TAXCONNECT

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TAX CONNECT

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EDITORIAL

Friends,

The deadline for filing TRAN 1 has been extended by a month till November 30 for businesses to claim credit of transitional stock in GST.

It may be also noted that the option of availing ISD Credit is not available in GSTR 2 as yet and the due date of filing ISD return is itself 15th November. **Hence to overcome this technical glitch, it seems just that there should be an extension of the due date of filing GSTR 2 also.**

Vide **N No. 40/2017 – Central Tax(Rate)** and **N No. 41/2017 – Integrated Tax (Rate),** the CBEC has exempted supply of taxable goods by a registered supplier to a registered recipient for export in excess of 0.1% i.e. The GST rate on Merchant Exports shall be 0.1%. The aforesaid exemption is subject to following conditions -

(i) The goods should be supplied by the registered supplier to the registered recipient on a tax invoice;

(ii) The goods should be exported within a period of ninety days from the date of issue of a tax invoice by the registered supplier;

(iii) The GST number of the registered supplier and the tax invoice number issued by the registered supplier of the said goods should be mentioned in the shipping bill or bill of export;

(iv) The registered recipient should be registered with an Export Promotion Council or a Commodity Board recognised by the Department of Commerce;

(v) An order should be placed on registered supplier for procuring goods at concessional rate and a copy of the same should also be provided by the registered recipient to the jurisdictional tax officer of the registered supplier;

(vi) The said goods should be moved from place of registered supplier directly to the Port, Inland Container Deport, Airport or Land Customs Station from where the said goods are to be exported or directly to a registered warehouse from where the said goods shall be moved to the Port; and

(vii) After the goods are exported, a copy of shipping bill or bill of export containing details of GSTIN and tax invoice of the registered supplier along with proof of export general manifest or export report should be provided to the registered supplier as well as jurisdictional tax officer of such supplier.

Now the criteria for export of goods within 90 days from the date of invoice (reiterated twice in the notifications) may not be a practical condition and may make compliance with this notification next to impossible in many cases.

In Income Tax, Inheritance tax may be introduced in the coming Budget according to media reports. It may be noted that inheritance tax, which was known in India as 'estate duty' and is imposed on the property passed to an heir, was abolished in India by the Rajiv Gandhi government in 1985 as it failed to reduce wealth inequality.

We do hope that this bulletin adds value to your professional sphere.

Just to reiterate that we remain available over telecom or e-mail.

Truly Yours

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SYNOPSIS

TAX CALENDAR

Due date	COMPLIANCES FROM 29th October, 2017 to 04th November, 2017	Description
31st October 2017	GSTR-2	Inward Supplies Received By Tax Payer for the month of July 2017
31st October 2017	TRAN-1	Transitional ITC/Stock Statement. While the
31st October 2017	TAX AUDIT REPORT UNDER INCOME TAX	Filing Tax Audit report under Income Tax for AY 17-18
31st October 2017	TDS RETURN UNDER INCOME TAX	Filing of TDS return under Income Tax for Q2 17-18

GST: CGST

NOTIFICATIONS/CIRCULARS

EXTENDS THE TIME LIMIT FOR FILING OF FORM GSTR-6

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 43/2017 - Central Tax dated 13th October 2017** hereby extends the time limit for furnishing the return by an Input Service Distributor in **FORM GSTR-6** for the months of July, 2017, August, 2017 and September, 2017 till the 15th day of November, 2017.

EXTENDS THE TIME LIMIT FOR SUBMISSION OF FORM GST ITC-01

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 44/2017 - Central Tax dated 13th October 2017** hereby extends the time limit for making a declaration, in **FORM GST ITC-01**, by the registered persons, who have become eligible during the months of July 2017, August 2017 and September 2017, to the effect that they are eligible to avail the input tax credit till the 31st day of October, 2017.

CENTRAL GOODS AND SERVICES TAX (NINTH AMENDMENT) RULES, 2017

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 45/2017 - Central Tax dated 13th October 2017** hereby makes ninth amendment in CGST Rules, 2017.

For detailed description the readers may refer the above mentioned notification.

TURNOVER LIMIT FOR COMPOSITION LEAVY

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 46/2017- Central Tax dated 13th October, 2017** hereby makes amendment in **Notification No. 8/2017-Central Tax, dated 27th June, 2017** regarding turnover limit for composition levy for CGST and the manufacturers of certain goods not eligible for benefit of composition scheme.

