TAXCONNECT
179th Issue: 8th July 2018 – 14th July 2018

# TAX CONNECT

**Knowledge Partner:**

**The Bengal Chamber of Commerce & Industry**

INCOME TAX


CUSTOMS

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# EDITORIAL

 

**Friends,**

GST which was introduced last year on July 1 achieved its one year milestone this week. The GST collection for the month of June has come in at Rs 95,610 crore which is slightly better than the May numbers of Rs 94,016 crore and which stands well above the Rs 89,885 crore figure, the average collection for the nine months of 2017-18 till March.

The government needs the revenue from GST to keep its budget deficit in check. It has already widened its goal for the current fiscal year to 3.3% of GDP from 3%.

Further, the **28th GST Council Meeting** has been announced to be held on **21st of July, 2018.**

Also, the date for Reverse Charge Mechanism (in case of supplies made by unregistered persons to registered persons), TDS and TCS provisions under GST has been extended from 1st July 2018 to 1st October 2018.

**Finance and revenue secretary Hasmukh Adhia** has said that petroleum products - diesel, petrol, crude oil, natural gas and aviation turbine fuel which are currently outside the purview of goods and services tax, and on which states have the right to impose value-added tax will be brought under the ambit of GST, but in stages.

The Centre's excise duty and state's value added tax charged on fuel products currently and also all other levies will get subsumed under GST if brought under its ambit.

The GST Council in its next meeting on July 21 may explore the idea of introducing two items, natural gas as well as ATF under the nationwide single levy.

**CGST and IGST on intra-State supplies** of goods or services or both received by a registered person from any supplier, who is not registered, has been exempted till 30.09.2018.

**In Income tax,** certain exceptions and adaptations with respect to provisions regarding a foreign company resident in India on account of place of effective management has been notified.

Please refer to the bulletin further for details with respect to the above notifications.

**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 FOR THE MONTH OF July 2018 | Description |
|---|---|---|
| 07TH July 2018 | Income Tax<br>Form: Challan Form ITNS 281 | Monthly payment of TDS on all types of payments (Except in the case where amounted is credited in the Month of 31st March) |
| 10th July 2018 | GSTR 1 | Details of outward supplies of goods or services for the Month of June 2018 |
| 15th July 2018 | EPF/ESI Act | EPF/ESI payment for the month of June 2018 |
| 15th July 2018 | Form 24G | By the office of the Government where TDS for the month of June, 2018 has been paid without the production of a challan |
| 15th July 2018 | Form 16B | Issue of TDS Certificate for tax deducted under section 194-IA in the month of May, 2018 |
| 15th July 2018 | Form 16C | Issue of TDS Certificate for tax deducted under section 194-IB in the month of May, 2017 |
| 15th July 2018 | Form 15CC | Details of foreign remittances (to be furnished by authorized dealers) for quarter- 1, 2018 |
| 15th July 2018 | Form 27EQ | Details of TCS deposited for the quarter- 1, 2018 |
| 15th July 2018 | Form 15G/ 15H | Declarations received from recipients for the quarter- 1, 2018 |
| 18th July 2018 | GSTR 4 | Every dealer registered under composition scheme is required to furnish GSTR-4 for the quarter- 1, 2018 |
| 20th July 2018 | GSTR 3B | Details of Outward Supplies and inward supplies and payment of Tax - Monthly Return for the month of June 2018 |

# TAX CALENDAR

| | | |
|---|---|---|
| 20th July 2018 | GSTR 5 | Every registered non-resident taxable person is required to furnish GSTR-5 for the month of June, 2018 |
| 20th July 2018 | GSTR 5A | Details of supply of services by non- resident OIDAR to unregistered person or customers |
| 25th July 2018 | PF Act | Provident Fund return filing for the month of June 2018 |
| 25th July 2018 | ITC 04 | Every principal manufacturer is required to file for the quarter-1, 2018 |
| 30th July 2018 | Form 27D | TCS certificate in respect of tax collected by any person for the quarter- 1, 2018 |
| 30th July 2018 | Form 26QB | Challan-cum-statement in respect of tax deducted under section 194-IA for the month of June, 2018 |
| 30th July 2018 | Form 16C | TDS Certificate for tax deducted under section 194-IB in the month of June, 2018 |
| 31st July 2018 | Income Tax | Income Tax Return for A.Y 2018-19 for all assessee other than (a) corporate assessee or (b) non corporate assessee (whose books of accounts are required to be audited) or (c) working partner of a firm whose accounts are required to audited or an assessee who is required to furnish a report under section 92E |
| 31st July 2018 | GSTR 1 | Details of outward supplies of goods or services for Quarter-1 2018 by registered person with aggregate turnover up to Rs. 1.5 crores |
| 31st July 2018 | GSTR 6 | Details of ITC received and distributed by an ISD from July,2017 to June, 2018 |
| 31st July 2018 | TDS Return | Details of TDS deposited for the quarter- 1, 2018 |
| 31st July 2018 | Form 26QAA | Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit for the quarter- 1, 2018 |
| 31st July 2018 | Statement by scientific research association | Statement by scientific research association, university, college or other association or Indian scientific research company as required by rules 5D, 5E and 5F (if due date of submission of return of income is July 31, 2018) |

