TAX CONNECT
146th Issue: 19th November 2017 - 25th November 2017

TAX CONNECT

Knowledge Partner:

The Bengal Chamber of Commerce & Industry

BCC&I
THE BENGAL CHAMBER

INCOME TAX

CUSTOMS

TAX CONNECT

Kolkata : 1, Old Court House Corner, "Tobacco House" 1st Floor, R.No.-13 (North), Kolkata-700001
Delhi : B 42 Retreat Apartments, 20 IP Extension, Delhi 110 092
Gujarat : Quarter no. 3/174, Gujarat Refinery Township, Jawaharnagar, Vadodara-391320

Contact : +919331042424; +919831594980; +913322625203
Website : www.taxconnect.co.in
Email : tb.chatterjee@taxconnect.co.in;vivek.jalan@taxconnect.co.in

EDITORIAL

Friends,

The Investment & Economic Sentiments in the country have got a boost due to upgrade of the Government of India's local and foreign currency issuer ratings to Baa2 from Baa3 by Moody's Investors Service ("Moody's"). Moody's has also changed the outlook on the rating to stable from positive. India's rating has been upgraded after a period of 13 years. India's sovereign credit rating was last upgraded in January 2004 to Baa3 (from Ba1).

This certainly is a Thumbs up to the courage of the Govt. to Implement GST & invoke Demonetization. However, a lot needs to be achieved further in terms of Implementation of GST, especially the efficacy of the GST Portal.

Although there are glitches in Implementation of GST, yet The Govt. certainly needs to be complimented on the willingness to change. In this regard, various important Developments have taken place in the current week. To list down the same as follows –

1. As per N No 66/2016 Central dated 15th November, GST now need not be paid on advance received for goods and the due date of payment of GST on Goods shall be as per S 12(2)(a) of CGST Act 2017 i.e. the date of invoice or the last date of issuing invoice, i.e. before or at the time of removal or delivery.

   It may be noted that tax on advances in respect of supply of services will still continue.

2. **Providing a huge relief for exporters and suppliers of SEZ and other Zero Rated Supplies, Circular No. 17-GST Dated – 15th Nov has been issued for manual filing and processing of refund claims in respect of zero-rated supplies.**

   Primarily the circular entails the following categories of refunds –

   1. Refund of IGST paid on export of goods
   2. Refund of IGST paid on export of services / zero rated supplies to SEZ units or SEZ developers
   3. Refund of unutilized input tax credit due to the accumulation of credit of tax paid on inputs or input services used in making zero-rated supplies of goods or services or both

   The relevant Notification No. 55/2017-Central Tax dated 15th November, 2017 details the procedures.

   It is to be noted that the refund has not been extended under "inverted duty structure" which gain leaves some working capital blocked in some industries.

3. Banks were not issuing Tax Invoice and were facing difficulties to do the same. Hence, the mandatory requirement of issuance of tax invoice within the provisions of GST law by banks/NBFCs/Financial institutions has now been made optional.

4. Monthly GSTR 3B shall be shall be filed until March 2017

5. The due dates for all returns have been extended vide Notifications 56/2017 & 57/2017 Central Tax dated 15th November, 2017.

6. Vide Notification No. 65/2017-Central Tax dated 15th November, 2017, Supplier of services through e-commerce platform have been exempted from obtaining compulsory registration if their aggregate turnover is < Rs. 20 lakhs(non special category states) and Rs. 10 lakhs (special category states) in a financial year.

EDITORIAL

7. Amendments to the GST rates have been notified vide Notification No. 41 /2017, Central Tax (Rate) & Notification No. 43/2017-Integrated Tax (Rate)

8. Amendments to the GST Exemptions have been notified vide Notification No. 42 /2017, Central Tax (Rate) & Notification No. 44/2017-Integrated Tax (Rate)

9. Concessional GST rate of 2.5% provided on scientific and technical equipments supplied to public funded research institutions vide

   Notification No. 45/2017-Central Tax (Rate) & Notification No. 47/2017-Integrated Tax(Rate)

10. Following rates have been prescribed in respect of supply of food or article for human consumption by a restaurant, eating joint including mess, canteen:

    - Other than those in hotels, inns etc. where declared tariff > Rs. 7,500 per day – 5%
    - In hotels, inns etc. where declared tariff > Rs. 7,500 per day – 18%

    Notification No. 46/2017-Central Tax (Rate) & Notification No. 48/2017-Integrated Tax(Rate)

11. **In Income Tax**, Instruction No. 10/2017 has been issued w.r.t. Processing of income-tax returns filed in Forms ITR-2, 3, 4, 5 & 6 under section 143(1)(a)(vi).

