TAXCONNECT

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TAX CONNECT

Knowledge Partner:

The Bengal Chamber of Commerce & Industry

INCOME TAX

CUSTOMS

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EDITORIAL

Friends,

The Government has released proposed improvements in e-way bill generation on 16.11.2018

1. **Checking of duplicate generation of e-way bills based on same invoice number**

   The e-way bill system is enabled not to generate the duplicate e-way bills based on the consignor GSTIN, document type and document number i.e. if the consignor has generated one e-way bill on the particular invoice, then he will not be allowed to generate one more e-way bill on the same invoice number.

   If the transporter or consignee has generated one e-way bill on the consignor's invoice, then any other party (consignor, transporter or consignee) tries to generate the e-way bill, the system will alert.

2. **CKD/SKD/Lots for movement of Export/Import consignment**

   When One 'Tax Invoice' or 'Bill of Entry' is there, but the goods are moved in batches from supplier to recipient then this option can be used. Here, the batch consignment will have 'Delivery Challan' along with copy of the 'Tax Invoice' or 'Bill of Entry' in movement. The last batch will have the'Delivery Challan' along with original 'Tax Invoice' or 'Bill of Entry'.

3. **Shipping address in case of exports**

   For Exports, the 'Bill To' Party will be URP or GSTIN of SEZ Unit with state as 'Other Country' and shipping address and PIN code will be of the location (airport/shipping yard/border check post) from where the consignment is moving out from the country.

4. **Dispatching address in case of imports**

   For Imports, the 'Bill From' Party will be URP or GSTIN of SEZ Unit with state as 'Other Country' and dispatching address and PIN code will be of the location (airport/shipping yard/border check post) from where the consignment is entered the country.

5. **'Bill To – Ship To' transactions**

There are four types of 'Bill To – Ship To' transactions:

- **Regular (2 parties):** The Bill and goods movement from consignor to consignee takes place directly.

- **Bill To – Ship To (3 parties):** Billing takes places between consignor and consignee, but the goods

EDITORIAL

move from consignor to the third party as per the request of the consignee.

- **Bill From – Dispatch From (3 parties)**: Billing takes places between consignor and consignee, but the goods are moved by the consignor from the third party to the consignee.

- **Combination of both (4 parties):**. Billing takes places between consignor and consignee, but the goods are moved by the consignor from the third party to the fourth party, as per the consignee's request.

6. **Changes in Bulk Generation Tool**

   New columns have been added in the Bulk Generation Tool. The same will be released on 16th November 2018.

Further, the Government of India **vide Circular No. 74/48/2018-GST dated 05-11-2018** has clarified, that TCS at the notified rate as per section 52 of the CGST Act, shall be collected by Tea Board from the –

(i) sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and

(ii) auctioneers on the net value of supply of services (i.e. brokerage).

In a recent decision by **CESTAT Bangalore** in the case of **Systronics (India) Ltd Versus Commissioner Of Customs Bangalore**, it was held that as per the **N/N. 102/2007** and also the subsequent **Circular No.18/2010 dt. 08/07/2010,** for SAD refund it is not the requirement at all that the said claim should be shown as receivables in the books of accounts. Board circular has clarified that field formations need not insist on the production of audited balance sheet and Profit & Loss Account and the certificate of the CA is sufficient to grant the refund claim.

The relevant notifications and circulars have been discussed further in the bulletin.

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 18th NOVEMBER, 2018 to 24th NOVEMBER, 2018	Description
20th November 2018	GSTR 3B	Details of Outward Supplies and inward supplies and payment of Tax - Monthly Return for the month of October 2018
20th November 2018	GSTR 5	Summary of outward taxable supplies and tax payable by Non Resident taxable person & OIDAR for the month of October 2018
20th November 2018	GSTR 5A	Details to be furnished by the OIDAR service providers providing services to unregistered service recipients in India for the month of October 2018

NOTIFICATIONS/CIRCULARS

COLLECTION OF TAX AT SOURCE BY TEA BOARD OF INDIA

<u>OUR COMMENTS</u>: The Dept. of Revenue, Ministry of Finance, Government of India **vide Circular No. 74/48/2018-GST dated 05-11-2018** has clarified, that TCS at the notified rate as per section 52 of the CGST Act, shall be collected by Tea Board from the –

(i) sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and

(ii) auctioneers on the net value of supply of services (i.e. brokerage).