CENTRAL GOODS AND SERVICES TAX (TENTH AMENDMENT) RULES, 2017

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **NOTIFICATION No. 47/2017–Central Tax dated 18th October 2017** hereby makes tenth amendment in CGST Rules, 2017.
For detailed description the readers may refer the above mentioned notification.

SUPPLY OF GOODS TREATED AS DEEMED EXPORT DEEMED EXPORT UNDER GST

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **NOTIFICATION No. 48/2017–Central Tax, dated 18th October, 2017** hereby notifies when the supply of goods shall be treated as deemed export under GST e.g supplies against advance Authorisation, to EOU, under EPCG scheme etc.

- Supply of goods by a registered person against Advance Authorisation
- Supply of capital goods by a registered person against Export Promotion Capital Goods Authorisation
- Supply of goods by a registered person to Export Oriented Unit
- Supply of gold by a bank or Public Sector Undertaking specified in the notification No. 50/2017-Customs, dated the 30th June, 2017 (as amended) against Advance Authorisation.

GST: IGST

NOTIFICATIONS/CIRCULARS

EXEMPTS PAYMENT OF TAX UNDER REVERSE CHARGE BASIS

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 32/2017 - Integrated Tax (Rate) dated 13th October 2017** hereby exempts the inter-State supply of goods or services or both received by a registered person from any supplier, who is not registered, from the whole of the integrated tax leviable thereon and it shall apply to all registered persons till the 31st day of March, 2018.

SERVICES PROVIDED BY OVERSEEING COMMITTEE MEMBERS TO RBI UNDER RCM

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 34/2017 - Integrated Tax (Rate) dated 13th October 2017** hereby makes the further amendments in the **Notification No.10/2017-Integrated Tax (Rate), dated the 28th June, 2017**by insertingSupply of services by the members of Overseeing Committee to Reserve Bank of India as category of supply of service with supplier as Members of Overseeing Committee constituted by the Reserve Bank of India and Reserve Bank of India as recipient of services.

EXEMPTION FOR SUPPLY OF CERTAIN GOODS UNDER IGST ACT

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 36/2017 - Integrated Tax (Rate) dated 13th October 2017** hereby makes amendments in the Notification No.2/2017-Integrated Tax (Rate), dated the 28th June, 2017.

Further it exempts inter-State supplies of goodslike Duty Credit Scrips and Supply of goods by a Government entity to Central Government, State Government, Union territory, local authority or any person specified by Central Government, State Government, Union territory or local authority, against consideration received from Central Government, State Government, Union territory or local authority in the form of grants with their respective HSN Code.

REVERSE CHARGE ON CERTAIN SPECIFIED SUPPLIES OF GOODS

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 37/2017 - Integrated Tax (Rate) dated 13th October 2017** hereby makes the amendments in the **Notification No.4/2017- Integrated Tax (Rate), dated the 28th June, 2017.**

Further it has been notified thatnotany registered person in case purchase any used vehicles, seized and confiscated goods, old and used goods, waste and scrap from Central Government, State Government, Union territory or a local authority, it shall be liable to Reverse charge.

SEEKS TO PRESCRIBE INTEGRATED TAX RATE ON THE LEASING OF MOTOR VEHICLES

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 38/2017 - Integrated Tax (Rate) dated 13th October 2017** hereby notifies the integrated tax on inter-State supplies of motor vehicles shall be charged at a rate of 65%. Provided such supplier of Motor Vehicle is a registered person and has purchased the Motor Vehicle prior to 1st July, 2017 or supplied on lease before 1st July, 2017 and has not availed input tax credit of central excise duty, Value Added Tax or any other taxes paid on such vehicles.

GST: SGST/UTGST

NOTIFICATIONS/CIRCULARS

WAIVER OF LATE FEE ON LATE FILING OF GSTR 3B FOR THE MONTH OF JULY, 2017

OUR COMMENTS: The Department of Revenue (Commercial Taxes-II) , Government of Andhra Pradesh vide **Notification No. 456 – State Tax dated 16th October 2017**hereby waives the late fee payable for all registered persons who failed to furnish the return in Form GSTR -3B for the month of July, 2017.

