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; +919830791914; +913322625203
Website : www.taxconnect.co.in
Email : tb.chatterjee@taxconnect.co.in;vivek.jalan@taxconnect.co.in; anindita.chatterjee@taxconnect.co.in

EDITORIAL

Friends,

The GST Council in its next meeting on July 21 may consider **reducing tax rates on host of items with low revenue implications as part of the tax rationalisation** exercise, being industry bodies and stakeholders have been demanding it especially those linked to general health and employment generation in unorganised sector. The items may include **sanitary napkins, handicrafts and handloom goods, besides certain services.**

Further, the mines industry has **proposed to classify royalties from mines as input cost under GST.** If royalties are considered as input cost, then entities would be able to claim the benefit of input tax credit under the indirect tax regime.

In order to reduce discrepancies in e-way bills generated by transporters, **the GST Network has floated a request for proposal for service providers who can automate the process of calculating the distance between two PIN codes within the e-way bill system.** The last date for submission of bids is 26 July. The RFP requires the service provider to complete the entire process within two-three weeks of the project being awarded.

In **Customs**, Patents has been removed from the list of goods prohibited for import and intended for sale or use in India, subject to certain conditions.

In Income tax, the monetary limits for filing of appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPS/Appeals before Supreme Court- measures have been revised as follows for reducing litigation-

1.Before Appellate Tribunal From Rs. 10 lacs to Rs. 20 lacs
2.Before High Court From Rs 20 lacs to Rs. 50 lacs
3.Before Supreme Court from Rs 25 lacs to Rs. 1 crore

The increase may lead to withdrawal of many pending direct and indirect tax litigations. The reduction in litigations from Department's side is expected to be 41% in case of direct taxes and 18% for indirect taxes.

The above shall not apply in cases where substantial point of law is involved.

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

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

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

AninditaChatterjee
CS, BA L.LB(BANGALORE)

SYNOPSIS

TAX CALENDAR

Due date	COMPLIANCES FOR THE MONTH OF July 2018	Description
07TH July 2018	Income Tax Form: Challan Form ITNS 281	Monthly payment of TDS on all types of payments (Except 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 u/s 194-IA in May
15th July 2018	Form 16C	Issue of TDS Certificate for tax deducted u/s 194-IB in May
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
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

TAX CALENDAR

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 of tax collected for 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)
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

CLARIFICATIONS WITH RESPECT TO CERTAIN ISSUES UNDER THE GST LAWS

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India, vide Circular **48/22/2018 dated 14-6-2018** has issued clarifications with respect to certain issues under the GST laws as below:

1. **Whether services of short-term accommodation, conferencing, banqueting etc. provided to a Special Economic Zone (SEZ) developer or a SEZ unit should be treated as an inter-State supply (under section 7(5)(b) of the IGST Act, 2017) or an intra-State supply (under section 12(3)(c) of the IGST Act, 2017)?**

   Clarification: As per section 7(5) (b) of the IGST, 2017, the supply of goods or services or both to a SEZ developer or a SEZ unit shall be treated as a supply in the course of inter-State trade or commerce.

   However, as per section 12(3)(c) of the IGST Act, the place of supply of services by way of accommodation in any immovable property for organising any functions shall be the location at which the immovable property is located. Thus, , if the location of the supplier and the place of supply is in the same State/ Union territory, it would be treated as an intra-State supply.

   It is an established principle of interpretation of statutes that in case of an apparent conflict between two provisions, the specific provision shall prevail over the general provision.

   Hence, in the given case, section 7(5)(b) of the IGST Act is a specific provision relating to supplies of goods or services or both made to a SEZ developer or a SEZ unit, which states that such supplies shall be treated as inter-State supplies.

   Thus it is clarified that services of short term accommodation, conferencing, banqueting etc., provided to a SEZ developer or a SEZ unit shall be treated as an inter-State supply.

2. **Whether the benefit of zero rated supply can be allowed to all procurements by a SEZ developer or a SEZ unit such as event management services, hotel and accommodation services, consumables etc?**

   Clarification: As per section 16(1) of the IGST Act, "zero rated supplies" means supplies of goods or services or both to a SEZ developer or a SEZ unit.

   Further, section 16(3) of the IGST Act provides for refund to a registered person making zero rated supplies under bond/LUT or on payment of integrated tax, subject to specified conditions.

