated period of six months from the date of removal as per the provisions contained in sub-section (7) of section 31 of the CGST Act.</p> <p>b) The supply would be deemed to have taken place, on the expiry of six months from the date of removal, if the specified goods are neither sold abroad nor brought back within the said period.</p> <p>c) If the specified goods are sold abroad, fully or partially, within the specified period of six months, the supply is effected, in respect of quantity so sold, on the date of such sale.</p>
Whether invoice is required to be issued when the specified goods sent / taken out of India are not brought back, either fully or partially, within the stipulated period?	a) When the specified goods sent / taken out of India have been sold fully or partially, within the stipulated period of six months, as laid down in sub-section (7) of section 31 of the CGST Act, the sender shall issue a tax invoice in respect of such quantity of specified goods which has been sold abroad, in accordance with

	<p>the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules.</p> <p>b) When the specified goods sent / taken out of India have neither been sold nor brought back, either fully or partially, within the stipulated period of six months, as laid down in sub-section (7) of section 31 of the CGST Act, the sender shall issue a tax invoice on the date of expiry of six months from the date of removal, in respect of such quantity of specified goods which have neither been sold nor brought back, in accordance with the provisions contained in section 12 and section 31 of the CGST Act read with rule 46 of the CGST Rules.</p>
Whether the refund claims can be preferred in respect of specified goods sent / taken out of India but not brought back?	<p>a) As clarified in para 5 above, the activity of sending / taking specified goods out of India is not a zero-rated supply. That being the case, the sender of goods cannot prefer any refund claim when the specified goods are sent / taken out of India.</p> <p>b) It has further been clarified in answer to question no. 3 above that the supply would be deemed to have taken place: (i) on the date of expiry of six months from the date of removal, if the specified goods are neither sold nor brought back within the said period; or (ii) on the date of sale, in respect of such quantity of specified goods which have been sold abroad within the specified period of six months.</p> <p>c) It is clarified accordingly that the sender can prefer refund claim even when the specified goods were sent / taken out of India without execution of a bond or LUT, if he is otherwise eligible for refund as per the provisions contained in sub-section (3) of section 54 the CGST Act read with sub-rule (4) of rule 89 of the CGST Rules, in respect of zero rated supply of goods after he has issued the tax invoice on the dates as has been clarified in answer to the question no. 4 above. It is further clarified that refund claim cannot be preferred under rule 96 of CGST Rules as supply is taking place at a time after the goods have already been sent / taken out of India earlier.</p>

For more detail, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-108.pdf?jsessionid=E36BCA9CC1706458E58A41B3B0EC7E2F>

**Circular No. 109/2019**

**Date - 22.07.2019**

**Issues related to GST on monthly subscription/contribution charged by a Residential Welfare Association from its members**

A number of issues have been raised regarding the GST payable on the amount charged by a Residential Welfare Association for providing services and goods for the common use of its members in a housing society or a residential complex. The same have been examined and are being clarified below.

<b>Issue</b>	<b>Clarification</b>
Are the maintenance charges paid by residents to the Resident Welfare Association (RWA) in a housing society exempt from GST and if yes, is there an upper limit on the amount of such charges for the exemption to be available?	<p>Supply of service by RWA (unincorporated body or a non-profit entity registered under any law) to its own members by way of reimbursement of charges or share of contribution up to an amount of Rs. 7500 per month per member for providing services and goods for the common use of its members in a housing society or a residential complex are exempt from GST.</p> <p>Prior to 25th January 2018, the exemption was available if the charges or share of contribution did not exceed Rs 5000/- per month per member. The</p>

	limit was increased to Rs. 7500/- per month per member with effect from 25th January 2018. [Refer clause (c) of Sl. No. 77 to the notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 as amended vide notification No. 2/2018- Central Tax (Rate), dated 25.01.2018]													
A RWA has aggregate turnover of Rs.20 lakh or less in a financial year. Is it required to take registration and pay GST on maintenance charges if the amount of such charges is more than Rs. 7500/- per month per member?	<p>No. If aggregate turnover of an RWA does not exceed Rs.20 Lakh in a financial year, it shall not be required to take registration and pay GST even if the amount of maintenance charges exceeds Rs. 7500/- per month per member.</p> <p>RWA shall be required to pay GST on monthly subscription/ contribution charged from its members, only if such subscription is more than Rs. 7500/- per month per member and the annual aggregate turnover of RWA by way of supplying of services and goods is also Rs. 20 lakhs or more.</p> <table border="1"> <thead> <tr> <th>Annual turnover of RWA</th> <th>Monthly maintenance charge</th> <th>Whether exempt?</th> </tr> </thead> <tbody> <tr> <td rowspan="2">More than Rs. 20 lakhs</td> <td>More than Rs. 7500/-</td> <td>No</td> </tr> <tr> <td>Rs. 7500/- or less</td> <td>Yes</td> </tr> <tr> <td rowspan="2">Rs. 20 lakhs or less</td> <td>More than Rs. 7500/</td> <td>Yes</td> </tr> <tr> <td>Rs. 7500/- or less</td> <td>Yes</td> </tr> </tbody> </table>	Annual turnover of RWA	Monthly maintenance charge	Whether exempt?	More than Rs. 20 lakhs	More than Rs. 7500/-	No	Rs. 7500/- or less	Yes	Rs. 20 lakhs or less	More than Rs. 7500/	Yes	Rs. 7500/- or less	Yes
Annual turnover of RWA	Monthly maintenance charge	Whether exempt?												
More than Rs. 20 lakhs	More than Rs. 7500/-	No												
	Rs. 7500/- or less	Yes												
Rs. 20 lakhs or less	More than Rs. 7500/	Yes												
	Rs. 7500/- or less	Yes												
Is the RWA entitled to take input tax credit of GST paid on input and services used by it for making supplies to its members and use such ITC for discharge of GST liability on such supplies where the amount charged for such supplies is more than Rs. 7,500/- per month per member?	RWAs are entitled to take ITC of GST paid by them on capital goods (generators, water pumps, lawn furniture etc.), goods (taps, pipes, other sanitary/ hardware fillings etc.) and input services such as repair and maintenance services.													
Where a person owns two or more flats in the housing society or residential complex, whether the ceiling of Rs. 7500/- per month per member on the maintenance for the exemption to be available shall be applied per residential apartment or per person?	<p>As per general business sense, a person who owns two or more residential apartments in a housing society or a residential complex shall normally be a member of the RWA for each residential apartment owned by him separately. The ceiling of Rs. 7500/- per month per member shall be applied separately for each residential apartment owned by him.</p> <p>For example, if a person owns two residential apartments in a residential complex and pays Rs. 15000/- per month as maintenance charges towards maintenance of each apartment to the RWA (Rs. 7500/- per month in respect of each residential apartment), the exemption from GST shall be available to each apartment.</p>													
How should the RWA calculate GST payable where the maintenance charges exceed Rs. 7500/- per month per member? Is the GST payable only on the amount exceeding Rs. 7500/- or on the entire amount of maintenance charges?	The exemption from GST on maintenance charges charged by a RWA from residents is available only if such charges do not exceed Rs. 7500/- per month per member. In case the charges exceed Rs. 7500/- per month per member, the entire amount is taxable. For example, if the maintenance charges are Rs. 9000/- per month per member, GST @18% shall be payable on the entire amount of Rs. 9000/- and not on [Rs. 9000 - Rs. 7500] = Rs. 1500/- .													