    It lays down suitable guidelines for CPC/AOs so that provisions of section 143(1)(a)(vi) of the Act are invoked only in appropriate cases.

    Section 143(1)(a)(vi) prescribes that the total income or loss shall be computed after making adjustment for addition of income appearing in Form 26AS or Form 16A or Form 16(the three Forms) which has not been included in computing the total income in the return.

12. **In Income Tax** , Draft notification dated 17th Nov has been issued under section 115JG (1) of the Income-tax Act, 1961 in respect of conversion of Indian branch of foreign bank into Indian subsidiary company

13. U/s 2(1) of the Prevention of Money-laundering Act, 2002,Central Government notifies 'real estate agents'as defined under clause (zm) of section 2 of the Real Estate (Regulation and Development) Act, 2016 - 8/2017 - Prevention of Money-Laundering

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

TimirBaranChatterjee
M.Com, FCS, MBA (International Business)-IIFT, ACMA

VivekJalan
FCA, LL.B, B. Com (H)

SYNOPSIS

TAX CALENDAR

Due date	COMPLIANCES FROM 19th November, 2017 to 25th November, 2017	Description
20TH Nov 2017	GSTR 3B	GSTR 3B for the month of October

GST: CGST

NOTIFICATIONS/CIRCULARS

REDUCTION OF CGST RATE ON LEASING OF MOTOR VEHICLES

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 37/2017- Central Tax (Rate) dated the 13th October, 2017** hereby notifies that the applicable rate of central tax on intra-State supplies of Motor Vehicles is at the rate of 65% subject to the following condition :

- Motor Vehicles was purchased by the lesser prior to 1st July, 2017 and supplied on lease before 1st July, 2017.
- The supplier of Motor Vehicle is a registered person.
- Such supplier had purchased the Motor Vehicle prior to 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.

REDUCTION OF GST RATE OF FOOD PREPARATIONS

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 39/2017- Central Tax (Rate) dated the 13th October, 2017** hereby notifies the central tax rate of 2.5 per cent will be charged on intra-State supplies of Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government

LIST OF EXEMPTED UNDER CGST ACT, 2017

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 42/2017-Central Tax (Rate) dated the 14th November, 2017** hereby makes amendment in the **Notification No.2/2017-Central Tax (Rate), dated the 28th June, 2017,** regarding list of exempted goods under CGST Act 2017. For detailed description readers may refer the above mentioned notification.

REVERSE CHARGE ON SPECIFIED GOODS

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 43/2017-Central Tax (Rate) dated the 14th November, 2017**hereby makes amendments in **the Notification No.4/2017- Central Tax (Rate), dated the 28th June, 2017** regarding reverse on certain specified goods. It is notified that reverse charge will be applicable to raw cotton if the Supplier is a Agriculturist and the Recipient is any registered person.

RESTRICTION OF ITC ON CERTAIN FABRICS

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 44/2017-Central Tax (Rate) dated the 14th November, 2017** hereby makes amendments in the **Notification No.5/2017-Central Tax (Rate), dated the 28th June, 2017** regarding restriction of ITC on certain fabrics.

Further it is notified that no refund of unutilised input tax credit shall be allowed for knotted netting of twine, cordage or rope, made up fishing nets and other made up nets of textile materials, Corduroy fabrics and narrow woven fabrics. It shall come into force with effect from the 15th day of November, 2017.

CONCESSIONAL GST RATE OF 2.5%

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 45/2017-Central Tax (Rate) dated the 14th November, 2017**hereby notifies that the GST rate of 2.5% on scientific and technical equipments supplied to public funded research institution subject to some specific conditions.

For detailed description readers may refer the above mentioned notification.

GST: IGST

NOTIFICATIONS/CIRCULARS

CHANGES IN IGST RATES ON SUPPLY OF GOODS

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 43/2017- Integrated Tax (Rate) dated the 14th November, 2017** hereby amendments in the **Notification No.1/2017-Integrated Tax (Rate), dated the 28th June, 2017** regarding the IGST rate applicable on certain goods on the basis of their respective schedule.
For detailed description readers may refer the above mentioned notification.

EXEMPTION FROM IGST ON INTERSTATE SUPPLY OF GOODS

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 44/2017- Integrated Tax (Rate) dated the 14th November, 2017** hereby makes amendments in the **Notification No.2/2017-Integrated Tax (Rate), dated the 28th June, 2017** regarding list of exempted goods under IGST Act 2017 on interstate supply of the same.