EXEMPTION OF CASUAL TAXABLE PERSON MAKING TAXABLE SUPPLIES OF HANDI-CRAFT GOODS FROM OBTAINING REGISTRATION

OUR COMMENTS: The Department of Revenue (Commercial Taxes-II) , Government of Andhra Pradesh vide **Notification No. 457 – State Tax dated 16th October 2017**hereby notifies that the casual taxable persons making taxable supplies of handicraft goods as the category of persons exempted from obtaining registration , provided that the aggregate value of such supplies does not exceed an amount of twenty lakh rupees in a financial year and in case of Special Category States, other than the State of Jammu and Kashmir the value of such supplies does not exceed an amount of ten lakh rupees.

THE ANDHRA PRADESH GOODS AND SERVICES TAX (SEVENTH AMENDMENT) RULES, 2017

OUR COMMENTS: The Department of Revenue (Commercial Taxes-II) , Government of Andhra Pradesh vide **Notification No. 459 – State Tax dated 16th October 2017** hereby makes amendments to the Andhra Pradesh Goods and Services Tax Rules, 2017, issued in **Notification No.227 Dated 22nd June 2017.**

Further it has been notified that:-

i) Any person who has been granted registration on a provisional basis or who has applied for registration may opt to pay tax with effect from the first day of October, 2017 by electronically filing an intimation in **FORM GST CMP-02**, on the common portal either directly or through a Facilitation Centre notified by the Chief Commissioner, before the said date and shall furnish the statement in **FORM GST ITC-03** within a period of ninety days.

ii) Every registered person who has submitted a declaration electronically in **FORM GST TRAN-1** within the time period specified may revise such declaration once and submit the revised declaration in **FORM GST TRAN-1** electronically on the common portal within the time period specified in the said rules or such further period as may be extended by the Chief Commissioner in this behalf.

iii) In case of goods are sent by a principal located in one State to a job-worker located in any other State, the e-way bill shall be generated by the principal irrespective of the value of the consignment.

In case of handicraft goods are transported from one State to another by a person who has been exempted from the requirement of obtaining registration the e-way bill shall be generated by the said person irrespective of the value of the consignment.

ANALYSIS

EXEMPTION FROM CAPITAL GAINS ON SALE OF AGRICULTURAL LAND

OUR COMMENTS: Where the capital gain arises from the transfer of a capital asset being land which, in the two years immediately preceding the date on which the transfer took place, was being used by the assessee being an individual or his parent, or a HUF for agricultural purposes, and the assessee has, within a period of two years after that date, purchased any other land for being used for agricultural purposes, then, instead of the capital gain being charged to income-tax as income of the previous year in which the transfer took place, it shall be dealt with in accordance with the following provisions of this section, that is to say,-

- If the amount of the capital gain is greater than the cost of the land so purchased, the difference between the amount of the capital gain and the cost of the new asset shall be charged as the income of the previous year;

  For the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its purchase, the cost shall be **nil.**

- If the amount of the capital gain is equal to or less than the cost of the new asset, the capital gain shall not be charged and for the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its purchase, the cost shall be reduced, by the amount of the capital gain**.**

CLUB FEES AND EXPENSES INCURRED TO MAINTAN CONTACTS, GOOD RELATIONS AND GOODWILL ARE ALLOWABLE BUSIENSS EXPENSES

OUR COMMENTS: A businessman himself or his employees / officers / workers agents can incur expenses at clubs. If the expenses are incurred for the purpose of business, then such expenses should be allowed as business expenditure. Club expenses can be of different type and nature like: Entrance fees or Joining fees, Periodical fees for one year or few years, Membership fees, Expenses for goods and services availed at club by member or his nominated persons/ associates/ guests etc. as may be permitted.

In case of large business organization like factory, or service centres, big office complex, some clubs are mainly for employees.

Like employee's games and sports club, employees recreation club, Employees club house, Employee welfare centres etc.Such clubs are in fact a part and parcel of business organization and these are created or established for benefit of employees which help them and their children in physical fitness, mental fitness, entertainment and go long way in improving health of employees, children of employees which is a source of good human resources.

Therefore, for allowability of expenses of such clubs there is generally not much dispute however some officers make some estimated disallowance for non-business purposes. Or some expenses as capital expenditure.

In case of medium and small organizations services of other clubs are availed for employees and agents of business. This is because at own cost businessman may not be able to establish very high class facility of clubs required for business purposes.

CUSTOMS

NOTIFICATIONS/CIRCULARS

EXCHANGE RATE NOTIFICATION

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 96/2017 - Customs (N.T) dated 18th October, 2017** hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in Schedule I and Schedule II hereto, into Indian currency or vice versa, shall be the rate mentioned against it in the corresponding entry thereof, with effect from 19th October, 2017, for the purpose relating to imported and export goods.