## **CUSTOMS - NON TARIFF NOTIFICATION**

**Notification No.52/2019-Customs (N.T)**

**Date - 18.07.2019**

### **Exchange Rates Notification No.52/2019-Customs (NT) dated 18.07.2019**

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

#### SCHEDULE - I

Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
	(For Imported Goods)	(For Exported Goods)
Australian Dollar	49.60	47.40
Bahraini Dinar	188.70	176.65
Canadian Dollar	53.80	51.85
Chinese Yuan	10.15	9.85
Danish Kroner	10.55	10.15
EURO	78.85	75.95
Hong Kong Dollar	8.95	8.65
Kuwaiti Dinar	233.60	218.60
New Zealand Dollar	47.70	45.55
Norwegian Kroner	8.15	7.85
Pound Sterling	87.20	84.10
Qatari Riyal	19.40	18.35
Saudi Arabian Riyal	18.95	17.75
Singapore Dollar	51.60	49.70
South African Rand	5.10	4.75
Swedish Kroner	7.50	7.20
Swiss Franc	71.25	68.45
Turkish Lira	12.50	11.70
UAE Dirham	19.35	18.15
US Dollar	69.65	67.95

#### SCHEDULE - II

Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
	(For Imported Goods)	(For Export Goods)
Japanese Yen	65.10	62.65
Korean Won	6.05	5.65

**Notification No.53/2019-Customs (N.T)**

**Date - 31.07.2019**

### **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 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	502
2	1511 90 10	RBD Palm Oil	532

3	1511 90 90	Others – Palm Oil	517
4	1511 10 00	Crude Palmolein	537

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-nt2019/csnt53-2019.pdf;jsessionid=D27969DF397A9425A15B398CA5098DDA>

**Notification No.54/2019-Customs (N.T)**

**Date – 01.08.2019**

**Amendments to Sea Cargo Manifest and Transshipment Regulations, 2018**

CBIC has made further to amendments the Sea Cargo Manifest and Transshipment Regulations, 2018, namely: -

1. Short title and commencement. -

1. These regulations may be called the Sea Cargo Manifest and Transshipment (Amendment) Regulations, 2019.
2. They shall come into force on the date of their publication in the Official Gazette.

2. In the Sea Cargo Manifest and Transshipment Regulations, 2018, -

- i. in the opening paragraph of the said regulations, for the words and figures, “Export Manifest (Vessels) Regulations, 1976 and Transportation of Goods (Through Foreign Territory) Regulations, 1965”, the words and figures “and Export Manifest (Vessels) Regulations, 1976” shall be substituted;
- ii. for the regulation 2, the following regulation shall be substituted, namely: -

‘2. Definitions. - (1) In these regulations, unless the context otherwise requires,

(a) “Act” means the Customs Act, 1962 (52 of 1962);

(b) “arrival manifest” means an integrated declaration required to be delivered by an authorised carrier before or on arrival of, -

- i. the vessel carrying imported goods, export goods, or coastal goods or
- ii. a train or a truck carrying imported goods or export goods;

(c) “authorised carrier” means an authorised sea carrier, authorised train operator or a custodian, registered under regulation 3 and postal authority;

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-nt2019/csnt54-2019.pdf;jsessionid=E09C82556D5277C9E2A5365852C951E2>

**Notification No.55/2019-Customs (N.T)**

**Date – 01.08.2019**

**Exchange Rates Notification No.55/2019-Custom (NT) dated 01.08.2019**

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

These rates has been effective from 2nd August 2019

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	48.65	46.45
2	Bahraini Dinar	189.45	177.60
3	Canadian Dollar	53.45	51.55
4	Chinese Yuan	10.20	9.85

For more details, please follow - <http://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-nt2019/csnt55-2019.pdf;jsessionid=2F1E22CF0577BA32B980A98D87C6FB84>

## **CUSTOMS – ANTI DUMPING DUTY NOTIFICATION**

**Notification No.28/2019-Customs (Add)**

**Date – 24.07.2019**

**Seeks to impose definitive anti-dumping duty on imports of "Purified Terephthalic Acid" originating in or exported from Korea RP and Thailand, in pursuance of sunset review final findings issued by DGTR**

The designated authority has come to the conclusion in the matter of continuation of anti-dumping duty on imports of 'Purified Terephthalic Acid' originating in or exported from Korea RP and Thailand that –

- (1) there is continued dumping of the subject goods and the imports are likely to enter the Indian market at dumped prices in the event of expiry of duty;
- (2) the parameters such as significant dumping margin, injury margin, significant volume of imports, positive price undercutting, price attractiveness of the Indian market, low return on investment earned by the domestic industry and surplus capacities of the exporters, collectively and cumulatively shows that injury to the domestic industry is likely in the event of cessation of duty and the situation of domestic industry is likely to deteriorate if the existing anti-dumping duties are allowed to cease;
- (3) the deterioration in the performance of the domestic industry is likely because of dumped imports from the subject country and thus, the anti-dumping duties are required to be extended;
- (4) the domestic industry has itself sought continued imposition of duty and the authority concludes that it is appropriate to continue the same level of anti-dumping duty as imposed earlier in the original investigation.

And whereas it has been recommended the imposition of definitive anti-dumping duty on the imports of subject goods, originating in or exported from the subject country and imported into India, in order to remove injury to the domestic industry.

For more details, please follow - <http://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-add2019/csadd28-2019.pdf;jsessionid=6D0D4BF02F8D21650F11BB87174CBFC1>

**Notification No.29/2019-Customs (Add)**

**Date – 01.08.2019**

**Seeks to rescind notification No.23/2018 - Customs(ADD) dated 23.03.2018 that provided for provisional assessment of jute goods exported from Bangladesh or Nepal by M/s. Natural Jute Mill (Producer/Exporter) [Bangladesh] and M/s Kreation Global, LLC,USA (Exporter/ Trader) [Bangladesh] till the final findings of New Shipper Review in this regard are recieved.**

CBIC has rescinded the Notification No. 16/2018- Customs (ADD), dated the 23rd March 2018, except as respects things done or omitted to be done before such rescission.

**Notification No.30/2019-Customs (Add)**

**Date – 01.08.2019**

**Seeks to further amend notification No. 1/2017-Customs(ADD) dated 5th January, 2017 to prescribe ADD on exports from M/s. Natural Jute Mill (Producer/Exporter) [Bangladesh] and M/s Kreation Global, LLC,USA (Exporter/ Trader) [Bangladesh] on the basis of final findings of the Designated Authority in this regard.**

In case of 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 and Nepal and imported into India, the designated authority vide notification No. 14/19/2015-DGAD, dated the 20th October, 2016, had come to the conclusion that-

- (i) there is dumping of subject goods from the subject countries;

- (ii) imports from subject countries are undercutting and suppressing the prices of the domestic industry;
- (iii) performance of domestic industry has deteriorated in the terms of profitability return on investments and cash flow;
- (iv) injury to domestic industry has been caused by dumped imports,

and had recommended imposition of definitive anti-dumping duty on imports of Jute Products in order to remove injury to the domestic industry.

The designated authority had imposed an anti-dumping duty on Jute Products, vide Notification No. 01/2017-Customs (ADD), dated the 5th January, 2017 dated the 5th January, 2017.