   And, as per the second proviso to rule 89(1) of the CGST Rules, 2017 in respect of supplies to a SEZ developer or a SEZ unit, the application for refund shall be filed by the:

   (a) supplier of goods after goods have been admitted in full in the SEZ for authorised operations, as endorsed by the specified officer of the Zone;

   (b) supplier of services along with such evidences regarding receipt of services for authorised operations as endorsed by the specified officer of the Zone.

The above legal provisions reveals that the supplies to a SEZ developer or a SEZ unit shall be zero rated and the supplier shall be eligible for refund of unutilized input tax credit or integrated tax paid, only if such supplies have been received by the SEZ developer or SEZ unit for authorized operations. And an endorsement to this effect is issued by the specified officer of the Zone.

Therefore, subject to the provisions of section 17(5) of the CGST Act, if event management services, hotel, accommodation services, consumables etc. are received by a SEZ developer or a SEZ unit for authorised operations, as endorsed by the specified officer of the Zone, the benefit of zero rated supply shall be available in such cases to the supplier.

3. **Whether independent fabric processors (job workers) in the textile sector supplying job work services are eligible for refund of unutilized input tax credit on account of inverted duty structure under section 54(3) of the CGST Act, 2017, even if the goods (fabrics) supplied are covered under notification No. 5/2017-Central Tax (Rate) dated 28.06.2017?**

Clarification: Notification No. 5/2017-Central Tax (Rate) dated 28.06.2017 specifies the goods on which refund of unutilized input tax credit on account of inverted duty structure under section 54(3) of the CGST Act shall not be allowed where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies of such goods. However, in case of fabric processors, the output supply is the supply of job work services and not of goods (fabrics).

Hence, the fabric processors shall be eligible for refund of unutilized ITC on account of inverted duty structure under section 54(3) of the CGST Act even if the goods (fabrics) supplied to them are covered under notification No. 5/2017-Central Tax (Rate) dated 28.06.2017.

NOTIFICATIONS & CIRCULARS

REVISION OF MONETARY LIMITS FOR FILING OF APPEALS BY THE DEPARTMENT BEFORE INCOME TAX APPELLATE TRIBUNAL, HIGH COURTS AND SLPS/APPEALS BEFORE SUPREME COURT-MEASURES FOR REDUCING LITIGATION

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India vide **Circular 3/2018 dated 11th July, 2018** has superseded **Circular No. 21 of 2015 dated 10.12.2015** and decided that departmental appeals may be filed on merits before Income Tax Appellate Tribunal and High Courts and SLPs/ appeals before Supreme Court keeping in view the following monetary limits and specified conditions:

1. Before Appellate Tribunal Rs. 20,00,000
2. Before High Court Rs. 50,00,000
3. Before Supreme Court Rs. 1,00,00,000

Further, an appeal should be filed on merits of the case and not merely because the tax effect in a case exceeds the monetary limits prescribed above.

And, the monetary limit of Rs.20 lakhs for filing appeals before the ITAT would apply equally to cross objections under section 253(4) of the Act. Cross objections below this monetary limit, already filed, should be pursued for dismissal as withdrawn/ not pressed. Filing of cross objections below the monetary limit may not be considered henceforth.

Similarly, references to High Courts and SLPs/ appeals before Supreme Court below the monetary limit of Rs. 50 lakhs and Rs 1 Crore respectively should be pursued for dismissal as withdrawn/ not pressed. References before High Court and SLPs/ appeals below these limits may not be considered henceforth.

This Circular will apply to SLPs/appeals/cross objections/ references to be filed henceforth in SC/HCs/Tribunal and it shall also apply retrospectively to pending SLPs/appeals/cross objections/references. Pending appeals below the specified tax limits may be withdrawn/ not pressed.

Please refer the circular for further details.

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE REPUBLIC OF ARMENIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES

OUR COMMENTS: The Department of Revenue, Ministry of Finance, Government of India vide **Notification 30/2018 dated 5th July, 2018** has notified that all the provisions of the Protocol, amending the Convention between the Government of the Republic of India and the Government of the Republic of Armenia 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 31st October, 2003, has been signed at New Delhi on the 27th January, 2016,, shall have effect in the Union of India with effect from the 14th day of June, 2017, being the date on which the said amending Protocol entered into force.