Background: Tea Board of India is the operator of the electronic auction system for trading of tea across the country. The functions also include collection and settlement of payments, admittedly falls under the category of electronic commerce operator liable to collect Tax at Source (hereinafter referred to as, "TCS") as per section 52 of the CGST Act.

The parties involved are the sellers i.e. the tea producers and auctioneers who carry out the auction on behalf of such sellers and buyers.

The buyers make payment of a consolidated amount to an escrow Account maintained by the Tea Board. The said consolidated amount is towards

- the value of the tea
- the selling and buying brokerages charged by the auctioneers and
- the amount charged by the Tea Board from sellers, auctioneers and buyers.

Thereafter, Tea Board pays from the said escrow account,

- to the sellers (i.e. tea producers) for the supply of goods made by them (i.e. tea) and
- to the auctioneers for the supply of services made by them (i.e. brokerage).

Under no circumstances, the payment is made by the Tea Board to the auctioneers on account of supply of goods i.e., tea sold at auction.

Now, the Tea Board seeked clarification whether they should collect TCS under section 52 of the CGST Act from the sellers of tea (i.e. the tea producers), or from the auctioneers of tea or from both.

In response to the above, the Government has provided the above clarification.

INCOME TAX

NOTIFICATIONS/CIRCULARS

CBDT SPECIFIES THE JURISDICTIONS FOR RLE 114F(6) EXPLANATION D(II)

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **NOTIFICATION NO. 78/2018 dated: 05-11-2018** has specified the jurisdictions for the purposes of the sub-clause (ii) of clause (D) of the Explanation to clause (6) of rule 114F of the Income-tax Rules, 1962.

Please refer the notification for details.

CENTRAL GOVERNMENT APPOINTS AN ADJUDICATING AUTHORITY AT NEW DELHI

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **NOTIFICATION NO. 79/2018 dated: 12-11-2018** has appointed an Adjudicating Authority at New Delhi to exercise jurisdiction, powers and authority conferred by or under Prohibition of Benami Property Transactions Act, 1988.

NEW DELHI BENCH OF THE ADJUDICATING AUTHORITY APPOINTED UNDER SECTION 7 OF THE PROHIBITION OF BENAMI PROPERTY TRANSACTIONS ACT, 1988 SHALL EXERCISE JURISDICTION OVER THE WHOLE OF INDIA EXCEPT JAMMU AND KASHMIR

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **NOTIFICATION NO. 80/2018 dated: 12-11-2018** has specified that the New Delhi Bench of the Adjudicating Authority appointed under section 7 of the Prohibition of Benami Property Transactions Act, 1988 shall exercise jurisdiction over the whole of India except the State of Jammu and Kashmir.

CENTRAL GOVERNMENT APPOINTS AN APPELLATE TRIBUNAL AT NEW DELHI

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **NOTIFICATION NO. 81/2018 dated: 12-11-2018** has established an Appellate Tribunal at New Delhi to hear appeals against the orders of the Adjudicating Authority under the Prohibition of Benami Property Transactions Act, 1988.

CUSTOMS

NOTIFICATIONS/CIRCULARS

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

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 93/2018-Customs (N.T.) dated 15.11.2018 & in supersession of Notification No. 90/2018-Customs (N.T.) dated 01.11.2018** 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. **16.11.2018** 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	53.60	51.30
2.	Bahrain Dinar	197.40	185.20
3.	Canadian Dollar	55.50	53.45
4.	Chinese Yuan	10.55	10.20
5.	Danish Kroner	11.15	10.75
6.	EURO	83.15	80.15
7.	Hong Kong Dollar	9.35	9.05
8.	Kuwait Dinar	244.75	229.25
9.	New Zealand Dollar	50.35	48.10
10.	Norwegian Kroner	8.65	8.35
11.	Pound Sterling	95.40	92.10
12.	Qatari Riyal	20.45	19.20
13.	South Arabian Riyal	19.85	18.60
14.	Singapore Dollar	53.25	51.45
15.	South African Rand	5.20	4.85
16.	Swedish Kroner	8.10	7.80
17.	Swiss Franc	73.15	70.20
18.	UAE Dirham	20.25	19.00
19.	US Dollar	72.95	71.25