For more details, please follow - <http://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2019/cs-add2019/csadd30-2019.pdf;jsessionid=D82E5F9DA0EEF7C10224E6359E8D6201>

## **CUSTOMS – CIRCULARS**

**Circular No. – 21/2019**

**Date – 24.07.2019**

### **Clarification regarding applicability of Notification No. 45/2017-Customs dated 30.06.2017 on goods which were exported earlier for exhibition purpose/consignment basis.**

Circular No. 108/27/2019–GST dated 18.07.2019 has clarified that the activity of sending / taking the specified goods (i.e. goods sent / taken out of India for exhibition or on consignment basis for export promotion except the activities satisfying the tests laid down in Schedule I of the CGST Act, 2017) out of India do not constitute supply within the scope of Section 7 of the CGST Act as there is no consideration at that point in time.

Since such activity is not a supply, the same cannot be considered as ‘Zero rated supply’ as per the provisions contained in Section 16 of the IGST Act, 2017. Also that there is no requirement of filing any LUT/bond as required under section 16 of IGST Act, 2017 for such activity of taking specified goods out of India.

Situation mentioned at Sl. No. 1(d) of the Notification no. 45/2017-Customs dated 30.06.2017 require payment at the time of re-import of integrated tax not paid initially at the time of export, for availing exemption under the said notification.

As in the case of re-import of specified goods, no integrated tax was required to be paid for specified goods at the time of taking these out of India, the activity being not a supply; hence the said condition requiring payment of integrated tax at the time of re-import of specified goods in such cases is not applicable. It is clarified that such re-import cannot be taken to be falling under situation at Sl. No. 1(d) of the said Notification. Such cases will fall more appropriately under residuary entry at Sl. No. 5 of the said Notification even though those specified goods were exported under LUT, in view of the fact that the activity of sending / taking specified goods out of India is neither a supply nor a zero rated supply.

It is also clarified that, even in cases where exports have been made to related or distinct persons or to principals or agents, as the case may be, for participation in exhibition or on consignment basis, but, such goods exported are returned after participation in exhibition or the goods are returned by such consignees without approval or acceptance, as the case may be, the basic requirement of ‘supply’ as defined cannot be said to be met as there has been no acceptance of the goods by the consignees. Hence, re import of such goods after return from such exhibition or from such consignees will be covered by entry at Serial no. 5 of the Notification No. 45/2017 dated 30.06.2017, provided re-import happens before six months from the date of delivery challan.

**Circular No. – 22/2019**

**Date – 24.07.2019**

**Clarifications regarding Refunds of IGST paid on import in case of risky exporters.**

CBIC has examined the issue where the exporters and organisations have raised the issue of repeated opening of export containers for 100% examination related to risky exporters, under the new procedure laid down in Circular 16/2019-Customs dated 17.06.2019. Exporters have taken the plea that their cargo is getting delayed and they have to incur additional costs for carrying out re-packing.

Board has issued the aforesaid circular as a preventive measure against fraudulent refund of IGST on the basis of ineligible or fraudulently availed input tax credit (ITC). While addressing the aforesaid issue and consequent risk to revenue, Board would not like to dilute the emphasis it laid on reduction in time and cost related with EXIM clearances. It is pertinent to mention that only a miniscule percentage of export consignments are being selected for examination on account of risk associated with fraudulent availment of IGST refunds.

However, keeping in view the issues raised by trade, Board has decided that the requirement of 100% physical examination of each export consignment shall be gradually relaxed provided no irregularity was noticed in earlier examinations of export consignments of export entities in terms of Circular No. 16/2019-Customs dated 17.06.2019.

In order to bring down the level of examination, Board has decided that RMCC shall take into consideration the feedback received from field formations with regard to the 100% examination conducted on exports of risk based identified entities and wherever the examination has validated the declaration made in the shipping bill, RMCC may review the risk assessment and gradually taper down the percentage of physical examination. Suitable alerts based on reevaluated risk may accordingly be inserted in the system by RMCC in such cases.

**Circular No. – 23/2019**

**Date – 01.08.2019**

**Clarifications regarding Refunds of IGST paid on import in case of specialized agencies – reg**

Specialized agencies have raised the matter of refund of IGST paid on imported goods. It has been informed that the specialized agencies are paying IGST on import of goods but the refund of same is not being processed by Customs formations.

Board has decided to operationalise a refund mechanism of IGST paid on imports by the specialized agencies as under-

- (i) Section 55 of the CGST Act provides refund of taxes paid on the notified supplies of goods or services or both received by them. In pursuance of this provision, Notification No.16/2017-Central Tax (Rate) dated 28.6.2017 has been issued which inter-alia provides that United Nations or a specified international organisation shall be entitled to claim refund of central tax paid on the supplies of goods or services or both received by them subject to a certificate from United Nations or that specified international organisation that the goods and services have been used or are intended to be used for official use of the United Nations or the specified international organisation. A similar refund mechanism has been provided in respect of integrated tax vide notification No.13/2017-Central Tax (Rate) and Union Territory tax vide Notification No.16/2017-Union Territory Tax (Rate) respectively.
- (ii) Section 3 (7) of Customs Tariff Act, 1975 (CTA), provides for a parity between the integrated tax rate attracted on imported goods and the integrated tax applicable on the domestic supplies of goods. In the case of UN and specialised agencies, the above referred to notifications envisage payment and then refund of taxes paid. Therefore, on this principle of parity, specialised agencies ought to get the refund of the IGST paid on imported goods.

In view of the above, Board has decided that respective customs field formations shall provide refund of IGST paid on import of goods by the specialized agencies notified by Central Government under Section 55 of CGST, Act, 2017.

## **DIRECT TAX NOTIFICATIONS**

**Notification No. 53/2019**

**Date - 16.07.2019**

### **Notification regarding M/s National Centre for Cell Science, Pune**

CBDT has approved M/s National Centre for Cell Science, Pune (PAN:-AAATN0848B) for the purpose of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with Rules 5C and 5D of the Income-tax Rules, 1962 from Assessment year 2019-20 onwards in the category of 'Scientific Research Association', subject to the following conditions, namely:-

- (i) The sole objective of the approved 'Scientific Research Association' shall be to undertake scientific research;
- (ii) The approved organization shall carry out scientific research by itself;
- (iii) The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under sub-section (1) of section 139 of the said Act;
- (iv) The approved organization shall maintain a separate statement of donations received and amounts applied for scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above.
- (v) The approved organization shall, by the due date of furnishing the return of income under sub-section (1) of section 139, furnish a statement to the Commissioner of Income-tax or Director of Income-tax containing-
  - a detailed note on the research work undertaken by it during the previous year;
  - a summary of research articles published in national or international journals during the year;
  - any patent or other similar rights applied for or registered during the year;
  - programme of research projects to be undertaken during the forthcoming year and the financial allocation for such programme.

2. The Central Government shall withdraw the approval if the approved organization:-

- a) fails to maintain separate books of accounts referred to in sub-paragraph (iii) of paragraph 1; or
- b) fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph 1; or
- c) fails to furnish its statement of the donations received and sums applied for scientific research referred to in sub-paragraph (iv) of paragraph 1; or
- d) ceases to carry on its research activities or its research activities are not found to be genuine; or
- e) ceases to conform to and comply with the provisions of clause (ii) of sub-section (1) of section 35 of the said Act read with rules 5C and 5D of the said Rules.