SCHEDULE-I

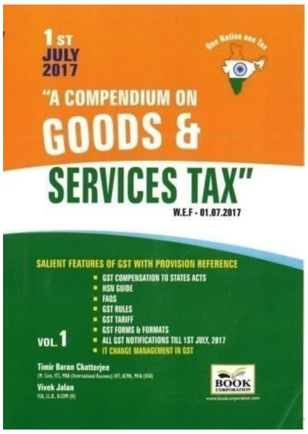
Sl.No.	**Foreign Currency**	**Rate of exchange of one unit of foreign currency equivalent to Indian rupees**	
(1)	**(2)**	**(3)**	
		(a)	**(b)**
		(For Imported Goods)	**(For Export Goods)**
1.	Australian Dollar	52.00	50.20
2.	Bahrain Dinar	178.20	166.55
3.	Canadian Dollar	52.90	51.10
4.	Chinese Yuan	10. 00	9.65
5.	Danish Kroner	10.45	10.05
6.	EURO	77.85	75.20
7.	Hong Kong Dollar	8.45	8.20
8.	Kuwait Dinar	222.55	207.90
9.	New Zealand Dollar	47.40	45.70
10.	Norwegian Kroner	8.35	8.05
11.	Pound Sterling	87.20	84.35
12.	Qatari Riyal	17. 65	16.55
13.	Saudi Arabian Riyal	17.90	16.75
14.	Singapore Dollar	48.75	47.25
15.	South African Rand	5.00	4.70
16.	Swedish Kroner	8.10	7.80
17.	Swiss Franc	67.50	65.30
18.	UAE Dirham	18.30	17.10
19.	US Dollar	65.85	64.15

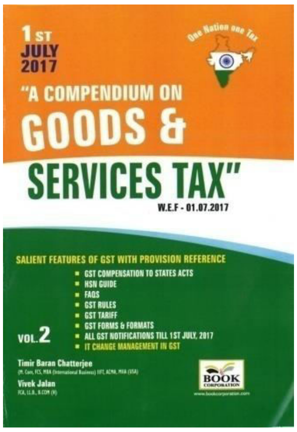
SCHEDULE-II

Sl.No.	**Foreign Currency**	**Rate of exchange of 100 units of foreign currency equivalent to Indian rupees**	
(1)	**(2)**	**(3)**	
		(a)	**(b)**
		(For Imported Goods)	**(For Export Goods)**
1.	Japanese Yen	58.90	56.95
2.	Kenya Shilling	65.10	60.80

AVAILABLE IN STANDS

A COMPENDIUM ON GOODS & SERVICES TAX
(Including ALL Notifications till 09th July, 2017)





ABOUT THE BOOK: PART A of the Book provides a Chapter wise and Topic wise Analysis of the Law. Along with this it provides Section and Rules where in the reader may find the Legal Provisions. It will help the reader to first understand the provision and then to exactly locate the provision. It provides an insight into the following:

1. Section-wise Compilation of IT Changes under GST
2. The GST Rates as finalised by The GST Council along with the HSN Code Referencer.
3. FAQs on GST
4. CGST, IGST, UTGST and The GST Compensation to States Acts
5. The Rules related to GST available in public Domain as on 17th June 2017.
6. The Forms and formats related to GST available in public Domain as on 17th June 2017.

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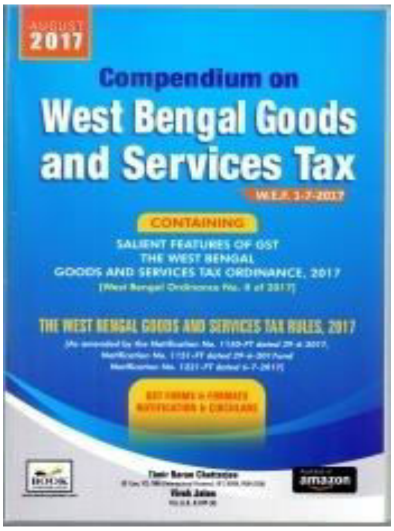
AVAILABLE IN STANDS

A COMPENDIUM ON WEST BENGAL GOODS & SERVICES TAX

(Including ALL Notifications till date)



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1. The Rules related to WBGST available in public Domain till date.
2. The Notifications, Circulars and Orders issued by The SGST Authority till date.
3. The Forms and formats related to GST available in public Domain till date.

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