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	64.65	62.35

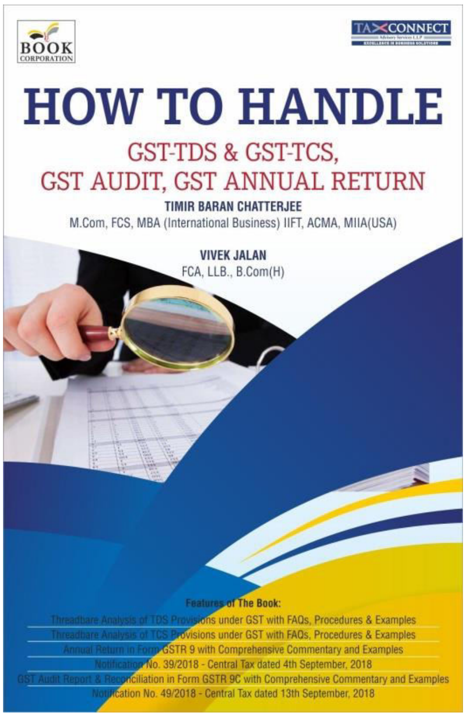
CHANGE IN TV OF EDIBLE OIL, BRASS, POPPY SEED, ARECA NUT, GOLD AND SLIVER

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 92/2018-CUSTOMS (N.T.) dated 15th November, 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.

STOP PRESS

HOW TO HANDLE GST-TDS & GST-TCS, GST AUDIT, GST ANNUAL RETURN



ABOUT THE BOOK: This book provides an insight into the following:

1. **Threadbare Analysis of TDS Provisions under GST with FAQs, Procedures & Examples**
2. **Threadbare Analysis of TCS Provisions under GST with FAQs, Procedures & Examples**
3. **Annual Return in Form GSTR 9 with Comprehensive Commentary and Examples**
4. **Notification No. 39/2018 – Central Tax dated 4th September, 2018**
5. **GST Audit Report & reconciliation in Form GSTR 9C with Comprehensive Commentary and Examples**
6. **Notification No. 49/2018 – Central Tax dated 13th September, 2018**

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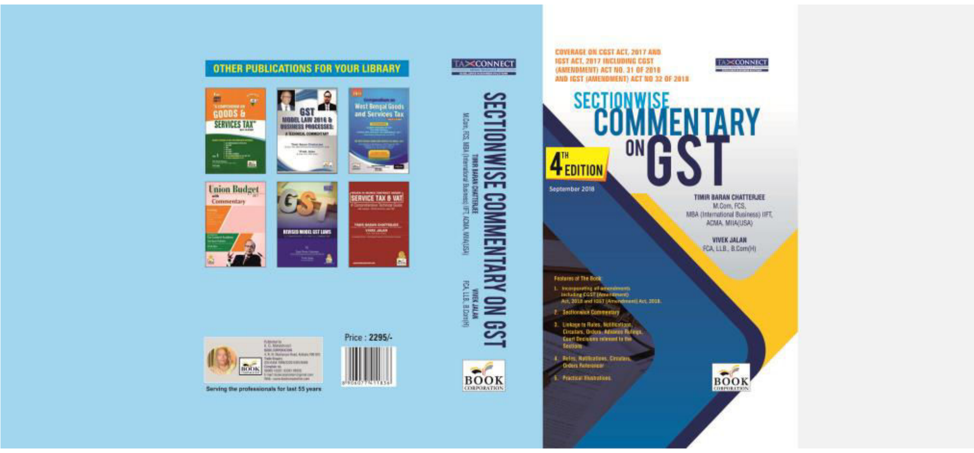
IN STANDS

SECTION WISE COMMENTARY ON GST UPDATED TILL DATE



ABOUT THE BOOK: This book provides an insight into the following:

1. **Incorporating all amendments**
2. **Section wise commentary**
3. **Linkages to Rules, Notifications, Circulars, Orders, Advance Rulings, Court Decisions relevant to the Sections**
4. **Rules, Notifications, Circulars, Orders Referencer**
5. **Practical Illustrations**

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