**Notification No. 54/2019**

**Date - 17.07.2019**

### **Notification regarding amendment of agreement between the Government of the Republic of India and the Government of the People's Republic of China**

Whereas, the Protocol, amending the Agreement between the Government of the Republic of India and the Government of the People's Republic of China for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, the date of entry into force of the said amending Protocol is the 5th June, 2019, being the 30th day after the later of the notifications of the completion of the procedures required by the respective laws for the entry into force of the said amending Protocol in accordance with paragraph 2 of Article 13 of the said amending Protocol;

And whereas, sub-paragraph (b) of paragraph 3 of Article 13 of the said amending Protocol provides that the provisions of the said amending Protocol shall have effect in India in respect of income derived in any fiscal

year beginning on or after the first day of April following the calendar year in which this Protocol enters into force;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that all the provisions of the said amending Protocol, as annexed hereto, shall have effect in the Union of India.

For more details, please follow

- [https://www.incometaxindia.gov.in/communications/notification/notification54\\_2019.pdf](https://www.incometaxindia.gov.in/communications/notification/notification54_2019.pdf)

**Notification No. 55/2019**

**Date – 26.07.2019**

**Notification regarding exemption from filing I.T Return**

CBDT has exempted the following class of persons from the requirement of furnishing a return of income under subsection (1) of section 139 of the said Act from Assessment Year 2019-20 onwards-

**Class of persons –**

- (i) a non-resident, not being a company; or
- (ii) a foreign company,

who have any income chargeable under the said Act during a previous-year from any investment in an investment fund set up in an International Financial Services Centre (IFSC) located in India.

**Explanation of “Investment Fund”**

Investment Fund means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992);

**Explanation of “International Financial Services Centre”**

“International Financial Services Centre” shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005).

**Conditions –**

In case of class of persons referred to in para 1, -

- (i) any income-tax due on income of the said class of persons has been deducted at source and remitted to the Central Government by the investment fund at the tax-rate in force as per provisions of section 194LBB of the said Act; and
- (ii) there is no other income during the previous year for which the said class of persons, is otherwise liable to file the tax-return.

The exemption from the requirement of furnishing a return of income shall not be available to the said class of persons where a notice under sub-section (1) of section 142 or section 148 or section 153A or section 153C of the said Act has been issued for filing a return of income for the assessment year specified therein.

# PRESS RELEASE

## INDIRECT TAX

**Press Release**  
**Date - 19.07.2019**

### **Clarification in respect of goods taken out of India for exhibition or on consignment basis for export promotion**

Several goods are taken out of India on consignment basis for exhibitions or other export promotion events. These goods are sold only when approved by the prospective customers abroad. The unsold goods are then brought back to India. This is a widespread practice in various sectors, including the gems and jewellery industry. Exporters of these items were facing problems due to the lack of clarity on the procedure to be followed under GST at the time of taking these goods out of India and at the time of their subsequent sale or return to India. Taking cognizance of these problems and in order to help exporters, the Central Board of Indirect Taxes and Customs (CBIC) has now issued a comprehensive clarification in this regard vide Circular No. 108/27/2019-GST dated 18.07.2019. The key points clarified in the Circular are the following:

- a) The activity of taking goods out of India on consignment basis for exhibition would not in itself constitute a supply under GST since there is no consideration received at this time.
- b) The movement of these goods out of India shall be accompanied by a delivery challan issued in accordance with the provisions contained in rule 55 of the CGST Rules.
- c) Since taking such goods out of India is not a supply, it necessarily follows that it is also not a zero-rated supply. Therefore, execution of a bond or LUT, as required under section 16 of the IGST Act, is not required.
- d) The goods taken out of India in this manner are required to be either sold or brought back within a period of six months from the date of removal.
- e) The supply would be deemed to have taken place if the goods are neither sold abroad nor brought back within the period of six months. In this case, the sender shall issue a tax invoice on the date of expiry of six months from the date of removal, in respect of the quantity of goods which have neither been sold nor brought back. The benefit

- of zero-rating, including refund, shall not be available in respect of such supplies.
- f) If the specified goods are sold abroad, fully or partially, within the period of six months, the supply shall be held to have been effected, in respect of the quantity so sold, on the date of such sale. In this case, the sender shall issue a tax invoice in respect of such quantity of goods which has been sold. These supplies shall become zero-rated supplies at the time of issuance of invoice. However, refund in relation to such supplies shall be available only as refund of unutilized ITC and not as refund of IGST.
  - g) No tax invoice is required to be issued in respect of goods which are brought back to India within the period of six months.

The above points are informative in nature and have been presented in this release in simple language for benefit of all stakeholders. The Circular issued in this regard, i.e. Circular No. 108/27/2019-GST dated 18.07.2019, may be referred which alone shall have the force of law.

**Press Release**  
**Date - 19.07.2019**

### **Corrigendum to Circular No. 45/19/2018-GST dated 30th May, 2018**

Certain registered persons, while filing the return in FORM GSTR-3B for a given tax period, committed errors in declaring the export of services on payment of IGST or zero-rated supplies made to a SEZ unit/developer on payment of IGST. They showed such supplies in the Table under column 3.1(a) (outward taxable supplies) instead of showing them in column 3.1(b) (zero rated supplies) of FORM GSTR-3B. Such registered persons were unable to file the refund application in FORM GST RFD-01A. This was because of an inbuilt validation check on the common portal which restricted the refund amount claimed to the amount mentioned under column 3.1(b) of FORM GSTR-3B filed for the corresponding tax period.

In order to give relief to such registered persons, it was decided that for the tax periods from 01.07.2017 to 31.03.2018, they shall be allowed to file the refund application in FORM GST RFD-01A on the common portal subject to the condition that the amount of refund claimed shall not be more than the aggregate amount mentioned in the Table under columns 3.1(a),



3.1(b) and 3.1(c) of FORM GSTR-3B filed for the corresponding tax period. This was clarified vide Circular No. 45/19/2018-GST dated 30.05.2018.

Certain registered persons have committed the errors, as detailed in para 1 above, even for tax periods after March, 2018 and are unable to claim refund of the taxes paid on export of services or supplies made to SEZ unit/developer for these periods. To help these persons, it has now been decided to extend the period of the relief, by way of the relaxed validation as detailed in para 2 above, till 30.06.2019. To this effect, a corrigendum to Circular No. 45/19/2018-GST has been issued on 18.07.2019. Exporters are encouraged to avail the benefit of this extension.

**Press Release**  
**Date - 27.07.2019**

**Regarding decisions approved by the GST Council in its 36th meeting held on 27.07.2019 via video conference.**

In the meeting held today, that is 27 th July, 2019, the Council has recommended:-

**A. Reduction in the GST rate on supply of goods and services:**

- 1) The GST rate on all electric vehicles be reduced from 12% to 5%.
- 2) The GST rate on charger or charging stations for Electric vehicles be reduced from 18% to 5%.
- 3) Hiring of electric buses (of carrying capacity of more than 12 passengers) by local authorities be exempted from GST.
- 4) These changes shall become effective from 1st August, 2019.

**B. Changes in GST law:**

- 1) Last date for filing of intimation, in FORM GST CMP-02, for availing the option of payment of tax under notification No. 2/2019-Central Tax (Rate) dated 07.03.2019 (by exclusive supplier of services), to be extended from 31.07.2019 to 30.09.2019.
- 2) The last date for furnishing statement containing the details of the self-assessed tax in FORM GST CMP-08 for the quarter April, 2019 to June, 2019 (by taxpayers under composition scheme), to be extended from 31.07.2019 to 31.08.2019.

