TAXCONNECT
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TAX CONNECT

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The Bengal Chamber of Commerce & Industry

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THE BENGAL CHAMBER

INCOME TAX

CUSTOMS

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EDITORIAL

Friends,

Goods and Services Tax (GST), introduced from July 1, 2017 is over nine months old now but has resulted in operational and implementation disruptions affecting all stakeholders. GST law, as drafted and legislated, is not free from the interpretational hassles. GST Council his however, making regular changes to fix the anomalies and hardships faced by taxpayers. There were no legislative changes in the Union Budget -2018.

Filing of returns

Section 39(1) of Central Goods and Services Tax Act, 2017 ('Act' for short) provides that every registered person, other than an Input Service Distributor or a non resident taxable person or a person paying tax under section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed, on or before the twentieth day of the month succeeding such calendar month or part thereof.

Cancellation of registration

Section 29 (1) of the Act provides that the proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where,—

- the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or
- there is any change in the constitution of the business; or
- the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24.

Final return

Section 45 read with Rule 81 provides that every registered person whose registration has been cancelled shall furnish a final return within three months from the date of cancellation or date of order of cancellation, whichever is later, in Form GSTR – 10 through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

Form GSTR 10

Form GSTR 10 is prescribed for final return. This form is not required to be filed by tax payers or persons who are registered as-

- Input Service Distributor;
- Persons paying tax under section 10 (composition scheme);
- Nonresident taxable person;
- Persons required to deduct tax at source under section 51; and
- Persons required collecting tax at source under section 52.

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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TAX CALENDAR

Due date	COMPLIANCES FROM 29TH APRIL, 2018 to 05TH MAY, 2018	Description
30th APRIL 2018	Income Tax Form: Challan Form ITNS 281	Quarterly payment of TDS for payments u/s 192, 194A, 194D or 194H with the prior approval of the Joint Commissioner for the Quarter ending March 31.
30th APRIL 2018	Income Tax Form: ITNS – 281	Monthly payment of TDS for the Month of March on all types of payments

GST: CGST

NOTIFICATIONS/CIRCULARS

PROCEDURE FOR INTERCEPTION OF CONVEYANCES FOR INSPECTION OF GOODS IN MOVEMENT, AND DETENTION, RELEASE AND CONFISCATION OF SUCH GOODS AND CONVEYANCES

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Circular No. 41/15/2018-GST dated 13th April 2018** hereby notifies regarding procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances.

It is further stated that the person in charge of a conveyance carrying any consignment of goods of value exceeding a specified amount shall carry with him the documents and devices prescribed in this behalf. It also states that the details of documents required to be carried by the person in charge of the conveyance shall be validated in such manner as may be prescribed.

As per the said provisions, in case of transportation of goods by road, an e-way bill is required to be generated before the commencement of movement of the consignment. Rule 138A of the CGST rules prescribes that the person in charge of a conveyance shall carry the invoice or bill of supply or delivery challan, as the case may be; and in case of transportation of goods by road, he shall also carry a copy of the e-way bill in physical form or the e-way bill number in electronic form or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner.

Section 129 of the CGST Act provides for detention, seizure and release of goods and conveyances in transit while section 130 of the CGST Act provides for the confiscation of goods or conveyances and imposition of penalty.

For further information kindly refer the above mentioned circular.

CLARIFICATION REGARDING PROCEDURE FOR RECOVERY OF ARREARS UNDER THE EXISTING LAW AND REVERSAL OF INADMISSIBLE INPUT TAX CREDIT

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Circular No. 42/16/2018-GST dated 13th April 2018** hereby notifies regarding procedure for recovery of arrears under the existing law and reversal of inadmissible input tax credit.

It is further stated that the recovery of arrears of central excise duty /service tax and CENVAT credit thereof, CENVAT credit carried forward erroneously and related interest, penalty or late fee payable arising as a result of the proceedings of assessment, adjudication, appeal etc. initiated before, on or after the appointed date under the provisions of the existing law.