For detailed description readers may refer the above mentioned notification.

REVERSE CHARGE ON SPECIFIED GOODS

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 45/2017- Integrated Tax (Rate) dated the 14th November, 2017** hereby makes amendments in **the Notification No.4/2017- Integrated Tax (Rate) dated the 28th June, 2017** regarding reverse on certain specified goods. It is notified that reverse charge will be applicable to raw cotton if the Supplier is a Agriculturist and the Recipient is any registered person.

RESTRICTION OF ITC ON CERTAIN FABRICS.

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 46/2017-Integrated Tax (Rate) dated the 14th November, 2017** hereby makes amendments in the **Notification No.5/2017- Integrated Tax (Rate), dated the 28th June, 2017** regarding restriction of ITC on certain fabrics.

Further it is notified that no refund of unutilized input tax credit shall be allowed for knotted netting of twine, cordage or rope, made up fishing nets and other made up nets of textile materials, Corduroy fabrics and narrow woven fabrics.

It shall come into force with effect from the 15th day of November, 2017.

CONCESSIONAL GST RATE OF 5%

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 47/2017-Integrated Tax (Rate) dated the 14th November, 2017**hereby notifies that the GST rate of 5 % on scientific and technical equipments supplied to public funded research institution subject to some specific conditions.

For detailed description readers may refer the above mentioned notification.

CHANGES RATES FOR SUPPLY OF SERVICES UNDER IGST ACT 2017

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 48/2017- Integrated Tax (Rate) dated the 14th November, 2017** hereby makes amendments in **the Notification No. 8/2017- Integrated Tax (Rate), dated the 28th June, 2017**regarding the rates of supply of services under IGST Act, 2017.

Further it has been notified that specific rate of IGST applied to the standalone restaurants is @ 5%, Other restaurant @18% and for handicraft goods the rate of job work has been reduced to 5%.

It shall come into force with effect from the 15th day of November, 2017.

GST: SGST/UTGST

NOTIFICATIONS/CIRCULARS

WAIVER OF LATE FEE FOR LATE FILING OF GSTR-3B FOR THE MONTH OF AUGUST'17& SEPTEMBER'17

OUR COMMENTS: The Commercial Taxes Department, Government of Gujarat vide **Notification No. 50/2017-State Tax (Rate) dated 24th October 2017**hereby waives the late fee payable for all registered persons who failed to furnish the return in FORM GSTR-3B for the months of August and September, 2017 by the due date of 20th September'17 and 20th October'17 respectively.

The Commercial Taxes Department, Government of Bihar vide **Notification No. 255 dated 24th October 2017** hereby waives the late fee payable for all registered persons who failed to furnish the return in FORM GSTR-3B for the months of August and September, 2017 by the due date of 20th September'17 and 20th October'17 respectively.

EXTENTION OF DUE DATE FOR SUBMISSION OF DETAILS IN FORM GST-ITC-01

OUR COMMENTS: The Commercial Taxes Department, Government of Karnataka vide **Notification No. 01-P/2017 dated 28th October 2017** hereby makes further amendments in the **Notification No KGST.CR.01/17-18 dated the 13th October, 2017** by stating that the 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 avail the input tax credit is hereby extended till the 30th day of November, 2017.

SEEKS TO EXTEND THE DUE DATE FOR SUBMISSION OF DETAILS IN FORM GST-ITC-04

OUR COMMENTS: The Commercial Taxes Department, Government of Karnataka vide **Notification No. 01-Q/2017 dated 28th October 2017**the time limit for making the declaration in FORM GST ITC-04, in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another, during the quarter July to September, 2017, is hereby extended till the 30th day of November, 2017.

EXTENSION OF TIME LIMIT FOR INTIMATION OF DETAILS OF STOCK IN FORM GST CMP-03

OUR COMMENTS: The Commercial Taxes Department, Government of Karnataka vide **Notification No. 01-R/2017 dated 28th October 2017** hereby notifies that the period for intimation of details of stock held on the date preceding the date from which the option to pay tax exercised in FORM GST CMP-03 is extended till 30th November, 2017.

EXTENSION OF TIME LIMIT FOR SUBMITTING APPLICATION IN FORM GST REG-26.

OUR COMMENTS: The Commercial Taxes Department, Government of Karnataka vide **Notification No. 01-S/2017 dated 28th October 2017** hereby notifies that the period for submitting electronically the application in the FORM GST REG-26 is hereby extended till 31st December 2017.