## DIRECT TAX

**Press Release**  
**Date - 23.07.2019**

### **CBDT continues follow up in cases connected with J&K Bank**

CBDT has been actively pursuing leads found in the actions taken against the J&K Bank and its erstwhile Chairman, Sh. Parvez Ahmad. In another such follow-up action, a search and seizure operation has been conducted on a Group that is in the business of providing security to business establishments and prominent individuals, as well as in running hotels in Jammu & Kashmir and other parts of the country. The searched group also held a controlling share in a controversial Medical College in Punjab, which has been ordered to be closed by the Medical Council of India in 2014. The allegations against the group include defrauding the public sector banks including J&K bank in connivance with the bank officials, unexplained cash deposits in the group entities and large scale diversion of funds taken for development of the impugned Medical College as well as hotels of the Group for private gain of the promoters.

The search action has revealed apparent siphoning of loans obtained from various public sector banks of more than Rs. 74 crore. Digital and documentary evidences found during search also clearly reflect machinations of the bank officials in violating prudence norms as well as rules of business to safeguard the banks' interest in grant of loans that exceed Rs. 200 crore. These loans have subsequently become NPAs.

The search action has revealed concrete leads of round tripping of more than Rs. 125 crore by the promoters of the Group. The money trail of round tripping suggests use of suspect entities, which have served as a conduit to bring back Rs. 125 crore as unsecured loans in the hands of the promoter family and its close associates.

Clear evidences that establish a wilful attempt to mislead and defraud the financial institutions have also been unearthed in the search operation. Few instances of such subterfuge are as follows;

- (a)** A sale of a hotel land in Jammu & Kashmir to a family member of the main promoter, who is a man of no means for a paltry sum of Rs. 35 lakh. Subsequently, a lease rental of Rs. 1 lakh per month was debited in the books of account in favour of the dummy relative. Hot pursuit enquiries with the dummy relation have

shown him to be unaware of any of these financial transactions. Also, the lease rental debited in the books of the Group has been layered and brought back in the books of account of the other Group entities.

- (b)** Similarly, to obtain a large tranche of loan from the J&K Bank, the searched Group falsely claimed that 60 rooms of hotel being constructed by the Group at Mumbai had become operational and cash flow was being generated from such operations. The search party found that the hotel building in Mumbai was yet under civil construction and was nowhere near completion or in a shape wherein 60 rooms could be made operational to generate any cash flow to repay the loan.

The search team also found evidences of dummy manpower expenses. A large number of cheques issued to fictitious persons, who were supposedly on the rolls of the Group for providing security to businesses and prominent individuals, were found with the main promoter. Prima facie, dummy persons have been shown as employees to inflate the expenses of the security business undertaken by the Group at various locations in the country.

The main promoter and his family were the managing and controlling trustees of an educational society that ran the now closed Medical College in Punjab. Three batches of students were admitted in the Medical College and fee, inclusive of capitation charges were paid by these students. However, no tax return was ever filed by the society and the evidence gathered in the search strongly suggests that the impugned educational society also violated other regulatory laws. It is clear that the money collected from students as well as bank loans that were supposedly utilized for building infrastructure of Medical College, which was actually never built or constructed has been siphoned off by the main promoter and his family for personal enrichment.

The search action has led to seizure of unaccounted jewellery and undisclosed cash of more than Rs. 1.28 crore from the promoter of the Group.

**Press Release**  
**Date – 23.07.2019**

**Extension of date for filing of Income Tax Returns**

The due date for filing of Income Tax Returns for Assessment Year 2019- 20 is 31.07.2019 for certain categories of taxpayers. Upon consideration of the matter, the Central Board of Direct Taxes (CBDT) extends the 'due date' for filing of Income Tax Returns from 31st July, 2019 to 31st August, 2019 in respect of the said categories of taxpayers.

**Press Release**  
**Date – 28.07.2019**

**Income Tax Department detects foreign assets in recent search**

Income Tax Department conducted searches on 23rd July, 2019 in a group covering 13 premises across 3 States (Delhi, Haryana & Himachal Pradesh).

The group, controlled by persons who have significant political presence in a neighbouring State for decades and are occupying responsible political positions, has been generating large amounts of undisclosed income over several decades. Evidence detected so far reveals undisclosed cash dealings of huge amounts in immovable property transactions, construction etc.

The black money generated in India through various means has been stashed abroad in the form of lavish properties in the names of foreign trusts/companies located in tax havens.

Such foreign holdings of the main persons have remained hidden for decades beneath complex multi - layered structures, located in different countries including BVI, Panama, UK, UAE & Jersey. These structures have involved various front men and corporations across Continents. One of the persons covered during the search operation was trying to obtain citizenship of a Caribbean Island.

The investigation, which has successfully lifted the mask, has detected undisclosed foreign assets of the said persons of more than Rs. 200 crore, apart from domestic tax evasion of more than Rs. 30 crore which, may, inter alia lead to severe criminal consequences under the Black Money Act, 2015, apart from action under the Income Tax Act, 1961. These findings may also have multi agency ramifications.

**Press Release**  
**Date – 31.07.2019**

**Income Tax Department conducts search on group connected with VVIP Chopper scam**

Income Tax Department conducted search action on 24th July, 2019, on a Hyderabad based group engaged in the business of conducting seismic data analysis. The assessee group indulged in large scale over-invoicing of imports through a Dubai based operator who is an accused in a VVIP Chopper scam. The surplus funds thus generated amounting to USD 6 million were parked in Dubai based accounts of the said operator.

During the search, incriminating evidences including e-mail and mobile conversations were found between the main director of the searched company and the Dubai based operator, pertaining to over-invoicing of imports. When confronted, the persons concerned admitted to over-invoicing.

Further, the search action led to detection of at least 4 additional undisclosed foreign bank accounts in UBS bank Switzerland, OCBC Bank Singapore, Citizens Bank, USA and Bank of Nevis International, St Kitts. Moreover, 3 undisclosed companies of the Hyderabad based promoter in tax havens viz. British Virgin Islands, Island of Nevis and Singapore were also detected.

Unexplained cash of Rs. 45 lakh found during the search has been seized. Jewellery worth Rs. 3.1 crore was also found, which is in the process of being verified.

**Press Release**  
**Date – 31.07.2019**

**Extension of time of the Task Force for drafting a New Direct Tax Legislation**

A Task Force was constituted by the Government in November, 2017 to review the existing Income-tax Act, 1961 and to draft a new direct tax law in consonance with economic needs of the country. It was required to submit its report by 31st of July, 2019.

The Government has allowed the Task Force to submit its report by 16th of August, 2019, in light of the fact that the new Members of the Task Force requested for more time to provide further inputs.

# JUDGEMENTS

## INDIRECT TAX

### Bombay HC allows dept to conduct Service Tax Audit post implementation of GST

**ESS Infra Project Pvt. Ltd. vs. Union of India & Others**

**Writ Petition No. 1333 of 2019  
Date – 27.06.2019**

#### Fact of the Case

- The petition sought a declaration that Respondents do not have power under Rule 5A of the Service Tax Rules, 2017 to conduct audit for the period October 2013 to June 2017 i.e. prior to the introduction of CGST Act on 1st July, 2017.
- The Petitioners contended that, various courts have in respect of identical challenge granted interim relief to the petitioner.
- The Petitioner also submitted that in any event, the Delhi High Court in Mega Cabs Pvt. Ltd. V/s. Union of India 2016 (43) S.T.R. 67 (Del.) has held that Rule 5A of Service Tax Rules, 1994 is an ultra-virus to parent Act i.e. Finance Act, 1994.