In this regard, representations have been received seeking clarification on the procedure for recovery of such arrears in the GST regime.

The issues have been examined and to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, hereby specifies the procedure to be followed for recovery of arrears arising out of proceedings under the existing law.

For further information kindly refer the above mentioned circular.

ANALYSIS

MERCHANT EXPORT PROCEDURE

The Concessional Tax Rate of Inter State Transaction or Supply of Goods, under the said Notification, is 0.1% for IGST. The Concessional Tax Rate, in UTGST / SGST, is 0.05% CGST + 0.05% UTGST (SGST)

The Registered Supplier and Registered Recipient-Exporter (Merchant Exporter), shall follow the prescribed procedure :-

- This Procedure is only for export of Goods and not for export of pure Services
- Both the Supplier, who may be a Manufacturer or a Trader and the Merchant Exporter, must be registered under the GST Law
- The Merchant-Exporter, must hold a RCMC, that is, Registration-cum-Membership Certificate of appropriate Export Promotion Council or the Commodity Board else he would not be eligible for this Procedure
- The Merchant Exporter, must necessarily place a Purchase Order, in writing, on the Registered Supplier, for procurement of the said Taxable Goods, at Concessional Rate, prescribed under the above mentioned Notification and a self-attested copy of Purchase Order, must be forwarded by the Merchant Exporter, to the Jurisdictional GST Officer of the Registered Supplier.
- The Registered Supplier, shall supply the Taxable Goods, to the Merchant Exporter, by charging CGST, at the fixed Rate of 0.05% and SGST/UTGST, at the fixed Rate of 0.05%, in case of Intra-State Supply or Transaction of such Taxable Goods and 0.1% IGST, in case of Inter State Transaction, by covering the Supply, under the Tax Invoice, to be issued by the Registered Supplier.
- Except the above, no other Tax, under the GST Law, is payable on Taxable Goods, involved in the aforestated Transactions.
- The Registered Recipient-Exporter, who is situated in the same State or Union Territory, shall export the Taxable Goods, within the period of 90 days, from the date of Invoice of the Registered Supplier.
- If, the Merchant Exporter, fails to export the said Taxable Goods, within the period of 90 days, from the date of Tax Invoice of the Registered Supplier, the Registered Supplier, shall not be eligible for the abovementioned Concessional Rate of 0.05% CGST + 0.05% SGST/UTGST or 0.1% IGST and therefore, the Registered Supplier, would be liable to pay off the balance amount of CGST and SGST/UTGST or IGST, applicable at appropriate rate, on the said goods, with Interest.
- The Merchant Exporter, is not made responsible, for his failure to export the Taxable Goods, within the prescribed time-limit of 90 days but it is the Registered Supplier, who is liable to punishment, under this provision, for failure of the Merchant Exporter. Hence the Registered Supplier should continously follow-up with the Merchant Exporter for the Proof of Exports.
- The Merchant Exporter, shall procure the Taxable Goods, from the place of Registered Supplier and dispatch directly, to the Port of Export, which can be Sea Port, Airport or Land Customs Station and through ICD,
- Alternatively, the said Taxable Goods, can be sent to a Registered Warehouse, for temporary storage and from where, the said Taxable Goods, would be sent to the Port of Export. Different Consignments covered under different Tax Invoices, can be combined together for shipment at the Registered Warehouse.
- If, Taxable Goods are initially stored in Registered Warehouse, the Merchant Exporter, will obtain an acknowledgement, from the Warehouse Operator and send a copy of the said acknowledgement, along with a copy of Tax Invoice, duly endorsed by him, for receipt of the Goods to the Registered Supplier & the Jurisdictional GST Officer of the said Registered Supplier.