EXTENSION OF TIME LIMIT FOR SUBMITTING THE DECLARATION IN FORM GST TRAN-1

OUR COMMENTS: The Commercial Taxes Department, Government of Karnataka vide **Notification No. 01-T/2017 dated 28th October 2017** hereby notifies that the period for submitting the declaration in FORM GST TRAN-1 is hereby extended till -30th November, 2017.

EXTEND THE TIME LIMIT FOR FILING OF GSTR-2 AND GSTR-3 FOR THE MONTH OF JULY 2017

OUR COMMENTS: The Commercial Taxes Department, Government of Karnataka vide **Notification No. 01-V/2017 dated 30th October 2017**hereby makes the further amendments in the **Notification No.1-I/2017 KGST. CR.01/17-18, dated the 11th September, 2017,**notifies that the time period for furnishing of details/return for GSTR 2 is 30th November, 2017 and for GSTR 3 is 11th December, 2017

INCOME TAXES

NOTIFICATIONS/CIRCULARS

AVOIDANCE OF DOUBLE TAXATION

OUR COMMENTS: The Central Board of Direct Taxes (Department of Revenue), Ministry of Finance, Government of India vide **Notification 93/2017 dated 02nd November, 2017** hereby notifies that the Third Protocol is hereby introduced in order to the Convention between the Government of the Republic of India and the Government of New Zealand for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income which was signed at New Delhi on the 26th day of October, 2016.

And thereafter it entered into force on the 7th September, 2017 being the date of the later of the notifications of the completion of the procedures required by the respective laws for bringing it into force.

Now, therefore, in exercise of the powers conferred by section 90(1) of the Income-tax Act, 1961, the Central Government hereby notifies that all the provisions shall be given effect to in the Union of India.

HARYANA STATE LEGAL SERVICES AUTHORITY

OUR COMMENTS: The Central Board of Direct Taxes (Department of Revenue), Ministry of Finance, Government of India vide **Notification 94/2017 dated 09th November, 2017** hereby notifies that for the purposes of the Legal Services Authorities Act, 1987, Haryana State Legal Services Authority is constituted by the Government of Haryana, in respect of the following specified income arising to that Authority:-

- Grants received from Central Authority i.e. National Legal Services Authority (NALSA) for the purposes of The Legal Service Authorities Act.
- Grants or donations received from the State Government of Haryana
- Amount received under the orders of Courts
- Fee received as recruitment application fees
- Interest income earned on deposits.

This notification shall be effective subject to the conditions that Haryana State Legal Services Authority-

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

This notification shall be deemed to have been applied for the financial Years 2015-2016 & 2016-2017 and shall apply with respect to the financial years 2017-2018, 2018-2019 and 2019-2020.

TELANGANA BUILDING AND OTHER CONSTRUCTION WORKERS WELFARE BOARD

OUR COMMENTS: The Central Board of Direct Taxes (Department of Revenue), Ministry of Finance, Government of India vide **Notification 95/2017 dated 09th November, 2017** hereby notifies that for the purposes of construction worker welfare , 'Telangana Building and Other Construction Workers Welfare Board', has been established by the Government of Telangana, in respect of the following specified income arising to that board :-

- Cess received
- Registration and renewal fee collection from the Building and other construction workers
- Interest received on deposits.

This notification shall be effective subject to the conditions that Telangana Building and Other Construction Workers Welfare Board –

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

This notification shall be applicable for the financial years 2017-2018, 2018-2019, 2019-2020, 2020-2021 and 2021-2022.

CUSTOMS

NOTIFICATIONS/CIRCULARS

EFFECTIVE RATE OF CUSTOMS DUTY ON IMPORT OF PEAS

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India vide **Notification No. 84 /2017-Customs dated 08th November, 2017** hereby makes further amendments in the Notification No. 50/2017-Customs, dated the 30th June, 2017 stating that:-

- 50% of standard rate of duty of customs is charged on Peas (Pisumsativum) with nil integrated tax.
- 20% of standard rate of duty of customs is charged on wheat with nil rate of IGST.

CHANGE IN EXCHANGE RATE OF QATARI RIYAL

OUR COMMENTS: The Central Board of Excise And Customs(Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No107/2017 - Customs (N.T.)dated 09th November, 2017**hereby makes the amendments in the **Notification No. 106/2017-Custom (N.T.)dated 08th November 2017**, with effect from 10th November 2017, regarding the rate of exchange of one unit of Qatari Riyal for imported goods as 17.75and for export goods as 16.25.