#### Decision of the Case

- The division bench comprising of Justice M.S Sanklecha and Justice M.S Sonak observed that, the decisions of various courts were all at the adinterim stage subject to further consideration by the Courts itself on the next date.
- Mr. Raichandani informs us that no further order in the above matters has been passed by the above courts. Thus, not much support can be drawn by the petitioner on the basis of the above decisions as they are still awaiting consideration.
- While allowing the Audit, the Court also observed that the issue of the saving of Rule 5A(2) of Service Tax Rules, 1992 on the introduction of CGST Act, 2017 is an issue that requires detailed consideration.
- The Bombay High Court has allowed the Service Tax Department to conduct Service Tax Audit on post Implementation of Goods and Services Tax (GST).

### GST Registration not needed for Exempted Supplies: AAR

**Time Tech Solution Pvt. Ltd. vs. W.B AAR**

**Case No. – 20 of 2019  
Date – 06.05.2019**

#### Fact of the Case

- The Applicant or petitioner is stated to be providing conservancy/solid waste management service to the Bally Municipal Corporation, which has been merged with the Howrah Municipal Corporation
- The Applicant claims that their services to the BMC are exempt under Sl No. 3 of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017.
- The BMC however, is deducting TDS while paying consideration for the above supply in terms of Notification No. 50/2018 – Central Tax dated 13/09/2018 and insists that the Applicant needs to get himself registered under the GST Act.
- The Applicant seeks a ruling on whether the notifications regarding TDS are applicable in his case and whether he is required to obtain registration under the GST Act even if he is making exempt supplies only.

#### Decision of the Case

- The AAR observed that as per Sl No. 25(a) of the ST notification under the service tax-exempts “services provided to the Government, a local authority or a governmental authority by way of water supply, public health, sanitation, conservancy, solid waste management or slum improvement and upgradation.”
- The Authority also said that, In the agreement referred to in para 2.2 above the Applicant is made responsible for collection, segregation, storing, transport and disposal of municipal solid waste from the municipal area of the BMC. They will organize a house-to-house collection of municipal solid waste, collect waste from slums, hotels, slaughterhouses etc.
- The Applicant shall bear the expenditure for maintenance of the collection equipment and pay rental on the

equipment taken on lease from the BMC. The consideration to be paid measures the work done in terms of the quantity of the garbage lifted and removed. Based on the above document, it may, therefore, be concluded that the Applicant's supply to BMC is pure service.

- TDS can be deducted if applicant's supply under section 51 of GST Act i.e supply of taxable goods. In the present situation the applicant is making an exempt supply to the BMC, the provisions of Section 51 in connection with deducting TDS is not applicable. At the same time GST registration not needed for exempted supply of goods.

**Karnataka High Court grants Anticipatory Bail against arrest under GST for Alleged Bogus Billing / Trading**

**Mr. Mahendra Kumar Singhi vs. Commissioner of Commercial Tax of Karnataka & Others**

**Case No. - 2484/2019**

**Date - 9.01.2019**

**Fact of the Case**

- The Petitioners are husband and wife and they are the Directors of M/s. Steel Hypermart India Private Limited and M/s. Singhi Buildtech Private Limited.
- It is further alleged that the said Companies have been involved in circular bill trading in the State of Tamil Nadu and Karnataka.
- Having gone through the detailed investigation it is pointed out that the total upwards supplies/sales of M/s.Singhi Buildtech Private Limited for the financial year 2017-18 and 2018-19 is Rs.300,64,44,966/- and the above information reveals that Rs.195,78 Crores out of total inward supply/purchase of Rs.234.29 Crores in 2017-18 and 2018-19 is made only from registered taxable persons involved in circular trading.
- At the same time it is also noticed that the total outward supply/purchase of M/s.Steel Hypermart India Private Limited for the financial year 2017-18 and 2018-19 is Rs.2,34,29,84,3870 and the said fact reveals that Rs.195.78 Crores out of the total supply of Rs.234.29 Crores during the year 2017-18 and 2018-19 is made only from the registered taxable persons involved in circular trading and thereby petitioners-

accused have played fraud in circular bill trading.

- The Revenue Department arrest the petitioners under GST Act for alleged bogus billing/trading.

**Decision of the Case**

- On appeal to the Karnataka High Court granted anticipatory bail on the following terms & conditions-
  1. Each of the petitioners shall execute a personal bond for Rs.5,00,000/- with two sureties for the like sum to the satisfaction of the apprehending authority or authorised officer.
  2. They shall surrender before the Investigating Officer or authorised officer within fifteen days from today
  3. They shall not tamper with the prosecution evidence or destroy any documents whichever required for the purpose of interrogation or investigation.
  4. They shall co-operate with the investigation or interrogation.
  5. They shall be made available before the Investigating Agency as and when they are ordered to do so. If they do not co-operate with the investigation, the respondents are at liberty to move the Court for cancellation of bail.

**No TDS liability on Cooperative Society under GST from payment made to it by Vendors for Providing Taxable Goods: AAR**

**M/S Jaipur Zilla Dugdh Utpadak Sahakari Sangh Ltd. vs. Rajathan AAR**

**Case No. - Raj/AAR/2019-20/12**

**Date - 19.06.2019**

**Fact of the Case**

- The applicant deals in manufacturing of Milk, Ghee, Chhach, Butter, Dahi, Lassi, Panner, Ice-cream and related milk products.
- The Authority observed that, while going through the Section 51 of the GST Act, 2017 read with Notification No. 50/2018 )Central Tax) dated 13.09.2018, we find that the applicant is neither established under Societies Registration

Act, 1860 not it is established / State Government / Local Authority).

### **Decision of the Case**

- The Authority for Advance Ruling, Rajasthan has ruled that, TDS provision are not applicable to a cooperative society registered under the Rajasthan State Co-operative Society Act, 2001 under GST from the payment made to it by vendors for providing/ procuring taxable goods and services for making its supplies.
- The applicant thus does not fall under any category of Section 51 of the GST Act, 2017. Therefore provisions of TDS are not applicable in accordance with Section 51 of the GST Act, 2017.

---

### **Input Tax Credit available on Cash Carry Vehicles: Bombay HC quashes AAAR Order**

#### **C.M.S Info Systems Ltd. vs. The Commissioner of CGST**

**Writ Petition No. – 5801 of 2019  
Date – 9.07.2019**

### **Fact of the Case**

- In the present case the petitioner is C.M.S Info Systems Ltd., one of the largest ATM cash management companies in India.
- According to the AAAR, the motor vehicles sold after usage as scrap would be chargeable to Goods and Services Tax. It was observed that the input tax credit would not be available on purchase of cash carry vans.
- This was based on the ground that money is excluded from the definition of goods as provided under the GST Act, 2017. Thus, not entitled to input tax credit in view of Section 17(5) of the GST Act.
- Challenging the order of the appellate authority, the petitioner had contended that the concerned authority did not consider their principal submissions and hence there is a flaw in the decision making process.