CUSTOM

NOTIFICATIONS/CIRCULARS

AMENDMENT IN RULES OF DETERMINATION OF ORIGIN OF GOODS UNDER THE ASIA-PACIFIC TRADE AGREEMENT

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 59/2018-Customs (N.T.) dated 30.06.2018** has made amendments in amend in the Rules of Determination of Origin of Goods under the Asia-Pacific Trade Agreement w.e.f. 01.07.2018.

For further information kindly refer the above mentioned notification.

PATENTS REMOVED FROM THE LIST OF GOODS PROHIBITED FOR IMPORT AND INTENDED FOR SALE OR USE IN INDIA, SUBJECT TO CERTAIN CONDITIONS

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 57/2018-CUSTOMS (N.T.) dated 22nd June, 2018** hereby makes amendments in the **Notification No. 51/2010-Customs (N.T.), dated 30th June, 2010** and removes Patents from the list of goods prohibited for import and intended for sale or use in India, subject to certain conditions.

For further information kindly refer the above mentioned notification.

VILLAGE VARNAMA, TALUKA DISTRICT VADODARA, GUJARAT SPECIFIED FOR UNLOADING OF IMPORTED GOODS AND LOADING OF EXPORT GOODS

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 61/2018-CUSTOMS (N.T.) dated 11th July, 2018** hereby specifies Village Varnama, Taluka district Vadodara, Gujarat specified for unloading of imported goods and loading of export goods.

TARIFF CONCESSION TO SPECIFIED GOODS

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 50/2018-CUSTOMS dated 30th June, 2018** hereby makes amendments in the Notification No. 72/2005-Customs, dated 22nd July 2005 and provides tariff concession to specified goods.

For further information kindly refer the above mentioned notification.

REDUCTION IN THE EXPORT DUTY ON EXPORT OF IRON ORE BY MMTC LIMITED (ONLY NMDC ORIGIN) TO JAPANAND SOUTH KOREA UNDER THE LONG TERM AGREEMENT (LTA), FROM 30% TO 10%, UPTO ANDINCLUSIVE OF 31.03.2021

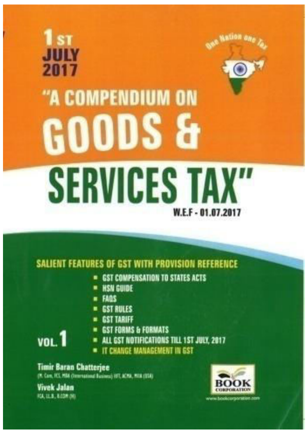
OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 51/2018-CUSTOMS dated 9th July, 2018** hereby makes amendments in the Notification No. 27/2011-Customs, dated 1st March 2011 and reduce the export duty on export of Iron Ore by MMTC Limited (only NMDC origin) to Japan and South Korea under the Long Term Agreement (LTA), from 30% to 10%, upto and inclusive of 31.03.2021

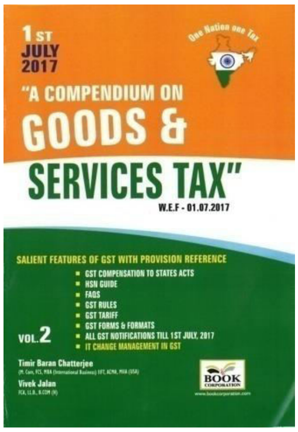
For further information kindly refer the above mentioned notification.

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.

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

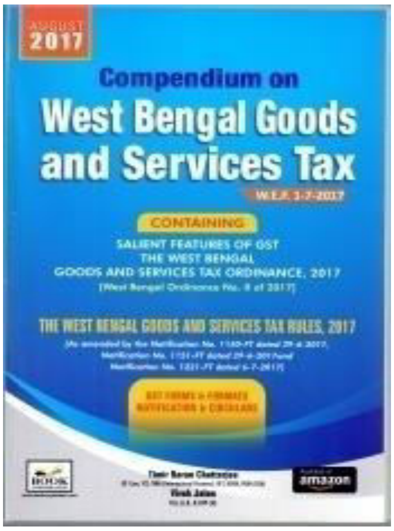
VivekJalan
FCA, LL.B., B.Com (Hons.)

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