SEEKS TO LEVY SAFEGUARD DUTY ON HOT ROLLED FLAT SHEETS AND PLATES

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India vide **Notification No. 3/2016-Customs (SG) dated 23rd November, 2016** hereby notifies that the import of "Hot Rolled flat sheets and plates (excluding hot rolled flat products in coil form) of alloy or non-alloy steel having nominal thickness less than or equal to 150mm and nominal width of greater than or equal to 600mm" published vide number G.S.R. 759(E), dated the 2nd August, 2016.

It had come to the conclusion that increased imports of subject goods into India has caused and threatened to cause serious injury to the domestic producers of subject goods, thereby necessitating the imposition of safeguard duty on imports of the subject goods into India.

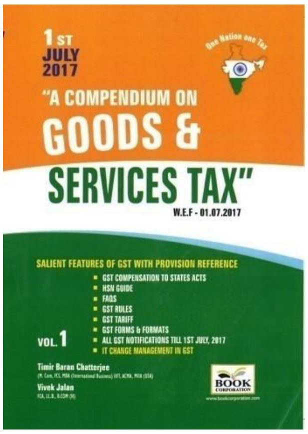
Now, therefore, in exercise of the powers conferred by the Customs Tariff Act, the Central Government, hereby imposes on goods falling under heading 7208 and 7225 of the Schedule I to the Customs Tariff Act, when it is imported into India, a safeguard duty at the following rate is charged :-

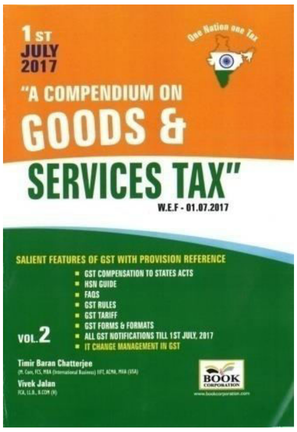
- 10% ad valorem minus anti-dumping duty is payable, when it is imported during the period from 23rd November, 2016 to 22nd November, 2017 (both days inclusive) at an import price below US Dollar 504 per MT on CIF basisie, assessable value as determined under section 14 of the Customs Act, 1962 .
- 8% ad valorem minus anti-dumping duty is payable, when it is imported during the period from 23rd November, 2017 to 22nd November, 2018 (both days inclusive) at an import price below US Dollar 504 per MT on CIF basis ie, assessable value as determined under section 14 of the Customs Act, 1962 .
- 6% ad valorem minus anti-dumping duty is payable, when it is imported during the period from 23rd November, 2018 to 22nd May, 2019 (both days inclusive) at an import price below US Dollar 504 per MT on CIF basis ie, assessable value as determined under section 14 of the Customs Act, 1962 .

This notification shall apply to imports of goods from countries notified as developing countries the Customs Tariff Act, except People's Republic of China, Ukraine and Indonesia.

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.

Authors:
TimirBaranChatterjee
M.Com, FCS, MBA (International Business)-IIFT, ACMA

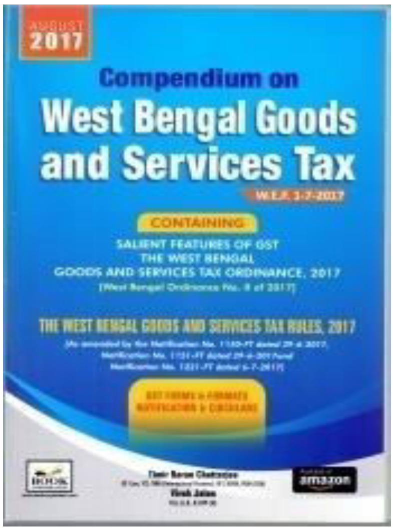
VivekJalan
FCA, LL.B., B.Com (Hons.)

Published by:
BOOK CORPORATION
4, R. N. Mukherjee Road
Kolkata 700001
Phones: (033) 64547999, 22306669, 22205367
Cell : 9830010297, 9331018333
Order by email:bookcorporation@gmail.com
Website :www.bookcorporation.com

AVAILABLE IN STANDS

A COMPENDIUM ON WEST BENGAL GOODS & SERVICES TAX

(Including ALL Notifications till date)



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. 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.

Authors:
TimirBaranChatterjee
M.Com, FCS, MBA (International Business)-IIFT, ACMA

VivekJalan
FCA, LL.B., B.Com (Hons.)

Published by:
BOOK CORPORATION
4, R. N. Mukherjee Road
Kolkata 700001
Phones: (033) 64547999, 22306669, 22205367
Cell : 9830010297, 9331018333
Order by email:bookcorporation@gmail.com
Website :www.bookcorporation.com