### **Decision of the Case**

- Setting aside the order the bench held that money would stand covered by the definition of “Goods” under section 2(52) of GST Act so long as the same is not used as legal tender.

- In the light of the above, we note that the decision-making process has not been complied with by the Authority. It is necessary for the Authority to consider the submissions made by the parties before it and give its findings in the context of the submissions made.
  - A division bench of the Bombay High Court comprising Justice MS Sanklecha and Justice MS Sonak has set aside an order of the Maharashtra Appellate Authority for Advance Ruling (AAAR) wherein the authority had held that no input tax credit is available on the purchase of ‘cash carrying’ motor vehicles.
-

## DIRECT TAX

### Purchase of Multiple Flats can't be treated as a Single Transaction in TDS Statement: ITAT rejects Builders Plea

**Corner View Construction & Developers Pvt. Ltd. vs. Assistant Commissioner of Income Tax**

**Case No. - 3362/Mum/2018  
Date - 28.06.2019**

#### Fact of the Case

- The assessee company is engaged in the business of real estate construction and development.
- The assessee entered into an agreement with M/s Accent Construction Pvt. Ltd. for purchase of ninety-six flats in three buildings for a consideration of Rs. 100,51,65,650.
- On the date of the allotment letter itself i.e., 29th October 2015, out of the total sale consideration, the assessee paid an amount of Rs. 55 crore to the assessee through cheque and while making such payment the assessee simultaneously deducted tax @ 1% under section 194IA of the Income Tax Act, 1961 amounting to Rs. 55 lakh.
- The TDS amount deposited in Government account on 29/09/2016 and a challan cum statement was generated on the same day in form no. 26QB.
- At the time of processing the TDS statement the Assessing Officer found that the TDS statements were not filed within the prescribed time limit & rejected.

#### Decision of the Case

- On the appeal, the Tribunal also rejected the contention of the assessee on the following ground-
  - a) Assessee filed TDS taking all transaction relating to purchase flats as a single transaction.
  - b) The claim of the assessee that purchases of all the flats is to be taken as a single transaction, therefore, the levy of fee prescribed under section 234E of the Act is to be restricted to one challan-cum-statement filed in Form no.26QB, is unacceptable.

- The Mumbai bench of the Income Tax Appellate Tribunal (ITAT) held that a builder cannot treat the purchase of multiple flats as a single transaction for the purpose of filing of TDS statement.

### Deposits collected by Finance Company are Capital Receipts: Supreme Court

**The Peerless General Finance & Investment Company Ltd. vs. Commissioner of Income Tax**

**Appeal No. - 1265 of 2007  
Date - 9.07.2019**

#### Fact of the Case

- The assessee-Company had floated various schemes which require subscribers to deposit certain amounts by way of subscriptions in its hands, and, depending upon the scheme in question, these subscribed amounts at the end of the scheme are ultimately repaid with interest.
- The scheme at hand also contains forfeiture clauses as a result of which if, mid-way, a certain amount is forfeited, then the said amount would immediately become income in the hands of the assessee. This is an admitted position before us.

#### Decision of the Case

- The bench observed that whether a loan of money could be called a deposit, would depend upon the facts of each case, having regard to the surrounding circumstances etc.
- In the present case, there is no such question raised by Revenue. The question raised is completely different, and as has been held by us above, the character of the transaction being clearly a capital receipt in the hands of the assessee cannot possibly be taxed as income in the assessee's hands.
- A two-judge bench of the Supreme Court comprising Justice R F Nariman and Justice Sanjiv Khanna held that the deposits collected by a finance company are capital receipts and not revenue receipts.
- The bench also held that the primary liability and onus is on the Dept to prove that a certain receipt is liable to be taxed.

**Inadvertent and Bonafide Error in Return  
won't attract Penalty: ITAT**

**Rasai Properties Pvt. Ltd vs. Dy Commissioner  
of Income Tax**

**Case No. – 770/Mum/2018  
Date – 28.06.2019**

**Fact of the Case**

- The assessee is a businessman in the present case
- The assessee disclosed the deduction pertaining to 'building premises' under the head 'block of assets'. During the course of assessment proceedings, the assessee realized the omission in not offering the LTCG on the sale of the aforesaid shops had worked out its income under the said head and offered the same for tax.
- However, the Assessing Officer initiated penalty against the assessee under section 271(1)(c) of the Act.

**Decision of the Case**

- The Tribunal observed that when the assessee had disclosed the deduction of Rs.67,00,000/- pertaining to sale of the aforesaid three shops from the 'block of assets' in its balance sheet for the year.
- The failure to offer LTCG on the sale of the said shops had inadvertently remained omitted to be shown in the return of income for the year under consideration.
- The Tribunal considered that imposition of penalty under Sec. 271(1)(c) would be unwarranted in a case where the assessee had committed an inadvertent and a bonafide error, and had not intended or attempted to either conceal its income or furnish inaccurate particulars," the Tribunal observed.
- The Mumbai bench of the Income Tax Appellate Tribunal (ITAT) has held that an inadvertent and bonafide error in return would not attract penalty under section 271(1)(c) of the Income Tax Act, 1961.

**Growing Hybrid Seeds is Agricultural Activity:  
ITAT allows Tax Exemption**

**Genuine Seeds Pvt. Ltd. vs. Dy Commissioner  
of Income Tax**

**Case No. – 2754/Pun/2016  
Date – 27.06.2019**

**Fact of the Case**

- The assessee is engaged in the activity of growing hybrid seeds.
- The Assessing Officer rejected the claim of the assessee that the same amount agricultural activity and therefore, no income tax can be levied on the same.
- On appeal the Tribunal noted that the Aurangabad Bench of Bombay High Court in CIT Vs. Ajeet Seeds Ltd held that the assessee's income arose from sale of breeder and foundation seeds.

**Decision of the Case**

- The Hon'ble High Court vide para 4 observed that when breeder seeds and foundation seeds are grown successfully, lot of scientific help was required and it was only after such skilful and scientific process, such seeds were grown.
- Addressing the issue whether growing of breeder and foundation seeds would amount to agriculture, it was held that the answer had to be affirmative.
- While granting relief to the assessee, the Tribunal held that growing of hybrid seeds in the case of assessee can never be held to be non-agricultural activity. Hence, the assessee is entitled to claim deduction under section 10(1) of the Income Tax Act.
- The Pune bench of the Income Tax Appellate Tribunal (ITAT) has held that the activity of growing of hybrid seeds can be treated as an agricultural activity and therefore, the income received from the same is exempted under the Income Tax Act, 1961.

**Interest on Late deposit of VAT, Service Tax,  
TDS are allowable Business Expenditure: ITAT**

**M/S Emdee Digitronics Pvt. Ltd. vs. The  
Income Tax Appellate Tribunal, Kolkata**

**Case No. – 361/Kol/2019  
Date - 28.06.2019**

**Fact of the Case**

- The assessee filed its return of income for the A.Y. 2014-15 on 26.09.2014 and the assessment was later completed.



- The A.O under section 143(3) of the Act on the ground that assessee company has debited expenditure under the head Interest on delay payment of VAT, Service Tax and TDS totalling to Rs. 3,45,633/- and since such expenses are penal in nature, is not deductible u/s 37(1) of the Income Tax Act, 1961.
- The assessee has himself confessed and accepted that the (interest on VAT, service tax, TDS etc.) expenses are not allowable expenditure under section 37(1) of the Act, being penal in nature, does not mean that these expenses should be disallowed.