# TAX CALENDAR

| | | |
|---|---|---|
| 31st July 2018 | Form 9A | Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on or before July 31, 2018) |
| 31st July 2018 | Form 10 | To accumulate income for future application under section 10(21) or11(2) (if the assessee is required to submit return of income on or before July 31, 2018) |
| 31st July 2018 | Form 67 | To claim foreign tax credit, upload statement of foreign income offered for tax for the previous year 2017-18 and of foreign tax deducted or paid on such income in Form no. 67. (If the assessee is required to submit return of income on or before July 31, 2018.) |

## NOTIFICATIONS/CIRCULARS

### CENTRAL GOODS AND SERVICES TAX (SEVENTH AMENDMENT) RULES, 2018

**OUR COMMENTS**: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 29/2018 – Central Tax dated 6th July, 2018** further amends Central Goods and Services Tax Rules 2018 wef 12th June 2018 as follows:

i) in rule 125, for the words "Directorate General of Safeguards", the words "Directorate General of Anti-profiteering" shall be substituted;

(ii) in rule 129, for the words "Director General of Safeguards", wherever they occur, the words "Director General of Anti-profiteering" shall be substituted;

(iii) in rule 130, in sub-rule (2), for the words "Director General of Safeguards", at both places where they occur, the words "Director General of Anti-profiteering" shall be substituted;

(iv) in rule 131, for the words "Director General of Safeguards", the words "Director General of Anti-profiteering" shall be substituted;

(v) in rule 132, in sub-rule (1), for the words "Director General of Safeguards", the words "Director General of Anti-profiteering" shall be substituted;

(vi) in rule 133, for the words "Director General of Safeguards", wherever they occur, the words "Director General of Anti-profiteering" shall be substituted.

For further information kindly refer the above mentioned notification.

### PAYMENT OF TAX U/S 9(4) OF THE CGST ACT, 2017 EXEMPTED TILL 30.09.2018

**OUR COMMENTS**: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 12/2018 – Central Tax (Rate) dated 29th June, 2018** hereby exempts payment of tax under section 9(4) on intra-State supplies of goods or services or both received by a registered person from any supplier, who is not registered, of the CGST Act, 2017 till 30.09.2018.

# GST: IGST/SGST/UTGST

## NOTIFICATION/CIRCULAR

### PAYMENT OF TAX U/S 5(4) OF THE IGST ACT, 2017 EXEMPTED TILL 30.09.2018

**OUR COMMENTS**: The Department of Revenue, Ministry of Finance, Government of India, vide **Notification No. 13/2018 – Integrated Tax (Rate) dated 29th June, 2018** hereby exempts payment of tax under section 5(4) on intra-State supplies of goods or services or both received by a registered person from any supplier, who is not registered till 30.09.2018.

### EXTENSION OF SUSPENSION OF REVERSE CHARGE MECHANISM UNDER SECTION 9(4) OF THE HGST ACT,2017 TILL 30.09.2018

**OUR COMMENTS:** The Excise & Taxation Department, Haryana Government vide **Notification No. 61/GST – 2 dated 29th June, 2018** hereby extends the suspension of reverse charge mechanism under section 9(4) of the HGST Act,2017 from 30.06.2018 to 30.09.2018.

### ON OR AFTER THE 1ST JULY 2018, NO E-WAY BILL REQUIRED FOR THE INTRA-STATE MOVEMENT IN THE STATE OF MAHARASHTRA GOODS AND SERVICES TAX RULES, 2017

**OUR COMMENTS:** The Finance Department, Government of Maharashtra vide **Notification No. 15E/2018 - State Tax dated 06th June, 2018** hereby notifies that on or after the 1st July 2018, no e-way bill shall be required to be generated for the intra-State movement in the State of Maharashtra, in respect of specified goods.