NOTIFICATIONS/CIRCULARS

AGGREGATE TURNOVER OF UP TO 1.5 CRORE RUPEES IN THE PRECEDING FINANCIAL YEAR EXTEND THE TIME LIMIT FOR FURNISHING THE DETAILS OR RETURN.

OUR COMMENTS: The Commercial Taxes Department, Government of Haryana vide **Notification No. 47/ST-2 dated 06th April 2018** hereby notifies regarding aggregate turnover of up to 1.5 crore rupees in the preceding financial year extend the time limit for furnishing the details or return.

The details of outward supply of goods or services or both in FORM GSTR-1 effected during the quarter April to June, 2018 till the 31st day of July, 2018.

The special procedure or extension of the time limit for furnishing the details or return, as the case may be, under Section 38(2) and Section 39(1) of the Act, for the months of April to June, 2018 shall be, subsequently, notified in the Official Gazette.

For further information kindly refer the above mentioned notification.

EXTENTION OF THE TIME LIMIT FOR THE DETAILS OF OUTWARD SUPPLY OF GOODS OR SERVICES OR BOTH IN FORM GSTR-1

OUR COMMENTS: The Commercial Taxes Department, Government of Madhya Pradesh vide **Notification No. FA-3-86/2017-1-V-(42) dated 11th April 2018** hereby notifies regarding extend the time limit for the details of outward supply of goods or services or both in FORM GSTR-1.

The said persons shall furnish the details of outward supply of goods or services or both in FORM GSTR-1 effected during the quarter April to June, 2018 till the 31st day of July, 2018.

The special procedure or extension of the time limit for furnishing the details or return, as the case may be, under Section 38(2) and Section 39(1) of the Act, for the months of April to June, 2018 shall be, subsequently, notified in the Official Gazette.

For further information kindly refer the above mentioned notification.

EXTENTION OF THE TIME LIMIT FOR FURNISHING THE DETAILS OF OUTWARD SUPPLIES IN FORM GSTR-1

OUR COMMENTS: The Commercial Taxes Department, Government of Karnataka vide **Notification No. 01-D/2018 dated 11th April 2018** hereby notifies regarding extention of the time limit for the details of outward supply by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, till the time period as specified as under :-

Month	**Last date for filing of return in FORM GSTR-1**
April, 2018	31st May, 2018
May, 2018	10th June, 2018
June, 2018	10th July, 2018

The extension of the time limit for furnishing the details or return, as the case may be, under Section 38(2) and Section 39(1) of the Act, for the months of April to June, 2018 shall be, subsequently, notified in the Official Gazette.

For further information kindly refer the above mentioned notification.

INCOME TAX

NOTIFICATIONS/CIRCULARS

INCOME-TAX (FIFTH AMENDMENT) RULES, 2018

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 19/2018 dated 11th April 2018** hereby notified regarding Income-tax (Fifth Amendment) Rules, 2018.

In exercise of the powers conferred by section 295 read with section 9A of the Income-tax Act, 1961. The Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

- These rules may be called the Income-tax (5th Amendment) Rules, 2018.
- They shall come into force from the date of their publication in the Official Gazette.

In the Income-tax Rules, 1962, in rule 10VA, in sub-rule (2), for the words and brackets “Member (Income-tax), Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, North Block, New Delhi”, the words, “the Member, Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, North Block, New Delhi having supervision and control over the work of Foreign Tax and Tax Research (FT&TR) Division” shall be substituted.

For further information kindly refer the above mentioned notification.

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 20/2018 dated 12th April 2018** hereby notified regarding agreement between the Government of the Republic of India and the Government of the Republic of Kazakhstan for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes.