### **Decision of the Case**

- On appeal to the Tribunal by the assessee the Tribunal stated that If these expenses (interest on late deposit of VAT, service tax, TDS etc expense) are allowable under the Act then these cannot be disallowed merely because the assessee has admitted.
- Right expenditure ought to be allowed and the right income ought to be taxed. Therefore, the assessing officer, while making the assessment U/s 143(3) took a possible view that these expenses are allowable under section 37(1) of the Act, hence he did not disallow them.
- Hence, Assessing Officer has adopted one of the courses permissible in law therefore, order made by AO under section 143(3) of the Act, is neither erroneous nor prejudicial to the interest of the Revenue.
- The Income Tax Appellate Tribunal (ITAT), Kolkata bench has held that the interest paid by the assessee on late deposit of VAT, Service Tax, TDS etc, is not penal in nature, allowable as business expenditure under section 37(1) of the Income Tax Act, 1961.

# TAX COMPLIANCE CALENDAR AT A GLANCE

## GST CALENDAR

Date	Return Type
10-08-2019	<b>GSTR 8</b> - to be filed by the <i>by</i> the e-commerce operators required to deduct TDS under GST for the month of July 2019.
11-08-2019	<b>GSTR 1</b> - to be filed by the taxpayers with Annual Aggregate turnover above Rs. 1.50 Crore or opted to file monthly Return for the month of July 2019
13-08-2019	<b>GSTR 6</b> - to be filed by Input Service Distributor for the month of July 2019.
20-08-2019	<b>GSTR 3B</b> - for the month of July 2019.
20-08-2019	<b>GSTR 5 &amp; 5A</b> - to be filed by the <i>Non-Resident taxable person</i> & <i>OIDAR</i> for the month of July 2019.
31-08-2019	<b>ITC 04</b> - for July 2017 to March 2019 for filing the details of goods or capital goods sent to job worker and received back
31-08-2019	<b>GSTR 9</b> - to be filed by all registered persons for FY 2017-2018.
31-08-2019	<b>GSTR 9A</b> - Annual Return for Composition Tax Payer for FY 2017-2018
31-08-2019	<b>GSTR 9C</b> - Annual Return for FY 2017-2018 by registered person whose Annual Turnover for FY 2017-2018 is above Rs. 2 Cores
31-08-2019	<b>GSTR 7</b> - to be filed by the person who is required to deduct TDS under GST for the month of June 2019
31-08-2019	<b>CMP 08</b> - The last date for furnishing statement containing the details of the self-assessed tax for the quarter April, 2019 to June, 2019 by taxpayers under composition scheme.

## 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

## DIRECT TAX CALENDAR - SEPTEMBER, 2019

### 07.09.2019

- Due date for deposit of Tax deducted/collected for the month of August, 2019. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan

### 14.09.2019

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

**15.09.2019**

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of August, 2019 has been paid without the production of a challan
- Second instalment of advance tax for the assessment year 2020-21
- 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 August, 2019

**30.09.2019**

- Audit report under section 44AB for the assessment year 2019-20 in the case of a corporate-assessee or non-corporate assessee (who is required to submit his/its return of income on September 30, 2019).
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA and section 194-IB in the month of August, 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 September 30, 2019)
- Annual return of income for the assessment year 2019-20 if the assessee (not having any international or specified domestic transaction) is (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).
- 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 September 30, 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 September 30, 2019)
- Submit copy of audit of accounts to the Secretary, Department of Scientific and Industrial Research in case company is eligible for weighted deduction under section 35(2AB) [if company does not have any international/specified domestic transaction]
- 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 due date of submission of return of income is September 30, 2019).

# CERTIFICATE COURSE ON GST – 5<sup>th</sup> BATCH

Course Details	
<b>Course Eligibility</b>	Qualified Cost & Management Accountants
	Other Professionals (CS,CA,MBA,M.Com, Engineers, Lawyers, etc)
	Executives from Industries
	GST Practitioners
	Students who are either CMA qualified or Final pursuing.
<b>Course Fee</b>	₹10,000 +18% GST
	₹8,000 + 18% GST (For CMA Members, CMA Final Passed Candidates and CMA Final pursuing Students)
	<b>Special Discount for Corporate</b>
	For number of employees 5 - 10 , discount is 15% For number of employees more than 10 , discount is 20%

Course Modalities		
Details	Classroom Learning / Offline Mode	Online Classes
<b>Course Duration</b>	72 Hours	72 Hours
<b>Class Timings</b>	Saturday – 2 Hours Sunday – 4 Hours	24*7 - Can be accessed anytime and anywhere (Internet Connection is required and classes can be attended from your place.)
<b>Examination Fee</b>	₹1000 + 18% GST	₹1000 + 18% GST
<b>Assessment</b>	Online mode	Online mode
Study Materials & Mock test paper will be provided to all participants		
Faculty - Experienced faculties from Industry and practice		

Places			
Locations	Classroom Learning	Online Classes	
North	<ul style="list-style-type: none"> <li>• Delhi</li> </ul>	Anywhere in India	
South	<ul style="list-style-type: none"> <li>• Chennai</li> <li>• Bangalore</li> <li>• Hyderabad</li> <li>• Hosur</li> </ul>		
	East		<ul style="list-style-type: none"> <li>• Kolkata</li> </ul>
	West		<ul style="list-style-type: none"> <li>• Mumbai</li> <li>• Baroda</li> <li>• Pune</li> <li>• Ahmedabad</li> <li>• Bharuch</li> </ul>

Course Contents	
Constitutional Background of GST, Concepts of GST & Definitions in GST.	Taxable event, Time of Supply and Place of Supply, Composite & Mixed supply , Works Contract, Exempted supply
Classification, HSN, SAC	Valuation under GST, Valuation rule
Input Tax Credit, Refund of ITC	Basic Procedures- Registration, Invoice, Bill of supply, E way Bills etc.
Records and Returns	Zero Rated Supplies , Imports and Exports
Payment and Refunds	Assessment and Audit
Demands	Adjudication and appeal
Penalties and Prosecutions	Advance Ruling
Job Work	Anti-profiteering
Applicability of TDS and TCS under GST and Filing of Return	Miscellaneous Provisions and Case studies on specific Chapters involving real life scenarios

**For any query, please mail us - [trd@icmai.in](mailto:trd@icmai.in)  
Contact No. +91 33 40364747/+91 33 40364714/+91 33 40364711**



## TAXATION COMMITTEE - PLAN OF ACTION

### Proposed Action Plan:

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

### Disclaimer:

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

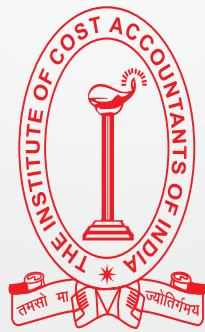
The opinion expressed in Article is fully based on the views of the experts. This information is provided for public services only and is neither an advertisement nor to be considered as legal and professional advice and in no way constitutes an attorney-client relationship between the Institute and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

### Contact Details:

Tax Research Department  
12, Sudder Street, Kolkata - 700016

Phone: +91 33 40364747/ +91 33 40364714/ +91 33 40364711

E-mail: trd@icmai.in



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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

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

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

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

Ph: 091-11-24666100

Behind every successful business decision, there is always a CMA