For further information kindly refer the above mentioned notification.

### WEST BENGAL GOODS AND SERVICES TAX (SIXTH AMENDMENT) RULES, 2018

**OUR COMMENTS:** The Finance Department, Government of West Bengal vide **Notification No. 28/2018 – State Tax dated 25th June, 2018** hereby further amends the West Bengal Goods and Services Tax Rules, 2017, w.e.f. 19th June, 2018.

For further information kindly refer the above mentioned notification.

### DELHI GOODS AND SERVICES TAX (THIRD AMENDMENT) RULES, 2018

**OUR COMMENTS:** The Finance (Revenue – I) Department, Government of National Capital Territory of Delhi vide **Notification No. 14/2018 – State Tax dated 22nd June, 2018** hereby further amends the Delhi Goods and Services Tax Rules, 2017w.e.f. 23rd March, 2018.

For further information kindly refer the above mentioned notification.

### BIHAR GOODS AND SERVICES TAX (SIXTH AMENDMENT) RULES, 2018

**OUR COMMENTS:** The Commercial Tax Department, Government of Bihar vide **Notification No. S.O. 188 dated 19th June, 2018** hereby further amends the Bihar Goods and Services Tax Rules, 2017, w.e.f. 19th June, 2018.

For further information kindly refer the above mentioned notification.

# INCOME TAX

## ANALYSIS

**EXCEPTIONS AND ADAPTATIONS WITH RESPECT TO CERTAIN PROVISIONS REGARDING A FOREIGN COMPANY RESIDENT IN INDIA ON ACCOUNT OF PLACE OF EFFECTIVE MANAGEMENT**

**OUR COMMENTS:**The Department of Revenue, Ministry of Finance, Government of India vide **Notification No.29/2018 dated 22nd June, 2018** hereby notifies certain exceptions and adaptations with respect to certain provisions regarding a foreign company which is said to be resident in India on account of its Place of Effective Management (PoEM)as under we 1st April 2017.

A. in a case where a foreign company is said to be resident in India on account of its PoEM being in India u/s 6(3) in any PY and has not been resident in India in any of the PYs preceding the said previous year, then the provisions relating to the computation of total income, treatment of unabsorbed depreciation, set off or carry forward and set off of losses, collection and recovery and special provisions relating to avoidance of tax shall apply with exceptions, modifications and adaptations specified here under:

- **If the foreign company is assessed to tax in the foreign jurisdiction,** and, it is required to take into account depreciation for computation of its taxable income, the WDV of the depreciable asset on the 1st day of the PY shall be adopted as the opening WDV, else, the WDV shall be calculated in the manner, as though the asset was installed, utilised and the depreciation was actually allowed as per the provisions of the laws of that foreign jurisdiction and the WDV so arrived at as on the 1st day of the PY, shall be adopted to be the opening WDV

- **If the foreign company is not assessed to tax in the foreign jurisdiction**, then WDV of the depreciable asset as on the 1st day of the PY as per laws of that foreign jurisdiction shall be adopted as the opening WDV

- **If the foreign company is assessed to tax in the foreign jurisdiction,** its brought forward loss and unabsorbed depreciation shall be determined year wise on the 1st day of the said PY.

- **If the foreign company is not assessed to tax in the foreign jurisdiction**, its brought forward loss and unabsorbed depreciation as per laws of that country shall be determined year wise on the 1st day of the said PY.

**Please refer the notification for further details.**

B. the exceptions, modifications and adaptations referred to in para A shall not apply in respect of such income of the foreign company becoming Indian resident on account of its PoEM being in India which would have been chargeable to tax in India, even if the foreign company had not become Indian resident.

C. If the foreign company is said to be resident in India during a PY, immediately succeeding a previous year during which it is said to be resident in India; the exceptions, modifications and adaptations referred to in para A shall apply subject to the condition that the WDV, the brought forward loss and the unabsorbed depreciation to be adopted on the 1st day of the PY shall be those which have been arrived at on the last day of the preceding PY in accordance with the notification.

D. any transaction of the foreign company with any other person or entity under the Act shall not be altered only on the ground that the foreign company has become Indian resident.

E. subject to the above, the foreign company shall continue to be treated as a foreign company even if it is said to be resident in India and all the provisions of the Act shall apply accordingly.

F. in case of conflict between the provision applicable to the foreign company as resident and the provision applicable to it as foreign company, the later shall prevail. Therefore, IT rate applicable to the foreign company even though residency status of the changes from non-resident to resident on the basis of PoEM shall remain the same.