It is stated that the Convention between the Government of the Republic of India and the Government of the Republic of Kazakhstan for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital with Protocol signed at New Delhi, India on the 9th December 1996, was signed at New Delhi, India on the 6th January, 2017, as set out in the annexure appended to this notification and hereinafter referred to as the said amending Protocol :-

- The date of entry into force of the said amending Protocol is the 12th day of March, 2018, being the date of receipt, through diplomatic channels, of later of written notifications informing in regard to the completion of internal procedures required for the entry into force of the said amending Protocol, in accordance with paragraph 1 of Article XV of the said amending Protocol;
- Clause (a) of paragraph 2 of Article XV of the said amending Protocol provides that the provisions of the said amending Protocol shall have effect in India in respect of income derived or capital held in any fiscal year beginning on or after the first day of April next following the date on 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 be given effect to in the Union of India.

For further information kindly refer the above mentioned notification.

CUSTOM

NOTIFICATIONS/CIRCULARS

INCREASE OF TARIFF RATE OF BASIC CUSTOMS DUTY (BCD) ON TARIFF ITEMS

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 43/2018 - Customs dated 10th April, 2018** hereby seeks to increase tariff rate of basic customs duty (BCD) on tariff items.

The Central Government on being satisfied that the import duty leviable on goods falling under the First Schedule to the Customs Tariff Act, 1975, should be increased and that circumstances exist which render it necessary to take immediate action.

Now, therefore, in exercise of the powers conferred by section 8A(1) of the said Customs Tariff Act, the Central Government, hereby directs that the First Schedule to the said Customs Tariff Act, shall be amended with 40% of tariff rate.

For further information kindly refer the above mentioned notification.

MAINTAINING EFFECTIVE RATE OF BCD ON CONCENTRATED, EVAPORATED OR CONDENSED, LIQUID OR SEMI-SOLID

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 44/2018 - Customs dated 10th April, 2018** hereby makes amendment in the **Notification No. 50/2017-Customs, dated 30th June, 2017,** regarding maintaining of the effective rate of BCD on concentrated, evaporated or condensed, liquid or semi-solid at 30%.

For further information kindly refer the above mentioned notification.

IMPOSITION OF DEFINITIVE ANTI-DUMPING DUTY ON IMPORTS OF GLASSWARE, ORIGINATING IN, OR EXPORTED FROM PEOPLE'S REPUBLIC OF CHINA AND INDONESIA.

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 22/2018-Customs (ADD) dated 18th April, 2018** hereby notifies regarding imposition of definitive anti-dumping duty on imports of Glassware, originating in, or exported from People's Republic of China and Indonesia.

In the matter of ‘Glassware’ falling under the First Schedule to the Customs Tariff Act, 1975, originating in and exported from People’s Republic of China and Indonesia and imported into India, the designated authority in its final findings published in the Gazette of India, Extraordinary, Part I, Section 1, vide notification number 14/45/2016-DGAD, dated the 5th March, 2018, has come to the conclusion that :-

- The product under consideration has been exported to India from subject countries below their normal values except the subject goods produced by M/s Shandong Fulong Glass Technology Co.;
- The domestic industry has suffered material injury; and
- Material injury has been caused by the dumped imports of subject goods from the subject countries except the subject goods produced by M/s Shandong Fulong Glass Technology Co;

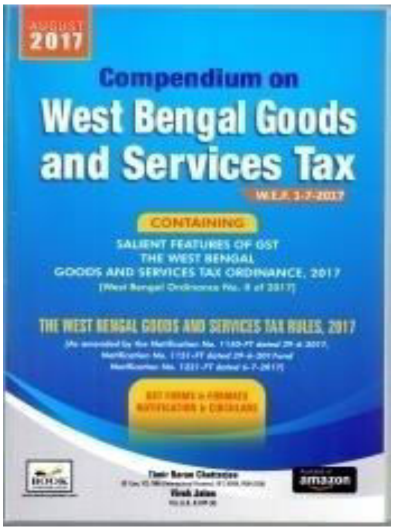
The designated authority has recommended imposition of definitive anti-dumping duty on the imports of subject goods, originating in or exported from the subject countries and imported into India, in order to remove injury to the domestic industry.

For further information kindly refer the above mentioned notification.

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.

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