# CUSTOM

## NOTIFICATIONS/CIRCULARS

### REVISION OF EXCHANGE RATE OF FOREIGN CURRENCIES INTO RUPEE & VICE VERSA

**OUR COMMENTS**: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 60/2018-Customs (N.T.) dated 05.07.2018 & in supersession of Notification No. 55/2018-Customs (N.T.) dated 21.06.2018** has **revised the exchange rate of foreign currencies** specified in col.(2) of each of **Schedule I** and **Schedule II** annexed hereto, into Indian currency or vice versa, w.e.f. **06.07.2018** to be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, 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 | 52.10 | 49.80 |
| 2. | Bahrain Dinar | 187.65 | 175.40 |
| 3. | Canadian Dollar | 53.40 | 51.50 |
| 4. | Chinese Yuan | 10.55 | 10.20 |
| 5. | Danish Kroner | 10.95 | 10.55 |
| 6. | EURO | 81.90 | 78.70 |
| 7. | Hong Kong Dollar | 8.95 | 8.60 |
| 8. | Kuwait Dinar | 235.20 | 220.10 |
| 9. | New Zealand Dollar | 47.90 | 45.75 |
| 10. | Norwegian Kroner | 8.65 | 8.30 |
| 11. | Pound Sterling | 92.70 | 89.40 |
| 12. | Qatari Riyal | 19.35 | 18.30 |
| 13. | South Arabian Riyal | 18.95 | 17.80 |
| 14. | Singapore Dollar | 51.35 | 49.55 |
| 15. | South African Rand | 5.20 | 4.85 |
| 16. | Swedish Kroner | 8.00 | 7.70 |
| 17. | Swiss Franc | 70.75 | 68.00 |
| 18. | UAE Dirham | 19.35 | 18.15 |
| 19. | US Dollar | 69.70 | 68.00 |

SCHEDULE-II

| Sl. No | Foreign Currency | Rate of exchange of 100 units of foreign currency equv. to Indian rupees | |
|---|---|---|---|
| (1) | (2) | (3) | |
| | | (a) | (b) |
| | | (For Imported Goods) | (For Export Goods) |
| 1. | Japanese Yen | 63.60 | 61.20 |

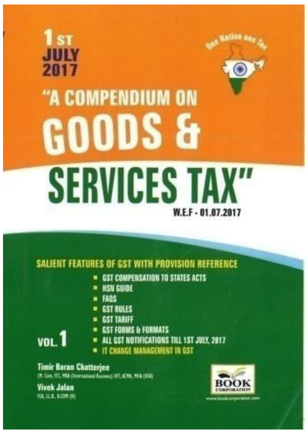
### CHANGE IN TV OF EDIBLE OIL, BRASS, POPPY SEED, ARECA NUT, GOLD AND SLIVER

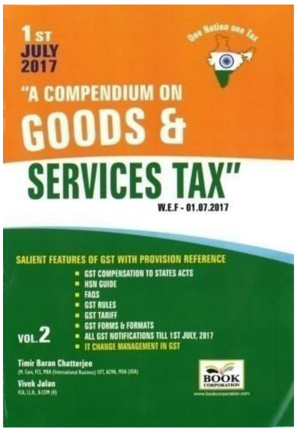
**OUR COMMENTS:** The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 58/2018-CUSTOMS (N.T.)dated 29th June, 2018** hereby makes amendments in the **Notification No. 36/2001-Customs (N.T.), dated 3rd August, 2001**, regarding Fixation of Tariff Value of Edible Oils, Brass Scrap, Poppy Seeds, Areca Nut, Gold and Silver.

For further information kindly refer the above mentioned notification.

## 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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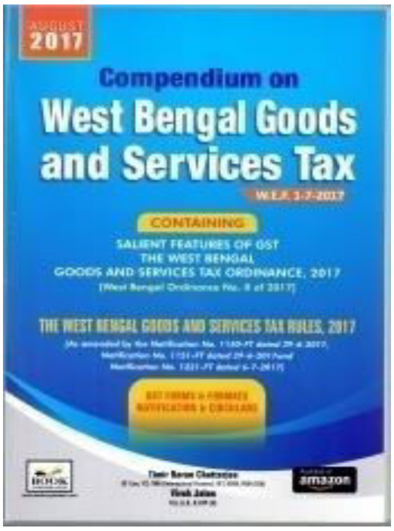
## AVAILABLE IN STANDS

**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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